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Brown Todd** LLC
ATTORNEYS

KENTUCKY · OHIO · INDIANA · TENNESSEE · WEST VIRGINIA

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February 19, 2010

Via Hand-Delivery

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

RECEIVED
FEB 19 2010
PUBLIC SERVICE
COMMISSION

Re: PSC Case No. 2009-00506

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case an original and ten copies of the affidavit of Anthony S. Campbell regarding notice of hearing in this case.

Very truly yours,



Roger Cowden

Enclosures

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

FEB 19 2010

PUBLIC SERVICE
COMMISSION

In the Matter of:

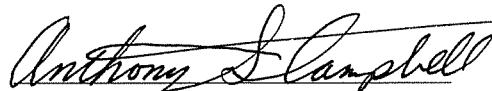
AN EXAMINATION OF THE)
APPLICATION OF THE FUEL)
ADJUSTMENT CLAUSE OF EAST)
KENTUCKY POWER COOPERATIVE,)
INC. FROM MAY 1, 2009 THROUGH)
OCTOBER 31, 2009)

CASE NO. 2009-00506

AFFIDAVIT

I, Anthony S. Campbell, President and Chief Executive Officer of East Kentucky Power Cooperative, Inc., after first being duly sworn, do hereby state that proper notice of the date, time, place and purpose of the hearing in Case No. 2009-00506 before the Public Service Commission was given to the customers of East Kentucky Power Cooperative, Inc. pursuant to the Commission's Order dated January 27, 2010, as evidenced by the attachments hereto which were mailed to such members on February 18, 2010.

FURTHER, THE AFFIANT SAYETH NOT.


ANTHONY S. CAMPBELL
PRESIDENT AND CEO

Subscribed and sworn before me this 18th day of February 2010.


NOTARY PUBLIC, Ky. At Large

My Notarial commission expires: 12/20/12

MEMORANDUM

TO: Managers of Member Systems

FROM: Anthony S. Campbell *Anthony S. Campbell*

DATE: February 18, 2010

SUBJECT: PSC Case No. 2009-00506, Examination of the Application of the Fuel Adjustment Clause of EKPC from 5/1/2009 to 10/31/2009

This is to provide you with official notice of a public hearing to be held on March 23, 2010 at 10:00 a.m., EDT, at the office of the Public Service Commission, Frankfort, Kentucky, for the purpose of examining the application of the fuel adjustment clause from May 1, 2009 through October 31, 2009.

A copy of the Order is attached for your further information.

afw/pg
Attachment
c: Member Systems Office Managers

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF EAST)	
KENTUCKY POWER COOPERATIVE,)	CASE NO. 2009-00506
INC. FROM MAY 1, 2009 THROUGH)	
OCTOBER 31, 2009)	

O R D E R

Pursuant to 807 KAR 5:056, Section 1(11), IT IS HEREBY ORDERED that:

1. East Kentucky Power Cooperative, Inc. ("East Kentucky") shall appear at the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, on March 23, 2010, at 10:00 a.m., Eastern Daylight Time, to submit itself to examination on the application of its Fuel Adjustment Clause ("FAC") from May 1, 2009 through October 31, 2009. Neither opening statements nor summaries of pre-filed testimony will be permitted.

2. East Kentucky shall file with the Commission no later than March 23, 2010 proof of publication of its notice for the hearing.

3. a. The information requested in the Appendix to this Order is due within 21 days of the date of this Order. Responses to requests for information shall be appropriately bound, tabbed and indexed and shall include the name of the witness responsible for responding to the questions related to the information provided, with copies to all parties of record and an original and six copies to the Commission.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a

governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. A party shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

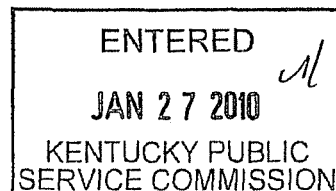
d. For any request to which a party refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

4. Any party who wishes to file testimony in this proceeding or to request information from East Kentucky may petition the Commission for a procedural schedule.

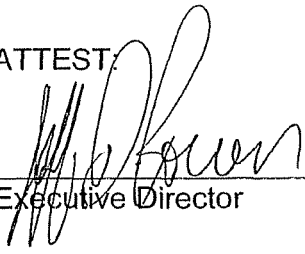
5. All documents that East Kentucky filed with the Commission pursuant to 807 KAR 5:056, Section 1(7) and (9), during the period under review are incorporated by reference into the record of this proceeding.

6. The official record of the proceeding shall be by video only, unless otherwise requested by a party to this proceeding.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00506 DATED JAN 27 2010

1. For the period from May 1, 2009 through October 31, 2009, list each vendor from whom coal was purchased and the quantities and the nature of each purchase (e.g., spot or contract).

2. For the period from May 1, 2009 through October 31, 2009, list each vendor from whom natural gas was purchased for generation and the quantities and the nature of each purchase (e.g., spot or contract).

3. State whether East Kentucky engages in hedging activities for its natural gas purchases used for generation. If yes, describe the hedging activities in detail.

4. For each generating station or unit for which a separate coal pile is maintained, state, for the period from May 1, 2009 through October 31, 2009, the actual amount of coal burned in tons, the actual amount of coal deliveries in tons, the total kWh generated, and the actual capacity factor at which the plant operated.

5. List all firm power commitments for East Kentucky from May 1, 2009 through October 31, 2009, for (a) purchases and (b) sales. This list shall identify the electric utility, the amount of commitment in MW, and the purpose of the commitment (e.g., peaking, emergency).

6. Provide a monthly billing summary for sales to all electric utilities for the period May 1, 2009 through October 31, 2009.

7. List East Kentucky's scheduled, actual, and forced outages from May 1, 2009 through October 31, 2009.

8. List all existing fuel contracts categorized as long-term (i.e., more than one year in length). Provide the following information for each contract:

- a. Supplier's name and address.
- b. Name and location of production facility.
- c. Date contract was executed.
- d. Duration of contract.
- e. Date(s) of each contract revision, modification or amendment.
- f. Annual tonnage requirements.
- g. Actual annual tonnage received since the contract's inception.
- h. Percentage of annual requirements received during the contract's term.
- i. Base price in dollars per ton.
- j. Total amount of price escalations to date in dollars per ton.
- k. Current price paid for coal under the contract in dollars per ton (i + j).

9. a. State whether East Kentucky regularly compares the price of its coal purchases with those paid by other electric utilities.

b. If yes, state:

(1) How East Kentucky's prices compare with those of other utilities for the review period; and

(2) The utilities that are included in this comparison and their locations.

10. State the percentage of East Kentucky's coal, as of the date of this Order, that is delivered by:

- a. Rail;
- b. Truck; or
- c. Barge.

11. a. State East Kentucky's coal inventory level in tons and in number of days' supply as of October 31, 2009. Provide this information by generating station and in the aggregate.

b. Describe the criteria used to determine number of days' supply.

c. Compare East Kentucky's coal inventory as of October 31, 2009 to its inventory target for that date.

d. If actual coal inventory exceeds inventory target by 10 days' supply, state the reasons for excessive inventory.

e. (1) State whether East Kentucky expects any significant changes in its current coal inventory target within the next 12 months.

(2) If yes, state the expected change and the reasons for this change.

12. a. State whether East Kentucky has audited any of its coal contracts during the period from May 1, 2009 through October 31, 2009.

b. If yes, for each audited contract:

(1) Identify the contract;

(2) Identify the auditor;

(3) State the results of the audit; and

(4) Describe the actions that East Kentucky took as a result of the audit.

13. a. State whether East Kentucky has received any customer complaints regarding its FAC during the period from May 1, 2009 through October 31, 2009.

b. If yes, for each complaint, state:

(1) The nature of the complaint; and

(2) East Kentucky's response.

14. a. State whether East Kentucky is currently involved in any litigation with its current or former coal suppliers.

b. If yes, for each litigation:

(1) Identify the coal supplier;

(2) Identify the coal contract involved;

(3) State the potential liability or recovery to East Kentucky;

(4) List the issues presented; and

(5) Provide a copy of the complaint or other legal pleading that initiated the litigation and any answers or counterclaims. If a copy has previously been filed with the Commission, provide the date on which it was filed and the case in which it was filed.

c. State the current status of all litigation with coal suppliers.

15. a. During the period from May 1, 2009 through October 31, 2009, have there been any changes to East Kentucky's written policies and procedures regarding its fuel procurement?

- b. If yes:
 - (1) Describe the changes;
 - (2) Provide the written policies and procedures as changed;
 - (3) State the date(s) the changes were made; and
 - (4) Explain why the changes were made.

16. a. State whether East Kentucky is aware of any violations of its policies and procedures regarding fuel procurement that occurred prior to or during the period from May 1, 2009 through October 31, 2009?

- b. If yes, for each violation:
 - (1) Describe the violation;
 - (2) Describe the action(s) that East Kentucky took upon discovering the violation; and
 - (3) Identify the person(s) who committed the violation.

17. Identify and explain the reasons for all changes that occurred during the period from May 1, 2009 through October 31, 2009 in the organizational structure and personnel of the departments or divisions that are responsible for East Kentucky's fuel procurement activities.

18. a. Identify all changes that East Kentucky has made during the period under review to its maintenance and operation practices that also affect fuel usage at East Kentucky's generation facilities.

b. Describe the impact of these changes on East Kentucky's fuel usage.

19. List each written coal supply solicitation issued during the period from May 1, 2009 through October 31, 2009.

a. For each solicitation, provide the date of the solicitation, the type of solicitation (contract or spot), the quantities solicited, a general description of the quality of coal solicited, the time period over which deliveries were requested, and the generating unit(s) for which the coal was intended.

b. For each solicitation, state the number of vendors to whom the solicitation was sent, the number of vendors who responded, and the selected vendor. Provide the bid tabulation sheet or corresponding document that ranked the proposals. (This document should identify all vendors who made offers.) State the reasons for each selection.

20. List each oral coal supply solicitation issued during the period from May 1, 2009 through October 31, 2009.

a. For each solicitation, state why the solicitation was not written, the date(s) of the solicitation, the quantities solicited, a general description of the quality of coal solicited, the time period over which deliveries were requested, and the generating unit(s) for which the coal was intended.

b. For each solicitation, identify all vendors solicited and the vendor selected. Provide the tabulation sheet or other document that ranks the proposals. (This document should identify all vendors who made offers.) State the reasons for each selection.

21. a. List all inter-system sales during the period under review in which East Kentucky used a third party's transmission system.

b. For each sale listed above:

(1) Describe how East Kentucky addressed for FAC reporting purposes the cost of fuel expended to cover any line losses incurred to transmit its power across the third party's transmission system.

(2) State the line loss factor used for each transaction and describe how that line loss factor was determined.

22. Describe each change that East Kentucky made during the period under review to its methodology for calculating inter-system sales line losses.

Anthony Campbell
President/CEO
East Kentucky Power Cooperative, Inc.
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707