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VIA OVERNIGHT MAIL

January 19, 2010

RECEIVED

JAN 20 2010

**PUBLIC SERVICE
COMMISSION**

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

Re: Case No. 2009-00476

Dear Mr. Derouen:

Please find enclosed the original and twelve (12) copies of the FIRST SET OF DATA REQUESTS of GALLATIN STEEL filed in the above-referenced matter.

By copy of this letter, all parties listed on the attached Certificate of Service been served. Please place this document of file.

Very Truly Yours,



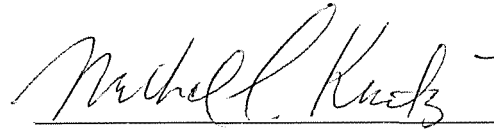
Michael L. Kurtz, Esq.
BOEHM, KURTZ & LOWRY

MLKkew
Attachment
cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by mailing a true and correct copy, by first-class postage prepaid mail, to all parties on the 19th day of January, 2010.

Mark David Goss
Frost, Brown, Todd, LLC
250 West Main Street
Suite 2700
Lexington, KY 40507

A handwritten signature in cursive script, reading "Michael L. Kurtz", written over a horizontal line.

Michael L. Kurtz, Esq.

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

In The Matter Of: An Application Of East Kentucky : Case No. 2009-00476
Power Cooperative, Inc. For Approval Of The Issuance :
Of \$900,000,000 Of Secured Private Placement Debt :
And Up To \$21,435,000 Of Unsecured Debt :

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PUBLIC SERVICE
COMMISSION

**FIRST SET OF DATA REQUESTS OF
GALLATIN STEEL TO
EAST KENTUCKY POWER COOPERATIVE**

Dated: January 19, 2010

DEFINITIONS

1. "Document" means the original and all copies (regardless of origin and whether or not including additional writing thereon or attached thereto) of memoranda, reports, books, manuals, instructions, directives, records, forms, notes, letters, notices, confirmations, telegrams, pamphlets, notations of any sort concerning conversations, telephone calls, meetings or other communications, bulletins, transcripts, diaries, analyses, summaries, correspondence investigations, questionnaires, surveys, worksheets, and all drafts, preliminary versions, alterations, modifications, revisions, changes, amendments and written comments concerning the foregoing, in whatever form, stored or contained in or on whatever medium, including computerized memory or magnetic media.
2. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion.
3. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.
4. A request to identify a natural person means to state his or her full name and residence address, his or her present last known position and business affiliation at the time in question.
5. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), number of code number thereof or other means of identifying it, and its present location and custodian. If any such document was, but is no longer in the Company's possession or subject to its control, state what disposition was made of it?
6. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.
7. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.
8. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.
9. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.
10. "You" or "your" means the person whose filed testimony is the subject of these interrogatories and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony.
11. "EKPC" means East Kentucky Power Cooperative and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.

INSTRUCTIONS

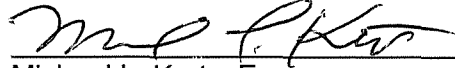
1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.
2. These interrogatories are continuing in nature, and information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to Gallatin Steel. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent after the answers hereto are served.
3. Unless otherwise expressly provided, each interrogatory should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.
4. The answers provided should first restate the question asked and also identify the person(s) supplying the information.
5. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.
6. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.
7. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.
8. Responses to requests for revenue, expense and rate base data should provide data on the basis of Total company as well as Intrastate data, unless otherwise requested.

**GALLATIN STEEL'S FIRST SET OF DATA REQUESTS TO
EAST KENTUCKY POWER COOPERATIVE
Case No. 2009-00476
(January 19, 2010)**

- 1-1. When the CPCN for Smith 1 CFB was issued what was the projected cost and in-service date of the plant at that time? Please provide the relevant documents to support the cost figure.
- 1-2. What is the projected cost and in-service date of Smith 1 CFB now? Please provide the relevant documents to support the cost figure.
- 1-3. Please provide a detailed explanation for any difference in the originally projected cost versus the currently projected cost.
- 1-4. Please provide all studies or documents made by or for EKPC which demonstrates that Smith 1 CFB still remains the least cost method of meeting customer energy and capacity needs.
- 1-5. Assume that Smith 1 CFB is finished at the time currently projected. What will EKPC's reserve margin be at that time and for the five years thereafter?
- 1-6. Assume that the decision is made to cancel Smith 1 CFB.
 - a. What would the financial results be to EKPC?
 - b. What would the financial results be to the Members?
 - c. Could EKPC recoup any amounts already spent, such as by selling turbine or boiler equipment already purchased or cancelling contracts?
- 1-7. Please provide a detailed breakdown of the almost \$150 million EKPC has expended for engineering design work, materials and equipment, turbine and boiler fabrication, and warehousing.
- 1-8. Please describe the status of all required state and federal environmental permits for Smith 1 CFB.
- 1-9. Does EKPC believe that the U.S EPA's December 15, 2009 Order in Petition Nos. IV-2008-1 & IV-2008-2 (Cash Creek Generation, LLC) will have any effect or impact on Smith 1 CFB? If yes, please explain.
- 1-10. Please provide all memos, documents, studies and emails in the possession of EKPC, its employees or its agents which discuss or describe:
 - a. The cost effectiveness of Smith 1 CFB compared to other alternative sources of generation supply;
 - b. The financial impact on EKPC or its Members if Smith 1 CFB is cancelled;
 - c. The impact of new or modified state or federal environmental rules or regulations on Smith 1 CFB;

- d. The progress of the construction of Smith 1 CFB.
- e. EKPC's ability to recoup costs already spent on Smith 1 CFB if the plant is cancelled.

Respectfully submitted,



Michael L. Kurtz, Esq.

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COUNSEL FOR GALLATIN STEEL COMPANY

January 19, 2010