

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION OF THE	)	
APPLICATION OF THE FUEL ADJUSTMENT	)	CASE NO.
CLAUSE OF EAST KENTUCKY POWER	)	2022-00037
COOPERATIVE, INC. FROM MAY 1, 2021	)	
THROUGH OCTOBER 31, 2021	)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION  
TO EAST KENTUCKY POWER COOPERATIVE, INC.

East Kentucky Power Cooperative, Inc. (EKPC), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested is due on May 18, 2022. The Commission directs EKPC to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

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<sup>1</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

EKPC shall make timely amendment to any prior response if EKPC obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which EKPC fails or refuses to furnish all or part of the requested information, EKPC shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, EKPC shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to EKPC's response to Commission Staff's First Request for Information (Staff's First Request), Item 2. For the three contracts with Foresight Coal Sales (Foresight) over the May 2021 through October 2021 period, the required tonnage totaled 340,000 tons versus 204,539. Explain why, if known, Foresight appears to be having trouble honoring its contract commitments and what provisions, if any, EKPC has made for any potential shortfall.

2. Refer to EKPC's response to Staff's First Request, Item 4.

a. Explain how EKPC determines the differences between the delivery cost of coal versus the evaluated cost in the confidential bid sheets.

b. EKPC continues to do business with Foresight despite what appears to be trouble honoring its delivery commitments. If not answered above, explain what assurances EKPC has that Foresight is able to honor its delivery commitments.

c. For the three-month spot purchase for the Spurlock units, explain why the spot purchase delivery cost for units 3 and 4 considers the impact of the \$2 per ton Kentucky clean coal tax credit and the spot purchase for units 1 and 2 does not. Include in the explanation how the tax credit works.

d. Explain how the severance tax amounts listed on the bid sheets were calculated.

3. Refer to EKPC's response to Staff's First Request, Item 5.

a. It is not clear as to whether all the bid sheets for the Cooper station have been provided. There is one bid sheet filed confidentially: 1<sup>st</sup> QTR 2021 Verbal. Provide the required sheets or point to which bid sheets are referenced on page 2 of 4 in the response.

b. For the confidential 1<sup>st</sup> QTR 2021 Verbal bid sheet for the Cooper station, explain why there is no amount listed in the Severance Tax column.

c. During the period from September 16, 2021, through October 19, 2021, 70,500 tons were purchased verbally for Cooper station and most of that on an emergency basis. Explain why emergency purchases were required for the Cooper station.

d. Explain why several of the coal contracts for the Cooper station appear to be verbal.

e. On page 2 of 4 in the response, explain how the contract entered into on September 29, 2021, could cover the period from July 1, 2021, through December 31, 2021.

f. Explain whether the impact of the \$2 per ton Kentucky clean coal tax credit was considered.

g. Explain whether EKPC paid the Delivery price or the evaluated price for the actual coal delivery. Include in the response whether the explanation holds true for the prices listed in the bid evaluation sheets included in both Items 4 and 5.

4. Refer to EKPC's response to Staff's First Request, Item 12. Explain in detail the nature and terms of the two separate 75 MW energy purchases.

5. Refer to EKPC's response to Staff's First Request, Item 15.

a. Explain the difference between a "Scheduled" and a "Forced" Outage.

b. Explain in detail how far in advance EKPC plans its "Scheduled" Outages before taking the units offline.



Linda C. Bridwell, PE  
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P.O. Box 615  
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DATED   MAY 09 2022  

cc: Parties of Record

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