

August 20, 2010

RECEIVED

AUG 20 2010

PUBLIC SERVICE
COMMISSION

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

Re: Case No. 2010-00167

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-reference case, an original and ten copies of East Kentucky Power Cooperative, Inc.'s ("EKPC") June 30, 2010 monthly budget variance report, as required by 807 KAR 5:001, Section 10(9)(o).

Also enclosed are an original and ten copies of updates to responses 43 and 54c of EKPC to the Commission Staff's First Data Request, dated May 14, 2010.

Very truly yours,



Ann F. Wood
Manager, Regulatory Services

Enclosures

Cc: Parties of Record



EAST KENTUCKY POWER COOPERATIVE
STATEMENT OF OPERATIONS
RUS FORM 12A, SECTION A
Report as of: June 30, 2010

2010-06-30

	Period 6 - 2010-06-01		Explanation of Variance
	Actual	Budget	
Operating Revenues & Patronage Capital			
Electric Energy Revenues			
Power Sales-Mbr Cooperatives	65,900,442	64,032,480	1,957,962
Power Sales-Of System	1,559,912	115,899	1,444,013
Total Electric Energy Revenue	67,550,354	64,148,379	3,401,975
Other Operating Revenue-Income	225,374	1,241,496	(1,016,122)
Total Operating Revenue & Patronage Capital	67,775,728	65,389,875	2,385,853
Operation Expenses			
Production Costs Excludes Fuel	4,723,111	5,791,660	(1,068,549)
Fuel Accounts	29,397,261	28,410,361	986,900
Other Power Supply	6,100,410	3,376,171	2,724,239
Transmission	2,494,788	2,447,047	47,741
Distribution	87,835	119,161	(31,326)
Customer Accounts	0	0	0
Customer Service & Information	161,513	221,166	(59,653)
Sales	504	1,590	(1,086)
Administration and General	3,024,368	2,233,150	791,218
Total Operation Expenses	45,989,790	42,600,306	3,389,484
Maintenance Expenses			
Production	4,819,276	5,125,955	(306,679)
Transmission Expense	374,024	581,941	(207,917)
Distribution Expense	141,705	178,289	(36,584)
General Plant	120,194	299,940	(179,746)
Total Maintenance Expenses	5,455,199	6,186,125	(730,926)
Operating Expenses			
Depreciation/Amortization	5,925,952	6,377,335	(451,383)
Taxes	0	0	0
Interest on Long Term Debt	9,299,906	9,958,770	(658,864)
Interest on Construction	0	0	0
Other Interest Expense	15,112	3,289	11,824
Other Deductions	748,132	172,512	575,620
Total Operating Expenses	15,989,102	16,511,905	(522,803)
Total Cost of Electric Service	67,434,091	65,298,336	2,135,755
Operating Margins	341,637	91,539	250,098
Non-Operating Items			
Interest Income	304,400	254,269	50,131
Allowance Funds Used for Const	0	0	0
Other Non-Operating Income	(2,859)	(4,770)	1,911
OTH Cap. Credits/Patronage Div	0	4,166	(4,166)
Total Non-Operating Items	301,541	253,665	47,876
Net Patronage Capital & Margins	643,178	345,204	297,974

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00167

FIRST DATA REQUEST RESPONSE

COMMISSION STAFF'S FIRST DATA REQUEST DATED 5/14/10

REQUEST 43

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 43. As the historical data becomes available, provide detailed monthly income statements for each forecasted month of the base period, including the month in which the Commission hears this case.

Response 43. Detailed monthly income statements for July 2010 are provided on pages 2 and 3 of this response.



EAST KENTUCKY POWER COOPERATIVE, INC.
STATEMENT OF OPERATIONS
(RUS FORM 12A, SECTION A)
 Report as of: July 31, 2010

	Current Period		
	Actual	Plan	Variance
	Period 7 - 2010-07-01		
		Year to Date	
		Actual	Plan
			Variance
Operating Revenues & Patronage Capital			
Electric Energy Revenues			
Power Sales-Mbr Cooperatives	74,378,202.00	75,638,862.00	(1,260,660.00)
Power Sales-Off System	4,670,042.59	486,854.00	4,183,188.59
Total Electric Energy Revenue	79,048,244.59	76,125,716.00	2,922,528.59
Other Operating Revenue-Income	(6,428,138.51)	1,281,440.00	(7,709,578.51)
Total Operating Revenue & Patronage Capital	72,620,106.08	77,407,156.00	(4,787,049.92)
Operation Expenses			
Production Costs Excludes Fuel	5,046,898.81	5,571,982.00	(525,083.19)
Fuel Accounts	35,996,781.54	34,173,604.00	1,823,177.54
Other Power Supply	4,267,220.07	3,990,192.00	277,028.07
Transmission	3,589,565.43	2,546,803.00	1,042,762.43
Distribution	82,030.51	118,706.00	(36,675.49)
Customer Accounts	0.00	0.00	0.00
Customer Service & Information	150,463.06	214,288.00	(63,824.94)
Sales	505.73	1,602.00	(1,096.27)
Administration and General	3,339,517.78	3,604,750.00	(265,232.22)
Total Operation Expenses	52,472,982.93	50,221,927.00	2,251,055.93
Maintenance Expenses			
Production	4,741,448.41	3,820,274.00	921,174.41
Transmission Expense	440,683.62	532,055.00	(91,371.38)
Distribution Expense	87,664.25	178,318.00	(90,653.75)
General Plant	63,120.14	141,254.00	(78,133.86)
Total Maintenance Expenses	5,332,916.42	4,671,901.00	661,015.42
Total Operating Revenue & Patronage Capital	486,875,125.89	478,026,758.00	8,848,367.89
	(2,331,629.20)	9,404,490.00	(11,736,119.20)
Total	484,543,496.69	487,431,248.00	(2,887,751.31)
	474,445,110.00	475,813,264.00	(1,368,154.00)
	12,430,015.89	2,213,494.00	10,216,521.89
	25,547,937.25	28,422,827.00	(2,874,889.75)
	2,411,381.48	3,614,320.00	(1,202,938.52)
	890,944.47	1,184,805.00	(293,860.53)
	496,695.83	1,410,902.00	(914,206.17)
	29,346,959.03	34,632,854.00	(5,285,894.97)



EAST KENTUCKY POWER COOPERATIVE, INC.
STATEMENT OF OPERATIONS
(RUS FORM 12A, SECTION A)
 Report as of: July 31, 2010

	Current Period Period 7 - 2010-07-01			Year to Date		
	Actual	Plan	Variance	Actual	Plan	Variance
	Operating Expenses					
5,937,053.04	6,380,102.00	(443,048.96)		40,583,487.17	42,900,640.00	(2,317,152.83)
0.00	0.00	0.00	Depreciation/Amortization	800.00	800.00	0.00
9,838,248.16	11,200,102.00	(1,361,853.84)	Taxes	66,010,399.95	69,969,367.00	(3,958,967.05)
0.00	0.00	0.00	Interest on Long Term Debt	0.00	0.00	0.00
18,352.13	3,397.00	14,955.13	Interest on Construction	66,826.52	23,232.00	43,594.52
781,639.51	172,523.00	609,116.51	Other Interest Expense	3,259,731.26	1,095,315.00	2,164,416.26
			Other Deductions			
16,575,292.84	17,756,124.00	(1,180,831.16)	Total Operating Expenses	109,921,244.90	113,989,354.00	(4,068,109.10)
74,381,192.19	72,649,952.00	1,731,240.19	Total Cost of Electric Service	462,200,582.59	471,992,343.00	(9,791,760.41)
(1,761,086.11)	4,757,204.00	(6,518,290.11)	Operating Margins	22,342,914.10	15,438,905.00	6,904,009.10
	Non-Operating Items					
200,641.48	292,860.00	(92,218.52)	Interest Income	1,800,721.91	1,824,865.00	(24,143.09)
0.00	0.00	0.00	Allowance Funds Used for Const	0.00	0.00	0.00
(3,407.38)	(4,646.00)	1,238.62	Other Non-Operating Income	5,780.53	(37,513.00)	43,293.53
8,172.16	4,166.00	4,006.16	Oth Cap. Credits/Patronage Div	45,116.55	29,162.00	15,954.55
205,406.26	292,380.00	(86,973.74)	Total Non-Operating Items	1,851,618.99	1,816,514.00	35,104.99
(1,555,679.85)	5,049,584.00	(6,605,263.85)	Net Patronage Capital & Margins	24,194,533.09	17,255,419.00	6,939,114.09

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00167

FIRST DATA REQUEST RESPONSE

COMMISSION STAFF'S FIRST DATA REQUEST DATED 5/14/10

REQUEST 54

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: East Kentucky Power Cooperative, Inc.

Request 54c. Provide monthly updates of the actual costs incurred in conjunction with this rate case, reported in the manner requested in (a) above. Updates will be due when East Kentucky files its monthly financial statements with the Commission, through the month of the public hearing.

Response 54c. Monthly updates of actual costs incurred in conjunction with this rate case are included on pages 2 through 6 of this response.

Schedule of Rate Case Expenses Incurred to Date:

	Category	Amount	Account	Description	Reported	Date Reported
(1)	Accounting	\$ -				
(2)	Engineering	-				
(3)	Legal					
	Frost Brown Todd	3,354 00		Legal Fees	Update to 54	7/20/2010
	Frost Brown Todd	7,543 50		Legal Fees	Update to 54	7/20/2010
	Frost Brown Todd	5,670 00		Legal Fees	Update to 54	8/19/2010
(4)	Consultants					
	D.R. Eicher Consulting	11,963 42	92300	Rate Case Consultant	PSC DR1, Req 54	6/11/2010
	Daniel Walker	5,920 00	92300	Rate Case Consultant	PSC DR1, Req 54	6/11/2010
	D.R. Eicher Consulting	25,506 90	92300	Rate Case Consultant	PSC DR1, Req 54	6/11/2010
	Daniel Walker	1,850 00	92300	Rate Case Consultant	PSC DR1, Req 54	6/11/2010
	D.R. Eicher Consulting	2,320 00	92300	Rate Case Consultant	PSC DR1, Req 54	6/11/2010
	D.R. Eicher Consulting	580 00	92300	Rate Case Consultant	Update to 54	8/19/2010
	Daniel Walker	1,110 00	92300	Rate Case Consultant	Update to 54	8/19/2010
	D.R. Eicher Consulting	1,160 00	92300	Rate Case Consultant	Update to 54	8/19/2010
(5)	Other					
	Secretary of State	10 00	92100	Certificate of Existence-paid with VISA	PSC DR1, Req 54	6/11/2010
	Staples	642 43	92100	Supplies--paid with VISA	PSC DR1, Req 54	6/11/2010
	Staples	118 75	92100	Supplies--paid with VISA	PSC DR1, Req 54	6/11/2010
	Staples	45 49	92100	Supplies--paid with VISA	PSC DR1, Req 54	6/11/2010
	Federal Express	55 55	92100	Shipping Expenses	Update to 54	7/20/2010
	Federal Express	27 78	92100	Shipping Expenses	Update to 54	7/20/2010
	Federal Express	33 15	92100	Shipping Expenses	Update to 54	7/20/2010
	Federal Express	97 22	92100	Shipping Expenses	Update to 54	7/20/2010
	Federal Express	86 26	92100	Shipping Expenses	Update to 54	7/20/2010
	Staples	191 57	92100	Supplies--paid with VISA	Update to 54	7/20/2010
	Staples	522 00	92100	Supplies--paid with VISA	Update to 54	7/20/2010
	Ky Press Service	66,626 33	92100	Required Legal Notice	Update to 54	7/20/2010
Total Rate Case Costs to Date		<u>\$ 135,434.35</u>				

Frost Brown Todd LLC

A T T O R N E Y S

P.O. Box 819
Lexington, KY 40507-1749
(859) 231-0000
Facsimile (859) 231-0011
www.frostbrowntodd.com

PSC Request 54c

Page 3 of 6

Updated

East Kentucky Power Cooperative
Attn: David Smart, General Counsel
4775 Lexington Road
P O Box 707
Winchester KY 40392-0707

FED. ID# 61-0722001
August 10, 2010
Invoice # 10628171
Account # 0000I91.0574536

REGARDING: EKPC 2010 General Rate Case

For Professional Services Rendered Through July 31, 2010	\$5,670.00
Other Charges Through July 31, 2010	<u>\$0.00</u>
TOTAL THIS INVOICE	<u>\$5,670.00</u>
Outstanding Invoices (see page 2 for details - if already paid please disregard)	7,543.50
Total Amount Due (Includes Outstanding Invoices)	<u><u>\$13,213.50</u></u>

THANK YOU
PAYMENT APPRECIATED WITHIN 30 DAYS
PLEASE INCLUDE YOUR INVOICE NUMBER ON CHECK

**D.R. Eicher Consulting, Inc.**

28947 River Ridge Rd NW

Isanti, MN 55040

Invoice Submitted To:

East Kentucky Power Cooperative, Inc.

P.O. Box 707

Winchester, KY 40392-0707

Date: July 1, 2010**Invoice No. 061008****W.O. 0241002****Attn: Ann Wood****Professional Services: East Kentucky Wholesale Rate Application**

The following charges are for consulting services rendered during June 2010 relative to the development of a cost of service study to be filed with a rate application by East Kentucky.

Dennis Eicher

Time	2.0 hours	@	\$290/hr	= \$	580.00
Reimbursable expense					<u>0.00</u>
	Total			\$	580.00

New Charges:	\$ 580.00
Previous Balance:	\$ 11,963.42
Payment Applied:	\$ 11,963.42
Balance Due Now:	\$ 580.00

Purchaser is responsible for all sales, use or excise taxes. Any such taxes not included in this invoice may be invoiced at a later date. Payment is due upon receipt. A 1.5% per month charge will be applied to amounts not paid within 30 days.





D.R. Eicher Consulting, Inc.

28947 River Ridge Rd NW

Isanti, MN 55040

Invoice Submitted To:

East Kentucky Power Cooperative, Inc.

P.O. Box 707

Winchester, KY 40392-0707

Date: August 1, 2010

Invoice No. 071009

W.O. 0241002

Attn: Ann Wood

Professional Services: East Kentucky Wholesale Rate Application

The following charges are for consulting services rendered during July 2010 relative to responding to various data requests in connection with the cost of service study filed with East Kentucky's rate application.

Dennis Eicher

Time	4.0 hours	@	\$290/hr	= \$ 1,160.00
Reimbursable expense				<u>0.00</u>
	Total			\$ 1,160.00

New Charges:	\$ 1,160.00
Previous Balance:	\$ 580.00
Payment Applied:	\$ 580.00
Balance Due Now:	\$ 1,160.00

Purchaser is responsible for all sales, use or excise taxes. Any such taxes not included in this invoice may be invoiced at a later date. Payment is due upon receipt. A 1.5% per month charge will be applied to amounts not paid within 30 days.

OFFICE (763) 444-7111
CELL (512) 888-1682 • FAX (763) 444-8166
28947 RIVER RIDGE RD. ISANTI, MN 55040
E-MAIL: Dennis@EicherConsulting.com
www.EicherConsulting.com

Q2300 073
4802
A0126

Received _____
Prices Checked _____
Computation _____
Approved _____

INVOICE

TO: Ann Wood
FROM: Dan Walker
DATE: 8/01/10
SUBJECT: Invoice For July Services

Please find below a listing of time spent for July, 2010.

July 20	Review data request	2 hrs
July 21	Prepare response to data request	2 hrs
July 22	Prepare response to data request	<u>2 hrs</u>
	Total hours	6 hrs

Total Invoice **\$ 1,110**

Make Check Payable To:
Daniel Walker
7106 University Drive
Richmond, Virginia, 23229

Thank you for the opportunity to do business with East Kentucky

Received _____
Prices Checked _____
Computation _____
Approved _____