



September 29, 2015

HAND DELIVERED

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

RECEIVED

SEP 29 2015

PUBLIC SERVICE
COMMISSION

Re: PSC Case No. 2015-00233

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case an original and eight copies of the responses of East Kentucky Power Cooperative, Inc. to Commission Staff's Second Request for Information dated September 15, 2015.

Very truly yours,

David S. Samford

Enclosures

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

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF)	
THE FUEL ADJUSTMENT CLAUSE OF EAST)	CASE NO.
KENTUCKY POWER COOPERATIVE, INC.)	2015-00233
INC. FROM NOVEMBER 1, 2014 THROUGH APRIL)	
30, 2015)	

**RESPONSES TO COMMISSION STAFF'S SECOND REQUEST FOR
INFORMATION TO EAST KENTUCKY POWER COOPERATIVE, INC.
DATED SEPTEMBER 15, 2015**

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2015-00233

PUBLIC SERVICE COMMISSION REQUEST DATED 09/15/15

East Kentucky Power Cooperative, Inc. ("EKPC") hereby submits responses to the Second Request for Information contained in the Appendix to the Order of the Public Service Commission ("PSC") in this case dated September 15, 2015. Each response with its associated supportive reference materials is individually tabbed.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2015-00233

FUEL ADJUSTMENT CLAUSE

RESPONSE TO SECOND REQUEST FOR INFORMATION

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 09/15/15
REQUEST 1**

RESPONSIBLE PARTY: Craig A. Johnson

Request 1. Refer to the Attachment to this information request, which contains a September 2, 2015 article published in the Commonwealth Journal in Somerset, Kentucky. The article implies that the John Sherman Cooper Station ("Cooper Station") would need to be retired or converted as a result of the Clean Power Plan.

Request 1a. State whether East Kentucky has plans to convert the Cooper Station units to natural gas units at Cooper Station's present location. If so, provide the timeline for this conversion.

Response 1a. EKPC currently has no plans to close Cooper Station or repower it with natural gas.

Request 1b. State whether East Kentucky has plans to relocate and then convert the Cooper Station units to natural gas units. If so, provide the timeline for this relocation and conversion.

Response 1b. EKPC is reviewing all strategic options available to it to mitigate the Clean Power Plan's impact on costs to serve its Owner-Members. However, until: 1) publication of the Clean Power Plan in the Federal Register; 2) the results are known of legal efforts to stay the Plan's implementation until resolution of its legality in the courts; and 3) a decision is made by the State as to whether it will develop a State Implementation Plan or accept provisions of any final Federal Implementation Plan, EKPC cannot state its final plans.

Request 1c. State whether East Kentucky has plans to close the Cooper Station units and build new natural gas units to replace the Cooper Station units at a different location. If so, provide the timeline for the closure of the Cooper Station units.

Response 1c. Please refer to the Response to Request 1b. With the exception of ceasing coal operations at Dale Units 3 and 4 in April 2016, EKPC currently has no plans to close any additional coal facilities, including Cooper Station.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2015-00233

FUEL ADJUSTMENT CLAUSE

RESPONSE TO SECOND REQUEST FOR INFORMATION

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 09/15/15
REQUEST 2**

RESPONSIBLE PARTY: Craig A. Johnson

Request 2. State the distance from the Cooper Station to the nearest natural gas pipeline from which East Kentucky could take service.

Response 2. EKPC has not performed a routing study for a pipeline to Cooper Station. The approximate distance from the nearest natural gas pipeline is 38 miles, as determined by publicly available records.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2015-00233

FUEL ADJUSTMENT CLAUSE

RESPONSE TO SECOND REQUEST FOR INFORMATION

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 09/15/15
REQUEST 3**

RESPONSIBLE PARTY: Michelle Carpenter

Request 3. Refer to Case No. 2014-00451, the response to Item 28 of the Commission's August 14, 2015 Request for Information and East Kentucky's response to Item 4.b. of Commission Staff's Second Request for information, Page 3 of 5.1 Provide an updated table 1 response to Item 4.b. that includes the months of January through April 2015.¹

Response 3. For the purposes of this response, it was assumed the Commission intended to refer to Case No. 2015-00233 response to Item 28 of the Commission's August 14, 2015 Request for Information and also East Kentucky's response to Item 4.b of the Commission Staff's Second Request for information, page 3 of 5 in Case No. 2014-00451, both of which involve the subject matter of PJM billing codes 1370 and

¹ Case No. 2014-00451, *An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2012 through October 31, 2014* (Ky. PSC Aug. 11, 2015).

2370. Please see the chart below outlining the activity of PJM billing codes 1370 and 2370 for the months of January 2015 through April 2015.

	PJM Billing Code 1370	PJM Billing Code 2370	Net Cost
January 2015	\$ 289,718.73	\$ (0)	\$ 289,718.73
February 2015	569,739.97	(19,584.30)	550,155.67
March 2015	102,284.98	(1,185.85)	101,099.13
April 2015	<u>43,965.81</u>	<u>(0)</u>	<u>43,965.81</u>
Totals	\$ <u>1,005,709.49</u>	\$ <u>(20,770.15)</u>	\$ <u>984,939.34</u>

It should be noted that question 28 of the Commission’s Request for Information dated August 14, 2015 asked for the “effect it would have had on the FAC calculation if East Kentucky Power had included PJM billing codes 1370 and 2370” rather than “the amount charged or credited to East Kentucky by PJM for billing line item” as indicated in Request 4.b. of the Commission Staff’s Second Request for information, page 3 of 5 in Case No. 2014-00451. The response to Item 28 outlined the change in the FAC factor and resulting revenue based upon inclusion of PJM billing codes 1370 and 2370 in the calculation. The revenue impact results vary slightly from the actual net cost of the billing code line items shown in the above table due to the rounding of the FAC factor to five decimal places.