

**Frost
Brown Todd** LLC
ATTORNEYS

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FEB 06 2009

PUBLIC SERVICE
COMMISSION

KENTUCKY · OHIO · INDIANA · TENNESSEE · WEST VIRGINIA

Mark David Goss
(859) 244-3232
MGOSS@FBTLAW.COM

February 6, 2009

Via Hand-Delivery

Mr. Jeffrey Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: Case No. 2008-00409

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case an original and ten copies of the responses of East Kentucky Power Cooperative, Inc. ("EKPC") to the Commission Staff's Third Data Request, dated January 23, 2009, and the Supplemental Data Request of the Attorney General ("AG"), dated January 23, 2009. An original and ten redacted copies of EKPC's Responses to the Second Data Request of Kentucky Industrial Utility Customers, Inc. ("KIUC"), dated January 23, 2009, are also enclosed.

You will also please find an original and ten copies of EKPC's Petition for Confidential Treatment of Information regarding designated responses to KIUC data requests, along with a copy of the designated confidential pages.

Please return a file stamped copy of all of the above to me in the enclosed self-addressed, stamped envelope.

Sincerely yours,



Mark David Goss

Enclosures

cc: Parties of Record

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

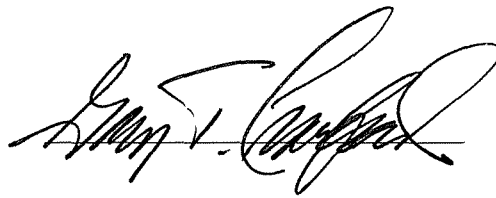
IN THE MATTER OF:

GENERAL ADJUSTMENT OF ELECTRIC RATES) CASE NO.
OF EAST KENTUCKY POWER) 2008-00409
COOPERATIVE, INC.)

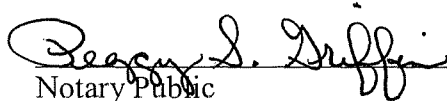
CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Gary T. Crawford, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Kentucky Industrial Utility Customers, Inc. Second Set of Data Requests in the above-referenced case dated January 23, 2009, 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 3rd day of February, 2009.


Notary Public

My Commission expires:

December 8, 2009

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

GENERAL ADJUSTMENT OF ELECTRIC RATES)	CASE NO.
OF EAST KENTUCKY POWER)	2008-00409
COOPERATIVE, INC.)	

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

David G. Eames, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Kentucky Industrial Utility Customers, Inc. Second Set of Data Requests in the above-referenced case dated January 23, 2009, 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.

David G. Eames

Subscribed and sworn before me on this 4th day of February, 2009.

Della E. Dameron
Notary Public

My Commission expires: 5-15-2011

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

GENERAL ADJUSTMENT OF ELECTRIC RATES)	CASE NO.
OF EAST KENTUCKY POWER)	2008-00409
COOPERATIVE, INC.)	


CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Craig A. Johnson, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Kentucky Industrial Utility Customers, Inc. Second Set of Data Requests in the above-referenced case dated January 23, 2009, 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 2nd day of February, 2009.


Notary Public

My Commission expires:

December 8, 2009

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

GENERAL ADJUSTMENT OF ELECTRIC RATES) CASE NO.
OF EAST KENTUCKY POWER) 2008-00409
COOPERATIVE, INC.)

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Frank J. Oliva, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Kentucky Industrial Utility Customers, Inc. Second Set of Data Requests in the above-referenced case dated January 23, 2009, 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.

Frank J. Oliva

Subscribed and sworn before me on this 3rd day of February, 2009.

Peggy S. Duffin
Notary Public

My Commission expires:

December 8, 2009

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

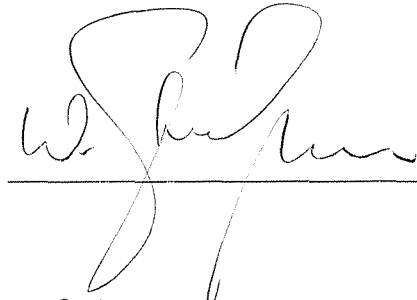
IN THE MATTER OF:

GENERAL ADJUSTMENT OF ELECTRIC RATES) CASE NO.
OF EAST KENTUCKY POWER) 2008-00409
COOPERATIVE, INC.)

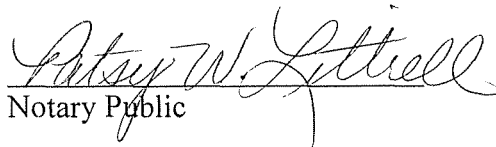
CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF ^{OLDHAM} JEFFERSON)

William Steven Seelye, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Kentucky Industrial Utility Customers, Inc. Second Set of Data Requests in the above-referenced case dated January 23, 2009, 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 3RD day of February, 2009.


Notary Public

My Commission expires:

12-02-10

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

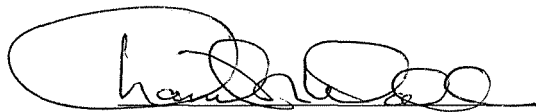
IN THE MATTER OF:

GENERAL ADJUSTMENT OF ELECTRIC RATES) CASE NO.
OF EAST KENTUCKY POWER) 2008-00409
COOPERATIVE, INC.)

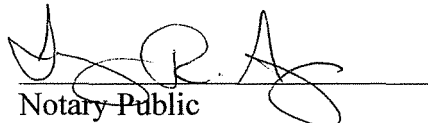
CERTIFICATE

STATE OF VIRGINIA)
)
CITY OF RICHMOND)

Daniel M. Walker, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Kentucky Industrial Utility Customers, Inc. Second Set of Data Requests in the above-referenced case dated January 23, 2009, 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.

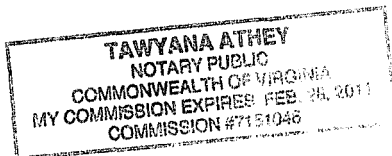


Subscribed and sworn before me on this 3rd day of February, 2009.


Notary Public

My Commission expires:

2/28/11



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

GENERAL ADJUSTMENT OF ELECTRIC RATES)	CASE NO.
OF EAST KENTUCKY POWER)	2008-00409
COOPERATIVE, INC.)	

CERTIFICATE

STATE OF KENTUCKY)
)
 COUNTY OF CLARK)

Ann F. Wood, being duly sworn, states that she has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Kentucky Industrial Utility Customers, Inc. Second Set of Data Requests in the above-referenced case dated January 23, 2009, 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.

Ann F. Wood

Subscribed and sworn before me on this 4th day of February, 2009.

Deagay S. Duffin
 Notary Public

My Commission expires: December 8, 2009

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GENERAL ADJUSTMENT OF ELECTRIC RATES) CASE NO.
OF EAST KENTUCKY POWER) 2008-00409
COOPERATIVE, INC.)

RESPONSES TO SECOND SET OF DATA REQUESTS OF
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.
TO EAST KENTUCKY POWER COOPERATIVE, INC.
DATED JANUARY 23, 2009

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2008-00409

SECOND DATA REQUEST RESPONSE

KIUC'S SECOND DATA REQUEST DATED 1/23/09

REQUEST 1

RESPONSIBLE PERSON: James C. Lamb, Jr./Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 1. Please refer to the Company's response to AG 1-43a. Provide the amounts in account 10600 (Compl Constr Not Classified) for each major (over \$1 million) generation project or other project by month in the test year. Your response should include the costs projected for the following projects:

Spurlock 4

Spurlock 1 Scrubber

Spurlock 2 Scrubber

Smith 9 CT

Smith 10 CT

Each Other Project Over \$1 Million.

Response 1. Please see the project detail in account 10600 on pages 2 through 4 of this response. Note that the financial forecasting model, from which information was taken in preparing the rate base calculation, assumes that non-major construction projects are placed into service in the year of expenditure.

Completed Construction Not Classified
Forecasted Test Year Ended May 31, 2010

	Jun-09	Jul-09	Aug-09	Sep-09
<u>Production Plant</u>				
Spurlock 4	516,951,228	519,720,228	522,489,228	525,258,228
Spurlock 1 Scrubber	146,322,000	148,280,000	150,238,000	152,196,000
Smith 9 and 10CT	129,213,677	133,540,677	137,867,677	142,194,677
Misc. Dale Station Projects	1,216,648	1,389,649	1,562,648	1,735,648
Cooper Water Mitigation and Other	3,678,000	4,413,000	5,148,000	5,883,000
Misc. Spurlock 1 Projects	5,840,000	7,008,000	8,176,000	9,344,000
Misc. Spurlock 2 Projects	2,120,000	2,544,000	2,968,000	3,392,000
Misc. Gilbert Projects	875,000	1,050,000	1,225,000	1,400,000
Landfill Gas	285,000	342,000	399,000	456,000
Wind Farm				
Totals Production Plant	806,501,553	818,287,554	830,073,553	841,859,553
<u>Transmission & Distribution Plant</u>				
<u>Capacitor Banks</u>	343,048	411,658	480,268	548,877
<u>Distribution Stations</u>				
Bekaert #3 69-25 kV, Distribution Substation	584,486	701,383	818,280	935,177
Cedar Grove Industrial Park #2 161-12.5 kV, Distr. Sub	455,811	546,974	638,136	729,298
Jabez 161-25 kV, 12/16/20 MVA Distribution Substation	420,253	504,304	588,355	672,405
Moransburg 138-25 kV, 12/16/20 MVA Distribution Sub	450,045	540,054	630,063	720,072
Richwood 138-12.5 kV, 12/16/20 MVA Distribution Sub	523,012	627,615	732,217	836,819
Bonanza 69-13.2 kV, 11.2/14 MVA Distribution Substation				
Misc Distribrion Substations	245,930	295,116	344,301	393,487
<u>Taps</u>				
Brown-Pineville to W. Garrard Substation Tap	1,260,833	1,513,000	1,765,167	2,017,333
Bonanza 69 kV Tap Line, 2.5 miles, 266.8 ACSR				
Misc Taps	901,483	1,081,780	1,262,076	1,442,373
<u>Misc Line Upgrades</u>	240,793	288,952	337,111	385,269
<u>Reconductors</u>				
County-New Castle 69 kV Recond.	491,010	589,212	687,414	785,616
Tyner - McKee Transmission Line Rebuild	496,681	596,017	695,353	794,689
Tyner. - North London Rebuild	1,976,735	2,372,083	2,767,430	3,162,777
Hillsboro-Wyoming-Peasticks 69 kV Recond.				
Misc Reconductors	941,008	1,129,209	1,317,411	1,505,612
<u>Substation Upgrades</u>				
E.ON Brown N. 345 kV Term. Fac Add. for Brown-Pineville Line	833,333	1,000,000	1,166,667	1,333,333
E.ON Pineville 345 kV Term Fac Add for Brown-Pineville Line	833,333	1,000,000	1,166,667	1,333,333
Misc Substation Upgrades	494,672	593,606	692,540	791,475
<u>Transmission Lines</u>				
J.K. Smith-West Garrard 345 kV, 35.5 miles, 2x954 ACSR	10,337,352	12,404,822	14,472,292	16,539,763
Big Creek-Goose Rock 69 kV Line, 8.75 miles, 556.5 ACSR				
Misc Transmission Lines	438,787	526,545	614,302	702,059
<u>Transmission Stations</u>				
Central Hardin 138-69 kV, 100 MVA Substation	1,309,900	1,571,880	1,833,860	2,095,840
West Garrard 345 kV Switching Substation	2,329,892	2,795,871	3,261,849	3,727,827
Kenton County 138-69 kV, 100 MVA Substation				
Misc Transmission Stations	336,048	403,258	470,468	537,677
<u>Transmission Station Modifications</u>				
J.K. Smith 345/138 kV 2nd Transformer Addition	1,595,550	1,914,660	2,233,769	2,552,879
J.K. Smith-West Garrard 345 kV Terminal Facility Additions	422,719	507,263	591,806	676,350
Dale 138-69 kV Transformer Upgrade to 100 MVA				
Misc Transmission Station Modifications	564,840	677,808	790,775	903,743
Misc Transmission Projects < 1,000,000	8,143,408	9,771,799	11,400,192	13,028,584
Totals Transmission & Distribution Plant	36,970,962	44,364,864	51,758,767	59,152,671
<u>General Plant</u>				
Software Upgrade	1,960,417	2,352,500	2,744,583	3,136,667
Misc General Projects	735,069	882,083	1,029,096	1,176,110
Totals General Plant	2,695,485	3,234,583	3,773,680	4,312,777
Totals Electric Plant In Service	846,168,000	865,887,000	885,606,000	905,325,000

Completed Construction Not Classified
Forecasted Test Year Ended May 31, 2010

	Oct-09	Nov-09	Dec-09	Jan-10
<u>Production Plant</u>				
Spurlock 4	528,027,228	530,796,228	533,565,228	533,565,228
Spurlock 1 Scrubber	154,154,000	156,112,000	158,070,000	158,070,000
Smith 9 and 10CT	146,521,677	150,848,677	155,175,677	155,175,677
Misc. Dale Station Projects	1,908,648	2,081,648	2,254,648	2,353,648
Cooper Water Mitigation and Other	6,618,000	7,353,000	8,088,000	8,213,000
Misc. Spurlock 1 Projects	10,512,000	11,680,000	12,848,000	12,908,000
Misc. Spurlock 2 Projects	3,816,000	4,240,000	4,664,000	5,282,000
Misc. Gilbert Projects	1,575,000	1,750,000	1,925,000	1,974,000
Landfill Gas	513,000	570,000	627,000	1,168,000
Wind Farm				3,798,000
Totals Production Plant	853,645,553	865,431,553	877,217,553	882,507,553
<u>Transmission & Distribution Plant</u>				
<u>Capacitor Banks</u>	617,487	686,097	754,706	822,218
<u>Distribution Stations</u>				
Bekaert #3 69-25 kV, Distribution Substation	1,052,075	1,168,972	1,285,869	1,285,869
Cedar Grove Industrial Park #2 161-12.5 kV, Distr. Sub	820,460	911,623	1,002,785	1,002,785
Jabez 161-25 kV, 12/16/20 MVA Distribution Substation	756,456	840,507	924,557	924,557
Moransburg 138-25 kV, 12/16/20 MVA Distribution Sub	810,081	900,090	990,099	990,099
Richwood 138-12.5 kV, 12/16/20 MVA Distribution Sub	941,422	1,046,024	1,150,627	1,150,627
Bonanza 69-13.2 kV, 11.2/14 MVA Distribution Substation				95,074
Misc Distribrion Substations	442,673	491,859	541,045	688,463
<u>Taps</u>				
Brown-Pineville to W. Garrard Substation Tap	2,269,500	2,521,667	2,773,833	2,773,833
Bonanza 69 kV Tap Line, 2.5 miles, 266.8 ACSR				93,429
Misc Taps	1,622,669	1,802,966	1,983,262	2,050,458
<u>Misc Line Upgrades</u>	433,428	481,587	529,745	583,512
<u>Reconductors</u>				
County-New Castle 69 kV Recond.	883,818	982,020	1,080,222	1,235,354
Tyner - McKee Transmission Line Rebuild	894,026	993,362	1,092,698	1,266,860
Tyner. - North London Rebuild	3,558,124	3,953,471	4,348,818	4,348,818
Hillsboro-Wyoming-Peasticks 69 kV Recond.				85,480
Misc Reconductors	1,693,814	1,882,015	2,070,217	2,286,720
<u>Substation Upgrades</u>				
E.ON Brown N. 345 kV Term. Fac Add. for Brown-Pineville Line	1,500,000	1,666,667	1,833,333	1,833,333
E.ON Pineville 345 kV Term Fac Add for Brown-Pineville Line	1,500,000	1,666,667	1,833,333	1,833,333
Misc Substation Upgrades	890,409	989,343	1,088,278	1,121,763
<u>Transmission Lines</u>				
J.K. Smith-West Garrard 345 kV, 35.5 miles, 2x954 ACSR	18,607,233	20,674,703	22,742,174	22,742,174
Big Creek-Goose Rock 69 kV Line, 8.75 miles, 556.5 ACSR				220,157
Misc Transmission Lines	789,817	877,574	965,332	984,975
<u>Transmission Stations</u>				
Central Hardin 138-69 kV, 100 MVA Substation	2,357,820	2,619,800	2,881,780	2,881,780
West Garrard 345 kV Switching Substation	4,193,806	4,659,784	5,125,763	5,125,763
Kenton County 138-69 kV, 100 MVA Substation				93,924
Misc Transmission Stations	604,887	672,097	739,306	813,854
<u>Transmission Station Modifications</u>				
J.K. Smith 345/138 kV 2nd Transformer Addition	2,871,989	3,191,099	3,510,209	3,510,209
J.K. Smith-West Garrard 345 kV Terminal Facility Additions	760,894	845,438	929,981	929,981
Dale 138-69 kV Transformer Upgrade to 100 MVA				99,504
Misc Transmission Station Modifications	1,016,711	1,129,679	1,242,647	1,316,847
Misc Transmission Projects < 1,000,000	14,656,976	16,285,368	17,913,760	18,351,944
Totals Transmission & Distribution Plant	66,546,573	73,940,476	81,334,379	83,543,698
<u>General Plant</u>				
Software Upgrade	3,528,750	3,920,833	4,312,917	4,459,233
Misc General Projects	1,323,124	1,470,138	1,617,151	1,718,515
Totals General Plant	4,851,874	5,390,971	5,930,068	6,177,749
Totals Electric Plant In Service	925,044,000	944,763,000	964,482,000	972,229,000

Completed Construction Not Classified
Forecasted Test Year Ended May 31, 2010

	Feb-10	Mar-10	Apr-10	May-10
<u>Production Plant</u>				
Spurlock 4	533,565,228	533,565,228	533,565,228	533,565,228
Spurlock 1 Scrubber	158,070,000	158,070,000	158,070,000	158,070,000
Smith 9 and 10CT	155,175,677	155,175,677	155,175,677	155,175,677
Misc. Dale Station Projects	2,452,648	2,551,648	2,650,648	2,749,648
Cooper Water Mitigation and Other	8,338,000	8,463,000	8,588,000	8,713,000
Misc. Spurlock 1 Projects	12,968,000	13,028,000	13,088,000	13,148,000
Misc. Spurlock 2 Projects	5,900,000	6,518,000	7,136,000	7,754,000
Misc. Gilbert Projects	2,023,000	2,072,000	2,121,000	2,170,000
Landfill Gas	1,709,000	2,250,000	2,791,000	3,332,000
Wind Farm	7,596,000	11,394,000	15,192,000	18,990,000
Totals Production Plant	887,797,553	893,087,553	898,377,553	903,667,553
<u>Transmission & Distribution Plant</u>				
Capacitor Banks	889,729	957,240	1,024,751	1,092,263
<u>Distribution Stations</u>				
Bekaert #3 69-25 kV, Distribution Substation	1,285,869	1,285,869	1,285,869	1,285,869
Cedar Grove Industrial Park #2 161-12.5 kV, Distr. Sub	1,002,785	1,002,785	1,002,785	1,002,785
Jabez 161-25 kV, 12/16/20 MVA Distribution Substation	924,557	924,557	924,557	924,557
Moransburg 138-25 kV, 12/16/20 MVA Distribution Sub	990,099	990,099	990,099	990,099
Richwood 138-12.5 kV, 12/16/20 MVA Distribution Sub	1,150,627	1,150,627	1,150,627	1,150,627
Bonanza 69-13.2 kV, 11.2/14 MVA Distribution Substation	190,149	285,223	380,297	475,372
Misc Distribution Substations	835,882	983,300	1,130,718	1,278,136
<u>Taps</u>				
Brown-Pineville to W. Garrard Substation Tap	2,773,833	2,773,833	2,773,833	2,773,833
Bonanza 69 kV Tap Line, 2.5 miles, 266.8 ACSR	186,858	280,287	373,716	467,145
Misc Taps	2,117,654	2,184,849	2,252,045	2,319,240
Misc Line Upgrades	637,278	691,045	744,811	798,577
<u>Reconductors</u>				
County-New Castle 69 kV Recond.	1,390,487	1,545,619	1,700,752	1,855,884
Tyner - McKee Transmission Line Rebuild	1,441,023	1,615,185	1,789,348	1,963,510
Tyner. - North London Rebuild	4,348,818	4,348,818	4,348,818	4,348,818
Hillsboro-Wyoming-Peasticks 69 kV Recond.	170,960	256,440	341,920	427,400
Misc Reconductors	2,503,224	2,719,727	2,936,231	3,152,734
<u>Substation Upgrades</u>				
E.ON Brown N. 345 kV Term. Fac Add. for Brown-Pineville Line	1,833,333	1,833,333	1,833,333	1,833,333
E.ON Pineville 345 kV Term Fac Add for Brown-Pineville Line	1,833,333	1,833,333	1,833,333	1,833,333
Misc Substation Upgrades	1,155,248	1,188,733	1,222,218	1,255,703
<u>Transmission Lines</u>				
J.K. Smith-West Garrard 345 kV, 35.5 miles, 2x954 ACSR	22,742,174	22,742,174	22,742,174	22,742,174
Big Creek-Goose Rock 69 kV Line, 8.75 miles, 556.5 ACSR	440,315	660,472	880,629	1,100,786
Misc Transmission Lines	1,004,619	1,024,262	1,043,906	1,063,549
<u>Transmission Stations</u>				
Central Hardin 138-69 kV, 100 MVA Substation	2,881,780	2,881,780	2,881,780	2,881,780
West Garrard 345 kV Switching Substation	5,125,763	5,125,763	5,125,763	5,125,763
Kenton County 138-69 kV, 100 MVA Substation	187,847	281,771	375,694	469,618
Misc Transmission Stations	888,401	962,949	1,037,496	1,112,044
<u>Transmission Station Modifications</u>				
J.K. Smith 345/138 kV 2nd Transformer Addition	3,510,209	3,510,209	3,510,209	3,510,209
J.K. Smith-West Garrard 345 kV Terminal Facility Additions	929,981	929,981	929,981	929,981
Dale 138-69 kV Transformer Upgrade to 100 MVA	199,008	298,513	398,017	497,521
Misc Transmission Station Modifications	1,391,047	1,465,247	1,539,447	1,613,647
Misc Transmission Projects < 1,000,000	18,790,129	19,228,314	19,666,499	20,104,684
Totals Transmission & Distribution Plant	85,753,017	87,962,336	90,171,655	92,380,975
<u>General Plant</u>				
Software Upgrade	4,605,550	4,751,867	4,898,183	5,044,500
Misc General Projects	1,819,880	1,921,244	2,022,608	2,123,972
Totals General Plant	6,425,430	6,673,110	6,920,791	7,168,472
Totals Electric Plant In Service	979,976,000	987,723,000	995,470,000	1,003,217,000

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2008-00409

SECOND DATA REQUEST RESPONSE

KIUC'S SECOND DATA REQUEST DATED 1/23/09

REQUEST 2

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 2. Please refer to the response to the previous question. Provide a computation of the depreciation expense that was projected for each of the major generation projects and each other major project by month in the test year. In the computation for each project for each month, include the gross asset to be depreciated, the estimated depreciable life of the asset, the depreciation rate utilized, and any salvage value used in the projection. Provide the response in electronic format with all formulas intact.

Response 2. Please see a computation of projected depreciation expense on the attached CD. Please see Volume 5, Tab 41 of the Application for probable retire dates (production plant) or rates (transmission and distribution) used in these calculations. Note that software was given a 5-year amortization, and remaining general plant was given a 10-year useful life. No salvage value was used in the projection.

EAST KENTUCKY POWER COOPERATIVE, INC.

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SECOND DATA REQUEST RESPONSE

KIUC'S SECOND DATA REQUEST DATED 1/23/09

REQUEST 3

RESPONSIBLE PERSON: Gary T. Crawford

COMPANY: East Kentucky Power Cooperative, Inc.

Request 3. Please refer to the Company's response to KIUC 2-1. Provide the most updated projections of capital costs by month for each of the major generation or other projects as listed by the Company.

Response 3. The most updated capital cost projections on major projects are included in the rate case Application.

EAST KENTUCKY POWER COOPERATIVE, INC.

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KIUC'S SECOND DATA REQUEST DATED 1/23/09

REQUEST 4

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 4. Based on the Company's most updated capital cost projections, please provide a computation of the effects on projected depreciation expense to synchronize the effects of the updated projections for each of the major generation or other projects as listed by the Company. Include in the computation any changes to projected operational dates, including the effects of the delay in the commercial operation dates of Smith 9 and 10 CTs as noted in the Company's response to PSC 2-5.

Response 4. As discussed in Response 15(a) (7) of Commission Staff's Third Data Request, the expected commercial operation date of CT's 9 and 10 is now December 1, 2009. This scheduling change will impact depreciation expense included in the forecasted test year by \$1,019,880.

EAST KENTUCKY POWER COOPERATIVE, INC.

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KIUC'S SECOND DATA REQUEST DATED 1/23/09

REQUEST 5

RESPONSIBLE PERSON: Craig A. Johnson/Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 5. Please refer to the Company's response to KIUC 1-37. Please provide the amount of purchased power costs associated with forced outages for each of the past ten years starting with 1999, the amount allowed in the FAC and the amount not allowed in the FAC.

Response 5. All purchased power costs associated with replacement power for forced outages are not allowed in the FAC. Please see the table below for annual amounts.

Annual Purchases Relating to Forced Outage

1999	830,274
2000	4,497,901
2001	2,605,644
2002	1,630,780
2003	10,050,993
2004	38,776,471
2005	8,215,449
2006	5,927,783
2007	4,647,902
2008	14,312,642

EAST KENTUCKY POWER COOPERATIVE, INC.

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KIUC'S SECOND DATA REQUEST DATED 1/23/09

REQUEST 6

RESPONSIBLE PERSON: Frank J. Oliva/Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 6. Please refer to the Company's response to PSC 2-41a. Based on the reduction of construction projects underway during the projected year, did the Company factor into its projected test year costs reduced salaries or overtime to offset the higher percentage of payroll costs to be expensed? If so, please describe and quantify changes made to its projected costs related to the reduction of construction projects. If not, please explain why not.

Response 6. Yes, the Company did factor into its projected test year costs reduced salaries or overtime to offset the higher percentage of payroll costs to be expensed. Total labor costs are projected for each department in the Company. The Construction department prepares an estimate for each construction project with salaries assigned for each employee involved in the construction project. The remaining employees' salaries not related to a construction project are expensed. Overtime during the projected test year is lower than the base year, due the completion of the scrubbers and Spurlock Unit #4 construction.

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REQUEST 7

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 7. Please refer to the Company's response to PSC 2-42. Provide the amount of non-firm transmission revenue that should have been included in the Company's budget and forecasted test year projection of "Other Operating Revenue – Income."

Request 7. During the 2007 and 2008 timeframe, non-firm transmission revenue averaged approximately \$1.9 million and \$1.8 million, respectively.

EAST KENTUCKY POWER COOPERATIVE, INC.

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REQUEST 8

RESPONSIBLE PERSON: William Steven Seelye

COMPANY: East Kentucky Power Cooperative, Inc.

Request 8. Please refer to Seelye Exhibit 2, page 1 of 2. The environmental surcharge revenues which are removed from revenues on lines 6 and 7 total \$106,102,686. The environmental surcharge costs which are removed from expenses on lines 17 through 21 total \$97,110,417.

Request 8a. Please refer to Seelye Exhibit 2, page 1 of 2. Please provide a copy of all computations of revenues and costs excluded by month related to the ECR reflected on lines 6, 7, 17, 18, 19, 20 and 21. This request includes all workpapers and computations, including electronic spreadsheets with formulas intact and all assumptions and source documents used in the computations of the amounts on each line as well as for supporting Schedules 1.04 through 1.08.

Response 8a. A computation of the revenues and costs excluded by month related to the environmental surcharge is included on the enclosed CD in Excel format in files "KIUC DR2 - Request 8a with 1.35 TIER" and "KIUC DR2 - Request 8a with 1.00 TIER". The latter file isolates the interest portion only of the Return on Rate Base. Please note that the monthly O&M and the subsequent working capital are based on a rolling twelve-month average.

Request 8b. Explain why, with the use of a forecasted test period, the amount of environmental surcharge related revenues removed is not the same as the environmental surcharge related expenses removed.

Response 8b. O&M expenses included in the calculation of the surcharge are based on a twelve-month rolling average, which would include months outside of the test-year. The working capital component of the rate base is based on one-eighth of the total of the current and previous eleven months O&M.

The monthly revenue requirements are divided by the rolling twelve-month average of base revenue to derive the monthly environmental surcharge factor. This factor is multiplied by the monthly forecasted base revenue to yield the monthly forecasted environmental surcharge revenue. As is the case with O&M, months outside the test year are used in calculating these averages.

Request 8c. Please reconcile the environmental revenues and expenses reflected in the Company's test year and the amounts that are removed. Provide a description and computation of each reconciling difference identified by the Company and an explanation as to why such a difference should be recognized in the non-ECR base revenue requirement.

Response 8c. Please see the response to 8a. Please note that O&M as removed on Seelye Exhibit 2, page 1 of 2, totals \$31.8 million compared to the rolling average of \$27.6 million included in the files provided in KIUC 8a.

EAST KENTUCKY POWER COOPERATIVE, INC.

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REQUEST 9

RESPONSIBLE PERSON: William Steven Seelye

COMPANY: East Kentucky Power Cooperative, Inc.

Request 9. Please refer to Seelye Exhibit 2, Schedule 1.08. Please provide the quantifications for each month, including the ECR rate base computations, the interest rate and the TIER margin used. In addition, please provide a reconciliation of the ECR rate base for the most recent month for which the Company has actual data and the first month of test year.

Response 9. Please see page 2 of this response.

Determination of Environmental Compliance Rate Base and Return on Rate Base																	
	Dec. 08 Actual	Test Year											Totals				
		Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10		May-10			
Eligible Pollution Control Plant (Gross Plant)	\$225,421,890	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943
Eligible Pollution CWIP net of AFUDC	\$394,544,133	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$619,966,023	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943	\$700,309,943
Additions:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Inventory - Spare Parts	\$821,350	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Inventory - Limestone	\$20,550,943	\$7,516,228	\$6,531,823	\$5,571,555	\$4,847,780	\$4,336,152	\$3,566,000	\$3,566,000	\$3,566,000	\$3,597,547	\$3,397,752	\$3,211,970	\$3,094,488	\$2,795,622	\$2,795,622	\$2,795,622	\$2,795,622
Inventory - Emission Allowances	\$1,322,045	\$2,687,838	\$2,892,790	\$3,091,654	\$3,262,853	\$3,299,600	\$3,282,709	\$3,571,565	\$3,688,928	\$3,797,374	\$3,931,648	\$3,935,936	\$3,935,936	\$3,935,936	\$3,935,936	\$3,935,936	\$3,935,936
Cash Working Capital Allowance	\$22,694,338	\$10,704,066	\$9,824,613	\$9,163,219	\$8,610,633	\$8,135,752	\$7,350,709	\$6,801,417	\$7,786,475	\$7,695,126	\$7,643,618	\$7,530,424	\$7,459,678	\$7,350,424	\$7,258,674	\$7,166,928	\$7,075,182
Subtotal	\$46,293,640	\$55,525,106	\$57,155,522	\$58,785,937	\$60,416,353	\$62,046,769	\$63,677,184	\$65,307,600	\$66,938,016	\$68,568,431	\$70,198,847	\$71,829,263	\$73,459,678	\$75,090,094	\$76,720,510	\$78,350,926	\$79,981,342
Deductions	\$46,293,640	\$55,525,106	\$57,155,522	\$58,785,937	\$60,416,353	\$62,046,769	\$63,677,184	\$65,307,600	\$66,938,016	\$68,568,431	\$70,198,847	\$71,829,263	\$73,459,678	\$75,090,094	\$76,720,510	\$78,350,926	\$79,981,342
Accumulated Depreciation on Eligible Pollution Control Plant	\$596,366,721	\$655,488,903	\$653,079,034	\$650,667,225	\$648,255,416	\$645,843,607	\$643,431,798	\$641,020,000	\$638,608,191	\$636,196,382	\$633,784,573	\$631,372,764	\$628,960,955	\$626,549,146	\$624,137,337	\$621,725,528	\$619,313,719
Subtotal	\$596,366,721	\$655,488,903	\$653,079,034	\$650,667,225	\$648,255,416	\$645,843,607	\$643,431,798	\$641,020,000	\$638,608,191	\$636,196,382	\$633,784,573	\$631,372,764	\$628,960,955	\$626,549,146	\$624,137,337	\$621,725,528	\$619,313,719
Environmental Compliance Rate Base	\$596,366,721	\$655,488,903	\$653,079,034	\$650,667,225	\$648,255,416	\$645,843,607	\$643,431,798	\$641,020,000	\$638,608,191	\$636,196,382	\$633,784,573	\$631,372,764	\$628,960,955	\$626,549,146	\$624,137,337	\$621,725,528	\$619,313,719
Rate Base	\$596,366,721	\$655,488,903	\$653,079,034	\$650,667,225	\$648,255,416	\$645,843,607	\$643,431,798	\$641,020,000	\$638,608,191	\$636,196,382	\$633,784,573	\$631,372,764	\$628,960,955	\$626,549,146	\$624,137,337	\$621,725,528	\$619,313,719
Rate Base / 12	\$49,697,227	\$54,624,075	\$54,423,263	\$54,223,935	\$54,024,610	\$53,825,306	\$53,626,002	\$53,426,698	\$53,227,394	\$53,028,090	\$52,828,786	\$52,629,482	\$52,430,178	\$52,230,874	\$52,031,570	\$51,832,266	\$51,632,962
Interest Expense*	\$2,422,279.64	\$3,140,884	\$3,129,337	\$3,117,876	\$3,107,416	\$3,097,000	\$3,086,584	\$3,076,168	\$3,065,752	\$3,055,336	\$3,044,920	\$3,034,504	\$3,024,088	\$3,013,672	\$3,003,256	\$2,992,840	\$2,982,424
TIER Margin (@ 1.35)	\$847,797.88	\$1,099,310	\$1,095,268	\$1,091,257	\$1,087,246	\$1,083,235	\$1,079,224	\$1,075,213	\$1,071,202	\$1,067,191	\$1,063,180	\$1,059,169	\$1,055,158	\$1,051,147	\$1,047,136	\$1,043,125	\$1,039,114
Return on Rate Base	\$3,270,078	\$4,240,194	\$4,224,605	\$4,209,133	\$4,193,661	\$4,178,189	\$4,162,717	\$4,147,245	\$4,131,773	\$4,116,301	\$4,100,829	\$4,085,357	\$4,069,885	\$4,054,413	\$4,038,941	\$4,023,469	\$4,008,000

*Interest rate is 4.87% for December 2008.
 *Interest rate is 5.75% for the test year.

EAST KENTUCKY POWER COOPERATIVE, INC.

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SECOND DATA REQUEST RESPONSE

KIUC'S SECOND DATA REQUEST DATED 1/23/09

REQUEST 10

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 10. Please refer to Volume 1, Tab 19, page 2 of 2 in the Company's filing. Explain why there is no amount for "Allowance for Funds used for Construction" for capital projects being constructed during the test year. In the response, please make specific reference to the Smith 1 generating unit. If the Company believes that an amount should have been included in this schedule, please provide a computation of that amount by capital project, providing an electronic version of such with all formulas intact.

Response 10. In the current proceeding, EKPC is requesting the Commission to approve the recovery of all interest costs through current rates. This will eliminate the need for EKPC to employ AFUDC accounting treatment for interest related to construction costs. Please also see Response 4(a) of Commission Staff's Third Data Request.

EAST KENTUCKY POWER COOPERATIVE, INC.

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SECOND DATA REQUEST RESPONSE

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REQUEST 11

RESPONSIBLE PERSON: James C. Lamb, Jr./Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 11. Please provide the monthly projection of Smith 1 CWIP from December 2008 through May 2010, with the amounts shown for June 2009 through May 2010 the same as included by the Company in the test year rate base and capitalization. Provide the directs and the AFUDC included in the CWIP balance at the end of each month.

Response 11. Please see page 2 of this response.

Smith CWIP

	December 2008	January 2009	February 2009	March 2009	April 2009	May 2009	June 2009	July 2009	August 2009
Non-AFUDC	176,647,528	177,259,528	177,871,528	178,483,528	179,095,528	179,707,528	180,319,528	180,931,528	181,543,528
AFUDC	5,077,362	5,077,362	5,077,362	5,077,362	5,077,362	5,077,362	5,077,362	5,077,362	5,077,362
	181,724,890	182,336,890	182,948,890	183,560,890	184,172,890	184,784,890	185,396,890	186,008,890	186,620,890
	September 2009	October 2009	November 2009	December 2009	January 2010	February 2010	March 2010	April 2010	May 2010
Non-AFUDC	182,155,528	182,767,528	183,379,528	183,991,528	195,427,528	206,863,528	218,299,528	229,735,528	241,171,528
AFUDC	5,077,362	5,077,362	5,077,362	5,077,362	5,077,362	5,077,362	5,077,362	5,077,362	5,077,362
	187,232,890	187,844,890	188,456,890	189,068,890	195,427,528	206,863,528	218,299,528	229,735,528	241,171,528

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REQUEST 12

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 12. Please refer to the Company's response to AG 1-40.

Request 12a. Please provide a list of capital projects during the forecasted test period that meet the Company's criteria for the application of AFUDC.

Response 12a. Smith Unit 1 is the only project that meets EKPC's criteria for the application of AFUDC. However, as more fully discussed in Response 4a to Commission Staff's Third Data Request, EKPC proposes current recovery of interest costs through current rates.

Request 12b. For each project identified in response to part (a) of this question, please provide the monthly projection of CWIP from December 2008 through May 2010, with the amounts shown for June 2009 through May 2010 the same as included by the Company in the test year rate base and capitalization. Provide the directs and the AFUDC included in the CWIP balance at the end of each month.

Response 12b. Please see Response 11.

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REQUEST 13

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 13. Please provide the monthly Spurlock 4 CWIP in-service amounts during the test year.

Response 13. Please see the response to Request 1.

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REQUEST 14

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 14. Please provide the monthly projection of Spurlock 4 CWIP from December 2008 through March 2009 and the monthly projection of Spurlock 4 plant in service from April through May 2010, with the amounts shown for June 2009 through May 2010 the same as included by the Company in the test year rate base and capitalization. Provide the directs and the AFUDC included in the CWIP balance at the end of each month.

Response 14. Please see page 2 of this response. Note that Spurlock in-service amounts for June 2009 through May 2010 are reflected in the response to Request 1.

	Spurlock 4 CWIP				Spurlock 4 Plant in Service		
	December 2008	January 2009	February 2009	March 2009	In Service	April 2009	May 2009
W/O AFUDC	447,142,025	449,905,025	452,668,025	455,431,025			
AFUDC	46,984,203	49,049,203	51,125,203	53,213,203			
	494,126,228	498,954,228	503,793,228	508,644,228		511,413,228	514,182,228

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REQUEST 15

RESPONSIBLE PERSON: Frank J. Oliva/Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 15. Please provide the monthly computation of Spurlock 4 AFUDC and the reduction of AFUDC for the Spurlock 4 capital costs included in the ECR since January 2008. Provide actual amounts through December 2008 and the monthly projections for each month through March 2009. Provide the computations in electronic format with formulas intact.

Response 15. There are no Spurlock 4 capital costs included in the ECR since January 2008. Beginning with the October 2008 expense month, EKPC began recovering a return on CWIP, net of AFUDC, on Spurlock 4 pollution control equipment.

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SECOND DATA REQUEST RESPONSE

KIUC'S SECOND DATA REQUEST DATED 1/23/09

REQUEST 16

RESPONSIBLE PERSON: Gary T. Crawford/Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 16. Please refer to Mr. Crawford's testimony, page 9, line 14. According to his testimony, construction is targeted to begin on Smith 1 in January 2010. Did the Company include an amount for AFUDC related to Smith 1 in the forecast year? If so, please describe how much and where the AFUDC amount is reflected. If not, please explain why not.

Response 16. The Company did not include an amount for AFUDC related to Smith 1 in the forecast year. In the current proceeding, EKPC is requesting the Commission to approve the recovery of all interest costs through current rates. This will eliminate the need for EKPC to employ AFUDC accounting treatment for interest related to construction costs.

EAST KENTUCKY POWER COOPERATIVE, INC.

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REQUEST 17

RESPONSIBLE PERSON: James C. Lamb, Jr.

COMPANY: East Kentucky Power Cooperative, Inc.

Request 17. Please refer to the Company's response to AG 1-91. Explain why the Company did not purchase "Outage Insurance" during 2008.

Response 17. Please see the response to the Attorney General's Supplemental Data Request No. 13.

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REQUEST 18

RESPONSIBLE PERSON: James C. Lamb, Jr.

COMPANY: East Kentucky Power Cooperative, Inc.

Request 18. Please explain why the Company plans to purchase "Outage Insurance" during the forecast period when it did not do so during 2008.

Response 18. There have been years when EKPC purchased formal outage insurance, and there have been years when EKPC has not purchased formal outage insurance. EKPC fully intends to contact companies who provide this insurance product, collect premium information, and evaluate the quotes received. It is EKPC's intention to purchase outage insurance, but only if the terms and conditions are such that the company sees a benefit in doing so.

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REQUEST 19

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 19. Please reference the Company's response to KIUC 1-36 regarding lime costs. Please provide the following:

Request 19a. The amount of lime expense in 2008 by FERC O&M expense account and subaccount for each generating unit and in total.

Response 19a. Total 2008 lime expense, recorded in account 50640, totaled \$115,257.

Request 19b. The amount of lime expense included in the test year by month and by FERC O&M expense account and subaccount for each generating unit.

Response 19b. The table below shows total lime expense included in the test year by month and by FERC O&M expense account and subaccount. Lime is used in the operation of the Spurlock Units 1 and 2 SCR's.

	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09
Account 50640	12,500	12,500	12,500	12,500	12,500	12,500

KIUC Request 19

Page 2 of 2

	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Total Test Year Lime Expense
Account 50640	18,750	6,250	12,500	12,500	12,500	12,500	150,000

EAST KENTUCKY POWER COOPERATIVE, INC.

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REQUEST 20

RESPONSIBLE PERSON: James C. Lamb, Jr./Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 20. Please refer to the Seelye Exhibit 3, page 1 of 2.

Request 20a. Please provide the Company's projection of CWIP by month and by major project, the Company's projection of plant in service showing transfers from CWIP to plant in service upon completion of each major project, retirements of plant in service and any other increases or reductions in plant in service during the test year.

Response 20a. Please see page 2 of this response for a projection of CWIP by month and by major project. The response to KIUC Request 1 reflects plant in service by month.

The information on page 2 was taken from the financial forecasting model. Please see the response to KIUC Request 1 for a description of the financial forecasting model.

Request 20b. Please explain why the CWIP amounts are not adjusted downward when the Smith CTs are projected to be placed into service in late 2009.

Response 20b. The financial forecasting model reflected the Smith CTs as being placed in service in May 2009. Therefore, a reduction of CWIP is not evident in the October timeframe.

CWIP													
For the Forecasted Test Year Ending May 31, 2010													
	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10
Smith Unit 1	184,784,890	185,396,890	186,008,890	186,620,890	187,232,890	187,844,890	188,456,890	189,068,890	200,504,890	211,940,890	223,376,890	234,812,890	246,248,890
Cooper Scrubber	4,412,710	5,864,710	7,316,710	8,768,710	10,220,710	11,672,710	13,124,710	14,576,710	23,932,210	33,287,710	42,643,210	51,998,710	61,354,210
New C.T Projects									2,106,500	4,213,000	6,319,500	8,426,000	10,532,500
Misc. Transmission Projects	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
Subtotal	190,597,600	192,661,600	194,725,600	196,789,600	198,853,600	200,917,600	202,981,600	205,045,600	227,943,600	250,841,600	273,739,600	296,637,600	319,535,600

EAST KENTUCKY POWER COOPERATIVE, INC.

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SECOND DATA REQUEST RESPONSE

KIUC'S SECOND DATA REQUEST DATED 1/23/09

REQUEST 21

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 21. Please refer to Volume 3, Tab 24, page 2 of 2. For each of the generation and transmission budgeted capital projects for 2009 and 2010, please provide the following information by month during 2009 and 2010: Construction beginning balance, direct costs added, AFUDC added, and ending balance.

Response 21. Please see enclosed CD for the balance at 12-31-08 and the monthly expenditures through 2010.

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REQUEST 22

RESPONSIBLE PERSON: William Steven Seelye

COMPANY: East Kentucky Power Cooperative, Inc.

Request 22. Please refer to Seelye Exhibit 2, Schedule 1.18. Please provide a copy of all Commission precedent to the Company's knowledge regarding the normalization of turbine overhaul costs.

Response 22. EKPC is unaware of any utility or intervenor proposing a normalization adjustment for turbine overhaul costs in a rate case proceeding.

EAST KENTUCKY POWER COOPERATIVE, INC.

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KIUC'S SECOND DATA REQUEST DATED 1/23/09

REQUEST 23

RESPONSIBLE PERSON: William Steven Seelye

COMPANY: East Kentucky Power Cooperative, Inc.

Request 23. Please refer to Seelye Exhibit 2, Schedule 1.18 and to his testimony regarding the proposed turbine overhaul costs on pages 19-20. Please provide the actual turbine overhaul expenses by generating unit for each of the last ten years.

Response 23. Please see the table on page 2 of this response.

	Year	2000	2001	2002	2003	2004	2005	2006	2007	2008
Dale Unit #3	1999								\$2,687,759.44	\$32,672.10
Dale Unit #4							\$400,106.24	\$2,903,261.91		
Cooper Unit #1		\$2,803,037.96	\$32,563.16	(\$30,970.56)						(\$2,557.25)
Cooper Unit #2					\$2,742,319.33	\$47,508.91				
Spurlock 1						\$2,408,933.59	(\$35,033.23)			
Spurlock 2						\$5,186.58			\$116,048.61	\$8,528,709.22

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REQUEST 24

RESPONSIBLE PERSON: William Steven Seelye

COMPANY: East Kentucky Power Cooperative, Inc.

Request 24. Please refer to Seelye Exhibit 2, Schedule 1.18 and to his testimony regarding the proposed turbine overhaul costs on pages 19-20. Please describe in detail how the estimated cost for each individual generating unit was derived.

Response 24. These estimated costs were derived by analyzing historical costs and/or by receiving a contractor's assessment of the required maintenance.

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REQUEST 25

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 25. Please refer to the Company's responses to AG 1-96 and AG 1-98 related to the six annual payments of \$1,900,000 (Fixed Penalty Payment) beginning in December 2007 related to the Acid Rain Consent Decree. Please state whether the \$1,900,000 annual payment to be paid in December 2009 was included in expense in the test year. If so, please describe the location of the amount in the Company's filing and explain why this expense was not removed.

Response 25. The \$1,900,000 annual payment scheduled to be paid in December 2009 was not included in expense in the test year. The payment will be charged against the liability recorded in a prior year.

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REQUEST 26

RESPONSIBLE PERSON: James C. Lamb, Jr.

COMPANY: East Kentucky Power Cooperative, Inc.

Request 26. Refer to the Company's response to KIUC 1-8 page 2 of 2.

Request 26a. Please explain why the MW of gas fired turbines dropped to 814 in May 2010 from 995 in April 2010. If this was an error, then please provide a corrected schedule.

Response 26a. EKPC's reported combustion turbine capacity in May 2010 is not an error. Combustion turbine generating ratings, dependent as they are on outside ambient air temperature, fluctuate by season. EKPC plans for seasonal variation in its combustion turbine fleet.

Request 26b. Please identify the additions to the MW of gas fired turbines in October 2009 and November 2009. Identify the unit added and the capacity of the unit. If the capacity added in these two months consists of the Smith 9 and 10 CTs, then please explain why the capacity was not added in September, according to the Company's budget or October, according to the Company's response to PSC 2-5.

Response 26b. The table shown in KIUC 1-8 page 2 of 2 reports both of the new LMS-100 combustion turbines to be on-line beginning October 1, 2009. The

difference between the October and November capacity numbers has to do with seasonal ratings, as noted in the response above.

Please see Response 15(a)(7) to Commission Staff's Third Data Request regarding a revised commercial operation date of the CT's.

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REQUEST 27

RESPONSIBLE PERSON: James C. Lamb, Jr./Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 27. Refer to the Company's response to KIUC 1-10 and KIUC 1-26 page 3 of 3.

Request 27a. Please provide a detailed description of the Company's methodology for forecasting off-system sales revenues and expenses, including the number of kWh available for sale off-system and the kWh rates for revenues and expenses.

Response 27a. EKPC forecasts off-system sales in the following manner – a production costing model that dispatches resources to load is utilized. On the load side of the model, hourly projected native load demands are used.

On the supply side of the model, EKPC includes detailed operating data for each of its 10 coal-fired generating plants and 7 gas-fired generating plants. Operating information for its fleet of landfill gas generation is supplied. EKPC includes any existing contracts for purchased power. Finally, a projection of hourly market prices is input into the production costing model for use in calculating market power purchases.

EKPC then dispatches projected hourly native load to its resource portfolio, taking into

account the planned maintenance outages of its 17 generators. The production costing model dispatches least cost resources, either generation or purchases, to serve native load. Should there be any excess supply from EKPC's resource portfolio, the production costing model determines whether or not such excess is marketable. The kWh information shown in KIUC 1-10 and KIUC 1-26 page 3 of 3 represents EKPC's forecast of energy, above and beyond its commitments to native load, that (a) EKPC has available to sell in the market, and (b) are competitively priced, including a margin.

EKPC forecasts revenue by multiplying projected kWh sales by the projected market price. EKPC does not have a tariff rate relating to off-system sales – rather, its projected rate is determined by dividing revenue into kWh sales.

Request 27b. Please provide the source, including assumptions, data, and computations for the kWh and rates per kWh used to forecast off-system sales revenues and incremental costs for the test year, including electronic spreadsheets with formulas intact. Please provide all fuel and margin forecasts used and the sources for those input assumptions.

Response 27b. Information provided on the enclosed CD.

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REQUEST 28

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 28. Please refer to the Company's responses to KIUC 1-5 and KIUC 1-10. For each month during the forecasted test period, reconcile the per kWh rate for off-system sales with the per kWh rate for purchased power. In addition, for each month, explain each difference in the assumed average rates and why such differences would exist.

Response 28. The kWh rate for off-system sales and the kWh for purchased power are based on projected prices for the forecasted test year. The majority of the Company's power purchases are necessary during periods when prices are typically higher. Off-system sales are projected to be made during periods when the power is not needed for the Company's native load. Typically, such periods tend to have lower wholesale market prices.

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REQUEST 29

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 29. Please provide a five year monthly history of actual off-system sales revenues, kWh sold, fuel expense associated with off-system sales, kWh generated for off-system sales (sales plus losses).

Response 29. Please see attached information.

OFF-SYSTEM SALES
KIUC 2-29

	Off-System Sales KWH	Generated kWh		Off-System Sales Revenue	Off-System Sales Fuel Cost
		Off-System Sales	Associated Losses		
2004					
Jan	3,011,000	3,011,000	45,290	98,761	156,741
Feb	6,195,000	6,195,000	107,402	199,717	317,282
Mar	5,670,000	5,111,000	121,642	179,966	154,402
Apr	554,000	554,000	7,977	20,770	18,522
May	5,325,000	5,300,000	35,200	233,064	186,709
June	2,248,000	2,138,000	61,575	85,456	83,237
July	8,353,000	7,897,000	259,022	205,170	570,442
Aug	16,078,000	16,078,000	149,952	405,540	1,050,895
Sep	2,860,000	2,860,000	78,080	57,508	143,179
Oct	2,993,000	518,000	9,894	114,442	11,738
Nov	130,000	130,000	4,771	7,864	6,799
Dec	608,000	54,000	1,836	34,333	24,814
	<u>54,025,000</u>	<u>49,846,000</u>	<u>882,641</u>	<u>\$ 1,642,591</u>	<u>2,724,760</u>
2005					
Jan	1,288,000	46,000	1,214	68,155	2,868
Feb	2,631,000	2,036,000	222,357	91,643	147,690
Mar	7,621,000	7,321,000	106,879	305,413	203,228
Apr	11,754,000	10,248,000	510,351	484,790	306,062
May	9,314,000	2,667,000	151,753	405,959	430,834
June	17,797,000	17,797,000	1,078,499	499,864	673,965
July	17,073,000	17,073,000	979,990	621,919	735,944
Aug	12,700,000	12,700,000	551,181	580,076	925,261
Sep	18,268,000	16,668,000	996,745	898,594	887,587
Oct	4,714,000	4,714,000	271,526	233,221	355,330
Nov	13,027,000	2,476,000	146,084	693,121	826,359
Dec	28,010,000	10,000	632	2,586,287	2,586,383
	<u>144,197,000</u>	<u>93,756,000</u>	<u>5,017,211</u>	<u>\$ 7,469,042</u>	<u>8,081,511</u>
2006					
Jan	696,000	696,000	38,558	35,341	37,371
Feb	4,442,000	442,000	22,188	175,208	166,542
Mar	5,516,000	1,880,000	88,549	124,021	143,201
Apr	1,156,000	1,156,000	40,923	53,400	45,405
May	58,000	58,000	1,880	5,800	3,567
June	7,805,000	7,805,000	96,782	167,286	283,345
July	9,231,000	7,531,000	135,558	434,283	452,069
Aug	6,500,000	6,500,000	33,150	716,236	600,982
Sep	1,022,000	972,000	36,936	50,632	36,682
Oct	13,127,000	13,127,000	161,049	558,496	459,499
Nov	15,474,000	13,874,000	847,701	712,806	537,823
Dec	11,983,000	5,633,000	241,656	424,289	575,346
	<u>77,010,000</u>	<u>59,674,000</u>	<u>1,744,930</u>	<u>\$ 3,457,798</u>	<u>\$ 3,341,832</u>

	Off-System Sales KWH	Generated kWh		Off-System Sales Revenue	Off-System Sales Fuel Cost
		Off-System Sales	Associated Losses		
2007					
Jan	8,285,000	6,685,000	226,381	271,253	271,221
Feb	7,167,000	1,847,000	53,009	637,381	572,144
Mar	30,319,000	30,319,000	1,688,769	1,458,108	799,794
Apr	666,000	666,000	12,989	36,749	23,770
May	3,125,000	3,125,000	33,886	185,531	96,520
June	9,135,000	9,135,000	397,374	349,718	292,941
July	8,378,000	8,378,000	371,983	355,827	249,356
Aug	14,021,000	13,796,000	663,588	1,021,363	791,669
Sep	16,503,000	16,503,000	635,367	764,843	508,344
Oct	30,392,000	30,392,000	1,012,054	1,472,832	713,032
Nov	12,882,000	12,882,000	519,145	606,703	334,953
Dec	13,870,000	13,870,000	529,834	580,913	370,129
	<u>154,743,000</u>	<u>147,598,000</u>	<u>6,144,379</u>	<u>\$ 7,741,221</u>	<u>\$ 5,023,873</u>
2008					
Jan	15,229,000	15,229,000	842,164	587,866	419,978
Feb	34,412,000	33,406,000	2,121,320	1,385,050	1,014,145
Mar	5,585,000	4,821,000	172,110	275,937	187,652
Apr	3,124,000	3,124,000	88,410	113,359	84,045
May	2,748,000	226,000	10,599	107,142	96,934
June	16,738,000	16,738,000	851,965	783,528	505,873
July	7,321,000	2,532,000	86,849	348,490	307,673
Aug	7,609,000	1,493,000	63,901	635,873	576,576
Sep	4,711,000	2,255,000	110,044	235,612	243,643
Oct	8,780,000	689,000	5,857	341,799	352,150
Nov	5,474,000	2,183,000	45,843	222,613	233,406
Dec	3,877,000	1,771,000	4,605	146,171	135,871
	<u>115,608,000</u>	<u>84,467,000</u>	<u>4,403,667</u>	<u>\$ 5,183,440</u>	<u>\$ 4,157,946</u>

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REQUEST 30

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 30. Please reconcile the fuel expense and kWh for off-system sales shown in the Company's response to KIUC 1-26 pages 2 and 3 to the fuel expense and kWh for off-system sales shown in the Company's response to KIUC 1-28 for the same months. Which projection is correct and on what basis does the Company make this assertion?

Response 30. The response to KIUC 1-26 is based on the estimated incremental cost to EKPC of the off-system sales, while the response to KIUC 1-28 shows the computation of the historical and projected fuel adjustment clause rate for each month. The fuel expense included in the response to KIUC 1-28 includes the estimated cost of line losses attributable to off-system sales of approximately 3%. The kWh losses on this response are included on the line entitled "System Losses". An example of the computation for June 2009 follows:

Incremental Cost for Off-System Sales on KIUC 1-26

37,252,000 kWh x 0.0317656 (the incremental cost) = \$1,183,332

Off-System Sales Fuel Costs on KIUC 1-28

37,252,000 kWh x 1.0278 (approximately 3% losses) = 38,287,606 kWh

38,287,606 kWh x 0.0317656 (the incremental cost) = \$1,216,229

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REQUEST 31

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 31. Please refer to the Company's response to KIUC 1-31. Please provide the depreciation rates as requested.

Request 31. EKPC does not calculate depreciation expense on production plant based on a rate. Rather, EKPC uses an "end depreciation date" and depreciates production plant on a straight-line basis based on the "end depreciation date."

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REQUEST 32

RESPONSIBLE PERSON: Daniel M. Walker

COMPANY: East Kentucky Power Cooperative, Inc.

Request 32. Please refer to page 4 lines 14 - 15 of Mr. Walker's Direct Testimony. Please provide supporting documentation for the "different rating methodology" referred to by Mr. Walker.

Response 32. The statement is based on Mr. Walker's 20 years of direct experience working with the rating agencies.

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REQUEST 33

RESPONSIBLE PERSON: Daniel M. Walker

COMPANY: East Kentucky Power Cooperative, Inc.

Request 33. Please refer to page 6 lines 4 - 5 of Mr. Walker's Direct Testimony. Please provide the documentation supporting the statement that 60% of the credit evaluation is based on financial performance and rate flexibility.

Response 33. Attached is a Moody's rating guideline, which shows that "rate flexibility" accounts for 20% and "financial performance" accounts for 40% of the debt ratings evaluation.

Factor 1: Nature of Long-Term Wholesale Power Supply Contracts								15%	Sub-Factor Weighting
Weighting:	Aaa	Aa	A	Baa	Ba	B	Caa		
Percentage of Member Load Served under Wholesale Power Contracts	100%	100%	> 60%	> 75%	< 70%	< 60%	< 50%	15.00%	

Factor 2: Rate Flexibility								20%	Sub-Factor Weighting
Weighting:	Aaa	Aa	A	Baa	Ba	B	Caa		
Regulatory Review/Relationship with Regulators	No Rate Regulation by State Commission; Legislative statute to preclude regulatory intervention in the future rate setting process	No Rate Regulation by State Commission; No legislative statute to preclude regulatory intervention in the future rate setting process	Rate Regulated by State Commission; Very Supportive Commission Practices; Very Good Regulatory Relationships	Rate Regulated by State Commission Moderately Supportive Commission Practices; Reasonably Good Regulatory Relationships	Rate Regulated by State Commission Unsupportive Commission Practices; Generally Difficult Regulatory Relationships	Rate Regulated by State Commission Very Unsupportive Commission Practices; Often Contentious Regulatory Relationships	Rate Regulated by State Commission Extremely Harsh Commission Practices; Always Contentious Regulatory Relationships	3.33%	
Assess Board Involvement in Setting Rates	Exceptionally proactive board that supports management recommendations for timely adjustments of rates to cover all costs of service; no regulatory intervention in the rate setting process; legislative statute to preclude regulatory intervention in the future rate setting process	Proactive board that supports management recommendations for timely adjustments of rates to cover all costs of service; no regulatory intervention in the rate setting process; No legislative statute to preclude regulatory intervention in the future rate setting process	Active board in support of timely rate filings; potentiality for regulatory intervention in the rate setting process in certain instances; frequent fuel cost adjustment capability in place under regulatory practice; timely recovery of any deferrals	Reasonably active board in support of timely rate filings; annual fuel cost adjustment capability in place under regulatory practice; reasonably timely recovery of any deferrals	Inactive board limited, if any ability to adjust for fuel cost variability; uncertainty surrounding recovery of deferrals	Inactive board; no ability to adjust for fuel cost variability; uncertainty surrounding recovery of deferrals	Inactive board; no ability to adjust for fuel cost variability; uncertainty surrounding recovery of deferrals	3.33%	
Variable Cost Adjustment Mechanisms	< 5%	< 20%	< 30%	< 40%	> 40%	> 60%	> 75%	3.33%	
Purchased Power/Total MWh Sales (%)	< 5%	< 25%	< 30%	< 40%	> 40%	> 60%	> 75%	3.33%	
New Build Exposure (Prospective 5-yr New Build Capex as % Net PP&E)	< 5%	< 25%	< 30%	< 40%	> 40%	> 60%	> 75%	3.33%	
Rate Competitiveness versus others in region	Better than all on a consistent basis	Much better than most on a consistent basis	Better than most on a consistent basis	Worse than some on a consistent basis	Worse than most on a consistent basis	Worse than all on a consistent basis	Worse than all on a consistent basis	> 33%	
Potential for Rate Stock Exposure	Extremely low (e.g. less than 10% reliance on purchased power and less than 10% 5-year-newbuild capex as percentage of latest year-end Net PP&E)	Very low (e.g. less than 20% reliance on purchased power and less than 25% 5-year-newbuild capex as percentage of latest year-end Net PP&E)	Low (e.g. less than 30% reliance on purchased power and/or less than 50% 5-year-newbuild capex as percentage of latest year-end Net PP&E)	Moderate to g. less than 40% reliance on purchased power and/or less than 75% 5-year-newbuild capex as percentage of latest year-end Net PP&E	High (e.g. greater than 40% reliance on purchased power or greater than 75% 5-year-newbuild capex as percentage of latest year-end Net PP&E)	Very high (e.g. greater than 40% reliance on purchased power and greater than 75% 5-year-newbuild capex as percentage of latest year-end Net PP&E)	Extraordinarily high (e.g. greater than 60% reliance on purchased power and greater than 85% 5-year-newbuild capex as percentage of latest year-end Net PP&E)	3.33%	

Factor 3: Member/owner profile								15%	Sub-Factor Weighting
Weighting:	Aaa	Aa	A	Baa	Ba	B	Caa		
Demand Growth	> 6%	4%	3%	2%	1%	0%	< 0%	1.00%	
Residential Sales/Total Sales (%)	> 80%	> 75%	> 50%	> 40%	< 40%	< 20%	< 10%	1.00%	
Members' Consolidated Assets (\$ Billions)	> \$5.5 billion	> \$4 billion	\$3 - \$4 billion	> \$1 billion	< \$1 billion	< \$0.3 billion	< \$0.2 billion	1.00%	
Members' Consolidated Equity/Capitalization (%)	> 65%	> 55%	> 50%	> 25%	> 20%	> 15%	> 10%	1.00%	
Regulatory status	None subject to rate regulation; Legislative statute to preclude regulatory intervention in the future rate setting process	None subject to rate regulation; No legislative statute to preclude regulatory intervention in the future rate setting process	Some Rate Regulated by State Commission; Very Supportive Commission Practices; Very Good Regulatory Relationships	Some Rate Regulated by State Commission Moderately Supportive Commission Practices; Reasonably Good Regulatory Relationships	Some Rate Regulated by State Commission Unsupportive Commission Practices; Generally Difficult Regulatory Relationships	Most Rate Regulated by State Commission; Very Unsupportive Commission Practices; Often Contentious Regulatory Relationships	All Rate Regulated by State Commission; Extremely Harsh Commission Practices; Always Contentious Regulatory Relationships	1.00%	

Factor 4: 3-Year Average G&T Financial Metrics								40%	Sub-Factor Weighting
Weighting:	Aaa	Aa	A	Baa	Ba	B	Caa		
TIER	> 1.6x	> 1.4x	1.2x - 1.4x	1.1x - 1.19x	1.1x	< 1.0x	< 0.5x	5.00%	
DSC	> 1.9x	> 1.4x	1.2x - 1.4x	1.1x - 1.19x	1.1x	< 1.0x	< 0.5x	5.00%	
FFD/Debt	> 15%	10% - 15%	6% - 9%	3% - 5%	< 3%	< 2%	< 1%	8.00%	
FFD/Interest	> 3.25x	2.5x - 3.25x	2.0x - 2.49x	1.5x - 1.99x	< 1.5x	< 1.2x	< 1.0x	8.00%	
Equity/Total Capitalization	> 50%	35% - 50%	20% - 35%	5% - 19%	< 5%	< 3%	< 1%	9.00%	
Net Operating Margin	> 40%	30% - 40%	> 10%	> 5%	< 5%	< 3%	< 1%	5.00%	

Factor 5: G&T Size								10%	Sub-Factor Weighting
Weighting:	Aaa	Aa	A	Baa	Ba	B	Caa		
Megawatt hour sales (Millions of MWh)	> 50	20 - 50	11 - 20	5 - 10	< 5	< 3	< 1	2.50%	
Revenues (\$ Billions)	> \$9.5 billion	> \$2 billion	> \$1 billion	\$0.2 - \$1.0 billion	< \$0.2 billion	< \$0.15 billion	< \$0.1 billion	2.50%	
Net PP&E (\$ in Billions)	> \$5 billion	\$2 billion - \$5 billion	> \$1 billion	> \$0.4 billion	< \$0.4 billion	< \$0.3 billion	< \$0.2 billion	> 50%	
Megawatts owned and purchased (MW)	> 6,000	4,000 - 6,000	> 3,000	> 2,000	500 - 2,000	300 - 499	< 300	2.50%	

EAST KENTUCKY POWER COOPERATIVE, INC.

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REQUEST 34

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 34. Please provide a copy of East Kentucky's mortgage referred to on page 13 lines 2 and 3 of Mr. Walker's Direct Testimony.

Response 34. A copy of EKPC's Restated and Consolidated Mortgage and Security Agreement has been previously filed in response to Item No. 1 of the Commission Staff's Second Data Request in Case No. 2006-00455.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2008-00409

SECOND DATA REQUEST RESPONSE

KIUC'S SECOND DATA REQUEST DATED 12/15/08

REQUEST 35

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 35. Please refer to the Company's responses to PSC 1-34 and AG 1-54.

Request 35a. Broken out between total capital and operating expense salaries and wages, provide actual salary and wage amounts for each month during calendar year 2008. In addition, sum the data for the year and reflect an adjustment to annualize the effects of the September 28, 2008, merit increases.

Response 35a. Please see page 3 of this response.

Request 35b. Provide the effective months of the budgeted merit increases of 5% and 3% for 2009 and 2010, respectively.

Response 35b. The budgeted merit increases of 5% and 3% for 2009 and 2010, respectively, are scheduled to go into effect the last pay period in October for both years.

Request 35c. Broken out between total capital and operating expense salaries and wages, provide the budgeted salary and wage amounts for each month during calendar years 2009 and 2010. Provide the monthly data showing the amounts before the

merit increases, the merit increase amounts by year, and the amounts inclusive of the merit increases. Provide the data in electronic format with all formulas intact.

Response 35c. Information provided on the enclosed CD.

Request 35d. Provide the same data and computations as subpart c. for the forecast test period months during 2009 and 2010. Provide the data in electronic format with all formulas intact.

Response 35d Information provided on the enclosed CD.

EAST KENTUCKY POWER COOPERATIVE, INC.
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	2008	J	F	M	A	M	J	J	A	S	O	N	D	TOTAL
Capital Salaries and Wages	\$374,546.68	\$385,177.39	\$410,467.81	\$425,209.38	\$781,631.28	\$405,151.20	\$604,200.01	\$581,231.21	\$601,933.05	\$1,077,757.11	\$690,619.72	\$684,140.35	\$7,022,065.19	
Operating Expense Salaries and Wages	\$3,330,547.15	\$3,215,211.05	\$4,047,797.95	\$3,549,001.54	\$5,347,632.79	\$3,448,695.82	\$3,138,763.15	\$3,044,058.55	\$3,068,880.86	\$4,789,154.96	\$3,273,768.30	\$3,305,329.77	\$43,558,841.89	
	\$3,705,093.83	\$3,600,388.44	\$4,458,265.76	\$3,974,210.92	\$6,129,264.07	\$3,853,847.02	\$3,742,963.16	\$3,625,289.76	\$3,670,813.91	\$5,866,912.07	\$3,964,388.02	\$3,989,470.12	\$50,580,907.08	
Annualized Effect of 9/28/08 Merit Increases Adjustment									\$36,760,136.87	\$37,513,719.68			\$13,820,770.21	\$50,580,907.08
									\$753,582.81				\$13,820,770.21	\$51,334,489.89

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2008-00409

SECOND DATA REQUEST RESPONSE

KIUC'S SECOND DATA REQUEST DATED 1/23/09

REQUEST 36

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 36. Please provide all details available concerning the basis of progression from actual data to budgeted/forecasted data for each month during the forecasted test period for all Balance Sheet and Income Statement amounts. This request seeks to determine the basis of how each line item budget/forecast amount was determined to assess the reasonableness of the projected amount compared to the most recent actual data available. (For example, was the budgeted/forecasted amount based on an actual amount plus an incremental percentage increase? If so, provide all details utilized to reflect the increase.)

Response 36. The budgeted/forecast data is not based on an actual amount plus an incremental percentage increase. Historical actual to budget comparisons are used by departments to determine the reasonableness of projects and other expenses. Departments use zero-based budgeting methodology when preparing budgets in addition to specific cost savings recommendations or targets. Operating and maintenance budgets are prepared for two years and capital budgets are prepared for three years to compute fixed costs. These expenses are projected monthly resulting in monthly income statements. Balance sheet data includes projected capital expenditures used in the budget while other balance sheet accounts are calculated based on budgetary estimates.

EAST KENTUCKY POWER COOPERATIVE, INC.

2008- 00409

SECOND DATA REQUEST RESPONSE

KIUC'S SECOND DATA REQUEST DATED 1/23/09

REQUEST 37

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 37. Please refer to the Company's response to KIUC 1-22. Please provide a quantification of the forecasted salary and other expense amounts by month related to each of the unfilled positions noted to include salaries and wages, payroll taxes, and all benefits. Please provide the computations separating the expected level of O&M and capital amounts.

Response 37. Please see page 2 of this response.

Job Title	Approximate Start Date	Months in Test Year	Total in Test Year	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10
SC - Purchasing Assistant	8/1/2009	10	\$ 39,986			\$ 3,999	\$ 3,999	\$ 3,999	\$ 3,999	\$ 3,999	\$ 3,999	\$ 3,999	\$ 3,999	\$ 3,999	\$ 3,999
SC - Purchasing Agent	6/1/2009	12	99,046	8,254	8,254	8,254	8,254	8,254	8,254	8,254	8,254	8,254	8,254	8,254	8,254
SC - Material Coordinator	6/1/2009	12	69,516	5,793	5,793	5,793	5,793	5,793	5,793	5,793	5,793	5,793	5,793	5,793	5,793
Receptionist	10/1/2009	8	29,650				3,706	3,706	3,706	3,706	3,706	3,706	3,706	3,706	3,706
Engineer - Transmission Planning	3/1/2009	12	110,858	9,238	9,238	9,238	9,238	9,238	9,238	9,238	9,238	9,238	9,238	9,238	9,238
Engineer - Construction	7/1/2009	11	101,629		9,239	9,239	9,239	9,239	9,239	9,239	9,239	9,239	9,239	9,239	9,239
Engineer - Construction	10/1/2009	8	73,945				9,243	9,243	9,243	9,243	9,243	9,243	9,243	9,243	9,243
Project Accountant - Construction	6/1/2009	12	88,710	7,393	7,393	7,393	7,393	7,393	7,393	7,393	7,393	7,393	7,393	7,393	7,393
Project Analyst - Construction	3/1/2009	12	103,475	8,623	8,623	8,623	8,623	8,623	8,623	8,623	8,623	8,623	8,623	8,623	8,623
Cooper - Construction - Part Time	6/1/2009	12	14,115	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176
Smith - Construction - Part Time	8/1/2009	10	11,782		1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178
Smith - Construction - Part Time	10/1/2009	8	9,450				1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181
Total Expense			349,054	23,285	23,285	27,283	27,283	30,990	30,990	30,990	30,990	30,990	30,990	30,990	30,990
Total Capital			403,106	17,192	26,431	27,609	27,609	38,033	38,033	38,033	38,033	38,033	38,033	38,033	38,033
Total Salaries and Wages, Payroll Taxes, and Benefits			<u>\$752,160</u>	<u>\$40,477</u>	<u>\$49,716</u>	<u>\$54,892</u>	<u>\$54,892</u>	<u>\$69,023</u>	<u>\$69,023</u>	<u>\$69,023</u>	<u>\$69,023</u>	<u>\$69,023</u>	<u>\$69,023</u>	<u>\$69,023</u>	<u>\$69,023</u>

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2008-00409

SECOND DATA REQUEST RESPONSE

KIUC'S SECOND DATA REQUEST DATED 1/23/09

REQUEST 38

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 38. Please provide a narrative explaining how the monthly purchased power forecast (MWh and rates/revenues) provided in response to KIUC 1-5 was developed (i.e., the forecast methodology). Please provide all supporting documents used to make the forecast.

Response 38. Please refer to the description of the “supply side” of the forecasting model in response to KIUC 2-27(a) for a narrative explaining how purchased power is utilized and the monthly purchased power forecast (MWh and rates/revenues) was developed. Please refer to the response to KIUC 1-5, pages 2 and 3, for supporting documents used to make the forecast.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2008-00409

SECOND DATA REQUEST RESPONSE

KIUC'S SECOND DATA REQUEST DATED 1/23/09

REQUEST 39

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 39. With regard to the monthly purchased power expenses provided in response to KIUC 1-5, please provide a breakdown, by month, of the amounts purchased on-peak and off-peak. If an exact breakdown is not available, please provide approximate on-peak and off-peak percentages of such purchases, by month, based on EKPC's projections and/or historical actual purchases.

Response 39. For the forecasted test period, EKPC has projected that approximately 70% of power purchases will be made during on-peak hours.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2008-00409

SECOND DATA REQUEST RESPONSE

KIUC'S SECOND DATA REQUEST DATED 1/23/09

REQUEST 40

RESPONSIBLE PERSON: James C. Lamb, Jr.

COMPANY: East Kentucky Power Cooperative, Inc.

Request 40. With regard to EKPC's response KIUC 1-5, please provide a narrative explaining each of the categories or products purchased (e.g., "SEPA, Greenup Hydro, Story Co. Wind, Forced Outage Purch, OTHER"). If any of these purchases are pursuant to a contract, please provide a copy of the contract, including pricing terms.

Response 40. The 5 types of purchases listed in KIUC 1-5 are described below.

SEPA

The U.S. Corps Of Engineers owns and operates hydroelectric facilities – the generation output is marketed by SEPA (Southeastern Power Administration). EKPC has a long-term contract to purchase peaking power, and EKPC has a one year contract to purchase power that formerly was sold to other utilities. Both contracts are provided on the enclosed CD (Attachment 1).

Greenup Hydro

EKPC has a contract to purchase the output of Greenup Hydro – this is a hydroelectric generator on the Ohio River. The contract is provided on the enclosed CD (Attachment 2).

Story County Wind

EKPC considered entering into a long-term purchase power arrangement with a wind generating facility, but no agreement has been reached.

Forced Outage Purchase

These purchases reflect the fact that EKPC will incur forced unit outages, causing the Company to make unscheduled power purchases. There is no contract associated with this concept. These purchases, when made, will be made hourly and/or day ahead.

OTHER

These purchases refer to economy purchases. Economy purchases are made when the wholesale market is cheaper than the next increment of generation. There are no explicit contracts associated with these purchases from the wholesale market.

Confidential protection of the pricing information has been requested in the form of a motion for confidential treatment.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2008-00409

SECOND DATA REQUEST RESPONSE

KIUC'S SECOND DATA REQUEST DATED 1/23/09

REQUEST 41

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 41. Please provide a narrative explaining how the monthly off-system sales forecast (MWh and rates/revenues) provided in response to KIUC 1-10 was developed (i.e., the forecast methodology). Please provide all supporting documents used to make the forecast.

Response 41. Please refer to the response to KIUC 2-27(a) for a narrative explaining how the monthly off-system sales forecast (MWh and rates/revenues) was developed. Please refer to the response to KIUC 2-27(b) for supporting documents used to make the forecast.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2008-00409

SECOND DATA REQUEST RESPONSE

KIUC'S SECOND DATA REQUEST DATED 1/23/09

REQUEST 42

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 42. With regard to the monthly off-system sales forecast provided in response to KIUC 1-10, please provide a breakdown, by month, of the amounts sold (MWh, rate and revenue sold on-peak and off-peak. If an exact breakdown is not available, please provide approximate on-peak and off-peak percentages of such sales, by month, based on EKPC's projections and/or historical actual sales.

Response 42. For the forecasted test period, EKPC has projected that approximately 93% of off-system sales will be made during on-peak hours, but probably not on peak demand days.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2008-00409

SECOND DATA REQUEST RESPONSE

KIUC'S SECOND DATA REQUEST DATED 1/23/09

REQUEST 43

RESPONSIBLE PERSON: William Steven Seelye

COMPANY: East Kentucky Power Cooperative, Inc.

Request 43. Please provide, by month, MWh energy by rate class (i.e., the cost of service study rate classes shown in Seelye Exhibit 7) for on-peak and off-peak periods. Please also include the definition of on-peak and off-peak periods used in the response (e.g., July weekdays, HE 7am to HE 11pm).

Response 43. Based on percentages for the calendar year 2008, the following are the estimated on- and off-peak kWh sales by rate class for the forecasted test year:

	On-Peak	Off-Peak	Total
Rate E - Option 1	564,787,000	526,652,000	1,091,439,000
Rate E - Option 2	4,782,184,968	4,450,671,032	9,232,856,000
Rate B	456,532,000	537,226,000	993,758,000
Rate C	179,364,473	211,578,144	390,942,617
Rate G	160,366,939	196,400,444	356,767,383
Large Special Contract	288,492,371	680,257,629	968,750,000
Pumping Station	87,478,000	86,277,000	173,755,000
Steam Service	117,173,000	143,211,000	260,384,000

For Rate E, Rate B, Rate C, Rate G, Pumping Station and Steam Service the on-peak hours are defined as follows with the off-peak including all other hours:

October through April	Daily 7:00 a.m. to 12:00 noon EST
	Daily 5:00 p.m. to 10:00 p.m. EST

May through September	Daily 10:00 a.m. to 10:00 p.m. EST
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For the Large Special Contract, the on-peak hours are the same as the hours shown above, except all hours during weekends and holidays are considered off-peak. The Pumping Station special contract the on-peak hours are the weekday hours (except NERC approved holidays) from 0700 to 2300 Eastern Prevailing Time.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2008-00409

SECOND DATA REQUEST RESPONSE

KIUC'S SECOND DATA REQUEST DATED 1/23/09

REQUEST 44

RESPONSIBLE PERSON: William Steven Seelye

COMPANY: East Kentucky Power Cooperative, Inc.

Request 44. Please provide the supporting workpapers used to develop the “Energy Allocation Factors” (E01) shown on pages 25 and 26 of Seelye Exhibit 7. Include, at a minimum, the monthly MWh energy used to develop the allocation factors.

Response 44. The Energy Allocation Factors (E01) were developed by dividing the rate class amounts by the total amount shown on the row labeled “Energy” on pages 25 and 26 of Seelye Exhibit 7. The row labeled “Energy” was developed from the energy billing determinants shown on Seelye Exhibit 9, except for the Pumping Special Contract whose energy-related costs were specifically assigned.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2008-00409

SECOND DATA REQUEST RESPONSE

KIUC'S SECOND DATA REQUEST DATED 1/23/09

REQUEST 45

RESPONSIBLE PERSON: William Steven Seelye

COMPANY: East Kentucky Power Cooperative, Inc.

Request 45. Please provide an allocation of the on-peak and off-peak amounts of purchased power expense (\$64,242,370 per Seelye Exhibit 2) to cost of service rate classes on the basis of each rate classes' contribution to on-peak and off-peak MWh energy by month. Please also include the definition of on-peak and off-peak periods used in the response (e.g., July weekdays, HE 7am to HE 11pm).

Response 45. Please see attached.

East Kentucky Power Cooperative, Inc.
Estimated Test Period On- and Off-Peak Purchased Power Expenses
Allocated on the Basis of Estimated On- and Off-Peak Period kWh

Rate Class	On-Peak kWh	Off-Peak kWh	Total kWh	On-Peak		Off-Peak	
				Purchased Power Costs	Purchased Power Costs	Purchased Power Costs	Purchased Power Costs
			\$	37,548,291	\$	16,092,125	
Rate E - Option 1	564,787,000	526,652,000	1,091,439,000	\$ 3,238,221	\$ 1,256,293	\$ 4,494,514	
Rate E - Option 2	4,782,184,968	4,450,671,032	9,232,856,000	27,418,781	10,616,779	38,035,560	
Rate B	456,532,000	537,226,000	993,758,000	2,617,538	1,281,517	3,899,055	
Rate C	179,364,473	211,578,144	390,942,617	1,028,391	504,706	1,533,096	
Rate G	160,366,939	196,400,444	356,767,383	919,468	468,500	1,387,968	
Large Special Contract	288,492,371	680,257,629	968,750,000	1,654,078	1,622,709	3,276,788	
Steam Service	117,173,000	143,211,000	260,384,000	671,814	341,620	1,013,435	
Sub-Total Excluding Pumping Station	6,548,900,751	6,745,996,249	13,294,897,000	\$ 37,548,291	\$ 16,092,125	\$ 53,640,416	
Pumping Station						\$ 10,601,954	
Total Purchased Power Expenses						\$ 64,242,370	
Less: Amount Directly Assigned to Pumping Station Special Contract						10,601,954	
Net Amount						\$ 53,640,416	
Estimated Off-Peak Amount (per Response to KIUC 2-39)					70%	\$ 37,548,291	
Estimated On-Peak Amount					30%	\$ 16,092,125	
						\$ 53,640,416	