

TAYLOR, KELLER & OSWALD, PLLC

Attorneys At Law

J. WARREN KELLER
CLAYTON O. OSWALD

BRADLEY S. HARN

BOYD F. TAYLOR
(1924 - 2012)

1306 WEST FIFTH STREET, STE. 100
P.O. Box 3440
LONDON, KY 40743-3440
PHONE: 606-878-8844
FACSIMILE: 606-878-8850

WRITERS E-MAIL: coswald@tkolegal.com

May 27, 2014

Mr. Jonathan Beyer
KY Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

RECEIVED

MAY 29 2014

PUBLIC SERVICE
COMMISSION

RE: In the Matter of: Application of East KY Power Cooperative,
Inc. For Approval of an Economic Development Rider
PSC Case #: 2014-00034

Dear Mr. Beyer:

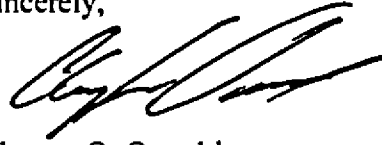
Please accept this correspondence as the comments from Jackson Energy Cooperative Corporation in response to the informal conference memorandum dated May 16, 2014, which was received in my office on May 22, 2014. In follow-up to the informal conference memorandum in this matter, Jackson Energy would like to offer some comments.

First, as stated in the comments submitted by East Kentucky Power Cooperative ("EKPC"), dated May 22, 2014, Jackson Energy would like to clarify that the proposed economic development rider was the result of a consensus among all of EKPC's members and was not done specifically at the request of Jackson Energy, although Jackson Energy is the first of EKPC's members to propose a retail version of the EDR tariff. Second, Jackson Energy agrees with East KY Power that there could be an adjustment for EDR revenues in a future rate case, but how such adjustment should be performed is unclear at this time. Jackson Energy believes that adjustments in future rate cases would be handled in a manner similar to those for other electric utilities that have implemented an EDR program. Finally, Jackson Energy agrees with East KY Power's proposed correction in the second sentence of the last paragraph on Page 1 of the Memorandum, since it is believed that it was Mr. Isaac Scott and not Mrs. Carol Wright who discussed the consequences of failure to maintain the requisite load factor after the grace period.

I thank you for the opportunity to engage in the informal conference and to submit the subsequent comments. Please feel free to call if you have questions or concerns.

With kindest regards,

Sincerely,

A handwritten signature in black ink, appearing to read "Clayton O. Oswald". The signature is fluid and cursive, with a prominent initial "C" and "O".

Clayton O. Oswald

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cc: Atty David Samford (Via Email: david@gosssamfordlaw.com)
Atty Michael Kurtz (Via Facsimile: 513-421-2764)