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RECEIVED

JUL 09 2010

**PUBLIC SERVICE
COMMISSION**

VIA OVERNIGHT MAIL

July 8, 2010

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

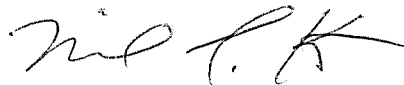
Re: Case No. 2010-00167

Dear Mr. Derouen:

Please find enclosed the original and twelve (12) copies of the FIRST SET OF DATA REQUEST OF GALLATIN STEEL TO EAST KENTUCKY POWER COOPERATIVE, INC. 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 8th day of July, 2010.

Lawrence W Cook
Assistant Attorney General
Office of the Attorney General Utility & Rate
1024 Capital Center Drive
Suite 200
Frankfort, KY 40601-8204

Ann F Wood
East Kentucky Power Cooperative, Inc.
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707

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



Michael L. Kurtz, Esq.

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

RECEIVED

In The Matter Of: General Adjustment of Rates of East : Case No. 2010-00167
Kentucky Power Cooperative, Inc. :

JUL 08 2010

**PUBLIC SERVICE
COMMISSION**

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

Dated: July 8, 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 Eastern 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 EKPC
Case No. 2010-00167

- Q1-1. Please provide Exhibit __ (DRE-2) and all supporting workpapers in electronic spreadsheet format with all formulas intact.
- Q1-2. If for any reason EKPC is unable to provide the spreadsheets requested in Question (1) above with formulas intact, please provide spreadsheet versions with values only.
- Q1-3. Please provide all workpapers supporting the development of the total Pro Forma Test Year amounts by FERC account in column (e) of Exhibit __ (DRE-2). Include any workpapers showing how the amounts from the budgeted numbers shown in Oliva Exhibit 1 were assigned to FERC accounts, as well as how each adjustment from Wood Exhibit 1 was assigned to FERC accounts.
- Q1-4. If not provided in response to the prior question, please provide a narrative description and all supporting workpapers showing how the Pro Forma Test Year Payroll Expense on Exhibit __ (DRE-2) was developed and assigned to FERC accounts.
- Q1-5. Please provide all analyses and studies supporting the determination that Customer Service and Information is "deemed to be primarily associated with energy sales" (Eicher pp. 8-9).
- Q1-6. Please provide all analyses and studies supporting the determination that the test year Purchased Power expense is "entirely related to energy purchases" (Eicher p. 8).
- Q1-7. If not provided in response to the previous question, please provide all workpapers supporting the development of the test year level of Purchased Power expense, including any production cost analyses showing the days, times, and cost of projected power purchases. Specifically identify any purchased power capacity costs and the mW level of each such purchase included in test year purchased power expenses.
- Q1-8. Please provide the monthly Environmental Surcharge applicable to each of EKPC's rate schedules in effect for each month in 1) 2009, 2) 2010 year to date and 3) projected for the test year in this case.
- Q1-9. Please provide a complete copy of the Rate Design Feasibility Study referenced in the testimony of Isaac Scott on page 7.
- Q1-10. Please provide a complete copy of the class cost of service study prepared by Mr. Eicher for calendar year 2009. If the study is not yet completed, please provide a copy of the most recent draft study that has been submitted to EKPC for its review. Provide both a printed copy and an electronic copy of the study with all formulas intact (if for any reason, EKPC or its consultant objects to providing an electronic spreadsheet copy of the requested class

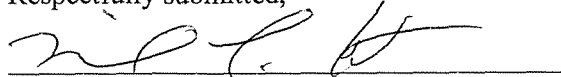
cost of service study please provide an electronic spreadsheet version of the requested study with values for all entries). When the final version of the study is complete please provide a copy.

- Q1-11. Please provide copies of all workpapers in electronic form with all formulas intact supporting the 2009 class cost of service study requested in the prior question.
- Q1-12. Please provide the amount of purchased power expense specifically assigned to the Special Contract – Pumping Stations rate class, if any, for the following 12 month periods: 1) the test year in this case, and 2) calendar year 2009.
- Q1-13. Please provide, on a monthly basis, fuel and purchase power expense recoverable through the FAC, for the following 12 month periods: 1) the test year in this case, and 2) calendar year 2009.
- Q1-14. Please provide, on a monthly basis, fuel and purchase power expense not recoverable through the FAC, for the following 12 month periods: 1) the test year in this case, and 2) calendar year 2009.
- Q1-15. Please provide a breakdown of purchased power expense on an on-peak and off-peak basis for the following 12 month periods: 1) the test year in this case, and 2) calendar year 2009 [Note, in Case No. 2008-00409, EKPC estimated that 70% of test year purchased power expenses were on-peak, 30% off-peak].
- Q1-16. Please provide a breakdown of on-peak and off-peak mWh by rate schedule for the following 12 month periods: 1) the test year in this case, and 2) calendar year 2009.
- Q1-17. Please identify and provide a description of the production and transmission demand allocation methodology used by EKPC in its last three Kentucky rate cases.
- Q1-18. Please provide, by month, for the past three years, the following information on interruptible customers/load on the EKPC system:
- a. Number of interruptible customers
 - b. Amount in MW and type of interruptible load (10 minute, 60 minutes or 90 minute)
 - c. Number of hours of interruption (indicate the MW of load interrupted and the number of customers interrupted if all customers subject to interruption were not interrupted during each call for interruption).
 - d. Whether the interruption required physical curtailment or was an economic interruption.
 - e. The reason for any interruption that required physical curtailment.
- Q1-19. What is the basis for limiting interruptible load under Section D of your tariffs to 20 MW? How long has this limitation been in effect?
- Q1-20. How much of EKPC's interruptible load counts toward the NERC reserve requirements?
- Q1-21. Please provide the following data individually for each of the Company's rate schedules or special contracts under which service is provided, including but not limited to Rate E, Rate B, Rate C, Rate G, Large Special

Contract, and Special Contract – Pumping Stations. Separately provide this data monthly for 1) the test year, 2) the most recent 12 month period in which actual data is available and 3) the 12 months ended December 31, 2009.

- a. Base rate revenues from sales;
- b. FAC rate revenues;
- c. Environmental Surcharge Revenues;
- d. Metered kWh energy;
- e. Metered kWh energy subject to the FAC;
- f. Loss factors to adjust metered energy to generation voltage level;
- g. Number of customers (metering points);
- h. Demand at the time of each EKPC monthly peak;
- i. Base rate fuel revenues.
- j. All other revenues.

Respectfully submitted,



Michael L. Kurtz, Esq.

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COUNSEL FOR GALLATIN STEEL COMPANY

July 8, 2010