

**Frost
Brown Todd** LLC
ATTORNEYS

KENTUCKY · OHIO · INDIANA · TENNESSEE · WEST VIRGINIA

August 19, 2010

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

RECEIVED

AUG 19 2010

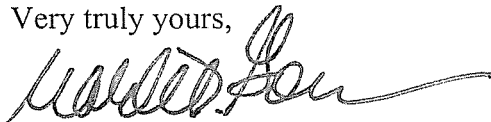
PUBLIC SERVICE
COMMISSION

Re: Case No. 2010-00167

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 August 5, 2010. Also enclosed are an original and ten copies of EKPC's Responses to the Second Set of Data Requests of Gallatin Steel and the Attorney General's Supplemental Data Requests, dated August 5, 2010 and August 2, 2010, respectively.

Very truly yours,



Mark David Goss
Counsel

Enclosures

Cc: Parties of Record

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

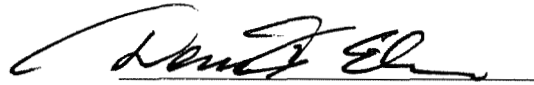
IN THE MATTER OF:

GENERAL ADJUSTMENT OF ELECTRIC RATES) CASE NO.
OF EAST KENTUCKY POWER) 2010-00167
COOPERATIVE, INC.)


CERTIFICATE

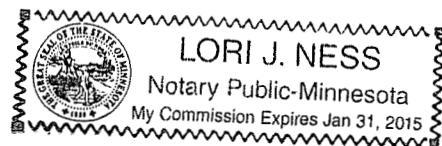
STATE OF MINNESOTA)
)
COUNTY OF ISANTI)

Dennis R. Eicher, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Gallatin Steel Company's Second Set of Data Request in the above-referenced case dated August 5, 2010, 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 12th day of August, 2010.


Notary Public



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

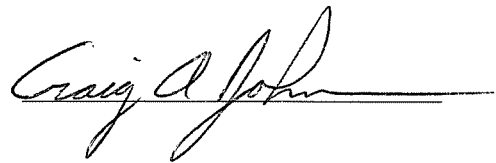
IN THE MATTER OF:

GENERAL ADJUSTMENT OF ELECTRIC RATES) CASE NO.
OF EAST KENTUCKY POWER) 2010-00167
COOPERATIVE, INC.)

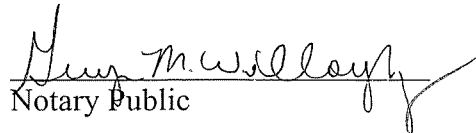
CERTIFICATE

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 Gallatin Steel Company's Second Set of Data Request in the above-referenced case dated August 5, 2010, 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 17th day of August, 2010.


Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013
NOTARY ID #409352

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

GENERAL ADJUSTMENT OF ELECTRIC RATES)	CASE NO.
OF EAST KENTUCKY POWER)	2010-00167
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 Gallatin Steel Company's Second Set of Data Request in the above-referenced case dated August 5, 2010, 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 13th day of August, 2010.

Gregory M. Kelley
 Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013
 NOTARY ID #409352

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

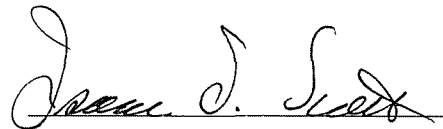
IN THE MATTER OF:

GENERAL ADJUSTMENT OF ELECTRIC RATES) CASE NO.
OF EAST KENTUCKY POWER) 2010-00167
COOPERATIVE, INC.)

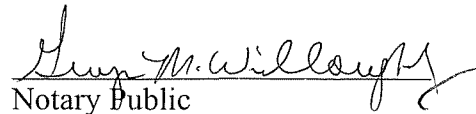
CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Isaac S. Scott, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Gallatin Steel Company’s Second Set of Data Request in the above-referenced case dated August 5, 2010, 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 18th day of August, 2010.


Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013
NOTARY ID #409352

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

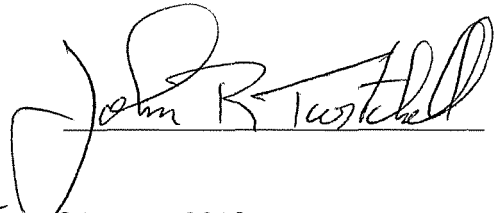
IN THE MATTER OF:

GENERAL ADJUSTMENT OF ELECTRIC RATES) CASE NO.
OF EAST KENTUCKY POWER) 2010-00167
COOPERATIVE, INC.)

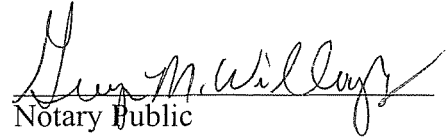
CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

John R. Twitchell, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Gallatin Steel Company's Second Set of Data Request in the above-referenced case dated August 5, 2010, 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 13th day of August, 2010.


Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013
NOTARY ID #409352

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

GENERAL ADJUSTMENT OF ELECTRIC RATES) CASE NO.
OF EAST KENTUCKY POWER) 2010-00167
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 Gallatin Steel Company's Second Set of Data Request in the above-referenced case dated August 5, 2010, 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 18th day of August, 2010.

Greg M. Wilcox
Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013
NOTARY ID #409352

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GENERAL ADJUSTMENT OF ELECTRIC RATES)	CASE NO.
OF EAST KENTUCKY POWER)	2010-00167
COOPERATIVE, INC.)	

RESPONSES TO SECOND SET OF DATA REQUESTS OF
GALLATIN STEEL COMPANY
TO EAST KENTUCKY POWER COOPERATIVE, INC.
DATED AUGUST 5, 2010

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE**

**GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10
REQUEST 1**

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 1. Refer to the Oliva Exhibit 1. Please explain why the Company has no budgeted AFUDC or interest during construction for the test year.

Response 1. Effective with the Commission's Order in Case No. 2008-00409 dated March 31, 2009, EKPC began receiving a cash return on construction work in progress and ceased accruing any AFUDC. Therefore, no AFUDC is budgeted in the test year.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10
REQUEST 2

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 2. Refer to Oliva Exhibit 1. Please provide the Company's computations of interest income and interest expense for each month during the base period and each month during the test year. Provide this information in an excel spreadsheet. Provide all assumptions, data, and computations with formulas intact. The assumptions and data should include, but not be limited to, any assumed changes in the amounts and sources of debt and the interest rates on each debt issue. To the extent the Company has made an assumption regarding interest rates during the projected months of the base period or the test year, then please provide the source of the interest rate assumption.

Response 2. Provided on the attached CD is a spreadsheet containing monthly interest income and interest expense for the base period and test year.

For assumptions made regarding interest rates during the months of the base period and test year, please refer to Response 2h of the Commission Staff's Second Data Request.

For assumptions made regarding anticipated advances for the base and test year, please refer to Response 3b of the Commission Staff's Third Data Request.

Please note that base year and test year interest rate assumptions for interest income are based on current and projected market conditions.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10
REQUEST 3

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 3. Please provide a schedule from the end of the month preceding the start of the base period through the end of the test year by month showing the Company's actuals and projections of beginning CWIP, direct construction expenditures, AFUDC, closings to plant in service and ending CWIP *by project*, e.g., specific Smith 1 projects.

Response 3. The requested information is included on the attached CD.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE**

**GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10
REQUEST 4**

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 4. Please provide a schedule from the end of the month preceding the start of the base period through the end of the test year by month showing the Company's actual and projections of beginning plant in service, plant additions, plant retirements, and ending plant in service by plant account. In addition, please reconcile the plant additions to the closings to plant in service provided in response to the immediately preceding question by month.

Response 4. The requested information is included on the attached CD.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00167

SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10

REQUEST 5

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 5. Please provide a copy of the Company's AFUDC policy. If the Company does not have a written policy, then please provide a narrative description of the projects that are eligible, the methodology used to compute the AFUDC rate and the AFUDC amounts (provide the formula used, e.g., beginning CWIP times 1/12 average interest rate at end of prior month), and the cessation of AFUDC once the CWIP either is closed to plant in service or included in rates.

Response 5. Please see the response to Request 1.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10
REQUEST 6

RESPONSIBLE PERSON: Frank J. Oliva/Ann F. Wood
COMPANY: East Kentucky Power Cooperative, Inc.

Request 6. Refer to the Company's response to Staff 2-4 and 2-18. Please provide the amount by RUS O&M expense account (fuel and purchased power expense) of the cost of forced outages by unit (if available by unit) for each month that were not or are projected not to be recovered through the Company's fuel adjustment clause during: a) 2009, b) the base period, c) the test year. For the projected months included in the base period and all months in the test year, please provide the Company's computations of this expense. Provide all assumptions, data, computations and electronic spreadsheets with formulas intact.

Response 6. Pages 3 through 5 of this response include forced outage information for 2009 and 2010; this information encompasses the base year. EKPC considers \$833k/month in its purchased power budget relating to forced outages as shown in Wood Exhibit 1, Schedule 1.02. The RUS accounts impacted are: 555 (purchased power), 501 (coal and oil), and 547 (natural gas).

Request 6a. For each year from 2005 – 2009, please identify the amount of purchase power expense that was not recoverable through the fuel adjustment clause. Please separately identify how much of purchase power expense was deferred for later recovery.

Response 6a. Please see pages 6 through 13 of this response for 2005-2008 information. In case No. 2008-00436, the Commission approved the establishment of a regulatory asset for the 2008 amount (page 7 of 13) of \$12.3 million in unrecovered forced outage fuel costs.

**EAST KENTUCKY POWER COOPERATIVE, INC.
2010 FORCED OUTAGE DETAIL**

Plant	Unit	Dates of Outage	Duration of Outage	Cost of Power Lost	Cost of Replacement Power	Net Unrecovered	Breakdown of Cost of Replacement Power		
							Generation	Purchased Power	Cost of Replacement Power
Spurlock	Gilbert								
Spurlock									
Cooper									
Date	4	1/14/10-1/16/10	33 Hrs 13 Mins	73,768	119,187	(45,419)	108,342	10,845	119,187
	4	1/22/10-1/23/10	39 Hrs 10 Mins	86,980	93,721	(6,741)	9,556	84,165	93,721
	4	1/26/10-1/30/10	86 Hrs 35 Mins	192,323	280,080	(87,757)	170,055	110,025	280,080
				<u>353,071</u>	<u>492,988</u>	<u>(139,917)</u>	<u>287,953</u>	<u>205,035</u>	<u>492,988</u>
			Total	\$ 353,071	\$ 492,988	\$ (139,917)	\$ 287,953	\$ 205,035	\$ 492,988

**EAST KENTUCKY POWER COOPERATIVE, INC.
2009 FORCED OUTAGE DETAIL**

Plant	Unit	Dates of Outage	Duration of Outage	Cost of Power		Net Unrecovered	Breakdown of Cost of Replacement Power		
				Lost	Replacement Power		Generation	Purchased Power	Replacement Power
Spurlock	Gilbert	1/21/09-1/29/09	199 Hrs 7 mins	\$ 1,125,040	\$ 3,402,117	\$ (2,277,077)	\$ 231,244	\$ 3,170,873	\$ 3,402,117
		8/4/09-8/4/09	7 Hrs 21 Mins	38,205	78,068	(39,863)	24,562	53,506	78,068
		10/12/09-10/14/09	41 Hrs 35 Mins	231,588	416,966	(185,378)	350,354	66,612	416,966
		11/17/09-11/30/09	329 Hrs 44 Mins	1,859,423	3,488,085	(1,628,662)	3,006,718	481,367	3,488,085
		12/1/09-12/4/09	75 Hrs 46 Mins	462,784	975,921	(513,137)	656,761	319,160	975,921
		12/8/09-12/11/09	81 Hrs 12 Mins	495,978	1,116,354	(620,376)	726,045	390,309	1,116,354
				4,213,018	9,477,511	(5,264,493)	4,995,684	4,481,827	9,477,511
Spurlock		2/14/09-2/14/09	7 Hrs 7 Mins	64,999	105,778	(40,779)	15,027	90,751	105,778
		5/2/09-5/10/09	197 Hrs 18 Mins	986,069	1,730,528	(744,459)	1,131,573	598,955	1,730,528
		6/2/09-6/3/09	13 Hrs 42 Mins	132,894	269,992	(137,098)	141,241	128,751	269,992
		7/16/09-7/17/09	35 Hrs 32 Mins	129,148	352,121	(222,973)	298,285	53,836	352,121
		Aug Addition		62,064		62,064			
		7/23/09-7/23/09	6 Hrs 22 Mins	34,265	58,919	(24,654)	49,382	9,537	58,919
				41,899	106,114	(64,215)	96,314	106,114	
				1,451,338	2,623,452	(1,172,114)	1,731,822	891,630	2,623,452
Cooper		2/16/09-2/16/09	7 Hrs 56 Mins'	40,786	84,411	(43,625)	686	83,725	84,411
		7/22/09-7/31/09	226 Hrs	51,650	645,306	(593,656)	521,625	123,681	645,306
		Aug Addition		434,626		434,626			
		8/1/109-8/31/09	744 Hrs	1,387,204	2,218,301	(831,097)	1,663,456	554,845	2,218,301
		9/1/09-9/30/09	720 Hrs	1,342,448	2,481,479	(1,139,031)	2,239,953	241,526	2,481,479
		10/1/09-10/23/09	535 Hrs 5 Mins	1,175,749	1,891,014	(715,265)	1,687,085	203,929	1,891,014
				4,432,463	7,320,511	(2,888,048)	6,112,805	1,207,706	7,320,511

**EAST KENTUCKY POWER COOPERATIVE, INC.
2009 FORCED OUTAGE DETAIL**

Plant	Date	Unit	Dates of Outage	Duration of Outage	Cost of Power		Net Unrecovered	Breakdown of Cost of Replacement Power		
					Lost	Replacement Power		Generation	Purchased Power	Replacement Power
		1	1/17/09-1/19/09	40 Hrs 18 Mins	22,336	43,368	(21,032)	-	43,368	43,368
		4	1/4/09-1/7/09	64 Hrs 16 Mins	76,438	150,342	(73,904)	-	150,342	150,342
		4	4/27/09-4/29/09	42 Hrs 42 Mins	68,611	78,138	(9,527)	27,149	50,989	78,138
		4	5/27/09-5/29/09	59 Hrs 5 Mins	72,323	95,906	(23,583)	15,465	80,441	95,906
		3	5/16/09-5/22/09	143 Hrs 11 Mins	160,849	223,437	(62,588)	1,059	222,378	223,437
		4	6/15/09-6/18/09	71 Hrs 23 Mins	97,483	133,171	(35,688)	57,264	75,907	133,171
		4	6/26/09-6/29/09	63 Hrs 34 Mins	107,547	140,983	(33,436)	85,909	55,074	140,983
		2	8/12/09-8/14/09	41 Hrs 56 Mins	21,211	26,257	(5,046)	7,182	19,075	26,257
		3	9/6/09-9/7/09	19 Hrs 21 Mins	32,409	49,776	(17,367)	47,436	2,340	49,776
		4	9/15/09-9/17/09	68 Hrs 20 Mins	119,531	171,195	(51,664)	146,741	24,454	171,195
		3	10/6/09-10/6/09	9 Hrs 7 Mins	15,895	24,377	(8,482)	19,841	4,536	24,377
		4	11/2/09-11/4/09	37 Hrs 18 Mins	62,233	95,626	(33,393)	85,223	10,403	95,626
		2	11/4/09-11/6/09	56 Hrs 8 Mins	19,504	34,829	(15,325)	34,384	445	34,829
		3	12/29/09-12/31/09	38 Hrs 30 Mins	47,094	76,851	(29,757)	66,989	9,862	76,851
					923,464	1,344,256	(420,792)	594,642	749,614	1,344,256
			Total		\$ 11,020,283	\$ 20,765,730	\$ (9,745,447)	\$ 13,434,953	\$ 7,330,777	\$ 20,765,730

**EAST KENTUCKY POWER COOPERATIVE, INC.
2008 FORCED OUTAGE DETAIL**

Plant	Unit	Dates of Outage	Duration of Outage	Cost of Power Lost	Cost of Replacement Power	Net Unrecovered	Breakdown of Cost of Replacement Power			Cost of Replacement Power
							Generation	Purchased Power	Replacement Power	
Spurlock	Gilbert	3/13/08-3/14/08	31 Hrs 50 Mins	\$ 75,071	\$ 305,059	\$ (229,988)	\$ 557	\$ 304,502	\$ 305,059	
		6/24/08-6/30/08	145 Hrs 23 Mins	783,481	2,800,320	(2,016,839)	738,333	2,061,987	2,800,320	
		7/1/08-7/10/08	227 Hrs 43 Mins	1,274,092	4,205,375	(2,931,283)	1,270,811	2,934,564	4,205,375	
					<u>7,310,754</u>	<u>(5,178,110)</u>	<u>2,009,701</u>	<u>5,301,053</u>	<u>7,310,754</u>	
Spurlock	2	3/4/08-3/7/08	75 Hrs 51 Mins	849,243	2,584,250	(1,735,007)	393,829	2,190,421	2,584,250	
	2	3/13/08-3/14/08	12 Hrs 32 Mins	106,869	267,066	(160,197)		267,066	267,066	
	2	6/7/08-6/8/08	11 Hrs 3 Mins	134,659	422,029	(287,370)	204,047	217,982	422,029	
	1	7/1/08-7/1/08	7 Hrs 23 Mins	48,446	160,481	(112,035)	5,729	154,752	160,481	
	1	7/9/08-7/12/08	80 Hrs 58 Mins	534,162	2,050,252	(1,516,090)	250,467	1,799,785	2,050,252	
					<u>5,484,078</u>	<u>(3,810,699)</u>	<u>854,072</u>	<u>4,630,006</u>	<u>5,484,078</u>	
Cooper	1	1/23/08-1/25/08	69 Hrs 30 Mins	161,545	629,864	(468,319)	145,734	484,130	629,864	
	2	1/29/08-1/29/08	7 Hrs 12 Mins	32,310	96,435	(64,125)	171	96,264	96,435	
	2	4/1/08-4/1/08	11 Hrs 45 Mins	21,132	82,967	(61,835)	64,666	18,301	82,967	
	2	4/5/08-4/5/08	8 Hrs 56 Mins	36,570	87,233	(50,663)		87,233	87,233	
	2	5/15/08-5/15/08	17 Hrs 28 Mins	86,746	210,087	(123,341)	52,010	158,077	210,087	
	2	6/7/08-6/7/08	9 Hrs 5 Mins	49,784	255,120	(205,336)	106,271	148,849	255,120	
	2	6/9/08-6/11/08	31 Hrs 19 Mins	150,300	390,230	(239,930)	106,447	283,783	390,230	
	2	6/13/08-6/15/08	49 Hrs 34 Mins	271,631	725,675	(454,044)	131,779	593,896	725,675	
	1	9/2/08-9/2/08	14 Hrs 5 Mins	43,312	115,291	(71,979)	38,182	77,109	115,291	
	2	9/9/08-9/12/08	86 Hrs 9 Mins	429,390	755,742	(326,352)	76,334	679,408	755,742	
					<u>3,348,644</u>	<u>(2,065,924)</u>	<u>721,594</u>	<u>2,627,050</u>	<u>3,348,644</u>	

**EAST KENTUCKY POWER COOPERATIVE, INC.
2008 FORCED OUTAGE DETAIL**

Plant	Unit	Dates of Outage	Duration of Outage	Cost of Power Lost	Cost of Replacement Power	Net Unrecovered	Breakdown of Cost of Replacement Power			Cost of Replacement Power
							Generation	Purchased Power	Power	
	4	1/8/08-1/11/08	58 Hrs 26 Mins	92,334	173,989	(81,655)	18,670	155,319	173,989	
	4	1/16/08-1/18/08	37 Hrs 55 Mins	63,597	148,316	(84,719)		148,316	148,316	
	1	2/9/08-2/11/08	35 Hrs 5 Mins	17,702	42,585	(24,883)	11,361	31,224	42,585	
	2	2/3/08-2/4/08	26 Hrs 51 Mins	16,138	32,033	(15,895)		32,033	32,033	
	2	2/11/08-2/12/08	32 Hrs 41 Mins	10,828	31,696	(20,868)	16,796	14,900	31,696	
	1	3/10/08-3/12/08	48 Hrs 30 Mins	27,535	83,883	(56,348)	6,066	77,817	83,883	
	4	3/14/08-3/16/08	46 Hrs 36 Mins	78,228	176,334	(98,106)		176,334	176,334	
	4	3/16/08-3/19/08	59 Hrs 9 Mins	75,054	215,176	(140,122)	14,111	201,065	215,176	
	3	4/29/08-4/30/08	28 Hrs 15 Mins	46,320	148,106	(101,786)	113,235	34,871	148,106	
	2	5/4/08-5/6/08	29 Hrs 24 Mins	19,485	49,117	(29,632)	19,241	29,876	49,117	
	2	5/21/08-5/23/08	57 Hrs 10 Mins	37,085	80,520	(43,435)	31,203	49,317	80,520	
	4	5/1/08-5/1/08	22 Hrs 20 Mins	37,541	84,935	(47,394)	12,379	72,556	84,935	
	4	5/5/08-5/6/08	30 Hrs 33 Mins	42,414	114,648	(72,234)	41,884	72,764	114,648	
	4	5/11/08-5/13/08	38 Hrs 32 Mins	54,029	138,953	(84,924)	51,219	87,734	138,953	
	1	6/23/08-6/25/08	37 Hrs 30 Mins	19,889	38,197	(18,308)	16,926	21,271	38,197	
	2	6/8/08-6/10/08	46 Hrs 51 Mins	26,354	92,882	(66,528)	15,081	77,801	92,882	
	2	7/15/08-7/16/08	25 Hrs 58 Mins	14,556	32,462	(17,906)	8,141	24,321	32,462	
	3	7/18/08-7/20/08	32 Hrs 51 Mins	48,361	107,351	(58,990)	27,973	79,378	107,351	
	4	7/27/08-7/29/08	40 Hrs 20 Mins	51,364	119,819	(68,455)	3,272	116,547	119,819	
	1	8/1/08-8/2/08	28 Hrs 19 Mins	16,749	37,319	(20,570)		37,319	37,319	
	3	8/28/08-8/28/08	7 Hrs 49 Mins	10,291	25,356	(15,065)		25,356	25,356	
	4	8/25/08-8/27/08	32 Hrs 19 Mins	47,265	87,151	(39,886)	-	87,151	87,151	
	4	9/15/08-9/18/08	64 Hrs 11 Mins	76,521	115,274	(38,753)	14,010	101,264	115,274	
					<u>2,176,102</u>	<u>(1,246,462)</u>	<u>421,568</u>	<u>1,754,534</u>	<u>2,176,102</u>	

Total \$ (12,301,196)

**EAST KENTUCKY POWER COOPERATIVE, INC.
2007 FORCED OUTAGE DETAIL**

Plant	Unit	Dates of Outage	Duration of Outage	MWH Lost	Cause of Outage	Cost of Power Lost	Cost of Replacement Power	Net Unrecovered
Spurlock	2	4/30/07-4/30/07	7 hrs 44 Mins	3,565	Bad Fuse	96,101	138,049	(41,949)
Spurlock	2	8/11/07-8/12/07	7 Hrs 13 Mins	3,424	Lube Oil Trip	81,965	240,380	(158,416)
Spurlock	2	12/9/07-12/13/07	94 Hrs 4 Mins	43,172	T10 problem	1,123,634	2,272,575	(1,148,941)
								<u>(1,349,305)</u>
Date	4	1/7/07-1/9/07	39 Hrs 25 Mins	1,481	Tube Leak	41,177	75,728	(34,551)
Date	2	1/11/07-1/12/07	25 Hrs 45 Mins	368	Tube Leak	10,660	18,963	(8,303)
Date	3	2/9/07-2/11/07	42 Hrs 37 Mins	2,730	Tube Leak	77,989	183,010	(105,021)
Date	3	2/11/07-2/12/07	30 Hrs 24 Mins	1,533	Mar-07 Adjustment	-	38,673	(38,673)
Date	3	2/11/07-2/12/07	30 Hrs 24 Mins	1,533	Tube Leak	43,794	113,427	(69,633)
Date	1	2/18/07-2/19/07	26 Hrs 28 Mins	537	Mar-07 Adjustment	-	3,783	(3,783)
Date	1	2/18/07-2/19/07	26 Hrs 28 Mins	537	Tube Leak	15,861	41,074	(25,213)
Date	1	2/24/07-2/27/07	72 Hrs 50 Mins	951	Mar-07 Adjustment	-	8,704	(8,704)
Date	1	2/24/07-2/27/07	72 Hrs 50 Mins	951	Tube Leak	28,089	55,882	(27,793)
Date	4	3/18/07-3/19/07	32 Hrs 56 Mins	1,805	Mar-07 Adjustment	-	(2,816)	2,816
Date	3	4/10/07-4/12/07	61 Hrs 9 Mins	3,855	Tube Leak	52,693	97,081	(44,388)
Date	1	4/13/07-4/15/07	26 Hrs 33 Mins	524	Tube Leak	109,639	272,043	(162,404)
Date	2	5/20/07-5/22/07	48 Hrs 48 Mins	683	Tube Leak	15,612	33,793	(18,180)
Date	2	5/22/07-5/24/07	29 Hrs 12 Mins	409	Tube Leak	21,403	25,174	(3,771)
Date	4	6/3/07-6/5/07	44 Hrs 20 Mins	2,113	Tube Leak	12,817	17,852	(5,035)
Date	4	6/9/07-6/10/07	26Hrs 15 Mins	897	Tube Leak	63,200	88,933	(25,733)
Date	3	6/18/07-6/20/07	31 Hrs 49 Mins	1,574	Tube Leak	26,829	51,859	(25,030)
Date	4	6/18/07-6/22/07	100 Hrs 48 Mins	4,717	Tube Leak	45,600	90,896	(45,296)
Date	1	7/14/07-7/15/07	37 Hrs 31 Mins	637	Buss Problem	141,085	264,388	(123,303)
Date	4	7/19/07-7/21/07	58 Hrs	2,755	Tube Leak	19,774	36,464	(16,690)
Date	1	8/6/07-8/7/07	31 Hrs 16 Mins	606	ID Fan Coupling Failure	77,861	118,008	(40,147)
Date	3	8/17/07-8/19/07	41 Hrs 36 Mins	2,478	Tube Leak	18,069	58,463	(40,394)
Date	3	9/9/07-9/11/07	28 Hrs 3 Mins	1,483	Tube Leak	68,465	180,386	(111,921)
Date	3	9/18/07-9/20/07	38 Hrs 49 Mins	1,648	Tube Leak	43,085	74,027	(30,942)
Date	3	9/22/07-9/26/07	85 Hrs 13 Mins	2,624	Tube Leak	47,879	85,888	(38,009)
Date	1	10/8/07-10/10/07	30 Hrs 34 Mins	549	Tube Leak	76,234	176,643	(100,409)
Date	1	11/2/07-11/4/07	31 Hrs 53 Mins	574	Tube Leak	17,761	30,823	(13,062)
Date	1	11/2/07-11/4/07	31 Hrs 53 Mins	574	Tube Leak	18,163	22,627	(4,464)

Plant	Unit	Dates of Outage	Duration of Outage	MWH Lost	Cause of Outage	Cost of Power Lost	Replacement Power	Net Unrecovered
Date	4	11/19/07-11/21/07	43 Hrs 31 Mins	2,243	Tube Leak	67,077	104,524	(37,447)
Date	2	11/21/07-11/22/07	29 Hrs 32 Mins	519	Tube Leak	16,076	23,175	(7,099)
Date	2	12/8/07-12/10/07	39 Hrs 57 Mins	762	Tube Leak	23,469	43,940	(20,471)
Date	2	12/13/07-12/15/07	38 Hrs 13 Mins	567	Tube Leak	17,463	38,407	(20,944)
Date	1	12/27/07-12/29/07	35 Hrs 50 Mins	467	Tube Leak	14,572	23,205	(8,633)
								<u>(1,262,630)</u>
Cooper	2	3/22/07-3/24/07	40 Hrs 57 Mins	7,365	Tube Leak	161,236	217,489	(56,253)
Cooper	1	3/30/07-3/31/07	30 Hrs 18 Mins	2,439	Repair Drag Chain	53,198	101,626	(48,428)
Cooper	2	4/18/07-4/20/07	40 Hrs 56 Mins	7,805	Tube Leak	171,783	483,782	(311,999)
Cooper	1	6/10/07-6/12/07	54 Hrs 47 Mins	3,344	Tube Leak	76,104	176,493	(100,389)
Cooper	1	6/18/07-6/20/07	34 Hrs 49 Mins	1,999	Tube Leak	45,494	119,320	(73,826)
Cooper	1	7/26/07-7/28/07	59 Hrs 29 Mins	4,373	Tube Leak	101,876	199,941	(98,065)
								<u>(688,960)</u>
Spurlock	Gilbert	6/9/07-6/9/07	10 Hrs 28 Mins	2,651	Tube Leak	32,837	218,767	(185,930)
Spurlock	Gilbert	8/16/07-8/17/07	6 Hrs 7 Mins	1,631	Lightning Strike to Controls	21,959	145,160	(123,201)
								<u>(309,132)</u>
					Total 2007 Unrecovered Forced Outage Fuel Costs			<u>\$ (3,610,027)</u>

**EAST KENTUCKY POWER COOPERATIVE, INC.
2006 FORCED OUTAGE DETAIL**

Plant	Unit	Dates of Outage	Duration of Outage	MWH Lost	Cause of Outage	Cost of Power		Replacement Power	Net Unrecovered
						Lost	Power		
Spurlock	Gilbert	1/1/06-1/9/06	181 Hrs 49 Mins	47,936	Tube Leak	717,966	2,148,727	(1,430,761)	
Spurlock	Gilbert	1/16/06-1/18/06	64 Hrs 6 Mins	11,549	Air Heater Seals	172,976	656,528	(483,552)	
Spurlock	Gilbert	1/18/06-1/20/06	37 Hrs 49 Mins	5,624	Voltage Regulator	84,234	373,523	(289,289)	
Spurlock	Gilbert	2/28/2006	6 Hrs 57 Mins	1,826	Loss of oil pump	22,611	72,243	(49,632)	
Spurlock	Gilbert	3/31/2006	15 Hrs 31 Mins	3,824	Tube Leak	47,272	237,944	(190,672)	
Spurlock	Gilbert	4/1/06-4/6/06	131 Hrs	32,281	Tube Leak	416,041	1,457,901	(1,041,860)	
								<u>(3,485,766)</u>	
Cooper	1	6/11/06-6/15/06	77 Hrs 43 Mins	6,223	Tube Leak	142,972	183,639	(40,667)	
Cooper	2	6/24/06-6/26/06	39 Hrs 20 Mins	6,352	Tube Leak	145,076	218,506	(73,430)	
Cooper	2	9/19/06-9/21/06	42 Hrs 24 Mins	6,401	Tube Leak	150,279	188,011	(37,732)	
Cooper	2	11/16/06-11/23/06	169 Hrs 52 Mins	30,288	Lost Station Service	694,064	1,756,681	(1,062,617)	
Cooper	1	11/27/06-11/29/06	45 Hrs 39 mins	4,104	Tube Leak	94,871	181,385	(86,514)	
								<u>(1,300,960)</u>	
Date	1	1/8/06-1/10/06	33 Hrs 5 Mins	685	Tube Leak	19,498	34,556	(15,058)	
Date	1	1/21/06-1/23/06	41 Hrs 22 Mins	806	Tube Leak	22,942	39,355	(16,413)	
Date	4	2/10/06-2/11/06	30 Hrs 35 Mins	1,715	Tube Leak	48,981	107,692	(58,711)	
Date	2	2/18/06-2/19/06	21 Hrs 52 Mins	403	Air Heater	11,329	32,162	(20,833)	
Date	1	3/20/06-3/22/06	52 Hrs 46 Mins	105	Tube Leak	3,085	7,884	(4,799)	
Date	3	4/3/2006	14 Hrs 12 Mins	870	Tube Leak	24,457	54,127	(29,670)	
Date	1	4/21/06-4/22/06	34 Hrs 39 Mins	594	Tube Leak	17,061	19,483	(2,422)	
Date	1	6/6/06-6/7/06	30 Hrs 7 Mins	534	Mod Bus to Mark 5 Comm Trouble	16,004	19,265	(3,261)	
Date	4	6/8/06-6/11/06	61 Hrs 27 Mins	526	FW Valve	15,817	20,140	(4,323)	
Date	3	6/21/06-6/23/06	42 Hrs 35 Mins	2,197	Tube Leak	62,161	168,790	(106,629)	
Date	4	6/27/06-6/29/06	42 Hrs 10 Mins	2,299	Tube Leak	69,130	104,414	(35,284)	
Date	1	8/11/06-8/17/06	125 Hrs 9 Mins	2,299	Tube Leak	70,602	112,337	(41,735)	
Date	3	11/1/06-11/2/06	37 Hrs 11 Mins	1,446	Tube Leak	40,960	70,558	(29,598)	
Date	3	11/16/06-11/18/06	38 Hrs 27 Mins	1,982	Tube Leak	56,143	125,432	(69,289)	
Date	1	12/10/06-12/12/06	48 Hrs 30 Mins	720	Tube Leak	21,863	37,599	(15,736)	
								<u>(453,760)</u>	

Plant	Unit	Dates of Outage	Duration of Outage	MWH Lost	Cause of Outage	Cost of Power Lost	Cost of Replacement Power	Net Unrecovered
Spurlock	2	2/24/06-2/25/06	16 Hrs 30Mins	7,341	Buss Differential on T-9	189,314	292,993	(103,679)
Total 2006 Unrecovered Forced Outage Fuel Costs								<u>(103,679)</u>
								<u>\$ (5,344,164)</u>

**EAST KENTUCKY POWER COOPERATIVE, INC.
2005 FORCED OUTAGE DETAIL**

Plant	Unit	Dates of Outage	Duration of Outage	MWH Lost	Cause of Outage	Cost of Power Lost	Replacement Power	Net Unrecovered
Spurlock	Gilbert	3/15/2005	13 Hrs 58 Mins	3,172	Boiler Tripped	41,361	202,172	(160,811)
Spurlock	Gilbert	3/21/05-3/22/05	9 Hrs 13 Mins	1,611	Boiler Tripped	21,006	94,135	(73,128)
Spurlock	Gilbert	4/13/05-4/14/05	29 Hrs 46 Mins	6,202	Repair Bag House	69,835	290,426	(220,590)
Spurlock	Gilbert	4/30/2005	8 Hrs 4 Mins	2,075	Boiler Tripped	23,365	86,538	(63,173)
Spurlock	Gilbert	5/1/2005	8 Hrs 59 Mins	2,310	Boiler Tripped	29,109	65,619	(36,510)
Spurlock	Gilbert	5/17/05-5/23/05	143 Hrs 17 Mins	33,919	Repair Ash Cooler	427,422	1,547,744	(1,120,322)
Spurlock	Gilbert	5/24/05-5/25/05	14 Hrs 54 Mins	193	To prevent reheat tube leak	2,432	6,153	(3,721)
Spurlock	Gilbert	7/25/05-7/31/05	167 Hrs 6 Mins	39,223	Tube Leak	462,971	2,498,984	(2,036,013)
Spurlock	Gilbert	8/1/05-8/8/05	173 Hrs 57 Mins	40,831	Tube Leak	491,622	3,284,857	(2,793,235)
Spurlock	Gilbert	8/10/05-8/11/05	33 Hrs 16 Mins	321	Steam leak in Economizer	3,865	25,735	(21,870)
Spurlock	Gilbert	9/1/2005	10 Hrs 53 Mins	2,421	Exciter Problems	27,418	311,304	(283,886)
Spurlock	Gilbert	11/21/05-11/22/05	21 Hrs 36 Mins	2,867	Turbine Control Failure	39,778	167,678	(127,900)
Spurlock	Gilbert	12/3/05-12/4/05	20 Hrs 13 Mins	4,940	Limestone Mill Malfunction	59,269	458,329	(399,060)
								<u>(7,340,221)</u>
Cooper	1	1/17/05-1/21/05	87 Hrs 45 Mins	7,819	Tube Leak	159,549	524,116	(364,567)
Cooper	1	3/6/05-3/8/05	33 Hrs 16 Mins	3,154	Tube Leak	68,175	149,572	(81,397)
Cooper	2	3/21/2005	6 Hrs 34 Mins	1,093	Tube Leak	22,562	75,040	(52,478)
Cooper	1	4/10/05-4/15/05	105 Hrs 31 Mins	6,109	Tube Leak	131,921	288,617	(156,695)
Cooper	1	4/16/05-4/19/05	54 Hrs 41 Mins	1,448	Tube Leak	31,269	68,206	(36,937)
Cooper	1	4/20/05-4/23/05	73 Hrs 9 Mins	2,378	Tube Leak	51,352	131,895	(80,543)
Cooper	2	5/24/05-5/27/05	73 Hrs 27 Mins	11,416	Tube Leak	239,352	374,021	(134,669)
Cooper	2	7/21/2005	7 Hrs 8 Mins	1,182	Repair drag chain on bottom ash	25,925	68,921	(42,996)
Cooper	1	9/4/05-9/6/05	55 Hrs 3 Mins	4,474	Tube Leak	99,025	259,138	(160,113)
Cooper	1	10/12/05-10/14/05	48 Hrs 34 Mins	3,572	Tube Leak	78,388	191,614	(113,226)
Cooper	2	10/24/05-10/26/05	35 Hrs 55 Mins	5,106	Tube Leak	113,171	447,107	(333,936)
Cooper	1	11/20/05-11/24/05	86 Hrs 8 Mins	7,515	Tube Leak	170,167	485,561	(315,394)
Cooper	1	12/5/2005	16 Hrs 14 Mins	1,505	ID Fan Grounded	32,537	172,740	(140,203)
Cooper	1	12/5/05-12/7/05	28 Hrs 46 Mins	2,667	ID Fan Grounded	57,658	333,426	(275,768)
								<u>(2,288,924)</u>
Date	4	1/12/05-1/14/05	50 Hrs 41 Mins	2,970	Tube Leak	76,397	158,322	(81,925)

Plant	Unit	Dates of Outage	Duration of Outage	MWH Lost	Cause of Outage	Cost of Power Lost	Cost of Replacement Power	Net Unrecovered
Date	2	2/13/05-2/15/05	38 Hrs 4 Mins	591	Tube Leak	14,916	27,971	(13,054)
Date	1	4/23/05-4/26/05	53 Hrs 17 Mins	904	Tube Leak	24,021	43,081	(19,060)
Date	1	5/27/05-5/29/05	32 Hrs 59 Mins	591	Tube Leak	16,134	21,694	(5,560)
Date	3	6/27/05-6/30/05	64 Hrs 27 Mins	3,962	Tube Leak	114,647	258,534	(143,888)
Date	2	7/15/05-7/17/05	49 Hrs 47 Mins	653	Tube Leak	19,671	34,354	(14,683)
Date	3	8/24/05-8/26/05	52 Hrs 5 Mins	3,384	Tube Leak	93,433	108,613	(15,180)
Date	1	8/25/05-8/27/05	39 Hrs 33 Mins	786	Tube Leak	23,170	31,435	(8,265)
Date	1	9/19/05-9/21/05	48 Hrs 45 Mins	568	Tube Leak	16,491	30,346	(13,855)
Date	4	10/23/05-10/25/05	34 Hrs 58 Mins	1,850	Tube Leak	53,869	119,370	(65,501)
Date	1	11/6/05-11/8/05	34 Hrs 13 Mins	605	Tube Leak	18,247	45,290	(27,043)
Date	1	11/8/05-11/10/05	50 Hrs 42 Mins	676	Tube Leak	20,388	31,500	(11,112)
Date	1	12/9/05-12/11/05	30 Hrs 1 Min	593	Tube Leak	16,414	73,691	(57,277)
								<u>(476,404)</u>
Spurlock	2	3/6/05-3/7/05	12 Hrs 50 Mins	6,035	Lightning Arrestor on T9	111,301	264,961	(153,660)
								<u>(153,660)</u>
Total 2005 Unrecovered Forced Outage Fuel Costs								<u>\$ (10,259,209)</u>

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10
REQUEST 7

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 7. Refer to the Company's response to Staff 2-6. Please provide a copy of the terms of the new credit facility and provide a copy of the Company's computations of the increased expense. Provide all assumptions, data, computations and electronic spreadsheets with formulas intact.

Request 7. Please refer to EKPC's application filed in Case No. 2010-00166 on June 4, 2010 and the responses to the Commission Staff's Information Requests from the Informal Conference Held on June 24, 2010, filed on June 25, 2010.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00167

SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10

REQUEST 8

RESPONSIBLE PERSON: Craig A. Johnson

COMPANY: East Kentucky Power Cooperative, Inc.

Request 8. Refer to the Company's response to Staff 2-12. Please provide the amount by RUS O&M expense account of turbine/generator overhauls by unit for each month during: a) 2009, b) the base period, c) the test year. For the projected months included in the base period and all months in the test year, please provide the Company's computations of this expense. Provide all assumptions, data, computations and electronic spreadsheets with formulas intact.

Response 8. The turbine/generator overhauls by RUS expense account and by unit for the base year and 2009 are provided on the attached CD. No turbine/generator overhauls are projected in the test year. All information related to turbine/generator overhauls is provided by the Power Production Business Unit; major turbine overhauls are performed on a 10-year cycle.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00167

SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10

REQUEST 9

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 9. Refer to the Company's response to Staff 2-18b. Please provide the amount of forced outage insurance proceeds included in the test year and where the amount is included in the test year (revenues or expenses and if expenses, in which line item). Provide the Company's computation of these proceeds by month during the test year. Provide all assumptions, data, computations and electronic spreadsheets with formulas intact.

Response 9. The requested information is included on the attached CD.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00167

SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10

REQUEST 10

RESPONSIBLE PERSON: Frank J. Oliva/John R. Twitchell

COMPANY: East Kentucky Power Cooperative, Inc.

Request 10. Refer to the Company's response to Staff 2-23. Please provide the changes in monthly construction expenditures and monthly draws or issuances of long term debt based on a delay in the new combustion turbine project. Provide a copy of all support, including assumptions relied on for the Company's response.

Response 10. It is currently projected that construction will not begin on the New CT Project until after the year 2011.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00167

SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10

REQUEST 11

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 11. Please provide a schedule of the total costs and the expense amounts for each benefits expense during calendar year 2009, the amounts included in the base period and the amounts included in the test year.

Response 11. Please see Response 36a of Commission Staff's First Data Request for a listing of fringe benefits for the forecasted test period and base period. A listing of fringe benefits for 2009 is provided on page 2 of this response.

2009 Benefits Costs

1802	Retirement	\$ 7,384,077
1803	Sick Leave Liability	119,599
1804	Dental - Vision	234,243
1805	401K - Employer 2% Contribution	763,171
1806	LTD Insurance	196,575
1807	Business Travel Insurance	1,315
1808	Employee Safety Awards	2,819
1809	Group Term Life/AD&D	237,453
1811	Vending Supplies	31,836
1812	Post Retirement Medical Insurance	2,942,208
1813	Post Employment - LTD, WC	875
1814	Employee Food Certificates	29,328
1815	Employee Recreation	19,000
1816	Employee Recruiting/Relocation	254,649
1817	Employee Association Board Lunches	1,730
1818	Employee Service Awards	70,253
1819	Employee Physicals	17,240
1821	Employee Recognition Dinner	45,962
1823	Retiree Lunch	-
1825	Workers Compensation	(82,017)
1827	Key Contributor Awards	78,767
1829	Employee Assistance Program (EAP)	21,887
1831	Wellness Program	70,027
1832	Medical Surveillance	33,528
1834	CDL Physicals	1,475
1835	CDL Drug & Alcohol Testing	2,840
1836	Corporate Drug & Alcohol Testing	8,641
1837	Medical Insurance - PPO	5,510,404
1839	Drug Charges-Active Employees	-
1850	401K - Employer 6% Contribution	194,933
1851	401K - Employer 4% Contribution	96,032
1852	Car Allowance	15,000
	Subtotal	<u>18,303,850</u>
	<u>Provided to Retirees</u>	
1810	Retired Employees Life Insurance	24,620
1822	Executive Retirement Plan	44,861
1842	Retiree Medical - PPO	638,742
	Total	\$ 19,012,073

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00167

SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10

REQUEST 12

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 12. Please provide the Company's computation of each benefit expense included in the base period and in the test year. Provide all assumptions, data and computations, including electronic spreadsheets with formulas intact. In addition, please provide a copy of all source documents relied on, such as actuarial reports. Finally, provide the expense % used in the computations and demonstrate that the Company did not include benefits costs that normally would be capitalized as expense amounts.

Response 12. The requested information is included on the attached CD.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10
REQUEST 13

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 13. Please provide a schedule of capitalization showing the amounts of short term debt by source, long term debt by issue and patronage capital for each month during calendar year 2009, each month during the base period and each month during the test year.

Response 13. Schedules of capitalization for 2009 calendar year, base year and test year are provided on pages 2 through 4 of this response.

East Kentucky Power Cooperative, Inc.
Schedule of Capitalization of Long-Term and Short-Term Debt
Calendar Year 2009

	1/31/2009	2/28/2009	3/31/2009	4/30/2009	5/31/2009	6/30/2009	7/31/2009	8/31/2009	9/30/2009	10/31/2009	11/30/2009	12/31/2009
Tax-Exempt Debt:												
Sourlock	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000	\$ 67,000,000
Smith	11,535,000	11,535,000	11,535,000	11,535,000	11,535,000	11,535,000	11,535,000	11,535,000	11,535,000	11,535,000	11,535,000	11,535,000
Cooper	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000
Intermediate Debt - General	615,000,000	615,000,000	615,000,000	615,000,000	615,000,000	615,000,000	615,000,000	615,000,000	615,000,000	615,000,000	615,000,000	615,000,000
CFC Long-Term Debt	17,686,439	17,686,439	17,337,979	17,337,979	17,337,979	16,985,095	16,985,095	16,627,730	16,627,730	16,627,730	16,265,826	16,265,826
CFC Other:												
Inland	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
CREB's	6,797,332	6,797,332	6,662,754	6,662,754	6,662,754	6,528,175	7,805,575	7,805,575	7,670,996	7,670,996	7,670,996	7,536,417
RUS Notes	39,525,955	38,746,329	38,612,469	38,473,612	37,904,723	37,703,559	37,567,377	36,991,322	36,849,624	36,711,670	36,123,237	35,984,083
FFB Notes	1,628,991,822	1,628,991,822	1,621,217,966	1,646,217,966	1,706,217,966	1,847,665,528	1,910,565,528	2,082,470,375	2,106,893,650	2,131,976,604	2,118,289,941	2,144,245,674
Total Debt	2,400,636,548	2,399,856,923	2,391,466,167	2,416,327,310	2,440,758,421	2,441,517,356	2,450,538,575	2,551,130,000	2,575,277,000	2,572,512,000	2,557,875,000	2,607,055,000
Total Members' Equity	197,756,601	212,679,818	218,438,840	224,348,504	228,086,908	228,087,000	228,200,753	229,285,000	227,553,000	223,012,000	221,841,000	219,131,000
Total Capitalization	\$ 2,598,393,149	\$ 2,612,536,741	\$ 2,609,905,007	\$ 2,640,675,814	\$ 2,668,845,329	\$ 2,669,604,356	\$ 2,658,739,328	\$ 2,780,415,000	\$ 2,802,830,000	\$ 2,795,524,000	\$ 2,779,716,000	\$ 2,826,186,000

East Kentucky Power Cooperative, Inc.
Schedule of Capitalization (Detailing Long-Term and Short-Term Debt)
Base Period

	9/30/2009	10/31/2009	11/30/2009	12/31/2009	1/31/2010	2/28/2010	3/31/2010	4/30/2010	5/31/2010	6/30/2010	7/31/2010	8/31/2010
Tax-Exempt Debt:												
Spurlock	\$ 67,000,000	\$ 58,200,000	\$ 58,200,000	\$ 58,200,000	\$ 58,200,000	\$ 58,200,000	\$ 58,200,000	\$ 58,200,000	\$ 58,200,000	\$ 58,200,000	\$ 58,200,000	\$ 58,200,000
Smith	11,535,000	7,625,000	7,625,000	7,625,000	7,625,000	7,625,000	7,625,000	7,625,000	7,625,000	7,625,000	7,625,000	7,625,000
Cooper	7,700,000	7,700,000	7,700,000	7,700,000	7,700,000	7,700,000	7,700,000	7,700,000	7,700,000	7,700,000	7,700,000	7,300,000
Intermediate Debt - General	315,000,000	300,000,000	300,000,000	325,000,000	325,000,000	325,000,000	325,000,000	325,000,000	325,000,000	325,000,000	325,000,000	325,000,000
CFC Long-Term Debt	16,627,730	16,627,730	16,265,826	16,265,826	16,265,826	16,265,826	15,899,326	15,899,326	15,899,326	15,513,598	15,513,598	15,124,014
CFC Other:												
Inland	6,000,000	6,000,000	6,000,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
CREBS	7,670,996	7,670,996	7,670,996	7,536,417	7,536,417	7,536,417	7,401,838	7,401,838	7,401,838	7,267,259	7,267,259	7,267,259
RUS Notes	36,849,624	36,711,670	36,123,237	35,984,083	35,844,334	35,239,407	35,098,406	34,952,590	34,431,701	34,203,378	34,059,915	33,874,442
FFB Notes	2,106,893,650	2,131,976,604	2,118,289,941	2,144,243,674	2,171,496,423	2,120,183,350	2,146,045,430	2,126,098,246	2,168,033,135	2,195,195,765	2,346,754,228	2,355,653,285
Total Debt	2,575,277,000	2,572,512,000	2,557,875,000	2,607,055,000	2,634,168,000	2,582,250,000	2,607,470,000	2,587,377,000	2,628,791,000	2,655,205,000	2,806,620,000	2,814,544,000
Total Members' Equity	227,553,000	223,012,000	221,841,000	219,131,000	229,119,000	238,492,000	244,378,000	239,009,000	234,946,000	235,291,000	240,340,000	246,755,000
Total Capitalization	\$ 2,802,830,000	\$ 2,795,524,000	\$ 2,779,716,000	\$ 2,826,186,000	\$ 2,863,287,000	\$ 2,820,742,000	\$ 2,851,848,000	\$ 2,826,386,000	\$ 2,863,737,000	\$ 2,890,496,000	\$ 3,046,960,000	\$ 3,061,299,000

East Kentucky Power Cooperative, Inc.
 Schedule of Capitalization of Long-Term and Short-Term Debt
 Test Year

	1/31/2011	2/28/2011	3/31/2011	4/30/2011	5/31/2011	6/30/2011	7/31/2011	8/31/2011	9/30/2011	10/31/2011	11/30/2011	12/31/2011
Tax-Exempt Debt:												
Spartan	\$ 48,500,000	\$ 48,500,000	\$ 48,500,000	\$ 48,500,000	\$ 48,500,000	\$ 48,500,000	\$ 48,500,000	\$ 48,500,000	\$ 48,500,000	\$ 48,392,500	\$ 48,392,500	\$ 48,392,500
Smith	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000
Cooper	7,300,000	7,300,000	7,300,000	7,300,000	7,300,000	7,300,000	7,300,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000
Intermediate Debt - General	325,000,000	300,000,000	275,000,000	275,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	275,000,000	275,000,000	325,000,000
CFC Long-Term Debt	14,410,800	14,038,711	14,038,711	14,038,711	13,666,260	13,666,260	13,666,260	13,289,878	13,289,878	13,289,878	13,116,594	13,116,594
CFC Other:												
Inland	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	1,500,000
CREB's	6,993,971	6,993,971	6,857,327	6,857,327	6,857,327	6,720,683	6,720,683	6,720,683	6,584,039	6,584,039	6,584,039	6,459,785
RUS Notes	32,592,927	32,566,089	32,534,626	32,109,762	32,077,068	32,044,374	31,645,316	31,608,764	31,608,764	31,576,786	31,183,714	31,075,435
FFB Notes	2,475,019,302	2,492,343,229	2,584,456,356	2,599,933,200	2,632,602,345	2,624,694,683	2,609,724,123	2,601,819,319	2,601,819,319	2,572,183,797	2,564,675,153	2,508,332,686
Total Debt	2,916,117,000	2,908,042,000	2,974,967,000	2,990,039,000	2,997,303,000	2,989,228,000	2,973,078,000	2,965,002,000	2,965,002,000	2,956,937,000	2,948,852,000	2,940,777,000
Total Members' Equity	266,689,000	276,943,000	281,897,000	278,990,000	275,735,000	276,952,000	292,195,000	295,629,000	295,629,000	295,450,000	299,663,000	312,428,000
Total Capitalization	\$ 3,182,806,000	\$ 3,184,985,000	\$ 3,256,864,000	\$ 3,269,029,000	\$ 3,273,038,000	\$ 3,266,180,000	\$ 3,265,273,000	\$ 3,260,004,000	\$ 3,260,631,000	\$ 3,252,377,000	\$ 3,248,515,000	\$ 3,253,205,000

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10
REQUEST 14

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 14. Please provide a schedule of cash flows for each month during calendar year 2009, each month during the base period and each month during the test year. To the extent that cash flows from investing are different than the monthly changes in capitalization shown in the schedule of capitalization provided in response to the immediately preceding question, then provide a reconciliation and detailed explanation of each difference.

Response 14. EKPC prepares a statement of cash flows quarterly. Please see Application Volume 5, Tab 40, for the quarterly cash flow information for 2009. The cash flow statement, as contained in EKPC's March 31, 2010 quarterly report, is provided on page 2 of this response. The forecasted cash flow schedule for April 10 – August 10, the remaining months in the base period, is provided on page 3 of this response. The forecasted cash flow schedule for each month in the test year is provided on page 4 of this response.

EAST KENTUCKY POWER COOPERATIVE, INC. AND SUBSIDIARY		
CONSOLIDATED STATEMENTS OF CASH FLOWS		
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND 2009		
(Dollars in thousands)		
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net margin	\$ 25,240	\$ 28,231
Adjustments to reconcile net margin to net cash from operating activities:		
Depreciation	17,076	12,112
Amortization of loan costs	689	704
Changes in:		
Accounts receivable	6,114	16,321
Fuel	13,527	(4,121)
Materials and supplies	(1,048)	(2,628)
Regulatory asset	10,089	1,774
Emission allowances	1,539	3,321
Accounts payable — trade	(33,616)	(36,117)
Accrued expenses	(2,817)	(9,132)
Accrued postretirement benefit cost	2,224	1,848
Current portion of regulatory liability	5,358	1,867
Regulatory liability	5,070	7,219
Other	5,718	2,992
Net cash provided by operating activities	55,163	24,391
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to electric plant	(25,229)	(57,216)
Maturities and calls of securities available for sale	21,066	27,516
Purchases of securities available for sale	(21,103)	(27,687)
Maturities of securities held to maturity	26	26
Purchases of securities held to maturity	(76)	(7,298)
Payments received on long-term accounts receivable	324	284
Net cash used in investing activities	(24,992)	(64,375)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt	96,274	92,719
Principal payments on long-term debt	(95,859)	(48,059)
Net cash provided by financing activities	415	44,660
NET CHANGE IN CASH AND CASH EQUIVALENTS	30,586	4,676
CASH AND CASH EQUIVALENTS — Beginning of year	51,552	54,305
CASH AND CASH EQUIVALENTS — Year to date	\$ 82,138	\$ 58,981

**EAST KENTUCKY POWER COOPERATIVE
TWENTY YEAR FINANCIAL FORECAST**

**CASH FLOW SCHEDULE
(\$000)**

	Apr-10	May-10	Jun-10	Jul-10	Aug-10
	Forecast	Forecast	Forecast	Forecast	Forecast
<u>AVAILABLE FUNDS</u>					
NET MARGIN	\$ (5,369)	\$ (4,064)	\$ 345	\$ 5,050	\$ 6,414
DEPRECIATION & AMORTIZATION	\$ 6,006	\$ 6,331	\$ 6,377	\$ 6,380	\$ 6,404
LTD ADVANCES	\$ 3,492	\$ 65,000	\$ 50,000	\$ 175,000	\$ 31,510
SHORT TERM BORROWINGS	\$ 11,000	\$ -	\$ -	\$ -	\$ -
OPERATING RESERVES	\$ 245	\$ 245	\$ 245	\$ 245	\$ 245
INLAND DERPECIATION	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65
OTHER TRANSACTIONS	\$ 0	\$ -	\$ (0)	\$ -	\$ 0
TOTAL AVAILABLE	\$ 15,439	\$ 67,578	\$ 57,033	\$ 186,740	\$ 44,638

CASH REQUIREMENTS

PRINCIPAL PAYMENTS	\$ 23,586	\$ 23,586	\$ 23,586	\$ 23,586	\$ 23,586
SHORT TERM DEBT PAYMENTS	\$ -	\$ 11,000	\$ -	\$ -	\$ -
FUEL STOCK	\$ (2,053)	\$ (2,053)	\$ (2,053)	\$ (2,053)	\$ (2,053)
MATERIALS & SUPPLIES	\$ 519	\$ 519	\$ 519	\$ 519	\$ 519
OTHER ASSETS	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52
ACCOUNTS RECEIVABLE	\$ (14,417)	\$ 3,496	\$ 7,287	\$ 11,635	\$ (1,212)
POST RETIREMENT MEDICAL FD	\$ 245	\$ 245	\$ 245	\$ 245	\$ 245
INTEREST CHARGED TO CONSTR	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITAL ADDITIONS	\$ 9,159	\$ 9,159	\$ 23,474	\$ 23,474	\$ 23,474
CAPITAL CREDITS RETIRED					
TOTAL CASH REQUIREMENTS	\$ 17,090	\$ 46,003	\$ 53,109	\$ 57,457	\$ 44,610
INCREASE (DECREASE) IN CASH	\$ (1,651)	\$ 21,575	\$ 3,923	\$ 129,283	\$ 28

BEGINNING CASH BALANCE \$ 109,653 \$ 108,002 \$ 129,577 \$ 133,500 \$ 262,783

ENDING CASH BALANCE \$ 108,002 \$ 129,577 \$ 133,500 \$ 262,783 \$ 262,811

EAST KENTUCKY POWER COOPERATIVE
 TWENTY YEAR FINANCIAL FORECAST

CASH FLOW SCHEDULE
 (\$000)

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<u>AVAILABLE FUNDS</u>												
NET MARGIN	\$ 14,870	\$ 10,255	\$ 4,954	\$ (2,908)	\$ (3,255)	\$ 1,217	\$ 5,945	\$ 9,299	\$ 3,434	\$ (179)	\$ 4,213	\$ 12,765
DEPRECIATION & AMORTIZATION	\$ 6,494	\$ 6,512	\$ 6,526	\$ 6,537	\$ 6,547	\$ 6,576	\$ 6,585	\$ 6,588	\$ 6,596	\$ 6,602	\$ 6,602	\$ 6,733
LTD ADVANCES	\$ 50,000	\$ -	\$ 75,000	\$ 23,147	\$ 15,340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SHORT TERM BORROWINGS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OPERATING RESERVES	\$ 238	\$ 238	\$ 238	\$ 238	\$ 238	\$ 238	\$ 238	\$ 238	\$ 238	\$ 238	\$ 238	\$ 238
INLAND DEREGULATION	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65
OTHER TRANSACTIONS	\$ 342	\$ 342	\$ 342	\$ 342	\$ 342	\$ 342	\$ 342	\$ 342	\$ 342	\$ 342	\$ 342	\$ (1,558)
TOTAL AVAILABLE	\$ 72,009	\$ 17,411	\$ 87,125	\$ 27,421	\$ 19,277	\$ 8,438	\$ 13,175	\$ 16,531	\$ 10,675	\$ 7,068	\$ 11,460	\$ 18,243

CASH REQUIREMENTS

PRINCIPAL PAYMENTS	\$ 8,075	\$ 8,075	\$ 8,075	\$ 8,075	\$ 8,075	\$ 8,075	\$ 8,075	\$ 8,075	\$ 8,075	\$ 8,075	\$ 8,075	\$ 8,075
SHORT TERM DEBT PAYMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUEL STOCK	\$ 1,007	\$ 1,007	\$ 1,007	\$ 1,007	\$ 1,007	\$ 1,007	\$ 1,007	\$ 1,007	\$ 1,007	\$ 1,007	\$ 1,007	\$ 1,007
MATERIALS & SUPPLIES	\$ 154	\$ 154	\$ 154	\$ 154	\$ 154	\$ 154	\$ 154	\$ 154	\$ 154	\$ 154	\$ 154	\$ 154
OTHER ASSETS	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
ACCOUNTS RECEIVABLE	\$ 13,148	\$ (16,202)	\$ (9,214)	\$ (13,627)	\$ 225	\$ 9,196	\$ 10,544	\$ (189)	\$ (14,100)	\$ (1,908)	\$ 8,693	\$ 23,548
POST RETIREMENT MEDICAL FD	\$ 238	\$ 238	\$ 238	\$ 238	\$ 238	\$ 238	\$ 238	\$ 238	\$ 238	\$ 238	\$ 238	\$ 238
INTEREST CHARGED TO CONSTR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITAL ADDITIONS	\$ 22,069	\$ 22,069	\$ 22,069	\$ 22,069	\$ 22,069	\$ 22,069	\$ 22,069	\$ 22,069	\$ 22,069	\$ 22,069	\$ 22,069	\$ 22,069
CAPITAL CREDIT'S RETIRED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CASH REQUIREMENTS	\$ 44,707	\$ 15,356	\$ 22,344	\$ 17,931	\$ 31,783	\$ 40,754	\$ 42,102	\$ 31,369	\$ 17,458	\$ 29,650	\$ 40,251	\$ 55,106
INCREASE (DECREASE) IN CASH	\$ 27,302	\$ 2,055	\$ 64,780	\$ 9,490	\$ (12,506)	\$ (32,316)	\$ (28,927)	\$ (14,838)	\$ (6,783)	\$ (22,582)	\$ (28,791)	\$ (36,863)
BEGINNING CASH BALANCE	\$ 250,206	\$ 277,508	\$ 279,563	\$ 344,343	\$ 353,833	\$ 341,327	\$ 309,011	\$ 280,084	\$ 265,246	\$ 258,463	\$ 235,881	\$ 207,090
ENDING CASH BALANCE	\$ 277,508	\$ 279,563	\$ 344,343	\$ 353,833	\$ 341,327	\$ 309,011	\$ 280,084	\$ 265,246	\$ 258,463	\$ 235,881	\$ 207,090	\$ 170,227

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10
REQUEST 15

RESPONSIBLE PERSON: **Ann F. Wood**

COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 15. Refer to the Company's response to Staff 2-33. Please provide a schedule showing the Company's actual "professional services" for calendar year 2009, the base period and the test year by category or type of professional services. Please provide a detailed explanation for increases in each category or type of professional services in the base period compared to the calendar year 2009 and for the test year compared to the base period.

Response 15. Please see page 2 of this response for Professional Fees as reported in 2009, the Base Year, and the Test Year. The legal expenses have decreased and EKPC expects them to continue the decrease into the test year as a result of settlements in a number of litigation matters. The engineering fees have decreased but EKPC anticipates an increase in the test year as a result of enhanced DSM efforts. The accounting professional fees were increased in 2009 due to some re-statement issues but decreased in the base year; the test year increase reflects regular inflation. The "Other" category includes charges relating to the financial software upgrade. The greatest portion of this project is complete and the biggest changes in the test year over the base year are the Document Management System project and the Carbon Sequestration project that are proposed in the test year. Any other changes appear to be of a general nature and a part of normal business operations.

	12-Mo Ending 12/31/2009	10(10)(f) App Base Year 8/31/2010	10(10)(f) App Test Year 12/31/2011
1 Legal	\$ 4,591,000	\$ 4,097,998	\$ 3,500,000
2 Engineering	1,075,189	775,960	1,075,000
3 Accounting	263,521	144,391	169,000
4 Other	11,337,594	13,232,369	10,688,930
5 Total	<u>\$ 17,267,304</u>	<u>\$ 18,250,717</u>	<u>\$ 15,432,930</u>

Base Yr/2009	Test Yr/Base Yr
5.70%	-15.44%

Software Upgrade Consultant	5,400,965	6,177,287	400,000
	<u>\$ 11,866,339</u>	<u>\$ 12,073,430</u>	<u>\$ 15,032,930</u>
% Change Excluding Software Upgrade Consultant		1.75%	24.51%

Document Management System	1,910,000
Carbon Sequestration	450,000
	<u>\$ 12,672,930</u>
	4.97%

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE**

**GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10
REQUEST 16**

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 16. Refer to the Company's response to AG 1-1. Please provide the Company's Form 12s for each month and year to date from June 2009 through July 2010 and each subsequent month as actual Form 12s are available throughout the pendency of this proceeding.

Response 16. EKPC's Form 12s from June 2009 through June 2010 are provided on the attached CD. The July 2010 Form 12 has not been finalized.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE**

**GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10
REQUEST 17**

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 17. Refer to the Company's response to AG-1-36. Please provide the workpapers for the test year that were requested. In addition, please provide a copy of all source documents and all other support for the test year relied on for the pension expense in the test year, including all computations showing the application of an O&M expense factor.

Response 17. This information was provided in the response to Request 12.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10
REQUEST 18

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 18. Refer to the Company's response to AG-1-60. Please provide the Company's computation of the test year credit facilities fees of \$1.5 million. Please provide all assumptions, data and computations, including electronic spreadsheets with formulas intact.

Response 18. The anticipated test year Credit Facility fees have been recalculated to be approximately \$2.3 million as the following:

Revolving Facility Fee: \$300 million x .75% =	\$ 2,250,000
Annual Administrative Fee =	<u>\$ 50,000</u>
Total	\$ 2,300,000

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10
REQUEST 19

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 19. Refer to Volume 5, Tab 52 of the Company's filing.

Request 19a. Please provide the Company's quantification of payroll *expenses* by FERC O&M expense account in i) calendar year 2009, ii) the base period and iii) the test year. Identify and describe the basis for all increases in staffing from the end of the month preceding the base period through the last month of the test year included in the computation of payroll expenses. Separately quantify all payroll *expenses* associated with the new Smith projects that were included in the base period and in the test year. The term *expenses* used in this question refers to the payroll costs that are reflected in the base period and test year expense amounts, not the amounts included in construction or other non-expense accounts.

Response 19a. Payroll expenses by FERC O&M account for 2009, the base year, and test year are provided on pages 3 through 9 of this response. Please see the response to Request 31 of Commission Staff's first data request for test year staffing information. Each new position goes through a justification process, which includes a cost/benefit analysis and a comparison with other alternatives (i.e. temporary labor or consultant services.) New positions must be approved by the President and CEO. There are no payroll expenses associated with the new Smith projects in either the base year or test year.

Request 19b. Please provide the Company's quantification of benefits *expenses* in i) calendar year 2009, ii) the base period and iii) the test year. Provide all support for the Company's computations of each benefits expense in the base period and the test year, including the portion of the benefits costs that were allocated to *expense*.

Response 19b. Please see the response to Request 12 for computations of benefits expense. Please see pages 10 through 16 of this response for benefits allocated to FERC O&M accounts.

2009 Payroll by FERC O&M Account

FERC Account	Labor \$
50020	\$ 895,122
50030	1,146,591
50040	1,287,577
50041	296,960
50042	294,345
500432	42,171
50044	321,436
50045	197,822
50120	429,006
50130	534,251
50141	469,783
50142	960,497
50144	541,063
501445	168,650
50220	989,415
50230	640,012
50240	421,043
50241	418,859
50242	418,937
50244	372,731
50245	292,431
50520	636,846
50530	742,389
50540	34,021
50541	418,937
50542	419,552
50544	372,736
50545	277,483
50620	65,068
50621	127,252
50630	123,924
50631	207,962
50640	142,174
506444	293,470
506445	-
506446	118,699
50645	194,582
50646	157,168
50647	187,166
51020	513,062
51030	343,554
51040	928,451
51120	68,440
51130	152,109
51140	217,892
51220	797,862
51230	1,263,468
51240	2,047,956
51241	463,317
51242	395,333
51243	10,133

GALLATIN Request 19

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FERC Account	Labor \$
512431	20,383
512432	250,722
51244	785,183
51245	203,654
51320	401,110
51330	798,036
51340	21,751
51341	76,320
51342	96,256
51344	75,859
51345	26,179
51430	57,972
51440	2,193
54651	171,577
54661	70,810
54851	423,206
54861	366,951
54951	1,631
54961	186,530
54962	24,019
55151	4,257
55161	17,643
55251	7,773
55300	4,204
55351	71,432
55361	28,234
55451	1,096
55600	2,118,022
55700	543,246
55701	167,114
56000	1,416,194
56100	1,211,516
56200	790,948
56300	456,659
56600	289,918
56800	8,872
57000	523,137
57100	566,680
58100	47,727
58200	251,985
59200	295,943
90800	594,892
90900	7,453
91000	978
91300	3,347
92000	6,844,589
93010	78,691
93022	446,714
93025	48,378
93026	152
93500	114,480

Base Year Payroll by FERC O&M Account

GALLATIN Request 19

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FERC Account	Base Year Labor
50020	982,790.81
50030	1,173,877.40
50040	1,683,616.40
50041	284,438.24
50042	284,436.93
500431	52,027.00
500432	52,027.00
50044	291,983.59
50045	273,361.01
50120	473,808.27
50130	592,870.97
50141	539,269.58
50142	945,789.72
50144	531,887.09
501445	335,115.96
50220	964,486.15
50230	693,296.33
50240	454,797.63
50241	438,395.06
50242	437,502.62
502431	34,690.00
502432	34,690.00
50244	377,750.32
50245	377,200.86
50520	695,793.14
50530	762,186.39
50540	42,736.86
50541	446,169.62
50542	449,487.19
505431	34,690.00
505432	34,690.00
50544	377,610.32
50545	307,836.40
50620	90,315.37
50621	137,207.74
50630	131,880.76
50631	251,175.81
50640	159,591.39
506444	267,355.32
506445	(63,506.53)
506446	259,328.62
50645	64,839.52
50646	196,645.18
50647	291,291.04

FERC Account	Base Year Labor
51020	542,691.14
51030	383,460.14
51040	946,318.63
51120	85,129.42
51130	143,345.98
51140	336,964.65
51220	736,883.11
51230	1,246,653.39
51240	2,122,314.46
51241	390,814.65
51242	526,170.35
51243	2,222.36
512431	79,644.93
512432	202,781.61
51244	615,100.13
51245	400,387.52
51320	96,133.24
51330	591,741.67
51340	99,765.98
51341	77,387.66
51342	146,536.16
51344	210,200.39
51345	69,731.05
51430	18,821.82
51440	5,614.43
54651	177,162.67
54661	56,066.85
54721	8,574.00
54851	428,698.85
54861	283,105.58
54951	4,312.00
54961	147,135.64
54962	30,723.32
55151	47,915.00
55251	3,256.43
55300	10,311.28
55351	90,724.55
55361	104,001.38
55451	5,195.00
55600	2,069,321.46
55700	664,472.91
55701	180,416.86
56000	1,691,179.48
56100	1,247,521.25
56200	732,738.81
56300	573,897.01

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FERC Account	Base Year Labor
56600	312,353.50
56800	3,533.22
57000	585,631.78
57100	547,958.91
58100	45,226.59
58200	289,803.68
59200	310,558.09
90800	716,810.54
90900	22,979.36
91300	7,273.54
92000	7,320,320.70
93010	69,181.80
93022	333,195.72
93025	51,103.91
93500	114,814.46

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2011 Payroll by FERC O&M Account

FERC Account	Labor \$
50020	\$ 1,161,830
50030	1,425,377
50040	1,899,484
50041	214,935
50042	214,935
500431	128,967
500432	128,967
50044	214,935
50045	214,935
50120	565,122
50130	712,016
50141	552,262
50142	1,090,129
50144	537,875
501445	501,874
50220	1,123,777
50230	710,610
50240	429,867
50241	386,885
50242	386,885
502431	85,970
502432	85,970
50244	386,885
50245	386,885
50520	725,020
50530	781,671
50540	42,986
50541	408,375
50542	408,375
505431	85,970
505432	85,970
50544	386,885
50545	214,935
50620	181,253
50621	175,954
50630	177,647
50631	332,361
50640	257,918
506444	254,156
506446	273,703
50646	293,259
50647	508,300
51020	548,867
51030	515,781
51040	1,000,844
51120	87,665
51130	139,454
51140	500,910
51220	607,740
51230	1,473,145
51240	2,359,831

GALLATIN Request 19

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FERC Account	Labor \$
51241	451,908
51242	397,357
51243	3,994
512431	86,724
512432	92,584
51244	403,407
51245	511,266
51320	111,510
51330	397,971
51340	211,481
51341	130,208
51342	224,480
51344	359,920
51345	124,348
51430	26,312
51440	11,719
54651	145,408
54661	9,542
54721	21,602
54851	411,954
54861	225,884
54951	10,984
54961	78,203
54962	39,092
55151	115,000
55251	4,060
55300	17,563
55351	127,010
55361	232,850
55451	12,470
55600	2,622,689
55700	848,878
55701	215,306
56000	2,072,717
56100	1,400,082
56200	716,513
56300	706,509
56600	334,111
57000	561,106
57100	486,940
58100	51,450
58200	416,283
59200	309,245
90800	816,477
90900	26,553
91300	8,815
92000	8,493,879
93010	55,911
93022	361,253
93025	55,839
93500	142,008

GALLATIN Request 19

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Benefits by FERC O&M Account--2009

50020 Total	\$ 294,312
50030 Total	359,978
50040 Total	431,560
50041 Total	94,474
50042 Total	93,374
500432 Total	15,173
50044 Total	102,521
50045 Total	59,674
50120 Total	81,205
50130 Total	181,486
50141 Total	177,800
50142 Total	348,892
50144 Total	200,241
501445 Total	74,026
50220 Total	340,263
50230 Total	206,312
50240 Total	143,359
50241 Total	144,711
50242 Total	144,756
50244 Total	122,654
50245 Total	90,805
50520 Total	209,639
50530 Total	238,467
50540 Total	15,754
50541 Total	144,756
50542 Total	144,955
50544 Total	122,655
50545 Total	85,224
50620 Total	29,986
50621 Total	41,414
50630 Total	45,557
50631 Total	68,070
50640 Total	49,577
506444 Total	98,141
506445 Total	-
506446 Total	37,309
50645 Total	52,944
50646 Total	53,192
50647 Total	63,674
51020 Total	175,781
51030 Total	112,886

51040 Total	287,004
51120 Total	26,277
51130 Total	50,433
51140 Total	75,900
51220 Total	231,676
51230 Total	356,645
51240 Total	681,668
51241 Total	126,245
51242 Total	116,980
51243 Total	2,448
512431 Total	3,760
512432 Total	69,888
51244 Total	215,658
51245 Total	54,723
51320 Total	87,394
51330 Total	191,268
51340 Total	7,576
51341 Total	20,143
51342 Total	24,520
51344 Total	23,142
51345 Total	9,042
51430 Total	21,333
51440 Total	768
54651 Total	55,142
54661 Total	24,183
54851 Total	136,300
54861 Total	114,445
54951 Total	599
54961 Total	61,385
54962 Total	7,824
55151 Total	1,740
55161 Total	6,505
55251 Total	3,454
55300 Total	1,493
55351 Total	26,082
55361 Total	4,129
55451 Total	366
55600 Total	710,186
55700 Total	184,893
55701 Total	56,061
56000 Total	520,397
56100 Total	420,633
56200 Total	271,530
56300 Total	170,512
56600 Total	97,908
56800 Total	3,200
57000 Total	151,668

57100 Total	200,613
58100 Total	15,437
58200 Total	89,737
59200 Total	99,028
90800 Total	200,824
90900 Total	1,943
91000 Total	518
91300 Total	1,016
92000 Total	2,598,374
93010 Total	28,598
93022 Total	161,511
93025 Total	16,295
93026 Total	62
93500 Total	48,092

Benefits by FERC O&M Account--Base Year (New PeopleSoft account structure reflected)

500000	\$ 2,060,437
501010	1,301,419
502000	1,432,703
505000	1,162,422
506001	171,279
506002	587,744
510000	719,498
511000	221,187
512000	2,223,469
513000	435,040
514000	8,339
546000	86,012
547030	4,014
548000	240,170
549001	1,811
549002	65,366
551000	22,749
552000	1,517
553000	80,371
554000	2,265
556000	877,927
557001	299,348
557002	73,182
560000	851,121
561000	496,436
562000	278,981
563000	246,365
566000	130,482
568000	1,041
570000	200,620
571000	220,612
581000	18,963
582000	109,878
592000	112,255
908000	297,182
909000	9,513
913000	2,902
920000	3,430,030
926000	969,883
930100	28,424
930202	136,760
930204	20,722
935000	48,845

Benefits by FERC O&M Account--Test Year

50020 Total	\$	558,340
50030 Total		707,170
50040 Total		993,311
50041 Total		111,850
50042 Total		111,850
500431 Total		66,989
500432 Total		66,989
50044 Total		111,850
50045 Total		111,850
50120 Total		273,108
50130 Total		355,555
50141 Total		289,476
50142 Total		571,374
50144 Total		281,595
501445 Total		262,195
50220 Total		536,212
50230 Total		349,796
50240 Total		223,396
50241 Total		201,269
50242 Total		201,269
502431 Total		44,558
502432 Total		44,558
50244 Total		201,269
50245 Total		201,269
50520 Total		345,855
50530 Total		384,957
50540 Total		22,431
50541 Total		212,181
50542 Total		212,181
505431 Total		44,558
505432 Total		44,558
50544 Total		201,269
50545 Total		111,850
50620 Total		86,388
50621 Total		90,329
50630 Total		87,601
50631 Total		170,654
50640 Total		133,977
506444 Total		130,340
506446 Total		140,343

50646 Total	150,649
50647 Total	260,983
51020 Total	277,957
51030 Total	265,227
51040 Total	484,379
51120 Total	42,133
51130 Total	65,776
51140 Total	242,493
51220 Total	263,408
51230 Total	636,544
51240 Total	1,142,141
51241 Total	218,850
51242 Total	192,479
51243 Total	1,819
512431 Total	41,830
512432 Total	44,857
51244 Total	195,207
51245 Total	247,343
51320 Total	53,652
51330 Total	167,017
51340 Total	102,453
51341 Total	63,048
51342 Total	108,516
51344 Total	174,292
51345 Total	60,320
51430 Total	8,790
51440 Total	5,759
54651 Total	66,382
54661 Total	4,850
54721 Total	11,518
54851 Total	184,295
54861 Total	90,935
54951 Total	4,850
54961 Total	40,011
54962 Total	20,006
55151 Total	62,139
55251 Total	1,819
55300 Total	8,790
55351 Total	65,170
55361 Total	107,000
55451 Total	6,365
55600 Total	1,385,240
55700 Total	456,796
55701 Total	116,093
56000 Total	1,526,189
56100 Total	752,940
56200 Total	328,881

56300 Total	360,708
56600 Total	180,354
57000 Total	236,430
57100 Total	238,855
58100 Total	26,068
58200 Total	190,963
59200 Total	127,915
90800 Total	432,547
90900 Total	14,246
91300 Total	4,547
92000 Total	4,572,505
92600	832,500
93010 Total	29,099
93022 Total	193,085
93025 Total	30,312
93500 Total	68,807

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10

REQUEST 20

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 20. Refer to the Company's response to Staff 2-21(b). Please provide the statutory and/or any other basis, such as precedent, relied on by the Company for deferring and/or recovering the costs of outside legal expenses related to the management audit.

Response 20. KRS 278.255(3) states in part "The commission shall include the cost of conducting any audits required in this section in the cost of service of the utility for ratemaking purposes." EKPC believes that the Commission has included the costs of outside legal expenses in the deferral and recovery of management audit expenses included in base rates by other jurisdictional utilities. EKPC further believes it is reasonable and consistent with the intent of KRS 278.255(3) that outside legal expenses related to the management audit can be deferred and recovered through rates as those expenses were incurred as a result of the management audit. These expenses would not have been incurred by EKPC except for the performance of the management audit.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00167

SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10

REQUEST 21

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 21. Refer to the Company's response to Staff 2-28. Please confirm that the increase in customer assistance expenses for demand side management programs will be recoverable through the Company's DSM rider. Please indicate if and if so, where, the Company has either reflected an increase in DSM rider revenues to offset this increase in expense or removed the increase in expense for base rate recovery purposes.

Response 21. EKPC does not have a DSM rider in its tariffs. The expenses associated with demand side management programs are recovered through base rates only.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00167

SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10

REQUEST 22

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 22. Please provide the account detail in Volume 5 Tab 48 for the base period and test year in an excel spreadsheet.

Response 22. The account detail in Volume 5, Tab 48 is provided in excel format on the attached CD.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10
REQUEST 23

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 23. Refer to the Company's response to AG 1-1, 1-2, 1-3, 1-5 and 1-8. Please provide a trial balance for calendar year 2009 in an excel spreadsheet in the same level of detail as was provided in Volume 5 Tab 48 for the base period and test year.

Response 23. A trial balance for calendar year 2009, in excel format and in the same level of detail as provided in Volume 5, Tab 48, is included on the attached CD.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00167

SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10

REQUEST 24

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 24. Refer to the Company's response to Staff 2-2. Please provide a variance analysis for the base period compared to calendar year 2009 by account using the trial balance for the base period provided in Volume 5 Tab 48 and the trial balance for the calendar year 2009 provided in response to the immediately preceding question. In the variance analysis, please describe the reasons for all variances in expenses of greater than 5%, please identify the reason(s) for the variance and a quantification for each reason. Please address the reasons for the variance rather than the result. For example, if there is an increase in payroll expenses, that is the result. The reason may be that the Company increased staffing for a new generating unit.

Response 24. A variance analysis is provided on pages 2 through 7 of this response. Please note that EKPC used flux criteria of greater than \$1,000,000 and 5% for providing explanations.

EAST KENTUCKY POWER COOPERATIVE, INC.
 BASE YEAR TRIAL BALANCE
 12 MONTHS ENDED AUGUST 31, 2010

EAST KENTUCKY POWER COOPERATIVE, INC.
 TRIAL BALANCE
 YEAR ENDED 12/31/2009

FERC Account	EKPC Account	Description	8/31/2010	12/31/2009	\$ Variance	% Variance	Explanation
403	40310	Depr Exp Steam Prod PInt Lab	\$ 14,944.48	\$ 25,619.13	(10,674.65)	-42%	
403	40311	Depr Exp Steam Prod PInt Dale	271,230.69	187,775.64	83,455.05	44%	
403	40312	Depr Exp Steam Prod PInt Cooper	2,164,106.65	2,282,214.43	(118,107.78)	-5%	
403	40313	Depr Exp Steam Prod PInt CB	693,759.75	622,954.31	70,805.44	11%	
403	40314	Depr Exp Steam Prod PInt Spur 2	26,408,898.51	12,256,051.79	14,152,846.72	115%	Scrubber became operational in 11/2009
403	403144	Depr Exp Steam Prod PInt Gilber	5,781,184.35	9,908,594.62	(4,127,410.27)	-42%	Variances due largely to regrouping depreciation accounts.
403	403145	Depr Exp Steam Prod PInt Splk4	7,641,662.47	9,693,247.10	(2,051,584.63)	-21%	Spurlock Unit #4 became operational in 04/2009
403	40315	Depr Exp Steam Prod PInt SpurC	2,497,023.89	4,275,487.89	(1,778,464.00)	-42%	Variances due largely to regrouping depreciation accounts.
403	40340	Depr Exp CT Common	800,879.42	1,363,825.25	(562,945.83)	-41%	
403	403406	Depr Exp CT Unit 6	331,647.44	568,538.43	(236,890.99)	-42%	
403	403407	Depr Exp CT Unit 7	328,262.39	562,735.45	(234,473.06)	-42%	
403	40341	Depr Exp CT Unit 1	4,614,758.20	650,230.73	3,964,527.47	610%	
403	40342	Depr Exp CT Unit 2	363,685.28	623,460.53	(259,775.25)	-42%	
403	40343	Depr Exp CT Unit 3	381,111.92	653,334.69	(272,222.77)	-42%	
403	40344	Depr Exp CT Unit 4	494,187.67	847,178.74	(352,991.07)	-42%	
403	40345	Depr Exp CT Unit 5	426,899.51	731,827.77	(304,928.26)	-42%	
403	40346	Depr Exp Green Valley LF	44,762.14	76,730.34	(31,968.20)	-42%	
403	40347	Depr Exp Laurel Ridge LF	60,918.73	105,589.92	(44,671.19)	-42%	
403	40348	Depr Exp Bavarian LF	274,906.01	95,315.08	179,590.93	188%	
403	403481	Depr Exp Hardin Co LF	59,816.55	102,605.32	(42,788.77)	-42%	
403	403482	Depr Exp Pendleton Co LF	69,661.45	136,582.99	(66,921.54)	-49%	
403	403483	Depr Exp Mason Co LF	42,911.47	0.00	42,911.47	0%	
403	40349	Depr Exp Diesel Generator	81,358.84	81,358.00	0.84	0%	
403	40350	Depr Exp Transmission Plant	5,979,939.58	5,547,570.79	432,368.79	8%	
403	40351	Depr Exp Transmission Plant CB	99,124.79	169,928.33	(70,803.54)	-42%	
403	40360	Depr Exp Distribution Plant	5,136,127.20	4,867,035.20	269,092.00	6%	
403	40370	Depr Exp General Plant	5,747,392.98	4,060,355.83	1,687,037.15	42%	Additions to General Plant closed out in March 2010.
403	40372	Depr Exp General Plant-Nonreg	375.62	643.92	(268.30)	-42%	
405	40500	Amortization Intangible Plant	51,881.24	51,881.57	(0.33)	0%	
409	40902	Taxes-Other States	800.00	800.00	-	0%	
411	41180	Gain Disposition of Allowance	(100,000.00)	(43,036.48)	(56,963.52)	132%	
417	41710	Exp NonUtility Oper-Oth/ACES	2,193.40	748.22	1,445.18	193%	
417	41711	Expense NonUtility Oper-Propan	7,972.87	35,765.39	(27,792.52)	-78%	
417	41712	Expense NonUtility Oper-Envisi	33,732.07	18,829.93	14,902.14	79%	
419	41900	Interest & Dividend Inc-Reg	(3,130,431.54)	4,929.31	(3,135,360.85)	0%	
419	41902	Interest Dividend Inc-Nonregul	(64,916.18)	(94,730.87)	29,814.69	-31%	
419	41910	Interest Inc Inland Container	(320,868.00)	(385,044.00)	64,176.00	-17%	
419	41911	Allowance Oth Funds Used Const	-	(4,883,872.37)	4,883,872.37	-100%	Effective March 31, 2009 the PSC allowed EKPC to receive a cash return on CWIP therefore the practice of accruing any AFUDC ceased.
421	42102	Misc Income Oth-Regulated	(48.00)	(22,793.14)	22,745.14	-100%	
421	42110	Gain Disposition of Prop-Reg	(51,730.46)	(55,495.64)	3,765.18	-7%	
421	42120	Loss Disposition of Prop-Reg	200.00	82,815.42	(82,615.42)	-100%	

FERC Account	EKPC Account	Description	8/31/2010	12/31/2009	\$ Variance	% Variance	Explanation
424	42400	Oth Cap Cred Patr Cap Alloc	(371,810.07)	(264,434.94)	\$ (107,375.13)	41%	
426	42610	Donations	95,759.50	94,746.50	\$ 1,013.00	1%	
426	42620	Life Insurance	(42,721.83)	(24,841.69)	\$ (17,880.14)	72%	
426	42630	Penalties	2,117,642.00	4,937,772.00	\$ (2,820,130.00)	-57%	Due to increase in margins the EPA penalty has increased.
426	42640	Civic & Political Activities	37,397.90	54,230.16	\$ (16,832.26)	-31%	
426	42650	Other Deductions-Regulated	891,596.52	1,139,994.24	\$ (248,397.72)	-22%	
426	42651	Discount Lost	7,309.03	9,146.57	\$ (1,837.54)	-20%	
426	42652	Other Deductions-Nonregulated	(132,133.75)	(132,133.75)	\$ -	0%	
427	42710	Interest RUS Construction Loan	1,794,680.97	1,904,065.50	\$ (109,384.53)	-6%	
427	42711	Interest RUS Const Loan CB	-	456.74	\$ (456.74)	-100%	
427	42712	Interest FFB Const Loan	106,692,154.81	91,309,739.85	\$ 15,382,414.96	17%	Variance due to loan advances received & anticipated during & after 2009 in the base year
427	427131	Int Oth LTD Sr Cr Fac	5,626,044.91	11,886,847.24	\$ (6,260,802.33)	-53%	Variance is because this is a LIBOR-based loan & LIBOR rates declined in 2009 causing interest expense to decline from earlier in the year.
427	427151	Int Oth LTD CT9-10	1,220,547.94	4,604,794.50	\$ (3,384,246.56)	-73%	Variance because bridge loan for the CTs was paid off in Nov 2009, resulting in lower interest expense for the base period.
427	427161	Int Oth LTD CT9-10 CTC's	258,981.78	939,528.37	\$ (680,546.59)	-72%	
427	42717	Int Oth LTD CFC T62	182,138.53	182,254.58	\$ (116.05)	0%	
427	42718	Int Oth LTD CFC R12	232,598.69	232,254.23	\$ 344.46	0%	
427	42719	Int Oth LTD NCSC Inland	380,187.50	457,187.50	\$ (77,000.00)	-17%	
427	42720	Int Oth LTD CFC P12 Loan	206,099.34	216,542.61	\$ (10,443.27)	-5%	
427	42721	Int Oth LTD CFC CB	159,618.08	181,791.34	\$ (22,173.26)	-12%	
427	42723	Int Oth LTD CFC CTC Invest	8,297.13	9,447.17	\$ (1,150.04)	-12%	
427	42725	Int Oth LTD Smith Poll Control	157,923.32	369,890.51	\$ (211,967.19)	-57%	
427	42727	Int Oth LTD Cooper PCB	222,478.17	276,093.76	\$ (53,615.59)	-19%	
427	42729	Int Oth LTD Spur Poll Control	1,082,240.13	722,246.10	\$ 359,994.03	50%	
427	427291	Int Oth LTD CREB	27,589.53	26,623.93	\$ 965.60	4%	
428	42802	Amrt Dbt Disc Exp Spur PCB ISS	51,061.82	51,063.12	\$ (1.30)	0%	
428	42803	Amrt Dbt Disc Exp Smth PCB ISS	41,687.72	41,687.52	\$ 0.20	0%	
428	42805	Amrt Dbt Disc Exp Coop PCB ISS	10,026.65	10,031.40	\$ (4.75)	0%	
428	42806	Amrt Dbt Exp Sr Cr Fac	1,279,236.69	1,024,580.04	\$ 254,656.65	25%	
428	42807	Amrt Dbt Exp CREB	44,281.12	44,281.92	\$ (0.80)	0%	
431	43100	Other Interest Expenses-Reg	40,337.89	35,780.84	\$ 4,557.05	13%	
447	44710	Sales Resale RUS Borr Mbr Coop	(800,021,255.00)	(735,745,960.00)	\$ (64,275,295.00)	9%	Increase due to hotter temperatures (up 6 degrees June 2009 to 2010)
447	44711	Sales Resale RUS Borr Off Sys	(434,031.00)	(773,905.80)	\$ 339,874.80	-44%	
447	44713	Sales-Resale-MBR Coop-Grn Pwr	(67,637.00)	(114,934.00)	\$ 47,297.00	-41%	
447	44720	Sales Resale NON RUS Off Sys	(6,684,203.67)	(9,070,627.86)	\$ 2,386,424.19	-26%	Decrease due to baseload capacity needed to serve native load
449	44910	Revenue Subject to Refund	9,431,793.00	(11,439,089.00)	\$ 20,870,882.00	-182%	Varies due to Over/Under recovery on FAC. ES
451	45100	Misc Service Revenues-Reg	(18,082.49)	(10,433.58)	\$ (7,648.91)	73%	
454	45401	Rent From Electric Prop-Reg	(97,647.50)	(92,291.94)	\$ (5,355.56)	6%	
456	45600	Oth Elect Rev Wheeling	(1,047,223.17)	(306,211.50)	\$ (741,011.67)	242%	
456	45601	Oth Elect Rev TVA Monticello	-	(2,864.00)	\$ 2,864.00	-100%	
456	45603	Oth Elect Rev Sales Tax Compen	(16,907.46)	(16,693.66)	\$ (213.80)	1%	
456	45604	Oth Elect Rev Miscellaneous	(80,000.00)	(240,000.00)	\$ 160,000.00	-67%	
456	45605	Oth Elect Rev Zula Sub Rent	-	(12,016.77)	\$ 12,016.77	-100%	
456	45606	Oth Elect Rev Steam Inland Con	(12,399,759.00)	(12,953,999.00)	\$ 554,240.00	-4%	

FERC Account	EKPC Account	Description	8/31/2010	12/31/2009	\$ Variance	% Variance	Explanation
456	45612	Oth Elect Rev Cagles Facility	(109,392.00)	(109,392.00)	\$ -	0%	
456	45614	Oth Elect Rev Big Sandy Inez69	(42,124.06)	(42,126.96)	\$ 2.90	0%	
456	45632	Oth Rev Oth Tran NonFirm Pt,P	(1,672,525.74)	(2,026,422.70)	\$ 353,896.96	-17%	
456	45633	Oth Rev Oth Tran Anc Svc 3_1	(91,415.67)	(91,211.60)	\$ (204.07)	0%	
456	45634	Oth Rev Oth Tran Anc Svc 3_2	(41,243.83)	(40,971.04)	\$ (272.79)	1%	
500	50020	Operation Supr Engr Dale	1,605,320.44	1,319,923.42	\$ 285,397.02	22%	
500	50030	Operation Supr Engr Cooper	1,982,430.74	1,700,420.37	\$ 282,010.37	17%	
500	50040	Operation Supr Engr Spik	3,071,853.25	2,258,035.27	\$ 813,817.98	36%	
500	50041	Operation Supr Engr Spik 1	421,282.85	419,323.88	\$ 1,958.97	0%	
500	50042	Operation Supr Engr Spik 2	419,380.96	414,413.74	\$ 4,967.22	1%	
500	500431	Operation Supr Engr Scrub1	77,756.00	0.00	\$ 77,756.00	0%	
500	500432	Operation Supr Engr Scrub2	77,756.00	60,571.82	\$ 17,184.18	28%	
500	50044	Operation Supr Engr Gilbert	431,357.08	452,988.20	\$ (21,631.12)	-5%	
500	50045	Operation Supr Engr Spik4	403,739.91	285,981.62	\$ 117,758.29	41%	
501	50120	Fuel Coal Dale	29,031,755.35	28,235,233.23	\$ 796,522.12	3%	
501	50121	Fuel Oil Dale	478,745.02	409,645.21	\$ 69,099.81	17%	
Fuel Costs increased starting in late 2009 and continued to rise, especially in the							
501	50130	Fuel Coal Cooper	53,985,104.71	49,719,064.76	\$ 4,266,039.95	9%	contracts Cooper uses (One supplier increased \$10 per ton)
501	50131	Fuel Oil Cooper	303,412.85	305,585.23	\$ (2,172.38)	-1%	
501	50141	Fuel Coal Spik 1	53,992,119.00	49,679,175.95	\$ 4,312,943.05	9%	Cost of coal purchased in 2009 decreased.
501	50142	Fuel Coal Spik 2	82,146,658.63	81,653,913.56	\$ 492,745.07	1%	
501	50144	Fuel Coal Gilbert	42,768,012.58	37,389,005.31	\$ 5,379,007.27	14%	Cost of coal purchased in 2009 decreased.
501	501445	Fuel Coal Spik 4	46,416,710.48	27,116,571.97	\$ 19,300,138.51	71%	Spurlock Unit #4 became operational in 04/2009
501	50146	Fuel Oil Spik 1	81,635.64	436,976.78	\$ (355,341.14)	-81%	
501	50147	Fuel Oil Spik 2	521,946.41	481,690.42	\$ 40,255.99	8%	
501	50148	Fuel Oil Gilbert	506,704.63	761,099.61	\$ (254,394.98)	-33%	
501	50149	Fuel Oil Spik 4	439,269.24	588,573.62	\$ (149,304.38)	-25%	
502	50220	Steam Expenses Dale	1,641,898.04	1,653,008.48	\$ (11,110.44)	-1%	
502	50230	Steam Expenses Cooper	1,477,855.91	1,366,246.26	\$ 111,609.65	8%	
502	50240	Steam Expenses Spurlock	2,677,368.19	1,980,371.37	\$ 696,996.82	35%	
502	50241	Steam Expenses Spik 1	1,106,710.01	963,814.80	\$ 142,895.21	15%	
502	50242	Steam Expenses Spurlock 2	1,039,219.19	1,042,622.63	\$ (3,403.44)	0%	
502	502431	Steam Expenses Scrub1	218,075.39	0.00	\$ 218,075.39	0%	
502	502432	Steam Expenses Scrub2	389,101.47	104,906.49	\$ 284,194.98	271%	
502	50244	Steam Expenses Gilbert	1,037,259.02	1,150,008.95	\$ (112,749.93)	-10%	
502	50245	Steam Expenses Spik4	1,317,964.46	655,846.32	\$ 662,118.14	101%	
505	50520	Electric Expenses Dale	1,114,560.32	1,000,947.25	\$ 113,613.07	11%	
505	50530	Electric Expenses Cooper	1,160,718.86	1,103,212.94	\$ 57,505.92	5%	
505	50540	Electric Expenses Spurlock	131,949.97	126,034.87	\$ 5,915.10	5%	
505	50541	Electric Expenses Spurlock 1	676,618.49	624,064.10	\$ 52,554.39	8%	
505	50542	Electric Expenses Spurlock 2	744,731.50	700,282.74	\$ 44,448.76	6%	
505	505431	Electric Expenses Scrub1	51,780.00	0.00	\$ 51,780.00	0%	
505	505432	Electric Expenses Scrub2	71,998.17	22,259.21	\$ 49,738.96	223%	
505	50544	Electric Expenses-Gilbert	733,691.90	737,954.08	\$ (4,262.18)	-1%	
505	50545	Electric Expenses Spik4	572,865.23	475,825.16	\$ 97,040.07	20%	

FERC Account	EKPC Account	Description	8/31/2010	12/31/2009	\$ Variance	% Variance	Explanation
506	50620	Misc Steam Power Exp Dale	601,102.07	464,350.69	\$ 136,751.38	29%	
506	50621	Misc Steam Power Exp ENV Dale	664,390.10	678,991.58	\$ (14,601.48)	-2%	
506	50630	Misc Steam Power Exp Cooper	1,413,929.05	1,206,871.05	\$ 207,058.00	17%	
506	50631	Misc Steam Power Exp ENV Cpr	995,614.16	830,989.02	\$ 164,625.14	20%	
506	50640	Misc Steam Power Exp Spurlock	4,515,841.48	4,608,819.40	\$ (92,977.92)	-2%	
506	50641	Misc Steam Power Exp Spurlck 1	1,480,284.59	1,903,509.42	\$ (423,224.83)	-22%	
506	50642	Misc Steam Power Exp Spurlck 2	1,549,452.66	1,858,896.80	\$ (309,444.14)	-17%	
506	50643	Misc Steam Power Exp Scrubbers	2,192.90	0.00	\$ 2,192.90	0%	
506	506431	Misc Steam Power Exp Scrubber1	1,289,018.97	349,674.96	\$ 939,344.01	269%	
506	506432	Misc Steam Power Exp Scrubber2	2,044,613.69	1,888,867.64	\$ 155,746.05	8%	
506	50644	Misc Steam Power Exp Gilbert	4,681,942.31	4,227,804.90	\$ 454,137.41	11%	
506	506444	Misc Steam Power Exp ENV Gilb	597,812.71	576,947.83	\$ 20,864.88	4%	
506	506445	Misc Steam Pwr Exp Spik 4	3,505,834.94	1,973,668.90	\$ 1,532,166.04	78%	Unit #4 became operational in April 2009.
506	506446	Misc Steam Pwr Exp ENV Spik 4	928,940.70	682,239.27	\$ 246,701.43	36%	
506	50645	Misc Steam Pwr Exp ENV SpikCom	751,084.60	794,241.58	\$ (43,156.98)	-5%	
506	50646	Misc Steam Pwr Exp ENV Spik1	508,649.48	418,112.76	\$ 90,536.72	22%	
506	50647	Misc Steam Pwr Exp ENV Spik2	715,049.92	454,436.03	\$ 260,613.89	57%	
509	50920	Allowances Dale	1,754,465.00	2,389,798.80	\$ (635,333.80)	-27%	
509	50930	Allowances Cooper	3,832,760.00	4,651,740.71	\$ (818,980.71)	-18%	
509	50940	Allowances Spurlock	1,602,195.00	3,345,404.77	\$ (1,743,209.77)	-52%	Change in average cost per ton of emissions.
509	50950	Allowances Smith	37,633.00	45,329.00	\$ (7,696.00)	-17%	
510	51020	Maint Superv Engr Dale	820,151.75	740,996.54	\$ 79,155.21	11%	
510	51030	Maint Superv Engr Cooper	580,294.19	503,946.84	\$ 76,347.35	15%	
510	51040	Maint Superv Engr Spurlock	1,411,354.35	1,326,616.56	\$ 84,737.79	6%	
511	51110	Maint of Structures Centrl Lab	32,943.40	18,164.76	\$ 14,778.64	81%	
511	51120	Maint of Structures Dale	239,821.52	178,536.54	\$ 61,284.98	34%	
511	51130	Maint of Structures Cooper	630,349.63	784,292.28	\$ (153,942.65)	-20%	
511	51140	Maint of Structures Spurlock	2,921,163.21	2,040,235.36	\$ 880,927.85	43%	
512	51220	Maint of Boiler Plant Dale	6,061,063.36	4,689,915.41	\$ 1,371,147.95	29%	Major overhaul maintenance vs. only necessary maintenance in 2009
512	51230	Maint of Boiler Plant Cooper	6,123,581.73	5,636,788.66	\$ 486,793.07	9%	
512	51240	Maint of Boiler Plant Spurlock	7,091,803.76	5,952,747.51	\$ 1,139,056.25	19%	Bought sky climbers (\$150,000+), Repair & Replacement of Barge Unloader(\$456,000+), Removal of material for coal pile runoff not in 2009.
512	51241	Maint of Boiler Plant Spik 1	3,397,185.45	3,739,300.28	\$ (342,114.83)	-9%	
512	51242	Maint of Boiler Plant Spik 2	3,031,007.87	2,799,148.42	\$ 231,859.45	8%	
512	51243	Maint of Boiler Plant Scrubber	443,095.74	456,041.43	\$ (12,945.69)	-3%	
512	512431	Maint Boiler Plant Scrubber 1	733,635.45	127,412.51	\$ 606,222.94	476%	
512	512432	Maint Boiler Plant Scrubber 2	2,153,819.95	1,434,732.18	\$ 719,087.77	50%	
512	51244	Maint of Boiler Plant Gilbert	4,742,791.65	4,148,819.75	\$ 593,971.90	14%	
512	51245	Maint of Boiler Plant Spik 4	2,960,311.91	1,743,132.35	\$ 1,217,179.56	70%	#4 Oper. In 04/2009, 1st year maintenance much under warranty
513	51320	Maint of Electric Plant Dale	341,229.50	2,439,283.05	\$ (2,098,053.55)	-86%	Overhaul in 2009 making up \$1.7 million variance.
513	51330	Maint of Electric Plant Cooper	3,204,666.59	4,874,313.79	\$ (1,669,647.20)	-34%	Overhaul of Unit #1 in 2009.
513	51340	Maint of Electric Plant Spik	311,584.81	79,432.23	\$ 232,152.58	292%	
513	51341	Maint of Electric Plant Spik 1	506,974.90	582,492.88	\$ (75,517.98)	-13%	
513	51342	Maint of Electric Plant Spik 2	410,934.84	389,839.68	\$ 21,095.16	5%	
513	51344	Maint of Electric Plant Gilber	1,144,064.04	362,528.29	\$ 781,535.75	216%	

FERC Account	EKPC Account	Description	8/31/2010	12/31/2009	\$ Variance	% Variance	Explanation
513	51345	Maint of Electric Plant-Spur 4	201,139.19	103,622.01	\$ 97,517.18	94%	
514	51420	Maint of Misc Steam Plant Dale	4,258.22	7,183.21	\$ (2,924.99)	-41%	
514	51430	Maint of Misc Steam Plant Cpr	40,367.84	92,673.11	\$ (52,305.27)	-56%	
514	51440	Maint of Misc Steam Plant Spk	20,505.26	24,282.57	\$ (3,777.31)	-16%	
546	54651	Operation Superv Engr CT	277,328.22	272,452.00	\$ 4,876.22	2%	
546	54661	Oper Supv Engr-Landfill Gas	86,621.53	106,988.31	\$ (20,366.78)	-19%	
547	54710	Fuel Diesel Genr Cooper	1,835.00	0.00	\$ 1,835.00	0%	
547	54711	Fuel CT Oil	1,242,242.23	634,075.43	\$ 608,166.80	96%	
547	54712	Fuel Diesel Genr Cagles	835.00	0.00	\$ 835.00	0%	
547	54721	Fuel CT Gas	25,675,371.79	17,099,936.91	\$ 8,575,434.88	50%	Both price and quantity of gas increased from 2009 to 2010.
547	54761	Fuel Landfill Gas/Meth Gas	360,372.20	329,605.50	\$ 30,766.70	9%	
548	54851	Generation Expense CT	2,751,295.61	2,591,918.05	\$ 159,377.56	6%	
548	54861	Generation Exp-Landfill Gas	494,442.16	582,240.60	\$ (87,798.44)	-15%	
549	54900	Misc Oth Power Genr Exp DG	7,985.06	2,010.26	\$ 5,974.80	297%	
549	54951	Misc Oth Power Genr Exp CT	550,752.22	287,896.96	\$ 262,855.26	91%	
549	54961	Environmental Expense CT	378,176.46	430,954.81	\$ (52,778.35)	-12%	
549	54962	Environmental Expense-Landfill	61,507.44	70,188.31	\$ (8,680.87)	-12%	
549	54963	Misc Oth Pwr Genr Exp-Landfill	176,630.02	94,169.95	\$ 82,460.07	88%	
551	55151	Maint Super Engr CT	74,314.00	2,868.23	\$ 71,445.77	2491%	
551	55161	Maint Super Engr_Landfill Gas	-	24,362.02	\$ (24,362.02)	-100%	
552	55251	Maint of Structures-Smith	107,576.03	59,401.18	\$ 48,174.85	81%	
552	55261	Maint of Structures-LG	53,541.45	79,357.56	\$ (25,816.11)	-33%	
553	55300	Maint Genr Elect Eq DG	29,621.11	17,427.90	\$ 12,193.21	70%	
553	55351	Maint Genr Elect Eq CT	1,572,595.97	1,232,252.51	\$ 340,343.46	28%	
553	55361	Maint Genr Elec Eq Landfill Gas	2,079,841.01	1,545,221.45	\$ 534,619.56	35%	
554	55451	Maint Misc Oth Pwr Genr CT	99,877.48	98,813.51	\$ 1,063.97	1%	
555	55500	Purchased Power	65,832,651.65	94,595,182.76	\$ (28,762,531.11)	-30%	Spurlock #4 became operation in April 2009 therefore reducing need for outside purchased power.
556	55600	System Control Load Dispatch	3,751,899.32	3,643,002.51	\$ 108,896.81	3%	
557	55700	Long-Term Power Supply Expense	5,432,136.93	4,961,145.31	\$ 470,991.62	9%	
557	55701	Oth Exp Load Forecasting	408,770.34	333,665.05	\$ 75,105.29	23%	
557	55702	Oth Exp Broker Fees	1,844,094.02	1,882,283.82	\$ (38,189.80)	-2%	
560	56000	Oper Supv and Engineering	3,550,483.62	2,922,646.12	\$ 627,837.50	21%	
561	56100	Load Dispatch Transmission	2,557,908.47	2,536,940.45	\$ 20,968.02	1%	
562	56200	Station Expenses	2,084,271.44	2,524,182.26	\$ (439,910.82)	-17%	
563	56300	Overhead Line Expenses	3,248,796.68	1,690,706.88	\$ 1,558,089.80	92%	Change in allocation of property taxes.
565	56500	Trans Elect by Others	18,998,699.07	14,828,463.71	\$ 4,170,235.36	28%	Related to purchased power needed for 9 unscheduled outages
566	56600	Misc Trans Expenses	532,632.19	567,937.70	\$ (35,305.51)	-6%	
567	56700	Rents	446,283.49	448,287.84	\$ (2,004.35)	0%	
568	56800	Maint Supv and Engineering	4,846.34	11,834.30	\$ (6,987.96)	-59%	
570	57000	Maint Station Equipment	2,652,141.74	1,731,480.84	\$ 920,660.90	53%	
571	57100	Maint OH Lines Line Maint	3,164,092.75	2,530,288.99	\$ 633,803.76	25%	
573	57300	Maint Misc Transmission Plant	119,031.62	51,316.69	\$ 67,714.93	132%	
581	58100	Load Dispatch Distribution	163,487.75	161,956.69	\$ 1,531.06	1%	
582	58200	Distribution Station Expenses	929,848.60	589,810.14	\$ 340,038.46	58%	
592	59200	Maint of Dist Station Eq	1,486,233.14	924,518.50	\$ 561,714.64	61%	

FERC Account	EKPC Account	Description	8/31/2010	12/31/2009	\$ Variance	% Variance	Explanation
908	90800	Customer Assistance-Regulated	2,412,414.97	1,983,731.19	\$ 428,683.78	22%	
909	90900	Info/Instr Adv-Safety,Tech. Co	40,520.38	11,054.45	\$ 29,465.93	267%	
910	91000	Info/Instr Adv-Envir Educ-Reg	7,500.00	864.41	\$ 6,635.59	768%	
913	91300	Advertising Exp-Regulated	17,590.52	6,100.96	\$ 11,489.56	188%	Base year contains 5 mos 2009
920	92000	Administrative General Salar	11,433,463.55	10,362,927.15	\$ 1,070,536.40	10%	Increase in executive staff
921	92100	GA Office Supplies & Expenses	5,326,017.83	4,901,662.74	\$ 424,355.09	9%	
923	92300	Outside Services-Regulated	4,433,526.42	4,864,797.92	\$ (431,271.50)	-9%	
925	92500	Injuries and Damages	1,977,082.78	2,005,367.02	\$ (28,284.24)	-1%	
926	92600	Employee Pensions Benefits	969,882.76	1,032,871.73	\$ (62,988.97)	-6%	
928	92800	PSC Annual Assessment	1,275,908.00	1,215,150.47	\$ 60,757.53	5%	
929	92900	Dupl Chgs Cr Elect HD WH	(487,856.00)	(483,399.00)	\$ (4,457.00)	1%	
929	92932	Oth Rev EKPC Tran NonFrm Pt Pt	622,067.00	1,609,029.72	\$ (986,962.72)	-61%	
929	92933	Oth Rev EKPC Tran Anc Svc 3_1	33,955.83	87,829.65	\$ (53,873.82)	-61%	
929	92934	Oth Rev EKPC Tran Anc Svc 3_2	15,251.26	39,448.72	\$ (24,197.46)	-61%	
929	92940	Oth Rev Internal Trans Reserv	(671,274.09)	(1,736,308.09)	\$ 1,065,034.00	-61%	
930	93010	General Advertising Expenses	678,487.90	1,124,730.15	\$ (446,242.25)	-40%	
930	93020	Misc Gen Exp Directors Fees	365,405.90	406,623.04	\$ (41,217.14)	-10%	
930	93021	Misc General Exp Dues-Reg	1,620,177.43	1,609,475.92	\$ 10,701.51	1%	
930	93022	Misc Gen Exp Mbr PR-Reg	723,210.36	790,847.03	\$ (67,636.67)	-9%	
930	93023	Misc Gen Exp Tax Ins Alloc	494,357.38	531,599.69	\$ (37,242.31)	-7%	
930	93025	Misc Gen Exp Labor Exp RD_Reg	192,893.25	291,981.05	\$ (99,087.80)	-34%	
930	93026	Misc Gen Exp RD-Wastewater-Reg	(3.62)	109.11	\$ (112.73)	-103%	
935	93500	Maint General Plant Winchester	1,663,907.26	934,103.42	\$ 729,803.84	78%	
Net Margin			\$ (19,034,295.64)	\$ (30,569,020.76)	\$ 11,534,725.12		
			\$	\$ 11,534,725.12			

should net to zero

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10
REQUEST 25

RESPONSIBLE PERSON: **John R. Twitchell**

COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 25. Refer to the Company's response to Staff 2-5, 2-23 and 2-26.
Please identify all permits and regulatory approvals that are needed before construction on Smith 1 can begin.

- a. What is the status of each of those permits and regulatory approvals?

Response 25. East Kentucky Power is to receive the 404 permit when the United States Army Corp of Engineers, Louisville District completes its determination that satisfies the National Environmental Policy Act (NEPA) and issues a Record of Decision (ROD) based upon the Supplemental Environmental Impact Statement. It is expected that this permit will be issued in approximately the fall of 2011.

The KY Division of Water has to make its determination for water quality certification. It is expected that this certification will be issued in approximately the fall of 2011.

EKPC received the proposed air permit from the Division of Air Quality on April 9, 2010.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00167

SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10

REQUEST 26

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 26. Refer to the Company's response to Staff 2-5, 2-23 and 2-26.

Does your 2011 forecasted test year assume that construction on Smith 1 will start during the test year? If so, when?

Response 26. Construction on Smith 1 was anticipated to begin late in 2011.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00167

SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10

REQUEST 27

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 27. Refer to the Company's response to Staff 2-5, 2-23 and 2-26. Please quantify the amount of your requested rate increase that is based on the assumption that construction on Smith 1 will start during the 2011 forecasted test year? Provide all workpapers and analysis that support your answer.

Request 27. None of the requested rate increase is based on the assumption that construction on Smith 1 will begin in 2011. The only cost associated with Smith 1 included in the test year is the interest expense on the anticipated private placement financing for \$175 million. But this financing will be necessary regardless of whether or not construction begins in 2011.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10
REQUEST 28

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 28. Refer to the Company's response to Staff 2-5, 2-23 and 2-26. Please assume that construction on Smith 1 does not start during 2011, what would be the amount of your requested rate increase? Provide all workpapers and analysis that support your answer.

Response 28. The requested rate increase would be the same. Please see the response to Item no. 27.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10
REQUEST 29

RESPONSIBLE PERSON: Frank J. Oliva

COMPANY: East Kentucky Power Cooperative, Inc.

Request 29. If construction on Smith 1 does not start in 2011, do you agree that your rate increase request would be excessive?

Response 29. No. The requested rate increase would be the same. Please see the response to Item Nos. 27 and 28.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00167

SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10

REQUEST 30

RESPONSIBLE PERSON: Ann. F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 30. In reference to the response to Gallatin's First Data Request #16, please provide the test year and 2009 on-peak/off-peak MWh by rate schedule on a monthly basis.

Response 30. Please see page 2 of this response.

Provide breakdown of on-peak and off-peak MWh monthly by rate schedule

Test Year	Total MWh	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Rate E-1 On-Peak	553,228	51,167	41,652	39,239	33,517	41,172	55,315	56,271	64,269	49,734	32,890	37,046	50,956
Rate E-1 Off-Peak	517,402	61,833	50,591	47,807	39,656	32,686	36,011	35,585	40,501	31,698	38,130	42,806	60,098
Rate E-2 On-Peak	5,024,922	465,665	390,900	368,914	301,892	371,104	463,884	545,961	529,230	438,392	316,447	367,684	464,848
Rate E-2 Off-Peak	4,804,755	580,068	488,318	465,168	366,454	297,793	292,366	339,189	325,469	279,578	371,183	438,995	560,175
Rate B *	912,839	74,936	71,021	75,164	71,819	75,443	77,600	79,033	82,941	79,233	78,471	74,270	72,908
Rate C *	308,081	25,690	24,848	26,134	26,282	25,697	25,570	26,730	25,734	25,349	25,094	25,990	24,963
Rate G *	319,824	27,357	25,945	27,118	25,780	26,477	25,916	25,695	27,351	27,293	28,247	25,171	27,474
Large Special On-Pk	240,698	17,149	17,146	19,416	18,070	20,499	24,711	24,668	24,667	14,798	17,721	19,217	22,637
Large Special Off-Pk	728,262	61,444	55,600	66,914	62,529	67,591	59,571	50,884	59,577	69,953	57,880	63,974	52,344
Pumping Stations On-Pk	83,860	7,980	7,315	8,754	8,110	8,372	6,702	6,587	6,419	5,784	5,288	6,024	6,527
Pumping Stations Off-Pk	98,445	9,367	8,587	10,277	9,520	9,827	7,868	7,732	7,536	6,789	6,207	7,071	7,662
	13,592,316	1,382,656	1,181,923	1,154,905	963,629	976,661	1,075,514	1,198,335	1,193,694	1,028,601	977,558	1,108,248	1,350,592

Calendar Year 2009	Total MWh	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Rate E-1 On-Peak	515,342	50,928	40,056	35,969	31,758	40,390	52,774	50,283	56,308	43,324	32,252	34,195	47,106
Rate E-1 Off-Peak	484,561	62,328	48,249	42,918	37,310	29,259	34,142	33,056	35,655	29,637	37,381	38,860	55,766
Rate E-2 On-Peak	4,260,127	452,300	353,877	313,774	262,332	316,668	408,539	397,025	434,359	342,443	263,008	294,884	420,917
Rate E-2 Off-Peak	4,151,653	571,464	439,520	387,254	317,856	233,707	259,889	256,789	272,362	234,083	312,904	348,937	516,888
Rate B On-Peak	401,315	30,054	28,079	30,316	25,800	35,801	37,937	38,722	41,107	38,837	31,922	29,920	30,120
Rate B Off-Peak	474,999	41,240	38,582	41,666	39,125	35,324	36,868	37,753	39,832	37,885	44,050	41,198	41,475
Rate C On-Peak	147,900	21,542	20,447	23,622	22,408	25,873	26,545	27,582	29,199	29,507	25,208	23,135	21,631
Rate C Off-Peak	177,268	29,940	28,408	32,872	31,253	25,751	26,195	27,198	28,420	28,891	35,013	32,268	30,276
Rate G On-Peak	148,798	10,065	10,484	11,855	11,208	13,588	13,929	13,594	14,316	14,695	12,429	11,306	11,331
Rate G Off-Peak	179,218	13,990	14,564	16,430	15,643	13,691	13,941	13,587	14,015	14,449	17,331	15,758	15,819
Large Special On-Pk	211,869	11,335	11,508	7,404	13,275	13,137	18,436	23,657	23,598	26,224	23,110	15,897	24,287
Large Special Off-Pk	581,794	44,025	40,474	32,883	41,329	45,143	44,407	49,639	59,240	54,971	59,708	51,037	58,938
Pumping Stations On-Pk	70,839	7,957	6,450	7,044	10,076	7,558	6,949	6,673	5,350	919	3,976	3,228	4,659
Pumping Stations Off-Pk	80,729	9,411	8,014	9,190	10,967	8,647	7,324	6,876	6,523	1,114	4,285	3,428	4,950
	11,886,414	1,339,212	1,088,713	993,196	870,341	844,538	987,875	982,434	1,060,285	896,978	902,577	944,051	1,284,163

* Rates B, C, and G are not projected with on and off-peaks for the test year.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE**

**GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10
REQUEST 31**

RESPONSIBLE PERSON: Dennis R. Eicher

COMPANY: East Kentucky Power Cooperative, Inc.

Request 31. Please explain the increase in Accumulated Depreciation – Distribution between the 2008 rate case test year (\$41.6 million, Seelye Exhibit 6) and the test year in the current case (\$105.4 million, Eicher Exhibit __ (DRE-2), Schedule C, Page 2.)

Response 31. EKPC acknowledges there was an error in the formula in lines 59 to 73. Please see the attached CD for a revised cost-of-service study that corrects this error.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00167

SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10

REQUEST 32

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 32. Please provide the details of any reclassifications of Plant and Accumulated Depreciation between Distribution accounts and Transmission accounts since the 2008 rate case.

Response 32. There have been no reclassifications of Plant and Accumulated Depreciation between Distribution accounts and Transmission accounts since the 2008 rate case.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00167

SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10

REQUEST 33

RESPONSIBLE PERSON: Dennis R. Eicher

COMPANY: East Kentucky Power Cooperative, Inc.

Request 33. In reference to EKPC workpaper WP-6 provided in response to Gallatin's First Data Request #1, please provide the date or dates of the balances shown.

Response 33. The Materials and Supply data shown on WP-6 is stated as of December 31, 2009.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00167

SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10

REQUEST 34

RESPONSIBLE PERSON: Dennis R. Eicher

COMPANY: East Kentucky Power Cooperative, Inc.

Request 34. Please explain why the CWIP balances on Eicher Exhibit_(DRE-2), Schedule D are not included in the balance of Total Rate Base on line 41 of the exhibit.

Response 34. EKPC acknowledges there was an error in the formula for Line 41.

EAST KENTUCKY POWER COOPERATIVE, INC.

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SECOND SET OF DATA REQUESTS RESPONSE

**GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10
REQUEST 35**

RESPONSIBLE PERSON: Dennis R. Eicher

COMPANY: East Kentucky Power Cooperative, Inc.

Request 35. If the response to the previous question is that the formula is in error, please provide a corrected copy of Exhibit __ (DRE-2).

Response 35. Please see the CD provided in response to Request 31.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00167

SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10

REQUEST 36

RESPONSIBLE PERSON: John R. Twitchell

COMPANY: East Kentucky Power Cooperative, Inc.

Request 36. Please provide a copy of EKPC's most recent Integrated Resource Plan.

Response 36. A copy of EKPC's 2009 Integrated Resource Plan is provided on the attached CD.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00167

SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10

REQUEST 37

RESPONSIBLE PERSON: John R. Twitchell

COMPANY: East Kentucky Power Cooperative, Inc.

Request 37. Please provide a copy of EKPC's most recently prepared projection of winter and summer system peak demands, generation resources (owned capacity, purchases) and reserve margins by year for at least five years. Please show the capacity (in MW) for each of EKPC's generating resources and firm capacity purchases that are included in the analysis. (The requested information is typically referred to as a load and capability balance projection).

Response 37. The requested information is provided on page 2 of this response.

	LOAD		Reserve Margin (Planning)		Owned Capacity		Purchased Capacity		Surplus / (Deficit)	
	WIN	SUM	WIN	SUM	WIN	SUM	WIN	SUM	WIN	SUM
2011	3006	2335	3367	2615	2936	2692	120	70	(311)	147
2012	3033	2359	3397	2642	2936	2692	70	70	(392)	120
2013	3059	2378	3426	2664	2928	2684	170	170	(329)	190
2014	3101	2405	3474	2693	2928	2684	170	170	(376)	161
2015	3147	2429	3524	2720	2928	2684	170	170	(426)	134

Purchased Capacity (MW)

	Hydro	Market
2011	70	50
2012	70	0
2013	170	0
2014	170	0
2015	170	0

Owned Capacity (MW)

	COAL				LandFill Gas						
	Date 1	Date 2	Date 3	Date 4	Cooper 1	Cooper 2	Spurlock 1	Spurlock 2	Gilbert	Spurlock 4	LandFill Gas
2011	23	23	75	75	116	225	300	510	268	268	16.8
2012	23	23	75	75	116	225	300	510	268	268	16.8
2013	23	23	75	75	116	217	300	510	268	268	16.8
2014	23	23	75	75	116	217	300	510	268	268	16.8
2015	23	23	75	75	116	217	300	510	268	268	16.8

Owned Capacity (MW)

	Natural Gas		Smith CT 1		Smith CT 2		Smith CT 3		Smith CT 4		Smith CT 5		Smith CT 6		Smith CT 7		Smith CT 9		Smith CT 10	
	WIN	SUM	WIN	SUM	WIN	SUM	WIN	SUM	WIN	SUM	WIN	SUM	WIN	SUM	WIN	SUM	WIN	SUM	WIN	SUM
2011	150	110	150	110	150	110	150	110	98	74	98	74	98	74	98	74	97	83	97	83
2012	150	110	150	110	150	110	150	110	98	74	98	74	98	74	98	74	97	83	97	83
2013	150	110	150	110	150	110	150	110	98	74	98	74	98	74	98	74	97	83	97	83
2014	150	110	150	110	150	110	150	110	98	74	98	74	98	74	98	74	97	83	97	83
2015	150	110	150	110	150	110	150	110	98	74	98	74	98	74	98	74	97	83	97	83

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE**

**GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10
REQUEST 38**

RESPONSIBLE PERSON: John R. Twitchell

COMPANY: East Kentucky Power Cooperative, Inc.

Request 38. Please refer to your response to Gallatin Steel Item 1-20. Please explain how “the volatile nature of the Gallatin Steel load” prevents any portion of the load from being counted toward the Contingency Reserve Requirement as a controllable load resource. Please provide all studies or documents that support your answer.

Response 38. The only portion of the Gallatin Steel load that could be considered for contribution to Contingency Reserve is the arc furnace melt shop load which has a 10-minute interruption period. This portion of the Gallatin Steel load could be counted toward the Contingency Reserve Requirement as a controllable load resource when the load is operating. Note that the term “operating” in this response corresponds to a condition where the electric arc furnace is drawing electric power from the EKPC system.

Request 38a. Do you agree that when the electric arc furnace(s) is not operating, the capacity that was planned to serve the electric arc furnace(s) is available as Contingency Reserve? Please explain.

Response 38a. Yes. If the electric arc furnace is not operating, but EKPC system is configured to respond to an immediate restart of the furnace, then the capacity planned to serve the immediate restart of the electric arc furnace could be considered available as

Contingency Reserve. This would apply during the time, immediately following a shutdown of the electric arc furnace, but before the output of slower moving generation resources was backed down in response. Note that the term “operating” in this response corresponds to a condition where the electric arc furnace is drawing electric power from the EKPC system.

Request 38b. Do you agree that when the electric arc furnace(s) is operating, the arc furnace(s) load itself is available to be interrupted as Contingency Reserve? Please explain.

Response 38b. Yes. The term “operating” in this response corresponds to a condition where the electric arc furnace is drawing electric power from the EKPC system. If a contingency occurs while counting this controllable load as part of the Contingency Reserves, then a physical interruption of the arc furnace melt shop would be required.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10

REQUEST 39

RESPONSIBLE PERSON: John R. Twitchell

COMPANY: East Kentucky Power Cooperative, Inc.

Request 39. Are Contingency Reserve and Regulating Reserve the only reserves that can be used to meet NERC reserve requirements?

Response 39. Yes. The NERC requirements are specified in BAL-002 R1 (“Each Balancing Authority shall have access to and/or operating Contingency Reserve to respond to Disturbances.”) and BAL-005 R2 (“Each Balancing Authority shall maintain Regulating Reserve that can be controlled by AGC to meet the Control Performance Standard.”). There is no NERC requirement for any other type of reserve.

Request 39a. Can interruptible load be counted as Non-Spinning Reserve? Please explain.

Response 39a. Yes. The NERC definition for Non-Spinning Reserve includes “Interruptible load that can be removed from the system in a specified time.”

Request 39b. Can interruptible load be counted as Operating Reserve? Please explain.

Response 39b. Yes. The NERC definition for Operating Reserve is “The capability above firm system demand required to provide for regulation, load forecasting error, equipment forced and scheduled outages and local area protection. It consists of spinning and non-spinning reserve.”

Request 39c. Can interruptible load be counted as Operating Reserve – Supplemental? Please explain.

Response 39c. Yes. The NERC definition of Operating Reserve – Spinning includes “Load fully removable from the system within the Disturbance Recovery Period following the contingency event.”

Request 39d. Can interruptible load be counted as Operating Reserve – Supplemental? Please explain.

Response 39d. Yes. The NERC definition of Operating Reserve – Supplemental includes “Load fully removable from the system within the Disturbance Recovery Period following the contingency event.”

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10

REQUEST 40

RESPONSIBLE PERSON: John R. Twitchell

COMPANY: East Kentucky Power Cooperative, Inc.

Request 40. Please provide a copy of the reserve sharing agreement that EKPC has with EON and TVA.

Response 40. EKPC objects to the question on the grounds that it is not relevant to the pending rate application. Therefore, EKPC declines to provide a copy of the Reserve Sharing Agreement (“RSA”) between EKPC, EON, and TVA. Without waiving this objection, EKPC responds to parts a through c as follows.

Request 40a. Indicate any limitations that would apply to that reserve sharing agreement that are not part of the national NERC requirements. (i.e. regional limitations, agreement specific limitations, etc.)

Response 40a. There are no limitations that apply to the RSA that are not part of the national NERC Requirements.

Request 40b. How much EKPC generating capacity is required to be held in reserve under this agreement?

Response 40 b. EKPC is required to hold 100 MW Contingency Reserve under the RSA.

Request 40c. What is the cost to EKPC associated with holding this amount of generating capacity in reserve? Please provide all documents that support your quantification of cost.

Response 40c. The cost of holding this reserve is estimated at \$8,430,500. This is based on the estimated overnight construction cost for a peaking CT which could be used for quick-start reserves (\$685 per kW). The depreciation and interest cost of this unit would be approximately \$7,192,500 annually and the fixed O&M for this unit is estimated at \$12.38 per kW or \$1,238,000 annually. The amounts represent the most recent (2010) U.S Energy Information Administration estimates, 30 year life cycle, and 7.5% interest charges.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00167
SECOND SET OF DATA REQUESTS RESPONSE

GALLATIN'S SECOND SET OF DATA REQUESTS DATED 08/05/10

REQUEST 41

RESPONSIBLE PERSON: John R. Twitchell

COMPANY: East Kentucky Power Cooperative, Inc.

Request 41. Does EKPC have a reserve sharing agreement with any other parties other than EON and TVA?

- a. If so, please provide a copy of that reserve sharing agreement(s).
- b. Indicate any limitations that would apply to that reserve sharing agreement that are not part of the national NERC requirements. (i.e. regional limitations, agreement specific limitations, etc.)

Response 41. No. EKPC does not have a reserve sharing agreement with any other parties.

Response 41a. This is not applicable. Please see the response to Request 41.

Response 41b. This is not applicable. Please see the response to Request 41.