Gwyn Willoughby

From:

Mike McNalley

Sent:

Wednesday, February 7, 2018 12:57 PM

To:

Tony Campbell; Don Mosier

Cc:

Terri Combs

Subject:

Presentation

Attachments:

Executive Session Presention-MOU Discussion.pptx

I've made several edits following our discussion and added a first attempt at a summary slide at the end. Please review and send comments to all of us – Terri will manage the versions.

Thanks!

Mike McNalley **EVP & CFO** East Kentucky Power Cooperative, Inc. 859-745-9209 O 859-595-3897 C Michael.mcnalley@ekpc.coop

East Kentucky Power Cooperative

Amendment No. 3 and MOU History and

MOU Cost and Mitigation Plan

Board of Directors Executive Session February 13, 2017

Tony Campbell, CEO Mike McNalley, CFO Don Mosier, COO

CONFIDENTIAL





Agenda

- Overview of Amendment No. 3 and MOU History
 - How we got here
 - 15% and 5% limits
- Financial Impacts and Cost Shifting
 - FAC
 - Environmental Surcharge
 - Base Rates
 - Margin Allocation (Future Capital Credits)
- Mitigation Options
- Summary and Next Steps



1990's

- EKPC was enjoying cheap capacity market!! (almost free)
- In Illinois the Nukes were paying us to take their power at night.
- This over capacity had been going on for quite some time.



1998/1999

- Demand for energy finally surpassed supply
- Prices hit highs of \$7,000 \$10,000 / MWh
- Many electric utilities were caught off guard and some were pushed into bankruptcy.



Early 2000's

- EKPC found itself short capacity.
- EKPC load growth was 3 6% per year (75-150 MW per year)
- EKPC made an emergency decision to build coal generation (Spur #3, #4, and Smith #1)
- RUS contract expiration date needed extension. (more years added to match financial life of new plants)



Mid 2000's

- A few EKPC Owner-Members refuse to sign wholesale power contract extension.
- They wanted more flexibility
 - One Owner-Member wanted to take on a new municipal load
 - Two Owner-Members wanted the opportunity to serve new Economic Development loads outside the wholesale power contract
 - To reach agreement, Roy Palk agreed to Amendment No. 3.
 - Amendment No. 3 language was poorly written



<u> 2009</u>

- June 2009 new EKPC CEO hired.
- Jackson Energy CEO, Don Schaefer, requested to exercise his Amendment No. 3 rights:
 - 50 MW
 - 100% LF
- Your EKPC staff felt this was not fair and not true to the intent of Amendment No. 3
 - When asked who interpreted, we stated it was EKPC staff interpretation
 - Don Schaefer agreed to place Jackson's request in abeyance while we pursued a fix to the Amendment No. 3 language.



Early 2013-2015

- EKPC staff developed an Amendment No. 3 amendment, which stated all Owner-Members received 5% only. However, if a Member wanted more than 5%, they only needed to negotiate with their neighbors for a portion of their 5% share.
- This suggested language was rejected by three Owner-Members
- After years of negotiations to reach resolution, the MOU was proposed.
- In the summer of 2015, the MOU was adopted by all Owner-Members Boards.



Overview of Amendment 3 and MOU

- Amendment 3 to the Wholesale Power Agreement and the MOU allow:
 - Each member may elect to use an alternate power source for up to 15% of their load
 - However all members making an election may not exceed 5% of EKPC's load
- Notice must be provided before the load leaves the EKPC system (or new generation source comes on-line)
 - This allows EKPC to plan for the load "loss" and begin to take actions to mitigate the loss
- Notice must be provided before a load returns to the EKPC system
 - This allows EKPC to plan for the load to return and begin to develop resources to serve the load



15% and 5% Limits

	 Although each member can elect up 				
Owner-Member Cooperative	Member 15% Limit	EKPC 5% Limit	Elected	Proportionate Remainder	to 15% of their load, the total of all
Big Sandy	11.1	3.7		2.2	members cannot exceed 5% of EKPC's load.
Blue Grass	55.9	18.6		10.8	
Clark	20.4	6.8		3.9	
Cumberland Valley	20.5	6.8		4.0	
Farmers	19.6	6.5	4.6	1.1	 EKPC's limit is
Fleming Mason	28.3	9.2	1.4	4.7	158.5 MW
Grayson	10.8	3.6		2.1	
Inter-County	23.2	7.7		4.5	 Members have provided notice for 102.5 MW
Jackson	42.7	14.2	2.6	6.7	
Licking Valley	11.3	3.7	0.3	2.0	
Nolin	32.3	10.4		6.2	
Owen	62.8	20.9	20.9	0.0	
Salt River	44.2	14.7	14.7	0.0	• Of the remaining 56 MW, each member can take up to 5%
Shelby	16.8	5.6		3.2	
South Kentucky	61.9	20.6	58.0	0.0	
Taylor	22.8	7.6		4.4	until the balance is
		158.5	102.5	56.0	gone



- <u>Base Case:</u> Each Owner-Member exercises exactly 5%, resulting in 158.5 MW leaving EKPC. Assuming <u>100% load factor</u> the load loss is approximately 1.4 million MWh and up to \$90 million annual revenue
 - FAC: Dollars reduced by the avoided fuel and purchased power; \$/MWh unchanged
 - ES: No change in the total dollars being recovered or in the allocation to each system
 - Base Rates: Would increase by the amount of unmitigated fixed costs and margin embedded in the \$90 million lost revenue, estimated at up to \$45 million
 - EKPC Margin Allocation: Would change based on the mix of B, C, G and E load in each system



- **SKRECC Notice:** SKRECC notices 58 MW at **100% load factor**, resulting in load loss of 508,000 MWh and about \$30 million lost revenue
 - FAC: Dollars reduced by the avoided fuel and purchased power; \$/MWh unchanged
 - ES: \$4.4 million reallocated, \$0.3 million to SKRECC and \$4.1 million to all other systems
 - Base Rates: Up to \$13 million fixed costs and margin shifted. Initially reduces EKPC margin; after mitigation, base rate case reallocates remainder to all systems based on cost of service
 - EKPC Margin Allocation: If EKPC margin is unchanged, reduces SKRECC allocation by approximately \$2 million, and increases margin allocation to all other systems accordingly (2016 data)



- Other Notices: Several other systems have given notice for varying amounts. If all 15 systems gave notice for their proportionate share of the 15%, then the net effect would be the equivalent of 37.4 MW (the amount of SKRECC's notice in excess of 5%):
 - ES: \$2.64 million shifted from SKRECC to all other systems
 - Base Rates: \$8.4 million potential increase in base rate case, reduced by any mitigation
 - EKPC Margin Allocation: Uncertain, depends on rate class mix (margin generated) by each system
- To the extent that some owner-members "notice" more than their proportionate share of the remainder, i.e., notice 5%, they will shift some cost to all other systems



- EKPC's system marginal cost (dispatch cost) for high load factors is equivalent to Spurlock 1 4 at less than \$25/MWh
 - A power purchase above this price will increase costs somewhere in the system because
 - EKPC's fixed costs cannot be avoided
 - A purchase above our marginal cost is on its face more expensive than the generation or purchases it displaces
 - Amendment three may allow one or a few systems to benefit but only at the expense of all other systems which bear the shifted costs



MOU Cost Options Least to Highest

- All Owner-Members do nothing.
- South Kentucky does 5% and remaining South Kentucky contract is spread to the remaining Owner-Members.
- South Kentucky does 15%, and a run on the bank takes remaining 80 MW, plus 40 MW done by EKPC to help those left out.



- EKPC's energy delivery can be thought of as:
 - provided by PJM market energy purchases
 - which are protected by physical hedges at
 - low prices (Spur 1, 2, 3, 4),
 - intermediate prices (Cooper 1, 2 and Smith 9, 10), and
 - high prices (remaining natural gas peakers at \$3.50 gas or above)
 - These physical hedges are paid for in base rates and protect ownermembers from significant market price "excursions"



Although intuitively we want to think of SKRECC's 58MW transaction allowing EKPC to avoid high-priced production, in fact the 100% load factor suggests it would replace our lowest cost units (which run nearly all the time).

- But EKPC's generation will dispatch in PJM as it always has, based on economics, not EKPC's load, and still incur the fuel and emissions expenses
 - EKPC's purchases to serve load will decline overall, and become more "peaky" with the loss of 58MW base load
- The average PJM LMP price paid by EKPC will remain below the SKRECC purchase price until natural gas peakers in PJM return to being the marginal unit (CC is now)
 - When that happens, all Spurlock and Cooper units are running, providing a price cap to EKPC members
- The 100% load factor means EKPC has to mitigate 508,000 MWh, about double what is expected under A3

KENTUCKY POWER COOPERATIVE

EKPC Mitigation Options – Key Initial Points

- Important to remember, or understand, that EKPC operates in PJM as essentially two business units
 - All owner-members' load requirements (with exception of the noticed PPA purchases by owner-members) are purchased in the day ahead market, and balanced in real-time
 - All EKPC generation, regardless of A3/MOU, will continue to be bid in the day ahead and cleared based on PJM's dispatch model, or in the case of Spurlock, on a "must run" basis to minimize cycling
- The importance of EKPC's fleet does not change as a result of these discussions
 - Spurlock 1-4 are always "in the money" on a 24 hour basis, and much lower variable cost than any market transaction achievable.
 - Cooper 1 − 2 since primarily serve as a price hedge and receive PJM capacity payments, as well as vital for reliability during the Polar Vortices
 - Smith, Bluegrass can be viewed similarly as Cooper
 - Satisfied PSC precedent set in Polar Vortex 1.0 must have steel on the ground to meet critical peak load needs



ENTUCKY POWER COOPERATIVE

EKPC Mitigation Options

- First, we have no urgency to act and have time to develop strategy
- General approach is to maximize returns for both capacity and energy sales
 - Seek to "hedge" the locked in losses that result from the purchases and lower redistribution impacts
 - Adjusted for risk to budgeted margins
- Do nothing and continue to bid or self-schedule generation as we do now and collect the hourly market price
 - Most flexible and guarantees higher of cost or market
 - Captures high value hours in winter and summer, otherwise foregone if sell bilaterally
 - Can grow in margins as market oversupply catches up with demand, and it will
 - Can always hedge later to capture forward power price spikes



19

EKPC Mitigation Options

- Sell forward beginning June 1, 2019 the amount of A3/MOU purchases
 - Locks in a substantial loss over the term (whether 1, 5, or 10 years) to market which is \$30 on average next number of years
 - Least flexible
 - Foregoes longer term rises in price of capacity and energy
- Adopt merchant power's approach to managing long position
 - Layer in hedges over time much like we do coal purchases that way lock in opportunistic sales that roll off over time in orderly fashion
 - Limit length of hedges using standard market products so as not to forego future price spikes
 - Authorize ACES to seek traditional load following products for munis and other cooperatives to capture higher market values – can selectively do over much longer terms



EKPC Mitigation Options - Continued

- Non-traditional approach merchant power plus
 - Create a Class "B" entity authorized to buy and sell from EKPC at whole "market-based rates"
 - Would open up forward sales opportunities to PJM deregulated, retail choice states like Ohio
 - Staff have experience in managing this type of structure
 - Will have credit requirement implication to EKPC but can be managed
- A combination of the above approaches have best opportunity to capture price movements while serving to hedge "margin" expectations
- As always, seek and implement wise cost reductions
 - Requires prudent evaluation of early asset retirements



Summary & Questions

- Amendment 3 resulted from difficulties in extending the wholesale power agreements, which was necessary to build needed capacity. A3 was poorly written, so we all eventually agreed to the MOU
- The structure of A3 and the MOU allows owner-members to get a disproportionate share of EKPC's available load, which results in shifting EKPC's fixed costs to the other owner-members (ES is immediate)
- Even if all owner-members took 5%, there would be a cost increase (in effect owner members are adding another hedge on top of the existing hedges)
- EKPC will evaluate all options for mitigating the lost load (capacity and energy) including sales of energy and capacity and reduction in costs
 - Remaining costs will be recovered in the next base rate case





Gwyn Willoughby

From:

Mike McNalley

Sent:

Wednesday, February 7, 2018 8:24 AM

To:

Sally Witt

Subject:

RE: Amendment 3 Allotment Jan 2018 for distribution.xlsx

I keep telling them to delete my pictures from the Internet!

Mike McNalley
EVP & CFO
East Kentucky Power Cooperative, Inc.
859-745-9209 O
859-595-3897 C
Michael.mcnalley@ekpc.coop

From: Sally Witt

Sent: Wednesday, February 7, 2018 8:06 AM

To: Mike McNalley

Subject: RE: Amendment 3 Allotment Jan 2018 for distribution.xlsx

Stop the madness!



From: Mike McNalley

Sent: Wednesday, February 07, 2018 8:03 AM

To: Sally Witt <sally.witt@ekpc.coop>

Subject: RE: Amendment 3 Allotment Jan 2018 for distribution.xlsx

Licking Valley noticed 300kW yesterday.

Mike McNalley EVP & CFO East Kentucky Power Cooperative, Inc. 859-745-9209 O 859-595-3897 C Michael.mcnalley@ekpc.coop

From: Sally Witt

Sent: Tuesday, February 6, 2018 4:51 PM

SK Requests 1, 3 & 5 Page 237 of 693

To: David Crews < <u>David.Crews@ekpc.coop</u>>; Don Mosier < <u>Don.Mosier@ekpc.coop</u>>; Mike McNalley < <u>Michael.McNalley@ekpc.coop</u>>

Cc: Julie Tucker < julie.tucker@ekpc.coop>

Subject: Amendment 3 Allotment Jan 2018 for distribution.xlsx

Attached is an updated version, including Mike's additional column. Please let me know what changes you have.

Thanks! Sally

East Kentucky Power Cooperative

MOU Cost and Mitigation Plan

Board of Directors Executive Session February 13, 2017

Mike McNalley, CFO Don Mosier, COO

CONFIDENTIAL





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CENTUCKY POWER COOPERATIVE

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Summary

• XXX



Mark Stallons

Sent from my iPhone

From: Sent: To: Subject:	Mark Stallons <mstallons@owenelectric.com> Wednesday, February 7, 2018 6:11 AM Mike McNalley Re: A3 Cost Shift Spreadsheet</mstallons@owenelectric.com>
Mike,	
Thanks for taking a look. Your co	mments are spot on. I kept it simple and that does compromise accuracy.
I have capacity as well as energy	pricing in the short term. We should have escalators in the next few weeks.
	have that in a different model with Owen alone. To improve accuracy, I need a more forecast. I have the 2015 in my files. However, it is obviously dated.
The ES and base rate 2018 EKPC accurately show the impact on a	budget numbers by Cooperative is necessary to finish the model. Without that I can no Cooperative basis.
·	pacity and energy costs by generating unit for all of EKPC's units compared to market. narket selling price and revenue, the remaining depreciation and resulting annual EKPC's generating assets.
lessen our stranded costs. What	f our steel hedge compared to market and what if any possible pathways do we have t is our enterprise risk associated with Dems regaining control of the EPA, house and or on plan if Bevin and the Republicans deregulate Kentucky?
about, and have concluded that s	chlights a handful of questions that I am sure the EKPC staff understand, have thought staying with a steel hedge is our best response. In the last few weeks I have found that's can not explain the value or risk of a steel hedge at \$15 to \$25 per MWh above the
a means to explain the possible of	o be a useful tool to educate my board concerning the impact of SKy's actions as well a outcomes associated with a variety of mitigation strategies. If we work together, I ccurate model to educate all stakeholders including the PSC.
I can talk about the above anytim	ne this morning.
Thanks,	
Mark	

> On Feb 6, 2018, at 5:25 PM, Mike McNalley < Michael. McNalley@ekpc.coop> wrote:

> Didn't hear from you today but did see a couple of issues. One is the \$20/MWh savings could decline over time if (a) EKPC continues to lower cost, and/or (b) there are any escalators or Re-openers in the contract. So using the first year savings probably overstates it, and the NPVs should be adjusted. > Second is that there is no capacity cost. I don't know what is being quoted, but I do know that it follows market so could escalate quite dramatically. Might erase all remaining savings. > If you get some time Wed, give me a shout. > Mike McNalley > EVP & CFO > East Kentucky Power Cooperative, Inc. > 859-745-9209 office > 859-595-3897 cell > michael.mcnalley@ekpc.coop<mailto:michael.mcnalley@ekpc.coop> > > > On Feb 5, 2018, at 5:31 PM, Mark Stallons < mstallons@owenelectric.com < mailto:mstallons@owenelectric.com >> wrote: > > Mike, > Here is my simple spreadsheet. What is a good time to call tomorrow? > Thanks, > > Mark > Mark A. Stallons > President & CEO > Owen Electric Cooperative > 8205 Hwy 127N; PO Box 400 > Owenton, KY 40359 > > • Direct Line: 502-563-3500 > • Mobile: 502-514-1650 > • Email: mstallons@owenelectric.com<mailto:mstallons@owenelectric.com> > <image001.jpg> > > "One of your goals for the future is for you to identify and solve your own problems. But since you are new, come on up and we'll talk." > Source: The One Minute Manager, Page 30. > PRIVILEGED OR CONFIDENTIAL NOTICE: This e-mail message is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original

message.

> <Cost Shift 020318.xlsx>

> >

From:

Don Mosier

Sent:

Tuesday, February 6, 2018 5:00 PM

To:

Mike McNalley

Subject:

MOU Discussion_ DM edits.pptx

Attachments:

MOU Discussion_ DM edits.pptx

I didn't really help much but got some thoughts in as well as initial thoughts on mitigation.

From:

Sally Witt

Sent:

Tuesday, February 6, 2018 4:51 PM

To:

David Crews; Don Mosier; Mike McNalley

Cc:

Julie Tucker

Subject:

Amendment 3 Allotment Jan 2018 for distribution.xlsx

Attachments:

Amendment 3 Allotment Jan 2018 for distribution.xlsx

Attached is an updated version, including Mike's additional column. Please let me know what changes you have.

Thanks!

Sally

From:

Mike McNalley

Sent:

Tuesday, February 6, 2018 3:47 PM

To:

Don Mosier

Subject:

help

Attachments:

MOU Discussion.pptx

Getting tripped up on the last couple of my slides. Trying to come up with a rule-of-thumb explanation for the board so they can grasp the essence of what is happening. Feel like I'm just getting it more twisted.

Take a look and let's discuss-

Mike McNalley
EVP & CFO
East Kentucky Power Cooperative, Inc.
859-745-9209 O
859-595-3897 C
Michael.mcnalley@ekpc.coop

From:

David Crews

Sent:

Tuesday, February 6, 2018 11:39 AM

To:

Mike McNalley

Subject:

RE: Amendment 3 Allotment Jan 2018 for distribution.xlsx

This is doing what you want it to do. I also would have used the balance column to calculate the prorata remainder share.

From: Mike McNalley

Sent: Tuesday, February 6, 2018 8:25 AM

To: David Crews

Subject: RE: Amendment 3 Allotment Jan 2018 for distribution.xlsx

I added a section to the right so I could have a summary table to use in a powerpoint for the board. I noticed a difference in Owen – in the block to the far left their part of our 5% is smaller than in the center block. Can you look at that and let me know what is correct?

Thanks,

Mike McNalley EVP & CFO East Kentucky Power Cooperative, Inc. 859-745-9209 O 859-595-3897 C Michael.mcnalley@ekpc.coop

From: David Crews

Sent: Monday, February 5, 2018 4:16 PM

To: Don Mosier < Don. Mosier@ekpc.coop >; Mike McNalley < Michael. McNalley@ekpc.coop >; David Smart

<david.smart@ekpc.coop>

Subject: FW: Amendment 3 Allotment Jan 2018 for distribution.xlsx

From: Sally Witt

Sent: Monday, February 5, 2018 4:08 PM **To:** David Crews < <u>David.Crews@ekpc.coop</u>>

Subject: Amendment 3 Allotment Jan 2018 for distribution.xlsx

From:

David Crews

Sent:

Tuesday, February 6, 2018 11:22 AM

To:

Mike McNalley

Subject:

RE: Amendment 3 Allotment Jan 2018 for distribution.xlsx

They can take a full 5% up until the bank of MWs is less than their 5%.

From: Mike McNalley

Sent: Tuesday, February 6, 2018 8:47 AM

To: David Crews

Subject: RE: Amendment 3 Allotment Jan 2018 for distribution.xlsx

So they can't take a full 5% on the new notice... In the left block (EKPC 5% LIMIT) they have 18.7MW. In the center block (A3 Allotments...) they have 20.9MW available. That's what is confusing me – most other systems have the same values in both columns (LV and FM are slightly different).

Mike McNalley
EVP & CFO
East Kentucky Power Cooperative, Inc.
859-745-9209 O
859-595-3897 C
Michael.mcnalley@ekpc.coop

From: David Crews

Sent: Tuesday, February 6, 2018 8:43 AM

To: Mike McNalley < Michael. McNalley@ekpc.coop>

Subject: Re: Amendment 3 Allotment Jan 2018 for distribution.xlsx

Owen already has a 2 MW gas generator at their office.

Sent from my iPhone

On Feb 6, 2018, at 8:25 AM, Mike McNalley < Michael. McNalley@ekpc.coop> wrote:

I added a section to the right so I could have a summary table to use in a powerpoint for the board. I noticed a difference in Owen – in the block to the far left their part of our 5% is smaller than in the center block. Can you look at that and let me know what is correct?

Thanks,

Mike McNalley EVP & CFO East Kentucky Power Cooperative, Inc. 859-745-9209 O 859-595-3897 C Michael.mcnalley@ekpc.coop From: David Crews

Sent: Monday, February 5, 2018 4:16 PM

To: Don Mosier < Don. Mosier@ekpc.coop >; Mike McNalley < Michael. McNalley@ekpc.coop >; David

Smart <david.smart@ekpc.coop>

Subject: FW: Amendment 3 Allotment Jan 2018 for distribution.xlsx

From: Sally Witt

Sent: Monday, February 5, 2018 4:08 PM **To:** David Crews < <u>David.Crews@ekpc.coop</u>>

Subject: Amendment 3 Allotment Jan 2018 for distribution.xlsx

From:

Mike McNalley

Sent:

Tuesday, February 6, 2018 9:10 AM

То:

Tony Campbell

Subject:

RE: MOU Numbers

I don't have anything on my calendar for either of them coming in, Tony. I talked to both of them yesterday and Mark sent me his spreadsheet (which Mike W says is wrong), so I'm looking that over now. Mark said he would call me today to go over it.

Mike McNalley
EVP & CFO
East Kentucky Power Cooperative, Inc.
859-745-9209 O
859-595-3897 C
Michael.mcnalley@ekpc.coop

From: Tony Campbell

Sent: Monday, February 5, 2018 2:13 PM

To: Mike McNalley
Subject: MOU Numbers

Mike,

We might want to have Mike Williams in on Wednesday when Mark S. comes in. Mike has been running numbers too.

Regards, Anthony "Tony" Campbell

President and CEO Phone: 859-745-9313 Fax: 859-744-7053





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From:

Terri Combs

Sent:

Tuesday, February 6, 2018 8:59 AM

To:

Mike McNalley

Cc:

Tony Campbell; Don Mosier

Subject:

RE: template

Mike – Tony agreed that it's a good idea to house all three presentations together. Thanks for the template. I don't mind to drop your slides into place once they are completed. Just forward on to me. I appreciate your help.

From: Mike McNalley

Sent: Tuesday, February 06, 2018 8:43 AM

To: Terri Combs

Cc: Tony Campbell; Don Mosier

Subject: template

Here is the outline deck I'm working with for the board exec session. I would do the first part (A3 and Cost Shift) and Don would do the second (Mitigation).

Mike McNalley EVP & CFO East Kentucky Power Cooperative, Inc. 859-745-9209 O 859-595-3897 C Michael.mcnalley@ekpc.coop

From:

Mike McNalley

Sent:

Tuesday, February 6, 2018 7:56 AM

To: Cc: Isaac Scott Patrick Woods

Subject:

RE: South Kentucky Amend 3 Analysis

Thanks!

Mike McNalley
EVP & CFO
East Kentucky Power Cooperative, Inc.
859-745-9209 O
859-595-3897 C
Michael.mcnalley@ekpc.coop

From: Isaac Scott

Sent: Monday, February 5, 2018 4:54 PM

To: Mike McNalley
Cc: Patrick Woods

Subject: RE: South Kentucky Amend 3 Analysis

Mike.

I've rerun the analysis with the full 58 MW. That spreadsheet is attached. I also found a small error in the previous 38.6 MW version. I have updated and attached that one as well. Probably best if you delete the one I sent you just before 4:00 pm today. Thanks.

Isaac S. Scott
Pricing Manager
East Kentucky Power Cooperative, Inc.
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707
859.745.9243
isaac.scott@ekpc.coop

From: Isaac Scott

Sent: Monday, February 05, 2018 3:51 PM

To: Mike McNalley < Michael.McNalley@ekpc.coop > Cc: Patrick Woods < patrick.woods@ekpc.coop > Subject: South Kentucky Amend 3 Analysis

Mike.

Attached are my calculations for the Amend 3 analysis. I hope they are at least in the ball park. Some explanation notes on what I have done:

- Base Rates (Demand and Energy) The allocation of the South Kentucky reductions in demand and energy were allocated based on the billed demand kW and billed energy kWh for Rate E. This seemed to be reasonable as the entire bill reduction assumed Rate E. If we wanted to model the other alternatives we have talked about (designating load to Rates B, C, and E), this part of the analysis probably should be revised as well, and would be significantly more complicated. I've listed the demand and energy impact on the Summary tab under the "Before Rate Case" scenario as "Potential Pressure on Margins" as we would not be able to immediately recover these lost revenues from the other Members.
- O FAC I originally ran this part of the analysis assuming that fuel costs would be reduced by 0.544%, which was based on the FAC reduction associated with the 38.6 MW purchase. However, this approach was producing generating additional revenues from the FAC in the \$6,000,000 range, far larger than the impact to South Kentucky. Additional revenue was being generated because the FAC factor was lower that was actually billed, in other words a reduction in the FAC credit and an increase in our revenues. I also experimented with other percentages to reduce the fuel costs by and discovered that over 3% would result in the FAC factors being larger than the actual billed, or a larger credit. This didn't appear to make sense for this analysis. After some trial and error, I concluded that a 2.25% reduction to the fuel costs would generate an amount approximately equal to the South Kentucky FAC reduction.
- Surcharge This part has been tricky and I may still be off, but I still think the results overall are reasonable. In both the before and after scenarios, I believe it is necessary to add back to the average Member revenues the actual revenue increases I have modeled and determine a new surcharge factor. For the before scenario, that only involved adding back an average of the FAC revenues. For the after, it was the increase in demand, energy, and FAC. In the after scenario, this adding back resulted in very little impact on the surcharge factor. I'm sure you will notice the unusual percentage change in the surcharge for Fleming-Mason and Taylor County in both scenarios. This has got to be the effects of the Tennessee Gas Pipeline, but I can't really tell you why it is making an impact.

I know there is way too much material here, but let me know what revisions or corrections you need. I apologize for the delay. Thanks.

Isaac S. Scott
Pricing Manager
East Kentucky Power Cooperative, Inc.
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707
859.745.9243
isaac.scott@ekpc.coop

1 SoKentuckyAmend3-2017 38,6MW xlsx

2 Estimated Effect of Amendment 3 Election using 2017 Actual Billings

Note: This calculation shows the value of the load reduction based on rates actually charged to South Kentucky during the analysis period.

6 Actual Billing Information - December 2016 to November 2017

8				Billed Rever	nues from				Mills per kWh			Days in	Calculated Over-
9 Month	Total kW	Total kWh	Base Rates	FAC	Surcharge	Total Billing	Base Rates	FAC	Base Rate & FAC	Surcharge	Total Billing	Month	all Load Factor
10 11 December 2016 12	318,654	136,642,060	\$8,625,709	(\$534,275)	\$1,614,239	\$9,705,673	\$63,13	(\$3.91)	\$59.22	\$11.81	\$71.03	31	57.64%
13 January	369,429	128,653,435	\$8,543,212	(\$414,935)	\$1,375,301	\$9,503,578	\$66,40	(\$3.23)	\$63,17	\$10,69	\$73,86	31	46.81%
15 February 16	299,188	102,221,559	\$6,839,011	(\$405,227)	\$721,225	\$7,155,009	\$66.90	(\$3.96)	\$62.94	\$7.06	\$70,00	28	50 84%
17 March 18	307,956	108,841,661	\$7,214,288	(\$802,352)	\$786,104	\$7,198,040	\$66,28	(\$7.37)	\$58,91	\$7.22	\$66,13	31	47 50%
19 April 20	182,567	85,645,592	\$5,345,732	(\$415,147)	\$775,585	\$5,706,170	\$62.42	(\$4.85)	\$57.57	\$9.06	\$66.63	30	65.16%
21 May 22	193,943	91,076,403	\$5,759,714	(\$484,072)	\$812,453	\$6,088,095	\$63.24	(\$5.32)	\$57.92	\$8.92	\$66.84	31	63.12%
23 June 24	223,253	99,979,261	\$6,389,751	(\$503,627)	\$1,168,985	\$7,055,109	\$63,91	(\$5.04)	\$58,87	\$11,69	\$70,56	30	62.20%
25 July 26	248,069	118,121,139	\$7,445,705	(\$769,674)	\$1,210,364	\$7,886,395	\$63.03	(\$6.52)	\$56.51	\$10:25	\$66.76	31	64.00%
27 August 28	229,842	108,641,725	\$6,857,145	(\$574,720)	\$1,115,132	\$7,397,557	\$63,12	(\$5,29)	\$57,83	\$10,26	\$68.09	31	63.53%
29 September 30	196,183	90,491,676	\$5,528,857	(\$633,995)	\$777,795	\$5,672,657	\$61,10	(\$7,01)	\$54,09	\$8,60	\$62,69	30	64.06%
31 October 32	242,393	92,870,513	\$5,824,776	(\$246,721)	\$977,832	\$6,555,887	\$62.72	(\$2.66)	\$60.06	\$10.53	\$70.59	31	51.50%
33 November 34	275,950	105,154,553	\$6,587,296	(\$342,493)	\$1,280,609	\$7,525,612	\$62.64	(\$3.26)	\$59.38	\$12.18	\$71.56	30	52-93%
35 Totals to Date 36 37	3,087,427	1,268,339,577	\$80,961,196	(\$6,127,238)	\$12,615,824	\$87,449,782	\$63.83	(\$4.83)	\$59.00	\$9.95	\$68.95	30.42	56.27%

39 Recalculated 2016-2017 Billling - Excluding 58 MW from Amendment 3

		1		Billed Reven	ues from				Mills per kWh			Days in	Calculated Over
Month	Total kW	Total kWh	Base Rates	FAC	Surcharge	Total Billing	Base Rates	FAC	Base Rate & FAC	Surcharge	Total Billing	Month	all Load Factor
December 2016	280,054	107,923,660	\$7,009,405	(\$421,699)	\$1,314,245	\$7,901,951	\$64.95	(\$3.91)	\$61,04	\$12,18	\$73.22	31	51.809
lanuary	330,829	99,935,035	\$6,926,908	(\$322,175)	\$1,117,517	\$7,722,250	\$69.31	(\$3,22)	\$66,09	\$11.18	\$77.27	31	40,609
ebruary	260,588	76,282,359	\$5,356,636	(\$301,989)	\$566,624	\$5,621,271	\$70,22	(\$3,96)	\$66.26	\$7,43	\$73,69	28	43,569
March	269,356	80,123,261	\$5,597,984	(\$590,123)	\$613,964	\$5,621,825	\$69.87	(\$7.37)	\$62.50	\$7.66	\$70.16	31	39.989
pril	143,967	57,853,592	\$3,774,072	(\$280,078)	\$549,609	\$4,043,603	\$65.23	(\$4.84)	\$60,39	\$9,50	\$69.89	30	55.819
lay	155,343	62,358,003	\$4,122,538	(\$331,290)	\$583,856	\$4,375,104	\$66.11	(\$5.31)	\$60.80	\$9.36	\$70.16	31	53.959
une	184,653	72,187,261	\$4,797,892	(\$363,277)	\$880,715	\$5,315,330	\$66,46	(\$5,03)	\$61,43	\$12,20	\$73,63	30	54.309
uly	209,469	89,402,739	\$5,808,529	(\$582,143)	\$947,543	\$6,173,929	\$64.97	(\$6.51)	\$58.46	\$10,60	\$69,06	31	57,379
lugust	191,242	79,923,325	\$5,219,969	(\$422,512)	\$851,550	\$5,649,007	\$65,31	(\$5,29)	\$60,02	\$10.65	\$70.67	31	56:179
September	157,583	62,699,676	\$4,003,142	(\$438,339)	\$566,449	\$4,131,252	\$63,85	(\$6,99)	\$56,86	\$9,03	\$65.89	30	55,269
October	203,793	64,152,113	\$4,276,823	(\$170,043)	\$719,917	\$4,826,697	\$66.67	(\$2.65)	\$64.02	\$11.22	\$75.24	31	42.319
Vovember	237,350	77,362,553	\$5,081,780	(\$251,335)	\$990,724	\$5,821,169	\$65.69	(\$3.25)	\$62.44	\$12.81	\$75.25	30	45:27
otals to Date	2,624,227	930,203,577	\$61,975,678	(\$4,475,003)	\$9,702,713	\$67,203,388	\$66.63	(\$4.81)	\$61.82	\$10.43	\$72.25	30.42	48.55

72 Units/Dollar and Percentage Change - Recalculated versus Actual

71 72 73

70

38

				Billed Rever	nues from				Mills per kWh			Calculated Over-
Month	Total kW	Total kWh	Base Rates	FAC	Surcharge	Total Billing	Base Rates	FAC	Base Rate & FAC	Surcharge	Total Billing	all Load Factor
		(00.740.400)										
December 2016	(38,600)	(28,718,400)	(\$1,616,304)	\$112,576	(\$299,994)	(\$1,803,722)	\$1.82	\$0.00	\$1,82	\$0.37	\$2.19	-5.84%
	-12.1135%	-21.0172%	-18.7382%	-21.0708%	-18.5842%	-18.5842%	2.8829%	0.0000%	3.0733%	3.1329%	3.0832%	-10.1319%
January	(38,600)	(28,718,400)	(\$1,616,304)	\$92,760	(\$257,784)	(\$1,781,328)	\$2.91	\$0.01	\$2.92	\$0.49	\$3.41	-6.21%
January	-10.4486%	-22.3223%	-18.9192%	-22.3553%	-18.7438%	-18.7438%	4.3825%	-0.3096%	4.6224%	4.5837%	4.6168%	-13,2664%
	-10.440070	-22.322370	-10.313270	-22,333376	-10,743076	-10,743070	4,302376	-0,308076	4.022476	4,303776	4.010070	-13,200470
February	(38,600)	(25,939,200)	(\$1,482,375)	\$103,238	(\$154,601)	(\$1,533,738)	\$3:32	\$0.00	\$3.32	\$0.37	\$3.69	-7.28%
	-12.9016%	-25.3755%	-21.6753%	-25.4766%	-21,4359%	-21,4359%	4.9626%	0.0000%	5.2749%	5.2408%	5.2714%	-14.3194%
					- 10.000.0		7,500077	0,000010	0.27.1070	0,2,10011	0,211110	14,010470
March	(38,600)	(28,718,400)	(\$1,616,304)	\$212,229	(\$172,140)	(\$1,576,215)	\$3.59	\$0.00	\$3.59	\$0.44	\$4.03	-7.52%
	-12.5343%	-26:3855%	-22.4042%	-26.4509%	-21.8979%	-21.8978%	5.4164%	0.0000%	6.0940%	6.0942%	6.0941%	-15.8316%
April	(38,600)	(27,792,000)	(\$1,571,660)	\$135,069	(\$225,976)	(\$1,662,567)	\$2.81	\$0,01	\$2,82	\$0.44	\$3.26	-9.35%
	-21_1429%	-32,4500%	-29,4003%	-32,5352%	-29,1362%	-29,1363%	4,5018%	-0.2062%	4.8984%	4,8565%	4,8927%	-14,3493%
May	(38,600)	(28,718,400)	(\$1,637,176)	\$152,782	(\$228,597)	(\$1,712,991)	\$2.87	\$0.01	\$2.88	50.44	\$3.32	-9.17%
	-19,9028%	-31,5322%	-28,4246%	-31,5618%	-28 1366%	-28 1367%	4.5383%	-0.1880%	4.9724%	4.9327%	4.9671%	-14.5279%
June	(38,600)	(27,792,000)	(\$1,591,859)	\$140,350	(\$288,270)	(\$1,739,779)	\$2,55	\$0.01	\$2,56	\$0,51	\$3,07	-7.90%
	-17 2898%	-27.7978%	-24.9127%	-27.8678%	-24.6599%	-24.6598%	3.9900%	-0,1984%	4.3486%	4.3627%	4.3509%	-12.7010%
								ľ.				
July	(38,600)	(28,718,400)	(\$1,637,176)	\$187,531	(\$262,821)	(\$1,712,466)	\$1.94	\$0.01	\$1.95	\$0.35	\$2,30	-6,63%
	-15.5602%	-24.3127%	-21.9882%	-24.3650%	-21,7142%	-21.7142%	3.0779%	-0.1534%	3.4507%	3.4146%	3.4452%	-10.3594%
A	(00.000)	(00.740.400)	(64 007 476)	2450 000	(8000 500)	(04 740 550)	20.40	***	***	***	20.50	
August	(38,600)	(28,718,400)	(\$1,637,176)	\$152,208	(\$263,582)	(\$1,748,550)	\$2.19	\$0.00	\$2,19	\$0.39	\$2.58	-7.36%
	-16,7941%	-26,4340%	-23,8755%	-26.4839%	-23,6368%	-23.6369%	3.4696%	0.0000%	3.7870%	3.8012%	3.7891%	-11.5851%
September	(38,600)	(27,792,000)	(\$1,525,715)	\$195,656	(\$211,346)	(\$1,541,405)	\$2.75	\$0.02	\$2,77	\$0.43	\$3.20	-8.80%
September	-19.6755%	-30.7122%	-27.5955%	-30.8608%	-27.1725%	-27.1725%	4.5008%	-0.2853%	5.1211%	5.0000%	5.1045%	-13.7371%
	-19.07.5576	-30.7 12276	-27 393370	-30,000070	-27-172370	-21-112370	4,500070	-0.2055%	5,121176	5,0000%	3,104370	-13,737170
October	(38,600)	(28,718,400)	(\$1,547,953)	\$76,678	(\$257,915)	(\$1,729,190)	\$3.95	\$0,01	\$3,96	\$0.69	\$4.65	-9.19%
Octobel	-15.9246%	-30.9231%	-26.5753%	-31.0788%	-26.3762%	-26,3761%	6.2978%	-0.3759%	6.5934%	6.5527%	6.5873%	-17.8447%
	-10/024070	-00:020170	-20010070	-011070070	-20,070270	-20010170	0.231070	-0,070076	0.535470	0.552778	0,007370	-17 (0447 %
November	(38,600)	(27,792,000)	(\$1,505,516)	\$91,158	(\$290,085)	(\$1,704,443)	\$3.05	\$0.01	\$3,06	\$0.63	\$3.69	-7.66%
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-13.9880%	-26.4297%	-22.8548%	-26.6160%	-22.6486%	-22.6486%	4.8691%	-0.3067%	5.1533%	5.1724%	5.1565%	-14.4719%
				200.000			1,000111	0,000.10	0,100070	03772778	0.100010	-1437 1070
Totals to Date	(463,200)	(338, 136, 000)	(\$18,985,518)	\$1,652,235	(\$2,913,111)	(\$20,246,394)	\$2.80	\$0.02	\$2.82	\$0.48	\$3.30	-7:72%
	-15.0028%	-26.6597%	-23,4501%	-26.9654%	-23.0909%	-23 1520%	4.3867%	-0.4141%	4.7797%	4.8241%	4.7861%	-13.7196%
	- 50		0.				1,000.11		,,,,,,,,,		7,7 30110	101110010
								^^^Rounding^^^				

SoKentuckyAmend3-2017 38.6MW.xlsx
 Calculation of Bill Impact of 40 MW under Amendment 3

4 Note: This calculation shows the value of the load reduction based on rates actually charged to South Kentucky during the analysis period.

5 Assumptions: 100% load factor for purchase Amendment 3 purchase offsets Rate E load only 0 metal Coff Pask Mix. Dct. Apr 10 On-Pask Mix. Off-Pask 41.67% 11 On-Pask 56.33% 12 May - Sap 13 On-Pask 50.00% 14 Off-Pask 50.00% 15 41.67% 58.33% 50.00% 50.00%

1	3
1	4
1	5
1	6

Ĝ.																		
7	Days in			Energy				Rates and Factors						Priong of Billing	Components			
Month .	Month	Demand (XW)	Total (kWh)	On-Peak (kWh)	Off-Peak (kWh)	Demand	On-Peak Energy	Off-Peak Energy	FAC	Surcharge	Demand	On-Peak Energy	Off-Peak Energy	Total Base Rate	FAG	Subtotal	Surcharge	Total Billing
9 0 December 2016	31	38,600	28,718,400	11,966,957	16,751,443	\$6.02	\$0.063279	\$0.044554	(\$0.003920)	19 95%	\$232,372	\$637,588	\$746,344	\$1,616,304	(\$112,576)	\$1,503,728	\$299,994	\$1,903,722
2 January	31	38,600	29,718,400	11,966,957	16,751,443	\$6,02	\$0.053279	\$0,044554	(\$0.003230)	16.92%	\$232,372	\$637,588	\$746,344	\$1,616,304	(\$92,760)	\$1,523,544	\$257,784	\$1,781,328
4 February	29	38,600	25,939,200	10,808,865	15,130,335	\$6.02	\$0.053279	\$0,044554	(\$0.003980)	11,21%	\$232,372	\$575,886	\$674,117	\$1,482,375	(\$103,238)	\$1,379,137	\$154,601	\$1,533,739
8 March 7	31	38,600	29,718,400	11,966,957	16,751,443	\$6.02	\$0.053279	\$0,044554	(\$0.007390)	12 26%	\$232,372	\$637,588	\$746,344	\$1,616,304	(\$212,229)	\$1,404,075	\$172,140	\$1,576,215
B April	30	38,600	27,792,000	11,580,926	16,211,074	\$6.02	\$0.053279	\$0.044554	(\$0.004860)	15.73%	\$232,372	\$617,020	\$722,268	\$1,571,660	(\$135,069)	\$1,436,591	\$225,976	\$1,662,567
D May	31	38,600	28,718,400	14,359,200	14,359,200	\$5.02	\$0.053279	\$0.044554	(\$0.005320)	15.40%	\$232,372	\$765,044	\$639,760	\$1,637,176	(\$152,782)	\$1,484,394	\$228,597	\$1,712,991
2 June 3	30	38,600	27,792,000	13,696,000	13,696,000	\$6.02	\$0.053279	\$0.044554	(\$0.005050)	19.86%	\$232,372	\$740,385	\$619,122	\$1,591,859	(\$140,350)	\$1,451,509	\$288,270	\$1,739,779
4 July	31	38,600	28,718,400	14,359,200	14,359,200	\$8 02	\$0 063279	\$0,044554	(\$0,006530)	18.13%	\$232,372	\$765,044	\$639,760	\$1,637,176	(\$187,531)	\$1,449,645	\$262,821	\$1,712,466
6 August 7	31	38,600	28,718,400	14,359,200	14,359,200	\$6.02	\$0,053279	\$0,044554	(\$0,005300)	17,75%	\$232,372	\$765,044	\$639,760	\$1,637,176	(\$152,208)	\$1,484,968	\$263,582	\$1,748,550
B September	30	38,600	27,792,000	13,696,000	13,696,000	\$6,02	\$0,050899	\$0,042174	(\$0.007040)	15.89%	\$232,372	\$707,293	\$586,050	\$1,525,715	(\$195,656)	\$1,330,059	\$211,346	\$1,541,405
D October 1	31	38,600	28,718,400	11,966,957	16,751,443	\$6,02	\$0.050899	\$0,042174	(\$0.002670)	17,53%	\$232,372	\$609,106	\$706,475	\$1,547,953	(\$76,678)	\$1,471,275	\$257,915	\$1,729,190
2 November 3	30	38,600	27,792,000	11,580,926	16,211,074	\$6.02	\$0.050899	\$0.042174	(\$0.003280)	20.51%	\$232,372	3589,458	\$683,686	\$1,505,516	(\$91,158)	\$1,414,358	\$290,085	31,704,443
4 Totals to Date		463,200	338,136,000	152,708,145	185,427,855						\$2,788,464	\$8,047,024	\$8,150,030	\$18,985,518	(\$1,652,235)	\$17,333,283	\$2,913,111	520,246,394

	table Next Exclusion of Sou	ith Kentuziyy Punche	90																									
None: This consistent reflects th		Faire multip	Now the Double An	manity purchase.	Receivalant FAC	Респол ней ін ард	lied to all Mambers,	, as the AAC Assis	r in our flower than t	MAN FROM.																		
Resident FAC factors																												
Esperes Moute	Onginal SOC Saster	Suit-Cast	Table Control	South for	Section Mile	Count CAC	Constant	DELLICATE .	to the same																			
Nomiter 20 9	(\$0.00002)	524,621 709	946,626,736	3550,488	27,792,000	50 (7540	\$1,03014	(\$0.00574) D																				
Centraler	(50 00323)	\$33,601,980	1,248,879,872	5756,045	20,715,602	50 03093	90 03014	(50 00025) .4																				
January	(SE OXISE)	531,211,745	1,196,780,531	5704,514	20,716,490	50 00620	50 05014	(\$0.00064) #4																				
February	(50 00738)	522,024 Ggs	968.121.790	9493,341	25,032,200	90 097005	50 03014	(S0 00720) M	inch																			
Merch	(\$6.004a8)	528,381 697	1,043,755,098	\$500,566	20.710,400	\$0 02541	50 03014	(50 00473) A	eti																			
April	(50 00032)	521,237 091	855,652,816	\$477,635	27,792,000	50 02506	50 03014	(\$0,0050B) N	ry																			
May	CRED CACUSOR 6	252/042 531	918 647,642	2516,516	20,718,400	90 02531	30 03014	(\$0,004831 Ja																				
lure	(\$6.00653)	\$73,550 503	997 714,387	\$530,009	27.792.000	\$0 02374	50 03014	(50 000010)																				
July	(50 00530)	\$28,417.088	1,144 230,174	5039,396	20,710,400	50 02490	80 03014	(SC 00534) A																				
August. Santemeer	(50 00/54)	524,425 142	1,097,217,273	9549,566 \$500,089	29,718 400 27,792,000	90 02021 90 02531	S0 03014 S0 02776	(50 00345) O																				
Otlober	OR DECOME	22 116 132	903 200,300	\$497,613	26,718,400	\$0.02472	90 02776 90 02776	(SO DOSON) No																				
Touts	(as order)		12:161.057.472	56 029 264	208.126,000	an work of	90.02176	Tab accord No	vercer																			
NOTE: SIGH KINNING CON FIGUR	ter is nonember 2					er Thompson in	nuth in a "more" of the	e FAC trail mints in	sides the oil about	principality formula	e e																	
		00 40	211.41.29=01000	111120-221114																								
Marth	Comparison	Piet.	Components Cry	Phot	Components	ment.	Conjument.	Personal Control	Conguments	- Heart	Comments	ingest.	Employee, Strin	movet	Complems.	Or supply	Company of the Compan	Type	Company of the Compan	Ma.	Commercia.	med	Company	PBet .	Set from	PROC	Employers .	Water Comment
Describe 2018 Black FAC Black InA's Sales Recalculated FAC Factor Recalculated FAC Amount	end ed-						-								-				OF EACH									
Blied ItA's Sales Browks Intel EAC Sales	(505,871) 24 457,045 (50 00074)		127,506,169		(5188.534) 47,585,118 (50.00574)		(\$184,845) 47,179,731 (\$0.00354)		15100,5645 50,908,675		104.473 468		(\$100.003) 26.358.237		51,020,560		95 438,767		27,148 685		77,753,882		201,270 724		(5451,838) 715,058,306		(\$192,050) 49 222 061	
Receivaged FAC Amount	(20 (00) 4)	(591,469)	San April 140	(6514,273)	Division ()	(\$177,050)	190 (00214)	\$116,452)	190 00374)	\$190,3861	(50 00074)	(\$396,721)	(56 000/4)	P\$16,6171	(80 00334)	(\$194,235)	(\$0.00374)	(5360 681)	(50 00074)	(\$101,527)	(50 00074)	(\$250 756)	50 00374	(5767,793)	r50 00074)	(5430 318)	(50 00374)	G184 0911
Change in FAC		\$4.402		\$24,749		\$6,566		\$8,463		\$5,166		518 804		St. Pesi		29 345		\$17,392		54 807		\$13,996		\$38,947		\$20,708		50 650
Beed FAC	(\$72,940)		_ (\$42),((21)		(9143,792)		(\$141,701)		(\$150,990)		(5021 1931		(379.805)		(\$150.168)		6291.150		(56) (371)		MOVE BOAY		4667.064		ressu sum		/5455 M111	
Black FAC Blind HAS Sales Proceduring FAC Factor	22 581 738 (94 00022)		192.829.808 (90.00322)		44,518,120 (90 00022)		43 070 CM 50 CC322		48,000 056 (56 00322)		99,440,750 (90,00322)		24 645,811 (St 80322)		49.283,736 (50.003.27)		90142.013		25,192,068 (59,00022)		74,671 568 (SO 00022)		200 907.555 (50 00022)		(50,767,671 (50,00072)		(\$196,001) 49,307,793 (\$0,00022)	
PROMOBER FAC Americ		(\$72,713)		(\$427,695)		(116246)		(\$141,562)		(\$156,511)		(5320,199)		1979,360		(\$158,654)		(5290,257)		(581.118)	,	(8241,086)	,	(9805.020)	100	(5353.452)	110000000	(\$155,540)
Chenge in FAC		8229		51326		5000		\$439		3417		3364		2549		9492		\$400		1755		5746		\$2 054		\$1,096		9452
Median	(\$75.381) 18.497.612		(\$424,585) 985,825,797		(\$137,667) 34,649,561		(\$144,659) 36-346-461		(\$154,689)		(\$535,047)		(580,388)		(\$190,124)		(1256,466)		(\$81,414)		(\$725,633)		(\$690,561)		(\$345 807)		(\$158,525) 28,427,945	
Bined HAM Sales Receiledated FAC Facign Receiledated FAC Amaust	(\$2,003)4)	(872,640)	(\$0.00,704)	D420 1210	(90 00034)	(\$150.404)	(\$0 (BT394)	dH0.26)	38,912,060 (50,00384)	6153.214	84.182,783 (\$0.00394)	(S331,680)	29 197 545 (31 00394)	(\$79.580)	37,719,752 (50 00384)	(5148.610)	71 984 951 (60 00384)	(5260,621)	20,456,200 (50 OCCD4)		99.204.075 (\$0.00384)		173,507,729 (50 00384)		(50 (0024)		(\$0,00354)	
Diange if FAG		1707		54.258		\$1,363		\$1,454		\$1,565		S.367		5000		91,608		(5263,621) 52 578		(\$60,567) \$817		(5233.264)		(1999) (1999)		(8342,133)		(5155.346)
				2.2		#1,464		11,004		91.303		53,507		SHI		91,000		52 576		5817		25.369		\$6,941		53,474		\$1,570
famh Sileo FAC Biled WAN Sales Receisained FAC Fastor Receisained FAC Amours	(\$146 797) 19 680 344		(5842,540)		37.470 155		68265,1840 38,319,977		(5337.290) e1.585.673		(\$705 170) 95 529,001		(\$163,467) 22,119.941		#5,151,160		75 651 988		(\$181,985) 21 818 815		(\$462,371) 62,567,107		190,955,206		(5864 313) 92,999,876		(53/2,050) 42,229,504	
Receivabled FAC Factor Receivabled FAC Amount	(\$0.00729)	d140.750	(90 03739)	(6851,140)	(90 00729)	(\$273,157)	(\$4,00736)	(\$779,352)	(90.00729)	5303.2351	(90.00729)	r\$208.500n	(90 00729)	(\$101,254)	(80 00729)	(5292 702)	(90 00725)	(3002.961)	(50.00729)	(\$150,796)	(90.10729)	(\$456,110)	(\$0.00729)	(\$1,362,063)	(50 00729)	(9875,052)	(\$0.00739)	(9307 432)
Clamps in FAC		\$1,546		\$11,400		\$2,745		\$2,832		\$4.158		50 585		\$2,213		84,016		V-561		\$2 193		58.257		\$19.095		\$9.250		54 224
pel																24210		11.00		24 199		84.230		910/00		20 700		34.224
pri Direct FAC Bined WAt Sales Recalculated FAC Factor	14 513 600		90 AM7 049		(\$136,513) 28 Q88,518		29.071.586		(\$166,421) 34,243,344		80,132,506		(582, 147) 16 902 606		(\$146 @#) 30,163 700		57.566.675		(580,817) (6,628,818)		(\$280,921) 52,247,106		(5838 617) 173,616 621		(\$360 077) 80.262,712		(\$172,EE3) 26 SE2 958	
Receipulatied FAC Pactor Receipulatied FAC Amount	(90 00412)	(968,860)	(20 0041.2)	(\$420 601)	(\$0.00475)	(\$132,856)	(90.00473)	(\$137,508)	(90.00473)	\$181,971)	(90 00475)	(5379 027)	(\$0.00473)	(\$79,960)	(50 (0473)	(\$143,798)	(\$0.00075)	0272.364)	(\$0.00473)	(578,854)	(50.99473)	(\$247,129)	(50 00472)	(5818,477)	(50 00475)	(8079.645)	(50 00475)	(\$166,210)
Drange in FAC		51 686		\$11,812		\$3,654		13,777		\$4.451		\$10,418		22,157		\$3,525		\$7,460		62,160		51,710		822,440		310 494		54,620
by Seed Flac Silver With States	(575 (316)		/95/70 GG/1		d157.789)		(\$154,454)		rs200 500s		dasp 420:		400.400															
Brief With Energ Reconsisted FAC Factor	14 591 259		97,921,162		29,656,150		30,812,827		37 681 919 27 681 919		84,477,825		17,588,540		32.514.358		60.656,720		17,102,854		56 995 (QT		185,305,665		(\$475,937) 89 461,357		38,148,246	
Recomplete FAC Factor Recomplete FAC Annual		(105 804)		(9496,532)	(In analy)	(\$150,080)	(20 30200)	(\$100,410)	((\$160.567)	140 00000	(\$427,458)	(80 00000)	(\$66,996)	(80 00300)	(\$164,523)	(Se Otologi	(\$306.821)	can ordinary	(988,530)	(91.00506)	(\$286,320)	(\$0.00500)	(9807,947)	(\$0.00000)	(\$452,676)	(50 00900)	(\$163 030)
Change in FMG		\$2.886		\$25,458		\$7,799		\$8 036		98,792		\$21,965		\$4,573		\$8,450		515 770		54.446		\$14,819		\$48 178		\$23,250		59-911
ure Siled FAC Bled W/h Sales	(584,496) 16 731,547		(\$867,129)		(\$188,491)		(\$160,840)		(\$217,98)		(\$432,374)		cide reso		(\$179,819)		(\$332.440)		(594.206)		eport ann		(5377 652)		(8540.122)		ACTION 1.211	
Bled W/h Sales Resalquides FAC Feelor Recalculated FAC Amount	(50 00 603)		(50 00460)		33,364,578 (50 99483)		33,037,487 (\$0.00463)		42 178 250 (50 00463)		85.618.523 (SC.00482)		19,637,509		35.568.142 (50.00462)		65 809,451 (SO 00883)		18,077 800		62,663 542		193,564,055		(D) 024 347		41,212,041	
		(\$60,013)		(\$532,654)		(\$181,151)		(8189,571)		\$205.72**		(\$413,537)		(594,651)		(\$171,764)		(\$117,556)		(\$90,216)		(5332,666)	,	(1815,058)		(SART SAL)		(\$199,054)
Diregen IAC		\$3,683		524,270		57,340		\$7.200		19.219		\$19,607		\$4.319		\$7,825		\$14,484		\$4,111		\$13,756		\$42,060		522 224		19.067
N Siled FAG	(8131,421)		(5814,230)		(\$250.057)		(\$254.535)		(\$319.563)		(8569,853)		(\$152,000)		(5275,952)		(8511,517)		(\$147,742) 22 (65,161		(\$472,445)		(\$1,389.527)		(8771,872)		(\$257,782)	
ldy Siled FAG Siled Wh Salvs Recalculated FAG Festor Recalculated FAG Amount	20 125 773 (\$0 00640)	(\$128,806)	(50 00640)	(\$750.016)	39 935,829 (50 93840)	(5754.784)	39 205 796 (50 00640)	(BISSA2S)	(50 00640)	(8313.201)	91,881,349 (FD,00840)	(5587.011)	23,352,748 (\$0,00840)	(\$148,850)	42 215 037 (90.00840)	(6270,170)	78,933,713	(5001,300)	(\$6 00640)	(\$144.801)	(50 00040)		212,791 137 (90,00640)	CIA PRE PE	(50 00640)		45.585 582 (\$2,00840)	
Change in EAC		\$2.614		516,212		\$6 175		\$5,106		56,363		911,942		to 000		50,486		\$19.181		32,942		45469,0365 20 407		327.60		(\$758.507)		(5291,633)
		***		270474		20 110		2		21,212		#11.3mg		55.000		90,400		\$19 181		32,942		30 407		335.66		\$15.365		95,929
ogust Swed FAC Since WYN Sallon Recollected FAC Factor	(384 965) 17 918 926 (30 00524)		(9805,340)		(\$187,111) 30 303 621		(\$182,203) 36,264,283		(\$228,438) 45,176,532		(9470,678)		(\$110,862) 20,821,575		(50001,080) 08,505,985		(5379.358) 71,576 722		(\$106,294) 29,074,596		(\$349,585) 66 (16,350		(\$1,072,374) 202,334 607		(\$583.935) (DB.402.710		(\$250,867)	
Recoloulated FAC Factor Recoloulated FAC Arrount	(80 00524)	(383,690)	(90 00524)	(\$294,490)	(20 00734)	Ciffbrooti	(\$0.00524)	(\$190.00b)	(\$0,00524)	(\$236,775)	00.00524)	(\$465,546)	(\$0.00254)	(9149.409)	(\$0.00524)	(\$201,FF1)	(90 00524)	(\$375,052)	(80,00624)	(\$135,191)	(50,00524)	(9345,936)	(90 00534)	(\$1,080,232)	(\$8 00824)	(3557,550)	r90 00524)	(\$720,771)
Clarge in IFAC		\$1,075		\$6,800		\$2 (20		52 (78)		52,711		\$5 332		\$1,253		\$7.300		\$4,294		\$1 203		17251		\$12:141		16,345		\$2.614
oji eriker																										10.325		86,070
Sies FAC Bled WA's Sales Incalculates FAC Factor	(\$133,742) 14 736 085 (\$0.00083)		98,546,953		28 536,951		(5211,364) 30,023,081		37,401,128		73.112.261		(\$123,647) 17,591,772		(50224 803) 24,623,633		39.715,821		(\$117,001) 16,630 939		56,519,629		(\$1,288,453)		(\$832,228) 89,004,667		36 058 783	
Receivabled FAC Amount	OC 000803	(\$102,121)	(an opera)	(9882,844)	(se oome)	(\$100.79%)	(\$0.0003)	(9298,060)	(50 00693)	5258.600	(00 00000)	(3006 666)	(\$0.00003)	(\$121,911)	(50 00000)	(\$721,470)	(80 00883)	(\$613,629)	(20 00623)	(5115.252)	(\$0.00000)	(\$39) 682)	(90 00093)	(\$1,298,219)	(20.00889)	(5602 544)	(90 00003)	(\$263,747)
Prange in PAC		\$1,621		1111839		52 (28		\$3,304		\$4119		\$8 041		\$1,926		\$3.916		99.598		\$1,829		\$5,218		520:134		59 881		\$4.167
Storer Mand FAC	(\$41.400)		49353 628s		(678 122)		(585.452)		(500,020)		(\$200 MH)		rises anno		(586,000)													
Bled RWh Sales	15,507 879		95,119 619		29.259,112		32,004,050		39-331-630		78,480,368		18,280,897		52,457,057		62,460,770) 62,460,215		17,810,657		55 894,680		(\$476.009) 176(505.321		(\$229,577) 45 666,965		(\$100 612) 37,862,175	
Resilicated FAC Amount		(\$37,994)	,	(\$733,043)	(10.00043)	(ST1.685)	,	(578.411)	100 00000	(5706.365)	Gr (ACAS)	(\$190,301)	(MARKET)	(844,788)	(\$0,00245)	(879.520)	CHU WEEMSO	(\$150,026)	(50 00245)	(\$49,698)	(Sill 06/245)	(9136,943)	(\$0.00245)	(\$437,340)	(90 00045)	(5229,742)	(\$0.00245)	(882,321)
Change in FAC libber Blad FAC Blad RVM Sales Resilicated FAC Fador Resilicated FAC Amount Change in FAC Insperient FAC Amount Change in FAC		\$3,412		\$20,927		\$9,437		57 041		\$3313		\$17,298		\$4,022		57.140		913,742		\$2.918		812.299		\$29,269		\$18,835		\$6,281
have for	(1923, 500)		(\$252,687)		(5119.540)		(\$122,700)		(5134,138)		(\$282,278)		(570.668)		(3129.642)		(5244-218)		c670 1961		r\$200 2004		etika erren.		(50/20 200)		CHILD WALL	
lecalcusted FAC Fedor	19.000,000		(\$0,00304)		35,444,480		37.417.931 - (\$0.00364)		40,685,267 (SD 00304)		80.399.364 (SC 00304)		21 524,306 (\$0.00364)		29,220 1 74 (\$0.00504)		74,457,983 (SD 00304)		21,352,734		01,043,440 (50,06304)		175,264,905 (SC 00004)		82 213 280 (50 00304)		40,871,056 (50,000)	
strandard Land Societies		(\$00,034)		(BOXELBET)		(\$110,791)		(\$510,751)		(5124,322)		(\$251,438)		(965,575)		(\$119.229)		(\$726,360)	,	(905 004)		(\$185,572)	in ambai	(5532,668)	in order	(9280,632)	Caro recorni i	(\$124,250)
Intergration EAC		\$4 646 \$30,167		\$25,800		58 749		58 979		\$0.914		520,540		\$5,173		\$9.413		\$17,985		\$5,121		\$14,651		\$42,089		577 155		59 029
otel Change in FAC	(31 (56 726)		(58.474.712)	\$153,900	453 085 + 151 i	558.458	an me mil	\$58 908		\$65,207		\$147 193	اللديويو	\$24,523		963 429	-111	\$119,114		\$33,693		\$105,300		\$319.542		\$163.077		999 501
	(#1 mp8 748)	(\$1,026,530)	080,414,7320	(56,290,792) -2,841%	(52,053,477)	(\$1,695,010)	(\$2.016,343)	(F2,015,445) 2 859%	(\$2,455,141)	(SE381.934) (2.666%	(85,122,792)	(\$4,975,089) -2 676%	(\$1,208,538)	d (194,112) -2 form	(52,221,697)	177,165,4600 -2 046%	(\$4.179,510)	(94,004,390) -2,854%	(61,166,232)	(5) 152 330) -2.857%	(\$3,687,933)	150,562,6231 -2,655%	(\$11,178,662)	-2 458%	(\$6,711,982)	(83.348.009)	(52,433,118)	(\$7,363,537)
atel Receivabled FAC																												
ed Blad FAC tel Receivabled FAC number Crange		-2 851%		42 09176		G Deres		72.000 M		4.000		40.40		10 10011		12 04016		-2 03+19		12.001.16		-5.0004		-2 659%		-2 855%	ni FAC avoided by	-2 890%

Total FAC evolated by South Kerhadry (Charge is South Kerhadiny FAC que la 1 Nel effect le South Kembody FAC Total FAC "shifted" to other Members

Sejerinshoom 2011 2 BMV (FG Reset

Bollowskylmenth, 2017, 20 BM, 20 BM,

20 40 41 Martin	Train Ser	rris.	See Treed	Aller Cons	The Park	mount has IAC	
42	Corcoron, Corcor	Trans.	7400		ann once	Page 1 and 1 Aug	
43 December 2015 44 Siled FAC 45 Black With Sales 48 Reselvabled FAC Factor	(\$193,870) 49,547,913 (\$0,000)		(94,354,160)	(94254,180)	Actuality WA News FAC of Ridge (Using Kace FAC of Receivabled Inde	107,576,530 (\$421,790) (\$407,790)	
47 Recollabilities FAC Arreval	Did 003145	(\$165,509)	(94,194,591)		Drange the 16 Reconstruction.	(\$402.738)	\$19,394
48 Charles in FAC 50		\$8,501	\$169,560				
51 January 52 Blied FAC 53 Blied With Sales 54 Demokratika SW Sarker	(\$149.313) 48.227.008 48.007329		(53,448,670)	DHE	Alberted 40% Sures FAC at Actual Siding Sale	89,744,514 (8222,175)	
5 Acceloyated FAC Amount 6	(91,00322)	(\$140,001)	(\$3,436,014)		FAC at Recomplete line Orange due to Recomplete	(8321,177)	5000
F Change in EAC 8		9467	\$13,864				
6 February 6 Billed FAC 11 Billed FAC February C Recombinated FAC February C Recombination FAC Arms etc.	(\$145,094) 39,435,710 (\$0,00394)	(\$143,633)	(S2L442,45T) (S2L407,880)	50 HE 451	Adjusted with Tables FAC of Action Storing Nate FAC of Terromitation Storing District Storing Nate Change San In Responsibilities	102,523,714 (\$406,044) (\$403,940)	
14					Delige dat is necessories.		\$4,101
iS Charge in PAC at 17 March		\$1,459	\$24,597				
IR Differd FAC IR British MATh Sallers IV Recomputational FAC Facator	(9283.437) 38,354,161 (\$9,00728)		(60.901,010)	de.81.618	Adjusted HAP Surey FAC or Ayean String Apro FAC or Recognished State	79.854,009 (9590,121) (9562,136)	
Recalinated FAC Arread	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(9279,902)	(38,407,636)		Owner du la Recolumna	40000000	\$7,965
73. Change in FAG		13.836	903.362				
75 April 76 Bited FAC 77 Bitled With Sales 76 Recollabilited FAC Factor	(\$149,205) 30,750,672 (\$0,00473)		(63,740,311)	(\$3,740,311)	Adjusted WA Same FAC of Antice Bling Rape FAC or Recompleted Page	57,626,752 (6280,070)	
18 Reculinated FAC Factor 18 Reculinated FAC Amount 10	(80.99413)	(9145,215)	003,840,2815		Change due to Reconsistent	(8272.564)	57,490
11 Change in FAC 12 D. Way		62,960	8100.060				
IS May IS May IS Bled FAC IS Disco Wh Sales IS Receivabled FAC Factor	(\$177,660) 23,394,659 (\$0,00506)		(\$4,266,502)	44344300	Adjusted With Game FAC of Autor Silving Sale FAC of Receiptained Sale	82,273,068 (8331,280) (831,5 160)	
7 Reministed FAC Amount	(according)	(01100.877)	(\$4,183,547)		Overge during Electronies	98010,1000	\$16,191
S Change in FAG		28 65	\$214.955				
11 June 12 Miled FAC 13 Siled W/h Sales 14 Ferminabilist FAC Fector	(\$188,732) 37,372,638		(54,529,008)	(\$4.00.00)	Adjusted With Quest FRC at Actual String Nate FRC at Manual Other Nate	71,505,706 (8063,278) (8047,490)	
S Remiculated FAC Arreunt	(according)	(9180,510)	(94 331 701)		FAC at Reconstitute Name Overgresse to Reconstitute	(ecer, mon)	\$15,835
7 Change in FAC		58.222	\$107,307				
N ANY 10 Bland PAG 11 Salace WAN Salace 12 Recollopaded FAC Feator	(5238,40p) 45,391,654 (50,0004c)		(96,697,164)	PRODUCT NAME	Accord 60% Same FAC of Accord Same Name	89,149,237 (SSR2,145) (SE70,565)	
 Rittelosteted FAC Amount 		(5250,508)	(96.563,636)		PAC at Recommend have Owner the to Recommend	(MAY STATE)	\$17.500
B Property		\$5,902	\$133,329				
IS Blind FAC IS Bloom W/W Sweet IS Recolonisted FAC Factor	(92/13,968) 40,371 074 (90,00524)		(85.021.790)	(88.01.762)	Adjusted Wife Suize FAC of Active String Strine FAC of Promissional Suize Owner due to Reconstitute	79.719.201 (5422.512) (5417.729)	
1 Renalcalited FAC Avrount. 2		(\$211,544)	(\$4,964,854)		Ownpr due le Reconsistent		94,783
3 Ownge in RXC 4 5 September		\$2,422	\$50,848				
9 September 6 Rited FAC 7 Beel Will Sales 8 Resoluteded FAC Fector	(9234.567) 33:323,440 (90.0086)		d5.965.610s	(05.899.019)	Adjustment With Culture And of Author Stating Vision FAC of Processing Vision	62,303,834 (\$438,338) (\$431,469)	
B Recolculated FAC Arrecord	(JOSOMA)	(5220,622)	(55,608,610)		Change durits firestoletion	(9421,469)	55,849
darge in FAC		2.00	\$55,000				
S Coleter H Blad RAC Blied RAN Sales S Ricalculated FAC Factor	(SIBI, F38) 33,466,855 (SIGSINS)		(52,1(2,464)	(\$2,152,644)	Alsoning Hill States FAC of Actual Reling Rose FAC of Resistances from	63,884,912 (\$170,039) (8196,638)	
7 Receivabled FAC Amount	lacorada	(582:267)	(\$1,989,181)		Owner durit Recediblion	(9196,028)	814,011
Charge In FAC		57 509	9173,263				
1 November 2017 2 Bitled FAC 3 BRed With Sales 4 Resilication FAC Factor	(\$428,120) 38 450,738 (\$0.00304)		(52,921,490)	\$2.05,440	Allegine with Surrey FAC of Artist String Rain	76,027,728 (5251,330)	
5 Receiptated FAC Arrount 6	(an ormal)	(\$116,890)	(82,717,358)		PAC at Relationers from Design due to Respondition	(8252.048)	\$18.391
7 Changs in FAC.		59,234	5214,134		System navistance - N		
D Total Change in FAC 0 1 Total Blind FAC		\$63,600	\$1,517,132		Total Champiniture to Securculation		\$127.581
1 Total Blied FAC 12 Total Reservations FAC 3 Percentage Change	(92,247 (0)8)	(EZ.184.038) -2 ESBYs	(\$63,315,589) (\$61,796,487) -2,548%	(\$23,175,540)	Total FAC at Autom Strong Main Talai FAC at Recommend Main Associates Change	(\$4,561,058) (\$4,459,477)	-2.755%
	eign change to reflective consusation	dution	\$1,652,235 \$127,581 \$1,521,654 \$1,517,132				

26/9m/s/hm25/2017 8/90/- (AC Rept

SoKentuckyAmend3-2017 38 8MW xlsx
 Allocation of Demand and Energy Revenues from South Kentucky Purchase

4 Allocation will be based on Rate E Demand (in kW) and Energy (in kWh); Salt River totals adjusted for generator credit.

8 "Before Rate Case" Scenario

Before Rate Case Soel	ierio																
Month	South Kentucky Allocation	Big Sandy	Blue Grass	Glark	Cumberland Valley	Farmers	F(em)ng-Mason	Grayson	Inter-County	Jackson	Licking Valley	Noiin	Owen	Satt River	Shelby	Taylor County	Totals
December 2016 Demand kW Demand Percentage Energy kWh Energy Percentage		51,893 2,726% 23,954,645 2,745%	259,862 13,651% 113,599,770 13,016%	105,521 5,543% 47,585,118 5,452%	94,906 4.985% 47,179,731 5.406%	100,826 5,296% 46,453,205 5,323%	101,208 5,316% 46,843,758 5,367%	50,854 2.661% 23,797,171 2.727%	107,309 5,637% 46,812,650 5,364%	193,053 10,141% 91,038,878 10,431%	57,592 3.025% 27.148,885 3.111%	157,319 8 264% 65,335,740 7 486%	212,549 11.165% 106,067,312 12,153%	227,300 11,940% 104,401,173 11,962%	75,196 3,950% 35,280,422 4,042%	108,521 5,700% 47,269,516 5,416%	1,903,728 100,000% 872,767,974 100,001%
Allocated Demand \$ Allocated Energy \$	\$232,372 \$1,383,932	\$6,334 \$37,989	\$31,721 \$180,133	\$12,880 \$75,452	\$11,584 \$74,815	\$12,306 \$73,667	\$12,353 \$74,276	\$8,183 \$37,740	\$13,099 \$74,234	\$23,565 \$144,358	\$7,029 \$43,054	\$19,203 \$103,601	\$25,944 \$168,189	\$27,745 \$165,546	\$9,179 \$55,939	\$13,245 \$74,954	\$232.370 \$1,383,947
January Dernand kW Demand Percentage Energy kWh Energy Percentage		56,265 2,685% 22,094,730 2,701%	292,425 13,958% 107,323,960 13,122%	113,618 5,423% 44,518,120 5,443%	109,649 5.233% 43,870,038 5.364%	110,305 5 264% 43,302,743 5,295%	103,183 4.925% 44,752,696 5,472%	54,300 2.592% 22,237,788 2,719%	129,420 6.177% 43,527,766 5.322%	224,676 10,723% 84,470,673 10,328%	56,660 2,800% 25,192,068 3,080%	176,236 8.507% 61,052,937 7.465%	214,151 10,221% 99,961,152 12,222%	246,197 11,750% 98,213,543 12,008%	80,729 3,853% 33,376,872 4,081%	123,473 5,893% 43,960,977 5,377%	2,095,287 100,002% 817,875,063 99,999%
Asocated Demand \$ Allocated Energy \$	\$232,372 \$1,383,932	\$6,239 \$37,380	\$32,430 \$181,600	\$12,602 \$75,327	\$12,160 \$74,234	\$12,232 \$73,279	\$11,444 \$75,729	\$6,023 \$37,629	\$14,354 \$73,653	\$24,917 \$142,932	\$6.506 \$42,625	\$19,768 \$103,311	\$23,751 \$169,144	\$27,304 \$166,183	\$8,953 \$56,478	\$13,694 \$74,414	\$232,377 \$1,383,918
February Demand KW Demand Percentage Energy KWh Energy Percentage		54,976 3,000% 18,003,248 2,813%	254,231 13,874% 81,727,524 12,770%	105,142 5,738% 34,640,561 5,413%	102,692 5,604% 36,346,461 5,679%	86,393 4,715% 33,964,221 5,307%	95,595 5.217% 35,573,739 5.559%	52,105 2,844% 17,941,043 2,803%	106,353 5,804% 32,466,833 5,073%	204,542 11,162% 66,822,543 10,441%	57,808 3.155% 20,456,200 3.196%	139,219 7,598% 46,471,906 7,261%	197,594 10,783% 78,858,424 12,322%	209,562 11,436% 76,460,631 11,947%	71,622 3,909% 25,766,253 4,026%	94,576 5,161% 34,478,332 5,387%	1,832,411 100,000% 639,977,919 99,997%
Aflocated Demand \$ Allocated Energy \$	\$232,372 \$1,250,003	\$6,971 \$35,163	\$32,239 \$159,625	\$13,334 \$67,663	\$13,022 \$70,988	\$10,956 \$66,338	\$12,123 \$69,488	\$6,809 \$35,038	\$13,487 \$63,413	\$25,937 \$130,513	\$7,331 \$39,950	\$17,656 \$90,763	\$25,057 \$154,025	\$26,574 \$149,338	\$9,083 \$50,325	\$11,993 \$67,338	\$232,372 \$1,249,968
March Demand kW Demand Percentage Energy kWh Energy Percentage		56,345 3,124% 19,371,183 2,845%	240,593 13,339% 87,187,732 12,805%	101,182 5,610% 37,470,156 5,503%	108,679 6,037% 36,319,927 5,628%	91,218 5,057% 36,330,410 5,336%	98,740 5,475% 38,415,087 5,642%	49,931 2.768% 19,535,132 2.869%	97,564 5.409% 34,157,811 5.016%	203,823 11.301% 70,155,841 10.303%	55,455 3.130% 21,919,915 3.219%	136,534 7.570% 48,484,222 7,121%	190,371 10.555% 54,470,606 12,406%	203,806 11.300% 81,552,433 11.977%	67,518 3 743% 27,328,837 4.014%	100,665 5,581% 36,211,028 5,318%	1,803,625 99,999% 680,910,299 100,002%
Allocated Demand \$ Allocated Energy \$	\$232,372 \$1,383,932	\$7,259 \$39,373	\$30,996 \$177,212	\$13,036 \$76,158	\$14,028 \$77,888	\$11,751 \$73,847	\$12,722 \$78,081	\$6,432 \$39,705	\$12,569 \$69,418	\$26,260 \$142,587	\$7,273 \$44,549	\$17,591 \$98,550	\$24,527 \$171,691	\$26,258 \$165,754	\$8,698 \$55,551	\$12,969 \$73,598	\$232,369 \$1,383,962
April Demand kW Demand Percentage Energy kWh Energy Percentage		29,321 2,633% 14,010,306 2,645%	145,127 13.034% 66,288,445 12.513%	62,245 5,590% 28,088,518 5,302%	61,267 5.502% 29,071,596 5.488%	57,231 5:140% 29,329,674 5:536%	64,242 5.770% 28,700,202 5.418%	31,097 2 793% 14,533,469 2 743%	57,054 5-124% 24,634,832 4,688%	116,180 10.434% 51,982,166 9.813%	35;417 3,181% 16,628,818 3,139%	75,711 6,800% 38,375,140 7,244%	146,256 13,135% 68,632,437 12,956%	129,470 11,628% 69,327,618 13,087%	44,561 4,002% 21,240,955 4,010%	58,272 5,233% 28,711,167 5,420%	1,113,451 99,999% 529,754,343 100,002%
Allocated Demand \$ Allocated Energy \$	\$232,372 \$1,339,268	\$6,119 \$35,424	\$30,287 \$167,585	\$12,990 \$71,009	\$12,785 \$73,500	\$11,944 \$74,143	\$13,408 \$72,563	\$6,490 \$36,737	\$11,907 \$62,786	\$24,246 \$131,424	\$7,392 \$42,040	\$15,801 \$97,018	\$30,522 \$173.518	\$27,020 \$175,273	\$9,300 \$53,705	\$12,160 \$72,589	\$232,370 \$1,339,314
May Demand kW Demand Percentage Energy kWh Energy Percentage		33,944 2,659% 14,449,034 2,518%	165.520 12.965% 72.264,570 12.594%	65,710 5,147% 29,656,150 5,169%	66,702 5.225% 30,912,627 5.387%	67,613 5,296% 32,383,506 5,644%	62,832 4.921% 30,217,202 5.266%	34,644 2,714% 15,057,789 2,624%	60,086 4.706% 26,705,714 4.654%	121,587 9,524% 54,549,228 9-507%	37,859 2,965% 17,102,654 2,981%	95,276 7,463% 42,785,322 7,457%	170,683 13.369% 74,993,928 13.070%	176,961 13,861% 78,193,936 13,628%	51,701 4.050% 23,209,880 4,045%	65,581 5,137% 31,302,764 5,455%	1,276,693 100,002% 573,784,304 99,999%
Allocated Demand \$ Allocated Energy \$	\$232,372 \$1,404,804	\$6,179 \$35,373	\$30,127 \$176,921	\$11,960 \$72,614	\$12,141 \$75,677	\$12,306 \$79,287	\$11,435 \$73,977	\$6,307 \$36,862	\$10,835 \$65,380	\$22,131 \$133,555	\$6,890 \$41,877	\$17,342 \$104,756	\$31,065 \$183,608	\$32,209 \$191,447	\$9,411 \$56,824	\$11,937 \$76,632	\$232,376 \$1,404,790
June Demand kW Demand Percentage Energy kWh Energy Percentage		35,678 2.458% 16,202,668 2.506%	189,950 13,089% 82,017,533 12,681%	75,196 5.182% 33,364,678 5.159%	63,400 4,369% 33,037,467 5,106%	62,424 5,860% 36,605,561 5,960%	72,911 5.024% 32,885,707 5.085%	39,636 2,731% 16,914,452 2,615%	72,284 4.981% 30,015,344 4.641%	127,862 8,797% 59,618,096 9,218%	40,257 2,774% 18,877,688 2,888%	115,506 7,959% 48,782,339 7,543%	192,838 13.286% 87,538,107 13.535%	204,682 14.104% 89,535,033 13.844%	58,928 4.061% 26,320,276 4.070%	79,878 5,504% 35,235,836 5,448%	1,451,232 100,001% 646,751,005 100,000%
Allocated Demand \$ Allocated Energy \$	\$232,372 \$1,359,487	\$5,712 \$34,055	\$30,415 \$172,397	\$12,042 \$70,136	\$10.152 \$69,443	\$13,199 \$76,947	\$11,674 \$69,130	\$6,346 \$35,561	\$11,574 \$63,094	\$20,442 \$125,318	\$6.445 \$39.262	\$18,494 \$102,546	\$30,878 \$184,007	\$32,774 \$188,207	\$9,437 \$55,331	\$12,790 \$74,065	\$232,375 \$1,359,489
July Demand kW Demand Percentage Energy kWh Energy Percentage		42,410 2.570% 19,533,790 2 526%	216,753 13,133% 98,056,373 12,680%	85,919 5,206% 39,806,839 5,148%	82,738 5,013% 39,285,786 5,080%	93,582 5.670% 43,989,331 5.688%	78,517 4,757% 38,573,860 4,988%	41,874 2,537% 20,390,814 2,637%	82,427 4,994% 96,836,353 4,763%	158,841 9,612% 72,113,298 9,325%	49,850 3.020% 22,625,191 2.926%	126,880 7.809% 58,626,706 7.581%	210,314 12,743% 103,093,421 13,332%	224,213 13.585% 106,480,976 13.770%	64,094 3.883% 30,755,911 3.977%	90,253 5,468% 43,137,496 5,578%	1,650,465 100,000% 773,306,165 99,999%
Allocated Demand \$ Allocated Energy \$	\$232,372 \$1,404,804	\$5,972 \$35,485	\$30,517 \$178,129	\$12,097 \$72,319	\$11,649 \$71,364	\$13,175 \$79,905	\$11,054 \$70,072	\$5,895 337,045	\$11,605 \$66,911	\$22,336 \$130,996	\$7,018 \$41,105	\$18,146 \$106,498	\$29,611 \$187,288	\$31,568 \$193,442	\$9,023 \$55,869	\$12,706 \$78,360	\$232,372 \$1,404,790
August Demand kW Demand Percentage Energy kWh Energy Percentage		38,554 2,510% 17,335,569 2,512%	200,707 13.065% 87,253,112 12.644%	79,015 5.143% 35,303,621 5.116%	76,280 4.965% 36,264,283 5.255%	85,907 5.592% 39,659,748 5.747%	77,404 5.038% 35,213,310 5.103%	41,901 2.727% 18,000,619 2.638%	75,598 4.921% 32,095,223 4.651%	142,475 9,274% 64,810,013 9,392%	45,199 2,942% 20,074,536 2,909%	116,675 7.595% 51,496,196 7.463%	205,903 13,403% 92,549,248 13,411%	208,802 13,592% 94,526,848 13,696%	60,460 3,936% 27,497,599 3,965%	81,376 5.297% 38,004,273 5.507%	1,536,256 100,000% 690,086,196 100,001%
Allocated Demand S Allocated Energy S	\$232,372 \$1,404,804	\$5,833 \$35,289	\$30,359 \$177,623	\$11,951 \$71,870	\$11,537 \$73,822	\$12,994 \$80,734	\$11,707 \$71,687	\$6,337 \$36,637	\$11,435 \$85,337	\$21,560 \$131,939	\$6,836 \$40,866	\$17,649 \$104,841	\$31,145 \$188,398	\$31,584 \$192,430	\$9,146 \$55.981	\$12,309 \$77.363	\$232,372 \$1,404,817
September Dernand kW Dernand Percentage Energy kWh Energy Percentage		32,805 2-364% 14,206,968 2-492%	177,534 12,794% 71,250,505 12,499%	67,227 4.845% 28,536,951 5.006%	67,040 4 831% 30,023,081 5 267%	76,610 5,521% 32,302,193 5,666%	69,653 5,020% 29,278,462 5,136%	35,517 2,560% 14,889,862 2,612%	65,999 4,756% 26,358,305 4,624%	124,110 8.844% 53,661,378 9.413%	37,544 2,706% 16,630,920 2,917%	110,462 7,960% 43,124,849 7,565%	194,563 14,021% 77,063,014 13,518%	197,215 14,212% 78,372,111 13,748%	58,787 4.236% 23,224,746 4.074%	72,666 5.229% 31,138,453 5.462%	1,387,632 99,999% 570,061,798 99,999%

SoKentuckyAmend3-2017 38 6MW x/sx
 Allocation of Demand and Energy Revenues from South Kentucky Purchase

4 Allocation will be based on Rate E Demand (in kW) and Energy (in kWh); Salt River totals adjusted for generator credit.

6 "Before Rate Case" Scenario

7																	
Month	South Kentucky Allocation	Big Sandy	Blue Grass	Clark	Cumberland	Farriers	Flemino-Mason	Grayson	Inter-County	Jackson	Licking Valley	Noin	******	Salt River	Addition to a	THE STATE OF THE STATE OF	₩ 70000
MODEL	Alocation	big carray	Dide Grass	CARLE.	Vaney	. F-armers.	Preming-Mason	Grayson	Inder-County	Jackson	Licking Valley	NORD	Dwen	Sait Hiver	Sheltry	Taylor County	Totals
Allocated Demand 5 Allocated Energy \$	\$232,372 \$1,293,343	\$5,493 \$32,230	\$29,730 \$161,655	\$11,258 \$64,745	\$11,226 \$68,120	\$12,829 \$73,281	\$11,665 \$66,426	\$5,949 \$33,782	\$11,052 \$59,804	\$20,783 \$121,742	\$6,268 \$37,727	\$18,497 \$97,841	\$32,581 \$174,834	\$33,025 \$177,809	\$9,843 \$52,691	\$12,151 \$70,642	\$232,370 \$1,293,329
October Demand kW Demand Percentage Energy kWh Energy Percentage		37,727 2,825% 14,986,538 2,638%	173,122 12,962% 69,982,852 12,318%	73,677 5.516% 29,259,112 5.150%	78,984 5.914% 32,004,659 5.633%	72,979 5 464% 32,030,398 5 638%	73,862 5.530% 30,886,355 5.437%	36,592 2 740% 15,576,351 2 742%	71,728 5.370% 26,822,917 4.721%	149,845 11,219% 56,362,576 9,921%	41,583 3,113% 17,810,657 3,135%	96,557 7,229% 41,776,449 7,353%	146,264 10,951% 73,189,024 12,883%	153,982 11,529% 73,340,019 12,909%	51,037 3 821% 22,855,794 4 023%	77,708 5,818% 31,240,619 5,499%	1,335,647 100,001% 568,124,320 100,000%
Allocated Demand \$ Allocated Energy \$	\$232,372 \$1,315,581	\$6,565 \$34,705	\$30,120 \$162,053	\$12,818 \$67,752	\$13,742 \$74,107	\$12,697 \$74,172	\$12,850 \$71,528	36,367 \$36,073	\$12,478 \$62,109	\$26,070 \$130,519	\$7,234 \$41,243	\$16,798 \$96,735	\$25,447 \$169,486	\$29,790 \$169,828	\$8,879 \$52,926	\$13,519 \$72,344	\$232,374 \$1,315,580
November Demand kW Demand Percentage Energy kWh Energy Percentage		45,113 2,865% 18,917,333 2,826%	210,505 13,367% 84,776,471 12,666%	87,548 5,559% 36,444,480 5,445%	89,575 5,686% 37,417,931 5,590%	82,904 5.264% 36,033,482 5.384%	84,651 5.375% 37,179,126 5.565%	41,236 2,616% 18,999,929 2,639%	85,270 5.414% 34,033,262 5.065%	175,149 11.122% 68,926,605 10.298%	47,713 3.030% 21,382,734 3,195%	120,394 7.845% 48,365,521 7.226%	169,876 10.787% 81,937,399 12:242%	185,175 11.758% 81,579,968 12.188%	59,509 3,779% 27,077,331 4,045%	90,231 5.730% 36,254,433 5.417%	1,574,649 100,001% 669,326,005 100,001%
Allocated Demand \$ Allocated Energy \$	\$232,372 \$1,273,144	\$6,657 \$35.979	\$31,061 \$161,256	\$12,918 \$69,323	\$13,217 \$71,169	\$12,232 \$68,546	\$12,490 \$70,723	\$6,083 \$36,145	\$12,581 \$64,739	\$25,844 \$131,108	\$7,041 \$40,677	\$17,765 \$91,997	\$25,066 \$155,858	\$27,322 \$155,171	\$8,781 \$51,499	\$13,315 \$68,966	\$232,373 \$1,273,156
Totals: Allocated Demand \$	\$2,788,464	\$75,332	\$370,002	\$149,886	\$147,243	\$148,621	\$144,925	\$75,021	\$147,076	\$284,081	\$83,284	\$214,710	\$335,595	\$350,173	\$109,733	\$152,788	\$2,788,470
Allocated Energy S	\$16,197,054	\$429,445	\$2,056,189	\$854,368	\$875,127	\$894,146	\$863,680	\$438,944	\$790,878	\$1,596,993	\$494,975	\$1,198,457	\$2,080,046	\$2,090,428	\$653,119	\$881,265	\$16,197,060
																Total	\$18,985,530
														C	hange in South Ke	ntucky billing	\$18,985,518

SolKentuckyAment/3-2017 38 6MW xisx
 Allocation of Demand and Energy Revenues from South Kentucky Purchase

4 Allocation will be based on Rate E Demand (in kW) and Energy (in kWh); Salt River totals adjusted for generator credit

6 "After Rate Case" Scenario

"After Rate Case" Scena																			
Month	South Kentucky Allocation	Big Sandy	Blue Grass	Clark	Cumberland Valley	Farmers	Fileming-Mason	Grayson	Inter-County	Jackson	Licking Valley	Nolim	Own	Sat River	Shelby	Taylor County	Subtorals	South Kontucky	Totals
December 2016 Demand kW Demand Percentage Energy kWh Energy Percentage		51,893 2,410% 23,954,645 2,477%	259,852 12,067% 113,599,770 11,746%	105,521 4,900% 47,585,118 4,920%	94,906 4,407% 47,179,731 4,878%	100,826 4.682% 46,453,205 4.603%	101,208 4,699% 46,843,758 4,843%	50.654 2.352% 23,797,171 2.460%	107,309 4 983% 46,812,650 4 840%	193,053 6 964% 91,036,678 9.413%	57,592 2,674% 27,148,885 2,807%	157,219 7.305% 65,335,740 6.795%	212,549 9.869% 106,067,312 10.967%	227,300 10.554% 104,401,173 10.794%	75,195 3,492% 35,280,422 3,648%	108,521 5,035% 47,269,516 4,887%	1,903,728 88,3974 672,767,974 90,238%	249,929 11,605% 94,407,191 9,761%	2,153,657 100,0029 967,175,165 98,9999
Allocated Demand \$ Allocated Energy \$	\$232,372 \$1,383,932	\$5,600 \$34,280	\$26,040 \$162,557	\$11,386 \$68,089	\$10,241 \$67,508	\$10,880 \$66,470	\$10,919 \$67,024	\$5,465 \$34,045	\$11,579 \$66,982	\$20,830 \$130,270	\$6,214 \$38,847	\$16,975 \$93,485	\$22,933 \$151,775	\$24,525 \$149,382	\$8,114 \$50,486	\$11,709 \$67,533	\$205,410 \$1,248,834	\$25,967 3135,096	\$232,377 \$1,383,920
January Demand kW Demand Percentage Energy kWh Energy Percentage		56,265 2 347% 22,094,730 2,445%	292,425 12,197% 107,323,960 11,675%	113,618 4,739% 44,518,120 4,926%	109,649 4,574% 43,870,038 4,654%	110,305 4,601% 43,302,743 4,791%	103,183 4.304% 44.752,696 4.952%	54,300 2,265% 22,237,788 2,460%	129,420 5.398% 43.527,755 4.816%	224,676 9.371% 64,470,573 9.346%	58,660 2,447% 25,192,068 2,787%	178,236 7.434% 61,052,937 6,785%	214,151 B 932% 99,961,152 11,060%	246,197 10,269% 96,213,543 10,667%	80,729 3.367% 33,376,872 3.663%	123,473 5.150% 43,960,977 4.866%	2,095,287 87.395% 617,876,063 90.493%	302,169 12,604% 65,917,833 9,506%	2,397,456 99,999% 903,793,896 99,999%
Allocated Demand \$ Allocated Energy \$	\$232,372 \$1,383,932	\$5,454 \$33,837	\$26,342 \$164,342	\$11,012 \$68,172	\$10,629 \$67,176	\$10,691 \$66,304	\$10,001 \$66,532	\$5,263 \$34,045	\$12,543 \$66,650	\$21,776 \$129,342	\$5,686 \$38,570	\$17,275 \$93,485	\$20,755 \$153,063	\$23,862 \$150,392	\$7,824 \$51,109	\$11,967 \$67,342	\$203,080 \$1,252,361	\$29,288 \$131,557	\$232,368 \$1,383,918
February Demand KW Demand Percentage Energy kWh Energy Percentage		54,976 2,663% 18,003,248 2,560%	254,231 12,315% 81,727,524 11,623%	105.142 5.093% 34,640,561 4,927%	102,692 4,975% 36,346,461 5,169%	86,393 4-185% 33,964,221 4,830%	95,595 4,631% 35,573,739 5,059%	52,106 2,524% 17,941,043 2,552%	106,353 5.152% 32,466,633 4,617%	204,542 9 908% 66,822,543 9 504%	57,808 2,800% 20,456,200 2,909%	139,219 6 744% 46,471,906 6 609%	197,594 9.572% 78,858,424 11,215%	209,562 10,152% 76,460,631 10,674%	71,622 3.469% 25,766,253 3.664%	94,576 4,581% 34,478,332 4,904%	1,832,411 88.764% 639,977,919 91,016%	231,926 11,235% 63,153,802 6,982%	2,064,339 99,999% 703,131,721 99,996%
Allocated Demand S Allocated Energy \$	\$232,372 \$1,250,003	\$6,188 \$32,000	\$26,617 \$145,288	\$11,835 \$61,588	\$11,561 \$64,613	\$9,725 \$60,375	\$10,761 \$63,238	\$5,865 \$31,900	\$11,972 \$57,713	\$23,023 \$118,600	\$6,508 \$36,363	\$15,671 \$82,613	\$22,243 \$140,188	\$23,590 \$135,925	\$8,061 \$45,600	\$10,645 \$61,300	\$206,263 \$1,137,704	\$26,107 \$112,275	\$232,370 \$1,249,979
March Demand KW Demand Percentage Energy kWh Energy Percentage		56,345 2,758% 19,371,183 2,595%	240,583 11,777% 87,167,732 11,680%	101,182 4 953% 37,470,155 5 019%	108,879 5,330% 38,319,927 5,133%	91,218 4,465% 36,330,410 4,667%	96,740 4.633% 38,415,067 5.146%	49,931 2.444% 19,535,132 2.617%	97,564 4.776% 34,157,911 4.576%	203,823 9.977% 70,155,841 9.398%	56,455 2,763% 21,919,915 2,936%	136,534 6,663% 46,484,222 6,495%	190,371 9.319% 84,470,606 11.316%	203,806 9.976% 81,552,433 10.925%	67,518 3.305% 27,328,837 3.661%	100,666 4,928% 36,211,028 4,851%	1,803,825 88,287% 680,910,299 91,215%	239,258 11.712% 65.586,527 8.786%	2,042,683 99,999% 746,496,926 100,001%
Allocated Demand 3- Allocated Energy \$	\$232,372 \$1,383,932	\$6,409 \$35,913	\$27,366 \$161,643	\$11,509 \$89,460	\$12,385 \$71,037	\$10,375 \$67,356	\$11,231 \$71,217	\$5,579 \$36,218	\$11,096 \$63,329	\$23,184 \$130,062	\$6,420 \$40,632	\$15,529 \$89,886	\$21,655 \$156,606	\$23,181 \$151,195	\$7,680 \$50,656	\$11,451 \$67,135	\$205,162 \$1,262,355	\$27,215 \$121,592	\$232,367 \$1,383,947
April Demand kW Demand Percentage Energy kWh Energy Percentage		29,321 2.367% 14,010,306 2,441%	145,127 11,814% 66,288,445 11,549%	62,245 5,067% 28,068,518 4,694%	61,267 4,987% 29,071,596 5,065%	57,231 4,659% 29,326,674 5,110%	64,242 5.29% 28,700,202 5.000%	31,097 2,531% 14,533,469 2,532%	57,054 4,644% 24,634,832 4,327%	116,180 9.457% 51,982,186 9.057%	35,417 2,883% 16,628,818 2,897%	75,711 6.163% 36,375,140 6.665%	146,256 11,905% 68,632,437 11,957%	129,470 10.539% 69,327,618 12.079%	44,581 3.627% 21,240,955 3.701%	58,272 4,743% 28,711,167 5,002%	1,113,451 90,635% 529,754,343 92,297%	115,030 9,364% 44,217,336 7,704%	1,226,481 99,999% 573,971,681 100,001%
Allocated Demand \$ Allocated Energy 5	\$232,372 \$1,339,288	\$5,547 \$32,692	\$27,452 \$154,674	\$11,774 \$65,545	\$11,588 \$67,835	\$10,826 \$68,438	\$12,151 \$66,964	\$5,881 \$33,911	\$10,791 \$67,951	\$21,975 \$121,299	\$6,699 \$38,799	\$14,321 \$89,545	\$27,684 \$160,139	\$24,490 \$161,773	\$8,426 \$49,567	\$11,021 \$66,991	\$210,608 \$1,236,123	\$21,759 \$103,179	\$232,367 \$1,339,302
May Demand kW Demand Percentage Energy kWh Energy Percentage		33,944 2,421% 14,449,034 2,324%	165,520 11,805% 72,264,570 11,625%	65,710 4686% 29,656,150 4,771%	66,702 4.757% 30,912,627 4.073%	67,613 4.622% 32,383,506 5,209%	62,832 4.461% 30,217,202 4.861%	34,644 2 471% 15,057,789 2 422%	60,086 4.285% 26,705,714 4.296%	121,587 8 671% 54,549,226 8,775%	37,653 2,700% 17,102,654 2,751%	95,276 6,795% 42,785,322 6,863%	170,663 12,173% 74,993,928 12,084%	176,961 12,621% 78,193,936 12,579%	51.701 3.687% 23,209,880 3.734%	65,581 4,577% 31,302,764 5,038%	1,276,693 91,052% 573,784,304 92,303%	125,476 8,949% 47,885,535 7,698%	1,402,169 100,001% 621,639,639 100,001%
Allocated Demand S Allocated Energy S	\$232,372 \$1,404,804	\$5,626 \$32,648	\$27,432 \$163,308	\$10,889 \$67,023	\$11,054 \$69,861	\$11,206 \$73,176	\$10,413 \$68,288	\$5,742 \$34,024	\$9,957 \$80,350	\$20,149 \$123,272	\$6,274 \$38,646	\$15,790 \$96,693	\$26,287 \$169,476	\$29,328 \$176,710	\$8,558 \$52,455	\$10,868 \$70,746	\$211,582 \$1,296,676	\$20,795 \$106,142	\$232,377 \$1,404,618
June Demand kW Demand Percentage Energy kWh Energy Percentage		35,678 2 222% 16,202,688 2 303%	189,950 11,629% 82,017,533 11,657%	75,198 4,683% 33,364,678 4,742%	63,400 3.948% 33,037,467 4,896%	82,424 5.133% 36,605,561 5.202%	72,911 4,541% 32,885,707 4,574%	39,636 2,469% 16,914,452 2,404%	72,284 4,502% 30,015,344 4,286%	127,662 7.950% 59,618,096 8.473%	40,257 2 507% 15,677,885 2,655%	115,505 7,193% 48,762,339 6,933%	192,838 12.009% 67.538,107 12.441%	204,582 12.747% 89.535,033 12.725%	58,928 3.670% 26,320,276 3,741%	79,678 4 975% 35,235,836 5,008%	1,451,232 90,377% 646,751,005 91,919%	154,502 9,622% 56,867,936 8,082%	1,605,734 99,999% 703,618,941 100,001%
Allocated Demand \$ Allocated Energy \$	\$232,372 \$1,359,487	\$5,163 \$31,309	\$27,467 \$158,475	\$10,862 \$64,467	\$9,174 \$63,828	511,928 570,721	\$10,552 \$63,542	\$5,735 \$32,682	\$10,461 \$57,996	\$18,474 \$115,189	\$5,826 \$36,094	\$16,715 \$84,253	\$27,906 \$169,134	\$29,520 \$172,995	\$8,528 \$50,858	\$11,561 \$68,083	\$210,012 \$1,249,626	\$22,359 \$109,874	\$232,371 \$1,359,500
July Demand KW Demand Percentage Energy kWh Energy Percentage		42,410 2,317% 19,533,790 2,306%	216,753 11,842% 96,056,373 11,574%	85,919 4,694% 39,806,639 4,698%	82,738 4.520% 39,285,766 4.637%	93,582 5.113% 43,989,331 5.192%	78,517 4,290% 38,573,880 4,553%	41,874 2.288% 20,390,814 2,407%	82,427 4,503% 36,836,363 4,346%	158,641 8.867% 72,113,298 8.512%	49,850 2-723% 22,625,191 2.670%	128,680 7-041% 58,626,706 6,920%	210,314 11.490% 103,093,421 12.166%	224,213 12.249% 106,480,976 12.558%	64,094 3 502% 30,755,911 3 630%	90,253 4 931% 43,137,496 5.092%	1,650,465 90,170% 773,306,165 91,275%	179,950 9,831% 73,929,478 8,726%	1,830,415 100,001% 547,235,643 100,001%
Allocated Demand S Allocated Energy S	\$232,372 \$1,404,604	\$5,384 \$32,395	\$27,517 \$162,592	\$10,908 \$65,998	\$10,503 \$65,141	\$11,661 \$72,937	\$9,969 \$63,961	\$5,317 \$33,614	\$10,464 \$81,081	\$20,140 \$119,577	\$8,327 \$37,508	\$16,361 \$97,212	\$26,700 \$170,937	\$28,463 \$176,556	\$8,138 \$50,994	\$11,458 \$71,533	\$209,530 \$1,282,236	\$22,844 \$122,583	\$232,374 \$1,404,619
August Demand KW Demand Percentage Energy KWh Energy Percentage		36,554 2,272% 17,335,569 2,300%	200,707 11,830% 87,253,112 11,576%	79,015 4.657% 35,303,621 4.684%	75,280 4,496% 36,264,263 4,811%	85,907 5,063% 39,659,748 5,262%	77,404 4.562% 35,213,310 4.672%	41,901 2,470% 16,000,619 2,388%	75,598 4,456% 32,095,223 4,258%	142,475 8,398% 64,810,013 8,598%	45,199 2,664% 20,074,536 2,663%	116,875 6,877% 51,498,196 6,832%	205,903 12,136% 92,549,246 12,279%	208,802 12,307% 94,626,948 12,541%	60,460 3 564% 27,497,599 3,648%	81,376 4,796% 38,004,273 5,042%	1,535,256 90,548% 690,086,196 91,554%	150,341 9,451% 63,663,078 8,446%	1,696,597 99,999% 753,749,274 100,000%
Allocated Demand \$ Allocated Energy \$	\$232,372 \$1,404,804	\$5,279 \$32,310	\$27,490 \$162,520	\$10,822 \$65,801	\$10,447 \$67,585	\$11,765 \$73,921	\$10,601 \$65,632	\$5,740 \$39,547	\$10,354 \$59,617	\$19,515 \$120,785	\$6,190 \$37,410	\$15,960 \$95,978	\$28,201 \$172,496	\$26,598 \$176,176	\$8,282 \$51,247	\$11,145 370,630	\$210,409 \$1,296,153	\$21,961 \$119,650	\$232,370 \$1,404,603
September Demand MV Demand Percentage Energy kWin Energy Percentage		32,805 2,100% 14,206,968 2,300%	177,534 11,723% 71,250,505 11,534%	67,227 4,439% 28,536,951 4,620%	67,040 4,427% 30,023,081 4,860%	76,610 5,059% 32,302,193 5,229%	69,653 4,599% 29,278,462 4,740%	36,517 2,345% 14,889,862 2,410%	65,999 4,358% 26,358,305 4,267%	124,110 8,195% 53,661,378 8,687%	37,544 2,479% 16,630,920 2,692%	110,462 7 294% 43,124,849 6 981%	194,563 12,848% 77,063,014 12,475%	197,215 13.023% 78,372,111 12.687%	58,787 3,882% 23,224,746 3,750%	72,566 4,792% 31,138,453 5,041%	1,367,632 91,629% 570,061,796 92,283%	126,748 8.370% 47,675,823 7.716%	1,514,380 99,999% 617,737,621 100.001%
Allocated Demand S Allocated Energy S	\$232,372 \$1,293,343	\$5,033 \$29,747	\$27,241 \$149,174	\$10,315 \$59,752	\$10,287 \$62,656	\$11,756 \$67,629	\$10,687 \$61,304	\$5,449 \$31,170	\$10,127 \$55,187	\$19,043 \$112,353	\$5,761 \$34,817	\$16,849 \$90,268	\$29,855 \$161,345	\$30,262 \$164,068	\$9,021 \$48,630	\$11,135 \$65,197	\$212,921 \$1,193,535	\$19,450 \$99,820	\$232,371 \$1,293,355
October Demand WV Demand Percentage		37,727 2.500%	173,122 11,474%	73,677 4.883%	78,984 5.235%	72,979 4.837%	73,662 4.895%	36,592 2.425%	71,728 4.754%	149,845 9.931%	41,583 2.756%	96,557 6 399%	145,264 9.694%	153,962 10.205%	51,037 3.382%	77,708 5.150%	1,335,647 88.520%	173,229 11.461%	1,508,676 100,001%

SoKentuckyAmend3-2017 38 6MW.xisx
 Allocation of Demand and Energy Revenues from South Kentucky Purchase

4 Allocation will be based on Rale E Demand (in kW) and Energy (in kWh); Salt River totals adjusted for generator credit.

6 "After Rate Case" Scenario

6 9 Month	South Kentucky Allocation	Big Sandy	Blue Grass	Clark	Cumberland Valley	Farmers	Fleming-Mason	Grayson	inter-County	Jackson	Licking Valley	Notin	Owen	Sait River	Shelby	Taylor County	Suptotals	South Kentucky	Totals
105 Energy KWh 106 Energy Percentage		14.986,536 2.428%	69.982.852 11.340%	29,259,112 4,741%	32.004,659 5.186%	32,030,398 5 190%	30,886,355 5 005%	15,576,351 2,524%	26,822,917 4 346%	56,362,576 9 133%	17,810,657 2,886%	41,776,449 6,769%	73,189,024 11.659%	73,340,019 11,884%	22,855,794 3,703%	31,240,619 5,062%	568,124,320 92,056%	49,028,850 7,944%	617,153,170 100,000%
107 108 Allocated Demand S 109 Allocated Energy S 110	\$232,372 \$1,315,581	\$5,509 \$31,942	\$25,552 \$149,187	511,347 \$62,372	\$12,165 \$68,226	\$11,240 \$68,279	\$11,375 \$65,846	\$5,635 \$33,205	\$11,047 \$57,175	\$23,077 \$120,152	\$6,404 \$37,968	\$14,869 \$69,052	\$22,526 \$156,015	\$23,714 \$156,344	\$7,859 \$48,716	\$11,967 \$66,596	\$205,696 \$1,211,073	\$26,679 \$104,510	\$232,375 \$1,315,583
111 November 112 Demand kW 113 Demand Percentage 114 Energy kWh 115 Energy Percentage		45,113 2 532% 18,917,333 2 590%	210,505 11,815% 84,776,471 11,562%	87,548 4,914% 36,444,480 4,970%	89,575 5,027% 37,417,931 5,103%	82,904 4,653% 36,033,462 4,914%	84,651 4,751% 37,179,126 5,070%	41,236 2,314% 16,900,929 2,591%	85,270 4,796% 34,033,262 4,641%	175,149 9.630% 65,926,605 9.400%	47,713 2.678% 21,382,734 2.916%	120,394 8,757% 48,365,521 6,696%	169,876 9.534% 61,937,399 11.175%	185,175 10.393% 81,579,968 11,126%	59,509 3.340% 27,077,331 3.693%	90,231 5.064% 36,254,433 4.944%	1,574,649 68,388% 689,326,005 91,281%	206,887 11,612% 63,924,354 8,718%	1,781,736 100,000% 733,250,359 99,999%
117 Allocated Demand S 118 Allocated Energy S 119	\$232,372 \$1,273,144	\$5,884 \$32,847	\$27,455 \$147,201	\$11,419 \$63,275	\$11,681 \$64,969	\$10,612 \$62,562	\$11,040 \$64,548	\$5,377 \$32,987	\$11,121 \$59,087	\$22,842 \$119,676	\$6,223 \$37,125	\$15,701 \$83,977	\$22,154 \$142,274	\$24,150 \$141,650	\$7,761 \$47,017	\$11,767 \$62,944	\$205,387 \$1,162,139	\$26,983 \$110,993	\$232,370 \$1,273,132
120 Totals: 121 Allocated Demand S 122	\$2,788,464	\$67,376	\$331,101	\$134,098	\$131,715	\$133,064	\$129,700	\$67,148	\$131,514	\$254,028	\$74,530	\$192,136	\$300,879	\$313,783	598,264	\$136,694	\$2,496,050	\$292,407	\$2,788,457
123 Allocated Energy S 124 125	\$16,197,054	\$391,920	\$1,881,061	\$781,542	\$800,635	\$818,166	\$790,095	\$401,548	\$723,318	\$1,460,777	\$452,779	\$1,096,465	\$1,903,449	\$1,913,164	\$597,545	\$806,329	\$14,818,615	\$1,376,261 Totals	\$16,197,076 \$16,985,533
																	Change in South K		\$18,986,518

Seferanty-Arrentis-2017 M district Estimates Shift in Surphage to Other Surpharge Factor Adjustment	r Maretors G 29%																													
"Before Rate Case" Scenario	C	-	Die Ot	_	- 83		-						-			_														
- California Maria	france Delet	read	Reserves	read	Surreyari Dark	Yes	Contractors.	Phoesi	former Tarre	mer	Thom New In	Mari	frenen Gang	mer	Marine, Marine, Co.	-	Market Market	west	Terman Vil	WHAT.	feeren.	PERM	tree or	PROME	Section Section 1	met	Foreset 2Nds	790	Territo Terroto	THE
Describer 3018 Total Represent Revenues Adual Sarthreps Revenues Revenues valued in Junhange Reduction in Rot Barrenaes Adjusted Hormans Adjusted Hormans Adjusted Sarthreps Factor Adj Sarthreps Revenues Increase for Monte	\$1,130,917 \$290,164 \$1,454,413 \$4,403 \$1,43815 20,246, \$301,218	15 052	59 517, 718 51 562 867 57 634 899 531, 919 57 659 614 51 611 615	\$25,158	53,589,9 0 \$363 607 \$2,578 133 \$8 586 \$2,534,699 \$2,274,737 \$5,73,737	35,950	\$5,772.805 \$544.498 \$2,729.317 \$7.452 \$7.737.807 20.74% \$854.131	20,505	\$1,550,400 \$140,515 \$2,904 873 \$2,904 \$2,974,114 \$2,274,124 8521,205	\$12.4\$1	57.165.840 \$11.55.272 \$8.010.586 \$18.00 \$0,009.372 \$0.38% \$1,220.365	500 073	\$1,843,225 \$200,529 \$1,526,567 \$4,768 \$1,961,463 20,34% \$311,862	\$5,414	53,654,539 5913,728 53,071,211 59,345 51,082,657 70,745 5827,525	\$12 797	58 74D 519 51,121,078 55,619,441 517,760 56,638,821 20,24% 51,14D 88#	SIDEIN	\$1,605 P42 \$3.18 M52 \$1,569 P60 \$4,987 \$1,563 S67 \$2,24% \$3.22,556	15 124	55 436 889 3804 579 \$4 535,793 \$13,825 \$4 548,285 \$2 34% \$220,775	676,064	\$12.851,730 \$2.008,852 \$10,212,078 \$38,947 \$10.249,007 \$10.249,005 \$2.674,403	834 251	57,894,510 51,339,709 52,894,679 520,759 58,895,587 20,74% 81,353,160	50.53	50 333 4111 5954 410 50,779 601 56 599 52 797,990 70 34% 5854 383	50 813	\$2,809,695 \$514,780 \$1,161,685 \$8,551 \$2,200,666 \$3,240,655 \$547,770	\$10,002
January Toar Revenue Asinal Systempe Revenues Revenues autoria os Secretarga Restaution in Rev. Revenues Adjaniel Revenues Adjaniel Revenues Adjaniel Sindange Fastion Adj. Surdange Resenues Interpret Systematics Interpre	\$1 620 625 \$236,715 \$1 240,130 \$227 \$1 290,547 17 2 74, \$234,765	84 (80)	59 384 0E) \$1 395 117 \$8 005 848 \$1 328 \$6 010 284 117 21% \$1 378 512	\$20.400	53 237 803. 5488 508 52 794.254 5444 52 796.768 77 23% 5476.860	20,105	\$2,156,001 \$437,001 \$2,101,076 \$438 \$2,701,515 \$7,701,515 \$464,671	\$7,914	\$2,447 837 8499 867 \$7,948 876 \$407 \$2,942 457 17 21% \$567 400	\$1 625	36 025 515 9060 722 25 684 735 9864 25 885, 787 17 21% 51 009,502	\$4570	\$1,750.761 \$250,761 \$1,600.000 \$245 \$1,500,185 17,21% \$250,184	54,380	\$3,808,769 5534 946 \$3,161 822 5,902 \$3,162 414 17,21% 5533 825	59 070	\$6.501.605 \$94.5.215 \$2.565.300 \$5.567.309 \$5.567.309 \$7.21% \$261,577	\$18,267	\$1,783,585 1298,111 \$1,525,474 \$263 \$1,525,127 17,21% \$262,178	54,467	\$5,568 538 5774 350 51,574 527 51,575 275 57,575 275 17 21% 5780,035	575.544	\$12,002,283 \$1,790,275 \$10,300,275 \$2,000 \$10,300,273 17,21% \$1,774,064	\$17,876	\$7,750 T98 \$1 118 758 \$1,118 758 \$1,112 042 \$1,008 \$1,813 158 17 21% \$1 138,121	519.385	53,272,509 5472 598 52 738,001 5482 57 736,453 17 21% 5481,785	55,114	25,729-074 5532-965 53-208-51 53-208-973 17-21% 8563,204	ולו ופו
February To all Revenue As all Surbage Revenue Revenue subject is Servarge Revenues in 164 Revenues Adjusted Revenues Adjusted Revenues Adjusted Servings Revenues Increase for Booth	\$1,216,071 \$130,751 \$1,154,230 \$137 \$1,84,957 11,595 \$138,270	\$3.519	\$7.345.438 \$730.345 \$8515.15 \$6.268 \$6.219.283 \$6.219.283 \$1.55% \$340.732	\$10.386	52.407,517 5011,742 52,745,825 54,342 52,247,328 52,247,328 52,247,328 52,547,328	59 670	\$2,547 641 \$254,693 \$3,250 656 \$1,454 \$2,252 262 11,506, \$263 614	\$2,011	\$2,802,286 \$382,317 \$2,320,469 \$1,596 \$2,341,573 11,575 \$380,274	54,567	95 487,769 3534,608 5497,961 53 357 54 93 1,336 11 50% 5567,103	527 395	\$1.413,127 \$1.42.537 \$1.271.200 \$8.272.035 \$1.272.035 \$1.272.035 \$1.46.280	53,778	52 593 136 5271 187 52 416 659 31 106 52 420 477 11 10% \$276 266	57:r58	25,107,154 35,14,834, 34,352,380 52,878 54,565,238 11,50%, 3579,452	513.840	\$1,435.051 51,446.685 \$1,290.668 581,7 \$1,291,465 11,00% \$146.521	51 H24	\$3,668 510 5403,952 \$3,665 458 57,369 \$7,567,827 11 50% \$413,750	éréna	55 640 428 9890 009 58 660 339 56,941 52,647 280 11 50% \$895 137	\$16,640	55 895 (80 539A 205 55 300 888 53 474 55 304 342 11 649 5839 889	515 774	\$2,575.607 9368.851 \$2,316.005 \$1,670 \$2,817.845 11.90% \$260.529	50 000	\$270 250 \$277 005 \$277 005 \$1 517 281 \$1,450 \$2,515,740 11 50% \$250,655	118,850
Ranch Text Revention Accust Sancharge Revenues Revenues sobject in Sancharge Reduction in PAC Revenues Advance Sancharge Reduction in PAC Revenues Advance Sancharge Revenues Increase for Revenues Increase for Revenues	\$1,337,959 \$145,580 \$1,487,341 \$1,485 \$1,789,305 17,5676 \$149,280	\$1,842	\$7,145,538 \$790,338 \$8,295,248 \$11,460 \$8,376,648 \$800,269	\$10.001	\$2,491,631 \$172,013 \$2,798,518 \$3,742 \$2,123,304 \$2709,628	SE 928	\$2,584,855 \$200 137 \$2,284,736 \$3,852 \$2,285,580 13,596, \$387,214	\$7,167	\$2,632,013 502,646,559 502,646,559 501,658 507,767 52,346,757 537,663	87,321	50,850,900 3614,999 50,739,371 50,739,585 51,965,865 12,5994 8659,387	\$41.778	\$8,401 785 \$156 597 \$4,200 500 \$2,213 \$1,208,710 12,85% \$150 224	53.847	52 832,154 8287 486 52 344,894 54,018 52 346 710 12 55% 5294,765	57,365	95 (65.834 9253 (63. 94 500.771 97.581 54,511,252 12 95% 5268,175	\$14 \$12	\$1,428,557 \$199,015 \$1,372,542 \$0,183 \$1,274,735 12,55% \$199,979	15,044	23 925 991 54 26 862 52 509 269 58 557 53 517 308 12 57% 5445,764	slález	53 F30 261 \$1,001 ACT 52,656 364 \$10 000 \$6 577,602 17 55% \$1,000,042	\$17,973	\$5 (137,409 \$837,509 \$3,199 800 \$9,290 \$2,209,100 12,55% \$653,750	\$16,241	\$2,554.625 \$278.601 \$2,775.656 \$4,234 \$2,278.658 13.55% \$384,122	f7 131	\$2,767,676 \$284,561 \$2 477,561 \$3 481,220 \$2,00% \$2,00%	134,802
Aguil Total Revenues Actual Sachings Ristmens Revenues autori i Sachings Reduction of P.C. Revenues Actual of Sachings Actual Revenues Actual Revenues Actual Revenues Actual Revenues	5975,161 5102,870 5913,462 51 898 5042,970 H 5075 5105,438	12,749	\$5 8mm 017 3800,4 17 32 828 530 511,612 55,000 12 15,004 5817 070	\$/8.650	\$1,678,214 \$265,441 \$1,674,775 \$3,654 \$1,676,427 10,024, \$250,864	55 443	\$1.254,852 \$1,666,393 \$1,666,393 \$3,317 \$1,669,960 \$1,769,960 \$272,169	95 520	\$2,235,710 \$0,03 6/75 \$1,231 1555 \$4,451 \$1,236 290 16 00% \$310,110	\$1.315	55,357 653 5599,534 54,555 139 510,418 54,555 548 16,035, 5147 931	541.367	\$1,140 \$40 \$150,05 \$260,515 \$2,167 \$367,810 16,504 \$150,247	15.112	52 036 238 5379,788 51 759,780 51 205 51 753,366 16 0394 2270 488	\$6.728	\$7,664,543 6526,695 50,373,668 57,488 53,361 657 18,6594 5541,661	\$17.400	\$1,125,512 \$1,92,570 \$172,333 \$2,493 \$874,696 18,62% \$156,146	53.167	\$2,000,514 \$446,506 \$2,001,100 \$6,762 \$2,050,500 16,02% \$457,365	19 250	58 257 610 51,292,149 28 074,961 522,442 58 087 101 10 00% 51 327,158	\$14.000	55, (6) 832 8701 603 54,465 323 813-034 54 479 757 16 6274 57 16 216	\$14,606	\$7 361 318 \$307 307 \$1,853,952 \$4,630 \$1 868 557 16 93% \$312,765	56 400	52,334,075 5999 785 52 805 214 53 996 52,239 254 10 00% 53,25 078	985.212
May Tast Revenues Anied Surbange Revenues Revenues saliged in Santange Reducion in FAC Revenues Adapt of Revenues Adapt of Revenues Adapting Revenues increases for Morea	\$1 056 BDB \$123,546 \$800,793 \$3,855 \$607,198 15 896 \$142,338	\$1.602	58 411 553 5855 614 53 555 849 535 459 53,581 438 53,581 438 15 8875 5875 725	820,109	\$2*655,033 \$274,245 \$1,260,747 \$2,769 \$1,260,456 15,66% \$280,015	58,372	\$2,108,815 \$261,145 \$1,655,750 \$8,056 \$1,553,766 1,5625,761 \$267,721	511.55A	\$2,689,418 \$372,299 \$2,167,299 \$9,780 \$2,167,095 \$3,167,095	17.764	\$5,510,345 \$702,585 \$4,807,782 \$21,985 \$4,829,747 15,699, \$757,787	\$56,22w	\$1,225,718 \$192,838 \$1 044,303 \$4,575 \$1,648,268 15 804, \$184,501	\$1.7x6	\$2,188 (30) \$200 (01) \$4,894,137 \$8,452 \$1,904,600 15 60% \$200 825	51 85×	\$4.115.407 \$5.49.271 \$3.545.486 \$15,770 \$3.542.486 15.4076 \$3552,004	\$12.013	\$1,174 605 9159 750 51,017,850 51,022,301 15 69% 5160 500	23,840	\$3,595.724 5481,156 52,162.688 514,613 33,300.667 15 card, 3503,443	\$11.091	\$ 10,134,1693 20,500,402 59,771,107 50,6170 50,619,795 15,779 51,503,745	\$20 PM	85 496 708 5789 404 95,191 254 523 239 95 214 513 13 979- 5818 157	510700	52,452,072 5827,538 52,125,538 28,918 53,135,458 13,06% 83,35,063	32 hap	92 597 498 9321 695 93 341,627 93 845,027 93 250,308 13 69% 9351,075	131 236
Jane Sovername Accessive Sovername Recomment Sovername Recomment Sovername Recomment Add accessive Sovername Address Sovername Recomment Sovername Recommendation Sove	\$1,167,003 \$198,358 \$989,605 \$1,665 \$1,002,518 20,15% \$202,007	53,558	57,540 MF 81 38,6472 95 381 385 534 270 95 315 95 20 10% 91 272 804	\$75 C2	93,425,446 5401,546 53 521 885 57,340 52,329,750 52,129,750 59,15% 5408,681	\$1,343	52,799,714 \$181 delf \$1,918 delf \$7,918 \$1,925 917 \$0 104, \$180 016	SF 030	\$2,343,850 \$898,730 \$2,453,860 \$8,379 \$2,450,739 \$2,450,739 \$496,522	\$7,102	25 751,000 3029,247 54,822 763 516,607 54,94 600 20 1994 5875,586	\$47,399	\$1,412 R25 \$274 112 \$1,778 813 \$4,748 \$1,762 121 20 10% \$220 401	5+ 256	92,548,823 9422,935 52,127,418 97,885 52,135,343 28,155,343 28,155,343 53,36,251	37,748	54 957,154 97-89 349 53 886 816 514,484 53 893,003 70 15% 5782,485	šnr, i až	\$1,034,851 \$201,005 \$1,113,756 \$6,111 \$1,417,869 \$5,15% \$295,251	5× 006	\$4.31/2 227 17 14 198 33.597 [21 513,788 53.61 1 507 20 15% 37.27 118	910 212	\$11,297.387 \$1,007.387 \$2,416.330 \$42.993 \$2,456.331 20.15% \$1,905,475	524 GHS	51 (0) 346 51,172 527 55 921 616 523,224 51,946 943 30 (7h 51,188 286	THE ARE	\$2,798,140 \$483,302 \$2,332,808 \$9,007 \$2,341,805 \$0,19% \$471,854	54 942	92 952,714 9457,931 92,494,980 92,222 92,492,125 20,15% 5507,281	534,530
July Total Revenue. Annal Sertmans Revenue Revenue vuote: 10 Surdenge Reduction et Poll Revenue Adjustes Revenues Adjustes Revenues Adjustes Revenues Adjustes Revenues Adjustes Revenues Indrasa Revenues Indrasa Revenues	91,374 164 821-0 908 81,193-264 82,819 91,895,883 18,479, 8214,795	\$3,855	28 238,716 51 255 525 50 974,091 516 213 56 900 303 18 204, 51 207,614	\$21,690	52 728,0 8 \$109.247 52,217.801 \$5,179 \$3,529 8Pc 18 42% \$607.892	57.875	\$2,670 108 \$430 867 \$2,360,359 \$5,108 \$7,365,455 \$8,475,564	\$7,497	\$7.282.894 \$140,321 \$2.780,473 \$8.397 \$2.788,575 18.42% \$600,651	\$7.430	56,952,206 9955,613 51,56,413 511,942 53,166,32 19,426 5952,011	951,189	\$1,595,033 5340,109 51,224,057 53,039 51,227,009 51,227,009 5344,568	\$4,462	52 055 307 54 32 21 6 52 47 7, 591 55, 466 52,4 22,5 77 19 4,7 % \$448 22 6	98.1723	\$5.329,549 3017,952 \$4.511,584 510.181 \$4.521,775 16.42% \$832,611	\$14,259	\$1,555, 00 5234,555 51,216,514 52,845 51,319,455 19,455 53,53,544	\$4,359	\$4,736,008 \$720,605 \$4,000,120 \$6,007 \$4,016,167 18,426 \$740,128	\$10 abb	\$11,825,721 \$1,829,110 \$10,027,705 \$27,854 \$10,055,359 18,429, \$1,853,160	524 (8)	\$1,835,406 \$1,207,506 \$1,632,540 \$13,365 \$1,865,055 \$18,429 \$1,224,563	\$21.707	\$2,825,636 5490,527 52,885,256 53,925 \$2,491,188 16,42% \$465,677	98 509	53 350,943 5495,173 5495,173 55,962 55,962 11,42% 55,26,957	\$30,797
Autori Total Resmalls Athali Earthrope Revenues Resmans Salman in Surfaings Redmich 19-20 Earthrope Adjusted Sandange Factor Adjusted Sandange Fac	\$1,252,615 \$1,950,160 \$1,050,160 \$1,075 \$1,094,965 18,04% \$1,972,102	53,279	57 685 848 51,455 738 58 511,430 58 693 58 517 870 18 646 51,175 642	\$30,11e	\$2,500 OFF \$279 \$80 \$2,123 \$92 \$0,120 \$2,125,302 \$1,055,302 \$1,055,408	56532	\$2 \$10,205 \$276 366 \$2 th 310 \$2,176 \$3,170,000 16 04% \$364,971	99 57 5	\$3,053,802 \$463,318 \$2,000,656 \$2,718 \$2,003,315 \$6,004 \$469,618	\$6,210	53, 383 CS4 5981, 658 55 301 Aub 55 302 55 (39 779) 18 54 % 5906 801	846,223	\$1.454,285 5020,731 \$1,240,564 \$1,261 \$1,244,981 \$224,583	\$1,853	\$2,863,263 \$111,460 \$2,711,764 \$2,364,802 \$2,264,802 \$8,644 \$405,444	89 475	54,939,346 97-4,694 54,194,982 94,394 54,199,396 10,097-5 9757,542	312,638	\$1,454,328 521,359 \$1,201,558 51,202 \$1,202,012 10,015 5210,887	sta rosc	54,395,788 3892,729 53,732,599 53,736,175 15,674,585 5874,685	\$11,308	511 573 851 81 752 177 59 87 7,544 81 2,741 59 875 765 12 34% 51 277,263	522 876	\$1,955,638 \$1,952,438 \$4,953,164 \$5,365 \$4,165,678 16,0676 \$1,112,451	\$14,015	\$2,890,842 \$421,353 \$2,420,589 \$2,420,589 \$2,432,255 (8,04% \$432,770	87.917	\$3,030,343 \$428,988 \$2,690,745 \$2,422 \$2,563,107 \$10,64% \$407,837	578.202
September Total Restruct Actual Surcharge Revenurs Restructure Restructure Restructure Restructure Restructure Restructure Adjustic Surcharge Restructure Adjustic Surcharge Restructure Increase for Restruct Restructure Res	\$255,475 \$151,900 \$224,485 \$1,631 \$400 060 16 16% \$125,681	87.663	\$6 (70) 14 \$853 340 \$5 357 922 \$1 0 858 \$5 366 981 14,7 mb. \$849 235	\$18,941	\$1 687 963 \$298 897 \$1 679,116 \$2 129 \$1 632,254 18 189, \$254,269	96 292	\$1 835 080 \$365 440 \$1.870,542 \$3.30 \$1.873,840 16 18% \$270 626	\$5.280	\$2,170 741 \$130,317 \$2,046 406 \$4,178 \$2,046 \$15 16 1956 \$131 454	\$5.114	\$4,100 850 \$416,465 \$4,085,405 \$2,000,415 \$4,000,415 \$6,000,415 \$60,000,415	(A3 (C3)	50 J 38, 793 8156 128 9902 625 81,990 9864 561 16 1994 \$159,392	\$2,154	52 365 630 8/63 653 51,765,227 69 576 51,766 763 10 10% \$366 679	55 Twe	93 (93) 677 9325 (95) 93,308 (95) 93 (96) 93 (14,600) 13 (15) 9534,302	312,607	81,877 700 5047 777 5929 983 31,929 5851 622 10 1856 \$150 788	52 802	\$3,525 MB 5463 754 53,044,325 58,216 53,050 613 18,056 5463 590	59 833	59.448,721 51,362.329 53,145,162 520,136 56.185,328 16.185 51,331,160	\$18,121	\$6,789.287 \$791.047 \$4,878.250 \$6,878.351 \$4.888.131 \$6.18% \$87.7000	\$15 (52)	92 337 807 5320 130 52,016,907 52,016,907 52 021,294 16 19% 5327,015	56,853	52 433 396 53 15 946 52 11 7 352 52 12 617 11 10% 5342 161	527.226
Cistober Total Revenues factael Sectorage Revenues Remante subject to Sandarge Resultine in PAC Revenues Adduced Revenues Adjusted Sectorage Factor Adj Sandarge Revenues Increase for Mandy	\$4,000,054 \$185 651 \$854,666 \$2,410 \$804,110 17 674, \$167,171	25,314	58 372 910 5050 547 55 422 586 530 007 55 440 265 17 60% 5808 965	519453	52,163 NB7 9515 898 51,789,497 58 457 51,783 878 17 6294 5320,038	98,336	\$3,261 217 \$337,286 \$7,233 666 \$7 541 \$1,830 860 17,636 \$344,112	26 KD4	\$2,516,762 3077,121 \$2,161,661 \$2,210 \$2,168,656 12,162% 5382,221	90,112	\$5,141,500 \$171,440 \$4,600,160 \$47,260 \$4,007,478 \$4,007,478 \$7,009 \$60,000 \$17,000 \$10,000 \$17,000 \$10,000	864 950	\$1,768 265 \$1,00 691 \$1,377 456 \$4,002 \$1,301 450 17,00% \$1,00 771	53,640	\$7,387,711 \$240,622 \$1,845,029 \$7,140 \$1,890,229 17,60% \$347,531	20,409	54 438,287 3004 807 53,274 130 313,742 53,758 673 17 50% 9075,255	111,385	\$1,243,764 \$165,600 \$1,056,225 \$1,916 \$1,952,155 17,62% \$160,276	\$3,767	\$3.666.413 \$567.305 \$3.432.107 \$13,399 \$3,134.408 17,878.551	\$11.346	59 845 553 51,475 563 52,475 500 539 158 52,403 566 51,405 585	\$12 831	53-673,519 8346,725 \$4,627,263 916,845,126 54,646,128 17,62% 5853,583	\$ r,254	\$2,441,930 \$360,934 \$2,077,944 \$8,391 \$7,985,595 17,82% \$321,651	57,717	\$2,673,056 \$249,961 \$2,04,164 \$7,569 \$2,211,533 17,92%, \$384,066	\$25,264
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Charge in Easylenge . Arried Surphassa Revenues	\$13,084,875 \$3,184 \$46		\$78,618 556 \$12 808 240		\$15 557,549 \$4 509 500		\$20 000 E14		\$38,701 490 SCHOOLSE		500 (CS0 Q20 86 706 529		914,045 No		937,421,370		551,305 716		\$14,522,507		\$40.222.664		\$106702.007		\$67,150 has		521 829 355		\$10,450,542	
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Selencephoenti. 2017 M MW - Surperyr - Menton - Sulve

1	Selentarty-Amendy-2017 St (Mrth. de- Quinnted Sell in Sandrepe o Other I Santrarys Fedor Adjustement "Bellete Male Case" Burnette	Torri	Oneck South Front
į	700	Test	South Ranksky
i	December 2016 Total Revenues		
2	Uniconstruction Article Secretarians Actual Secretarians Actual Secretarians Research on IFAC Provinces Research on IFAC Provinces Adjusted Secretarians		
5	Adjusted Severans Adjusted Severans Adjusted Severans Series		
7	Ad, Sardwige Revenues Introduce for Hoods	5287/08	1200.004
9		2007	1211.744
2	January Total Revenues Actual Sandwage Revenues Revenues subject in Juriange Revenues Adjustion in Sich Revenues Adjustion Revenues Adjustion Revenues Adjustion Sandware Adjustion Revenues to Sinthway Revenues to Sinthw		
4	Revenues malject in Surringe Reduction in FAC Revenues		
8	Adjointed Reviewers Adjointed Survivariga Factor		
ś	Nothern for Morth	\$129.600	9257,784
Ö	February Total Revenue Active Sembrage Revenue Revenues adjuct to Sorcharge Reduction in FAC Revenues Adjusted Revenues Adjusted Services Reduction Services Increases		
2	Actual Surchrogo Roverson Revenues actional to Surcharco		
ŝ	Reduction in FAC Revenues Adjusted Revenues		
7	Adjusted Sarcharge Fector Adj. Saffharge Revenues	9.0223	
9	homes for Rando	\$168,766	\$154.801
1	Мисей Тики Перенции Аказан Ластинира Пенечени Пенечения выбак із Сагтіну ре Неказанію ін Тей-Пенечани Афратир Печетани Афратир Печетани Афратир Печетани Афратир Печетани Афратир Печетани На Сагтіну Печетани Іншина Арг		
i	Revenue subject to Surdiange Reduction in ESC Revenue		
5	Adones Revenue Adultei Santona Facer		
7 8	Ad, Sarderya Revenues Increase for Month	\$188,421	\$112.140
9	Agen		
1	Tiski Revenue Acces Sectiongs Revenue		
3	Réverses subject le Surcharge Reduction in FAC Revenues		
5	Adjusted Revenues Anjumed Gurdnerga Factor		
ě	Agest Tutal Revenues Removes Revenues Revenues majordis Sordinaga Revenues Relevantes Adjusted November Adjusted November Adjusted November Adjusted November Adjusted November Adjusted November Novembe	1877.000	\$223,876
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ż	Actual Surcharge Revenues Engagementalist in Survivona		
5	Reduction in EAC Revenues Adjusted Revenues		
7	Adjusted Surcharge Factor Adj Surcharge Revenues		
	Increase for Month	\$218,291	200.00
ì	Jove Total Revenues Ashari Gerbings Revenues Ashari Gerbings Revenues Revenues majord in Gerbinnys Reduction in Coll Envenues Adjusted Revenues Adjusted Revenues Revenues Revenues Revenues Incomment for Morch.		
ŝ	Adual Servings Revenues Revenues midject to Sarcharga		
5	Arpetari Revenues		
ž	Ad, Burdwigs Revalues Income for Month.	\$279.768	5789 27TI
ė	late		222,210
1	Joly Total Revenue Actual Geromany Revenue Revenues existed to Survivarya Revenues existed to Survivarya Revolucios to FAC Revenues Adjusted Securings Facey Adjusted Securings Adjusted		
3.	Represent subject to Surderings Reduction in FAC Revenues		
5	Adjusted Revenues Adjusted Sundange Fessor		
7	Adj. Staniferge Revenues Increase for North	\$347,700	EXCHO
:	August Total Revenue Adults' Servinige Revenue		
į	Adder Services Revenue Records with the Sustains		
į	Resident in MC Revenues Adjusted Revenues		
ŗ	Adjusted Statifenge Parcer Art, Survivinge Revenues		
:		\$702,952	S253 NE2
1	Sandarviter Total Revieware Assat Sartiverya Nevenare Revieware Adjust to Sartiverya Revieware Adjust to Sartiverya Revieware Adjusted Revieware Adjusted Revieware Adjusted Sartiverya Facor		
ŝ	Pro-snam subject to Surelings Reporting 65C Research		
i	Adjected Revision		
Ž	Ad, Surhaiga Raveluse	\$179.825	Titl Set
į	Oldmer		
2	Cultimer Total Rammado Authot Sorthraga Revenura Rammado Authot Conclumge Rammado subject to Sanchunge Residanto in Prof. Rammado Adjustido Sorthraga Pactor Total Rammado Total Rammado		
1	Revenuel subject to Surcharge Resultion in PAC Revenues		
1	Adjusted Reverses Adjusted Sondierge Fector		
1	Adj, Sorderge, Revenoes, Inscend for Blonts	5007,471	\$357,915
	Koversber 2017		
2	Total Rempoyer Action Sorcharge Revenues Rempose subject to Surcharge Reduction in FAC Responses		
	Reduction in FAC Reviewes Advanced Reviewers		
7	Art. Art Revenues Adjusted Sandarga Factor Adjusted Sandarga Revenues Increasys for Hoods		
;	Increased for Highlits	9235.628	\$290,085
	Total Impets to Member	2,51,65	22812111
ġ.,	Average Numble Impact		\$2.573,954
	Before Adjustment - Rammyer subject to Sendanya		
7	Drawn in Gardenn .		
1	Dramps in Surphyrys - Action! Surphyrys Havennes Percentage Increase	9103.115,600 2,464%	
	Calculation of Sarcharge Hilland	2000	
	(Sewell on Sundange Secret appeal to 12 Month total reduction in Base Rate		
1	Divide by 12 - Impain to overage Men Line 19 Porc October Sanderge Wing		
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Adaption (2017) Million Surveyor Marines - Other

SoKentuckyAmend3-2017 38.6MW xisx
 Summary of Detailed Calculations

5 "Before Rate Case" Scenario - Annual Impacts

	Potent	al Pressure on Mar		Change in	Change in
Member	Demand	Energy	Total.	FAG	Environ, Surch.
Big Sandy	\$75,332	\$428,445	\$503,777	\$30,187	\$46,782
Blue Grass	\$370,002	\$2,056,189	\$2,426,191	\$183,920	\$262,449
Clark	3149,886	3854,368	\$1,004,254	558,458	584,642
Cumberland Valley	\$147,243	\$875,127	\$1,022,370	\$59,908	\$65,096
Farmers	\$148,621	\$894,146	\$1,042,767	\$65,207	\$85,481
Fleming-Mason	\$144,925	\$863,680	\$1,008,605	\$147,193	\$587,128
Grayson	\$75,021	\$438,944	\$513,965	\$34,523	\$48,671
Inter-County	\$147,076	\$790,578	3937,954	\$63,429	\$90,930
Jackson	\$284,081	\$1,596,993	\$1,881,074	\$119,114	\$170,206
Licking Valley	\$83,284	3494,975	\$578,259	\$33,893	\$48,207
Nolin	\$214,710	\$1,198,457	\$1,413,167	\$105,300	\$144,362
Owen	\$335,595	\$2,080,046	\$2,415,641	\$319,542	\$252,785
Salt River	\$350,173	\$2,090,428	\$2,440,601	\$163,077	\$223,806
Shelby	\$109,733	\$653,119	\$762,852	\$69,581	593,639
Taylor County	\$152,788	\$881,265	\$1,034,053	\$63,800	\$347,161
Totals	\$2,788,470	\$16,197,060	\$18,985,530	\$1,517,132	\$2,571,567
South Kentucky: Initial Bill Reduction	\$2,788,464	\$18,197,054	\$18,985,518	(\$1,652,235)	52,913,111
Share of FAC and			200		OUR TAXABLE
Surcharge	30	50	50	\$127,581	\$340,007
Net Effect	\$2,788,464	\$16,197,054	\$18,985,518	(\$1,524,654)	\$2,573,104

	Actual Revenues	
Base & FAC	FAC	Base Only
\$13,064,875	(\$1,058,726)	\$14,123,601
\$76,038,336	(\$6,474,712)	\$62,513,048
\$25,557,549	(\$2,053,477)	\$27,811,026
\$25,630,914	(\$2,095,353)	\$27,726,267
\$29,021,488	(\$2,455,141)	\$31,478,629
\$60,059,026	(\$5,122,262)	\$65,181,308
\$14,645,794	(\$1,208,636)	\$15,854,430
\$27,421,220	(\$2,226,897)	\$29,650,117
\$51,306,719	(\$4,173,510)	\$55,480,229
\$14,523,387	(\$1,186,232)	\$15,709,619
\$43,222,864	(\$3,687,923)	\$46,910,787
5108,792,867	(\$11,178,662)	\$119,971,529
\$67,199,144	(\$5,711,062)	\$72,910,226
\$27,829,355	(\$2,433,118)	\$30,262,473
\$30,460,542	(\$2,247,838)	\$32,708,380
\$614,774,080	(\$53,315,589)	\$666,089,669

49 "After Rate Case" Scenario - Annual Impacts

	Increase	n Base Rates to Me	mbers	Change in	Change in
Member	Demand	Energy	Total	FAC	Environ Surch
Big Sandy	\$67,376	\$391,920	\$459,296	\$30,187	\$68,701
1,120					
Blue Grass	\$331,101	\$1,881,061	\$2,212,162	\$183,920	\$314,500
Clark	\$134,098	\$781,542	\$915,640	\$58,458	\$130,646
Cumberland Valley	\$131,715	\$800,635	\$932,350	\$59,908	\$133,214
Farmers	\$133,084	\$818,168	\$951,252	\$65,207	\$123,497
Fléming-Mason	\$129,700	\$790,095	\$919,795	\$147,193	\$490,055
Grayson	\$67,148	\$401,548	\$468,696	\$34,523	\$65,642
Inter-County	\$131,514	\$723,318	\$854,832	\$63,429	\$119,209
Jackson	\$254,028	\$1,460,777	\$1,714,805	\$119,114	\$241,665
Licking Valley	\$74,530	\$452,779	\$527,309	\$33,893	\$75,390
Nolin	\$192,136	\$1,096,465	\$1,288,601	\$105,300	\$179,521
Owen	\$300,879	\$1,903,449	\$2,204,328	\$319,542	\$167,527
Salt River	\$313,783	\$1,913,184	\$2,226,967	\$163,077	\$316,145
Shelby	\$98,264	\$597,545	\$695,809	\$89,581	\$93,956
Taylor County	3136,694	\$806,329	\$943,023	\$63,800	\$377,752
Totals	\$2,496,050	\$14,618,815	\$17,314,865	\$1,517,132	\$2,897,420
South Kentucky: initial Bill Reduction	\$2,768,464	\$16,197,054	\$18,985,518	(\$1,652,235)	\$2,913,111
Share of Base Rates, FAC, and Surcharge	\$292,407	\$1,378,261	\$1,670,668	\$127.581	\$29,649
Net Effect	\$2,496,057	\$14,818,793	\$17,314,850	(\$1,524,654)	\$2,883,462

Percenta	ge Charge from A	ctual	4	Actual Revenues	
Base Revenues	FAC	Surcharge	Base & FAC	FAC	Base Only
3,252%	-2,851%	3,131%	\$13,064,875	(\$1,058,726)	S14,123,60
2.681%	-2.841%	2.456%	\$76,038,336	(\$6,474,712)	\$62,513,04
3.316%	-2.847%	3.033%	\$25,557,549	(\$2,053,477)	\$27,611,02
3 363%	-2.859%	3,091%	\$25,630,914	(\$2,095,353)	\$27,726,26
3,022%	-2,656%	2.513%	\$29,021,488	(\$2,455,141)	\$31,476,62
1,411%	-2,874%	5.047%	\$60,059,026	(\$5,122,262)	\$65,181,30
2.956%	-2.856%	2.661%	514,645,794	(\$1,206,636)	\$15,854,43
2 863%	-2.846%	2.579%	\$27,421,220	(\$2,226,897)	\$29,650,11
3,091%	-2,854%	2,799%	\$51,306,719	(\$4,173,510)	\$55,480,22
3,357%	-2,857%	3.083%	\$14,523,387	(\$1,186,232)	\$15,709,81
2.747%	-2.855%	2 460%	\$43,222,864	(\$3,687,923)	\$46,910,78
1,837%	-2.658%	0.908%	\$108,792,867	(\$11,178,662)	\$119,971,52
3,054%	-2,855%	2,781%	\$67,199,144	(\$5,711,082)	\$72,910,22
2 299%	-2.860%	2,004%	\$27,829,355	(\$2,433,118)	\$30,262,47
2 883%	-2 838%	7,713%	\$30,460,542	(\$2,247,838)	\$32,708,38
2,592%	-2,846%	2 810%	\$614,774,080	(\$53,315,589)	\$668,089,66

Percentage Change from Actual renues FAC Su

-2.851%

-2.841%

-2.847%

-2.859%

-2.656%

-2.874%

-2.856%

-2,846%

-2.854%

-2.857%

-2.855%

-2.858%

-2.855%

-2.860%

-2.838%

-2.846%

2.132%

2.049%

1,965%

1.975%

6.047%

1.973%

1,967%

1,971%

1.971%

1,978%

1.370%

1.969%

7.088%

2.494%

3.567%

2,940%

3,637%

3.687%

3,313%

1.547%

3.242%

3,163%

3,391%

3.681%

3,012%

2.014%

3,347%

2,521%

3.161%

2.842%

From:

Mark Stallons <mstallons@owenelectric.com>

Sent:

Monday, February 5, 2018 5:31 PM

To:

Mike McNalley

Subject:

A3 Cost Shift Spreadsheet

Attachments:

Cost Shift 020318.xlsx

Follow Up Flag:

Follow up

Flag Status:

Flagged

Mike,

Here is my simple spreadsheet. What is a good time to call tomorrow?

Thanks,

Mark

Mark A. Stallons
President & CEO

Owen Electric Cooperative 8205 Hwy 127N; PO Box 400 Owenton, KY 40359

☆ Direct Line: 502-563-3500 **★ Mobile**: 502-514-1650



"One of your goals for the future is for you to identify and solve your own problems. But since you are new, come on up and we'll talk."

Source: The One Minute Manager, Page 30.

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	EKPO	A3 Allot	tments, E	Based o	n Data	Throug	h Octol	ber 201	7 (per	Sally Wit	t)		
	EKPC CF	(MW) for M	onth of		Share								
Owner-Member Cooperative	Feb. 2015	Jan. 2016	Jan. 2017	Average	of the 5% Cap	15% Election	5% Election	Existing Projects	Noticed Projects	Remaining MW Share	All In	RFP Election	Percent
Blue Grass	410.92	315.86	324.44	350.40	17.52	53.37	17.80	0.00	0.00	17.80	11.33	11.30	63.48%
Owen	347.37	313.05	350.69	337.03	16.85	61.71	20.60	2.00	0.00	18.60	11.84	11.80	63.44%
Salt River	314.39	248.65	262.00	275.01	13.75	41.79	13.90	2.00	0.00	11.90	7.58	7.60	63.87%
Jackson	327.70	241.36	230.23	266.43	13.32	40.06	13.40	2.60	2.64	8.16	5.2	5.10	62.50%
Nolin	211.10	188.12	199.11	199.44	9.97	31.08	10.40	0.00	0.00	10.40	6.62	6.60	63.46%
Fleming Mason	196.87	179.19	166.89	180.98	9.05	27.41	9.10	0.00	0.00	9.10	5.79	5.80	63.74%
Inter-County	171.14	126.10	134.05	143.76	7.19	21.83	7.30	0.00	0.00	7.30	4.65	4.60	63.01%
Taylor	159.42	126.55	139.07	141.68	7.08	21.36	7.10	0.00	0.00	7.10	4.52	4.50	63.38%
Cumberland Valley	158.27	120.75	109.65	129.55	6.48	19.45	6.50	0.00	0.00	6.50	4.14	4.10	63.08%
Clark	153.99	114.84	113.62	127.48	6.37	19.14	6.40	0.00	0.00	6.40	4.07	4.00	62.50%
Shelby	120.51	102.00	99.56	107.35	5.37	16.27	5.40	0.00	0.00	5.40	3.44	3.40	62.96%
Big Sandy	89.48	64.77	56.94	70.40	3.52	10.65	3.50	0.00	0.00	3.50	2.23	2.20	62.86%
Licking Valley	88.57	62.72	58.66	69.98	3.50	10.64	3.50	0.00	0.00	3.50	2.23	2.20	62.86%
Grayson	85.17	62.79	57.65	68.53	3.43	10.30	3.40	0.00	0.00	3.40	2.16	2.10	61.76%
Farmers	136.36	120.49	115.85	124.23	6.21	18.81	6.30	4.60	0.00	1.70	1.08	1.00	58.82%
South Kentucky	458.91	352.24	353.44	388.20	<u>19.41</u>	<u>58.46</u>	<u>19.50</u>	0.00	<u>58.00</u>	0.46	0.00	0.00	
Total	3430.15	2739.47	2771.82	2980.48	149.02	462.32	154.10	11.20	60.64	121.22	76.88	76.30	
					ı	Remainin	g Notice	Amount		77.18			

	Noticed	Projects		
Owner-Member	Project	MW	Delivery Date	
Jackson	Irvine LFGTE	1.60	10/2013	
Jackson	Dupree Energy Sys	1.00	3/2015	
Farmers	Federal Mogul DG	3.60	2005	
Farmers	Glasgow LFGTE	1.00	11/2015	
Salt River	Lock 7	2.00	2013	
Owen	Bromley DG Unit	2.00	2016	
South Kentucky	PPA	58.00	6/2019	
Jackson	Hydro	2.64	1/2019	Not yet Noticed
Total Projects		71.84		

Savings Based on Nur	nber that gives N	lot	tice		7		Dis	count Rat	е			4.00%
Cooperative	MW Load Oct 31, 2017	1	avings er MW	Sav	ings per Year	NPV 5 Years	N	IPV 10 Years	N	PV 15 Years	N	IPV 20 Years
Blue Grass	17.80	\$	20.00	\$	3,118,560	\$ 13,883,275	\$	25,294,315	\$	34,673,358	\$	42,382,248
Owen	18.60	\$	20.00	\$	3,258,720	\$ 14,507,242	\$	26,431,138	\$	36,231,711	\$	44,287,068
Salt River	11.90	\$	20.00	\$	2,084,880	\$ 9,281,515	\$	16,910,244	\$	23,180,504	\$	28,334,200
Jackson	8.16	\$	20.00	\$	1,429,632	\$ 6,364,468	\$	11,595,596	\$	15,895,202	\$	19,429,165
Nolin	0.00	\$	20.00	\$		\$	\$		\$		\$	A-50
Fleming Mason	9.10	\$	20.00	\$	1,594,320	\$ 7,097,629	\$	12,931,363	\$	17,726,267	\$	21,667,329
Inter-County	0.00	\$	20.00	\$		\$ -	\$		\$		\$	
Taylor	0.00	\$	20.00	\$	-	\$ (32)	\$		\$		\$	
Cumberland Valley	0.00	\$	20.00	\$		\$	\$		\$		\$	***
Clark	6.40	\$	20.00	\$	1,121,280	\$ 4,991,739	\$	9,094,585	\$	12,466,825	\$	15,238,561
Shelby	5.40	\$	20.00	\$	946,080	\$ 4,211,780	\$	7,673,556	\$	10,518,884	\$	12,857,536
Big Sandy	0.00	\$	20.00	\$	-	\$ 19/	\$		\$		\$	76
Licking Valley	0.00	\$	20.00	\$		\$	\$		\$		\$	Julia i-
Grayson	0.00	\$	20.00	\$		\$	\$		\$		\$	
Farmers	0.00	\$	20.00	\$		\$	\$		\$		\$	
	77.36				13,553,472	60,337,649		109,930,799		150,692,753		184,196,108
South Kentucky	\$ 58.00	\$	20.00	\$	10,161,600	\$ 45,237,638	\$	82,419,679	\$	112,980,606	\$	138,099,460

	Ame	ndment 3 Imp	ac	t on EKPC (D	RAFT)		
<u>Notice</u>	MW	MWh/Year		ES \$ Shift	ES %	Base \$ Shift	Total \$ Shift
South Kentucky	58.0	508,080		\$ 4,100,000.00	42.85%	\$ 13,000,000.00	\$ 17,100,000.00
Blue Grass	17.8	155,928		\$ 1,258,275.86	13.15%	\$ 3,989,655.17	\$ 5,247,931.03
Owen	18.6	162,936		\$ 1,314,827.59	13.74%	\$ 4,168,965.52	\$ 5,483,793.10
Salt River	11.9	104,244		\$ 841,206.90	8.79%	\$ 2,667,241.38	\$ 3,508,448.28
Jackson	8.2	71,482		\$ 576,827.59	6.03%	\$ 1,828,965.52	\$ 2,405,793.10
Nolin	0.0	-		\$ -	0.00%	\$ -	\$ -
Fleming Mason	9.1	79,716		\$ 643,275.86	6.72%	\$ 2,039,655.17	\$ 2,682,931.03
Inter-County	0.0	-		\$ -	0.00%	\$ -	\$ -
Taylor	0.0	-	Ä	\$ -	0.00%	\$ -	\$ -
Cumberland Valley	0.0	- 1		\$ -	0.00%	\$ -	\$ -
Clark	6.4	56,064		\$ 452,413.79	4.73%	\$ 1,434,482.76	\$ 1,886,896.55
Shelby	5.4	47,304		\$ 381,724.14	3.99%	\$ 1,210,344.83	\$ 1,592,068.97
Big Sandy	0.0			\$ -	0.00%	\$ -	\$ -
Licking Valley	0.0	-		\$ -	0.00%	\$ -	\$ -
Grayson	0.0			\$ -	0.00%	\$ -	\$ -
Farmers	0.0			\$ -	0.00%	\$ <u> </u>	\$
Member Owner Total	135.4	1,185,754		\$ 9,568,551.72		\$ 30,339,310.34	\$ 39,907,862.07
EKPC 2018 Budget	29,194	13,534,101		EKPC Pass Thru		EKPC Rate Increase	

Cost Shift Percentages										
EKPC Base Rate	EKPC 2018 Budget	Paca Shift	Percent	SKY						
<u>Impact</u>	(pgA2)	<u>Base Shift</u>	Increase	<u>Alone</u>						
Base Rate	\$ 777,941,988.00	\$ 30,339,310.34	3.90%	1.67%						
EKPC ES Revenue	\$ 109,603,865.00	\$ 9,568,551.72	8.73%	3.74%						

A3 Cost Shift									
Member Owner	Member Owner ES Power Bill	ES Cost Increase	Member Owner Base Rate Power Bill	Base Rate Increase	Base Rate Savings	Net Base Rate Savings (Loss)	Net Member Savings (Loss)		
Blue Grass									
Owen	\$ 10,178,329.52	\$ 766,479.58	\$ 79,426,899.01	\$ 3,097,605.45	\$ 3,258,720.00	\$ 161,114.55	\$ (605,365.02)		
Salt River									
Jackson									
Nolin									
Fleming Mason									
Inter-County									
Taylor									
Cumberland Valley									
Clark									
Shelby									
Big Sandy									
Licking Valley									
Grayson									
Farmers									
South Kentucky									
Total	\$ 10,178,329.52	\$ 766,479.58	\$ 79,426,899.01	\$ 3,097,605.45	\$ 3,258,720.00	\$ 161,114.55			

From:

Mike McNalley

Sent:

Monday, February 5, 2018 2:34 PM

To:

David Crews

Subject:

MOU Allocation

Attachments:

Amendment 3 Updated Limits thru Nov 2017 mm.xlsx

David,

Here is the modified spreadsheet I mentioned, with the updated allocations calculated. Just FYI as I will want to do the same thing when the Jan numbers are available.

Mike McNalley
EVP & CFO
East Kentucky Power Cooperative, Inc.
859-745-9209 O
859-595-3897 C
Michael.mcnalley@ekpc.coop

A3 Allotments, Based on Data Through October 2017

Owner-Member	EKPC CP	(MW) for M	onth of	A.,	Load Ratio	15%	Previously	Newly			
Cooperative	Feb. 2015	Jan. 2016	Jan. 2017	Average	Share	Election	Noticed	Noticed	Remainder	Limited to 5%	Totals
Big Sandy	89.5	64.8	56.9	70.4	3.5	10.6			3.5	2.0	2.0
Blue Grass	410.9	315.9	324.4	350.4	17.5	53.4			17.5	10.0	10.0
Clark	154.0	114.8	113.6	127.5	6.4	19.1			6.4	3.7	3.7
Cumberland Valley	158.3	120.7	109.6	129.6	6.5	19.5			6.5	3.7	3.7
Farmers	136.4	120.5	115.9	124.2	6.2	18.8	4.6		1.6	0.9	5.5
Fleming Mason	196.9	179.2	166.9	181.0	9.0	27.4		1.4	7.6	4.4	5.8
Grayson	85.2	62.8	57.6	68.5	3.4	10.3			3.4	2.0	2.0
Inter-County	171.1	126.1	134.1	143.8	7.2	21.8			7.2	4.1	4.1
Jackson	325.6	241.4	230.2	265.7	13.3	40.1	2.6		10.7	6.1	8.7
Licking Valley	88.6	62.7	58.7	70.0	3.5	10.6			3.5	2.0	2.0
Nolin	211.1	188.1	199.1	199.4	10.0	31.1			10.0	5.7	5.7
Owen	347.4	313.0	350.7	337.0	16.9	61.7	2.0	14.9) :=	0.0	16.9
Salt River	314.4	248.7	262.0	275.0	13.8	41.8	2.0	11.8	3	0.0	13.8
Shelby	120.5	102.0	99.6	107.4	5.4	16.3			5.4	3.1	3.1
South Kentucky	458.9	352.2	353.4	388.2	19.4	58.5		58.0)	0.0	58.0
Taylor	159.4	126.6	139.1	141.7	7.1	21.4			7.1	4.1	4.1
Total	3,428.1	2,739.5	2,771.8	2,979.8	149.0	462.3	11.2	86.0	90.4	51.8	149.0

Noticed Projects

Owner-Member	Project	MW	Deliv	ery Date	
Jackson	Irvine LFGTE	1.6	10	/2013	
Jackson	Dupree Energy Sys	1.0	3/2015		
Farmers	Federal Mogul DG	3.6	2	2005	
Farmers	Glasgow LFGTE	1.0	11	/2015	
Salt River	Lock 7	2.0	2	2013	
Owen	Owen Office	2.0	2	2016	
South Kentucky	PPA	58.0	6,	/2019	
Jackson	Hydro	2.64	1/2019	Not yet Noticed	

Total Projects

71.8

From:

Mike McNalley

Sent:

Monday, February 5, 2018 2:23 PM

To:

Tony Campbell

Subject:

RE: MOU Numbers

Just spoke to Mike – he is going to SKRECC on Wed. Should be calling you any minute.

Mike McNalley
EVP & CFO
East Kentucky Power Cooperative, Inc.
859-745-9209 O
859-595-3897 C
Michael.mcnalley@ekpc.coop

From: Tony Campbell

Sent: Monday, February 5, 2018 2:13 PM

To: Mike McNalley Subject: MOU Numbers

Mike,

We might want to have Mike Williams in on Wednesday when Mark S. comes in. Mike has been running numbers too.

Regards, Anthony "Tony" Campbell

President and CEO Phone: 859-745-9313 Fax: 859-744-7053





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From:

Don Mosier

Sent:

Saturday, February 3, 2018 8:44 PM

To:

Mike McNalley

Subject:

Re: Load Graph

Good point!

On Feb 3, 2018, at 8:41 PM, Mike McNalley < Michael McNalley@ekpc.coop> wrote:

Let's discuss strategy first. A low forecast can be useful...might be better to ask at what growth rate we are not concerned about mitigation.

Mike McNalley **EVP and CFO** East Kentucky Power Cooperative

On Feb 3, 2018, at 8:30 PM, Don Mosier < Don.Mosier@ekpc.coop > wrote:

Will look at the assumptions Monday.

On Feb 3, 2018, at 8:21 PM, Tony Campbell < tony.campbell@ekpc.coop > wrote:

Mike,

I understand where and how they derived this graph. However, I don't believe this at all?? If we do not have a major recession, I will be letting people go for not doing their job!!!!!!

This reminds me of when I first got here. They were still using historical which suggested we were growing at 6% per year. I finally beat Jim Lamb all over our board room and demanded they reduce it. Now they are clearly to conservative.

TC

Sent from my iPhone

On Feb 2, 2018, at 8:01 AM, Mike McNalley <Michael.McNalley@ekpc.coop> wrote:

Guvs.

See below – this is the graph of our load forecast (blue) and what it would be with the loss of 150 MW at 100%LF in 18 months. You can see that we don't get back to this year's load until 2028, unless we find good mitigation options. I have similar graphs for the SK load reduction and will include both in the board presentation.

Mike McNalley EVP & CFO

East Kentucky Power Cooperative, Inc.

859-745-9209 O 859-595-3897 C

Michael.mcnalley@ekpc.coop

From: Sally Witt

Sent: Thursday, February 1, 2018 2:54 PM

To: Mike McNalley < <u>Michael.McNalley@ekpc.coop</u>> **Cc:** David Crews < <u>David.Crews@ekpc.coop</u>>; Julie

Tucker <julie.tucker@ekpc.coop>

Subject: RE: Load Graph

Just for a look...assuming 100% lf...I'll change whatever

you need...

From: Mike McNalley

Sent: Thursday, February 01, 2018 2:19 PM **To:** Sally Witt <<u>sally.witt@ekpc.coop</u>> **Cc:** David Crews <<u>David.Crews@ekpc.coop</u>>

Subject: Re: Load Graph

Can you update for full MOU load going (150MW I

think)?

Mike McNalley EVP and CFO East Kentucky Power Cooperative

On Jan 5, 2018, at 9:27 AM, Sally Witt <<u>sally.witt@ekpc.coop</u>> wrote:

Maybe....

From: Mike McNalley

Sent: Friday, January 05, 2018 9:23 AM To: Sally Witt <sally.witt@ekpc.coop>

Subject: RE: Load Graph

Thanks, Sally!

Do you think, because of the annual MWh issue we were discussing, that a side-by-side bar chart would be clearer?

Mike McNalley EVP & CFO

East Kentucky Power Cooperative, Inc.

859-745-9209 O 859-595-3897 C

Michael.mcnalley@ekpc.coop

From: Sally Witt

Sent: Friday, January 5, 2018 9:20 AM

To: Mike McNalley

<Michael.McNalley@ekpc.coop>

Cc: Julie Tucker

<julie.tucker@ekpc.coop>
Subject: RE: Load Graph

Hi Mike!

I think this incorporates the changes you said this morning. Let me know if you need anything else. Happy Friday! Sally

From: Julie Tucker

Sent: Thursday, January 04, 2018 7:59

AM

To: Sally Witt <sally.witt@ekpc.coop>

Subject: RE: Load Graph Yes, 100% load factor.

I think he wants actual for 2016, not forecast, and actual for 2017, then

forecast going forward.

He's wanting to demonstrate that our rates are set such that we make a margin on each kWh we sell. When we don't sell those kWh, we lose margin. When we lose margin, everyone has to pay eventually to cover those lost revenues.

From: Sally Witt

Sent: Thursday, January 04, 2018 7:46

AM

To: Julie Tucker

<julie.tucker@ekpc.coop>
Subject: RE: Load Graph

Since it's 58 MW at 100% load factor, that's 58*8760 for energy drop. Is the load factor still assumed to be 100%? Also, why 2016? We aren't using the 2016 load forecast at this point. The financial forecast is based on a revised version.

From: Julie Tucker

Sent: Thursday, January 04, 2018 7:39

AM

To: Sally Witt <sally.witt@ekpc.coop>

Subject: FW: Load Graph

Please see Mike's request below. I'm thinking he wants to show annual

energy not peaks.

From: Mike McNalley

Sent: Thursday, January 04, 2018 7:38

AM

To: Julie Tucker

<julie.tucker@ekpc.coop>

Cc: David Crews

<David.Crews@ekpc.coop>

Subject: Load Graph

Julie,

Can you put together a line chart showing the load forcast (MWh) from 2016-2030 or so as a line, and then in mid-2019 show a drop representing SKY's 58MW dropping off (round the clock, 100% load factor) and what I assume will be a parallel, lower line to the end for the adjusted load? I'd like a horizontal line from the end of 2017 load and another from the mid-2019 load (before the drop). Point of the chart is to show (a) how long it takes to recover the lost MWh from either starting date, and (b) that even though we get back to where we were, there is still a permanent load loss (so there is a permanent margin loss that all other members "own").

I can sketch it if that helps.

Timing is to support Feb board meeting. Thanks! Mike McNalley **EVP & CFO** East Kentucky Power Cooperative, Inc. 859-745-9209 O 859-595-3897 C Michael.mcnalley@ekpc.coop

From:

Mike McNalley

Sent:

Saturday, February 3, 2018 8:25 PM

To:

Tony Campbell

Subject:

Re: Load Graph

I agree with that sentiment, Tony. I just had Julie and Sally start from their existing load forecast - I didn't challenge that because I only wanted to know the impact of the load loss.

We both know that a couple of Rodney's hits, some faster general Econ growth etc could make a huge difference.

I can leave this out of the slides for the board meeting if you want.

Mike McNalley EVP and CFO East Kentucky Power Cooperative

On Feb 3, 2018, at 8:21 PM, Tony Campbell < tony.campbell@ekpc.coop > wrote:

Mike,

I understand where and how they derived this graph. However, I don't believe this at all?? If we do not have a major recession, I will be letting people go for not doing their job!!!!!!

This reminds me of when I first got here. They were still using historical which suggested we were growing at 6% per year. I finally beat Jim Lamb all over our board room and demanded they reduce it. Now they are clearly to conservative.

TC

Sent from my iPhone

On Feb 2, 2018, at 8:01 AM, Mike McNalley < Michael. McNalley@ekpc.coop > wrote:

Guys,

See below – this is the graph of our load forecast (blue) and what it would be with the loss of 150 MW at 100%LF in 18 months. You can see that we don't get back to this year's load until 2028, unless we find good mitigation options. I have similar graphs for the SK load reduction and will include both in the board presentation.

Mike McNalley

EVP & CFO

East Kentucky Power Cooperative, Inc.

859-745-9209 O 859-595-3897 C

Michael.mcnalley@ekpc.coop

From: Sally Witt

Sent: Thursday, February 1, 2018 2:54 PM

To: Mike McNalley < Michael. McNalley@ekpc.coop >

Cc: David Crews < David.Crews@ekpc.coop >; Julie Tucker < julie.tucker@ekpc.coop >

Subject: RE: Load Graph

Just for a look...assuming 100% If...I'll change whatever you need...

From: Mike McNalley

Sent: Thursday, February 01, 2018 2:19 PM
To: Sally Witt <sally.witt@ekpc.coop>
Cc: David Crews <David.Crews@ekpc.coop>

Subject: Re: Load Graph

Can you update for full MOU load going (150MW I think)?

Mike McNalley EVP and CFO

East Kentucky Power Cooperative

On Jan 5, 2018, at 9:27 AM, Sally Witt < sally.witt@ekpc.coop > wrote:

Maybe....

From: Mike McNalley

Sent: Friday, January 05, 2018 9:23 AM
To: Sally Witt <sally.witt@ekpc.coop>

Subject: RE: Load Graph

Thanks, Sally!

Do you think, because of the annual MWh issue we were discussing,

that a side-by-side bar chart would be clearer?

Mike McNalley EVP & CFO

East Kentucky Power Cooperative, Inc.

859-745-9209 O 859-595-3897 C

Michael.mcnalley@ekpc.coop

From: Sally Witt

Sent: Friday, January 5, 2018 9:20 AM

To: Mike McNalley < Michael. McNalley@ekpc.coop>

Cc: Julie Tucker < julie.tucker@ekpc.coop>

Subject: RE: Load Graph

Hi Mike!

I think this incorporates the changes you said this morning. Let me know

if you need anything else.

Happy Friday!

Sally

From: Julie Tucker

Sent: Thursday, January 04, 2018 7:59 AM
To: Sally Witt <sally.witt@ekpc.coop>

Subject: RE: Load Graph Yes, 100% load factor.

I think he wants actual for 2016, not forecast, and actual for 2017, then

forecast going forward.

He's wanting to demonstrate that our rates are set such that we make a margin on each kWh we sell. When we don't sell those kWh, we lose margin. When we lose margin, everyone has to pay eventually to cover those lost revenues.

From: Sally Witt

Sent: Thursday, January 04, 2018 7:46 AM To: Julie Tucker < julie.tucker@ekpc.coop>

Subject: RE: Load Graph

Since it's 58 MW at 100% load factor, that's 58*8760 for energy drop. Is the load factor still assumed to be 100%? Also, why 2016? We aren't using the 2016 load forecast at this point. The financial forecast is based on a revised version.

From: Julie Tucker

Sent: Thursday, January 04, 2018 7:39 AM **To:** Sally Witt < sally.witt@ekpc.coop>

Subject: FW: Load Graph

Please see Mike's request below. I'm thinking he wants to show annual

energy not peaks.

From: Mike McNalley

Sent: Thursday, January 04, 2018 7:38 AM

To: Julie Tucker < julie.tucker@ekpc.coop >
Cc: David Crews < David.Crews@ekpc.coop >

Subject: Load Graph

Julie,

Can you put together a line chart showing the load forcast (MWh) from 2016-2030 or so as a line, and then in mid-2019 show a drop representing SKY's 58MW dropping off (round the clock, 100% load factor) and what I assume will be a parallel, lower line to the end for the adjusted load? I'd like a horizontal line from the end of 2017 load and another from the mid-2019 load (before the drop). Point of the chart is to show (a) how long it takes to recover the lost MWh from either starting date, and (b) that even though we get back to where we were, there is still a permanent load loss (so there is a permanent margin loss that all other members "own").

Timing is to support Feb board meeting.
Thanks!
Mike McNalley
EVP & CFO
East Kentucky Power Cooperative, Inc.
859-745-9209 O
859-595-3897 C
Michael.mcnalley@ekpc.coop

From:

Don Mosier

Sent:

Friday, February 2, 2018 9:08 PM

To:

Tony Campbell

Cc:

David Smart; Mike McNalley; David Crews

Subject:

Re: Amendment 3 Notice

Will do.

On Feb 2, 2018, at 9:03 PM, Tony Campbell < tony.campbell@ekpc.coop > wrote:

Guys,

Here is Owen's request. Don please help Mark get his request correct.

TC

Sent from my iPhone

Begin forwarded message:

From: Mark Stallons <mstallons@owenelectric.com>

Date: February 2, 2018 at 4:51:24 PM EST

To: "tony.campbell@ekpc.coop" <tony.campbell@ekpc.coop>

Cc: Jim Crawford < JCrawford@cbkylaw.com >

Subject: Amendment 3 Notice

Tony,

Attached please find Owen Electric's notice of its election to reduce its purchases of electric power from EKPC and replace same with power furnished from an alternate source. We will follow with a written letter in the mail this coming Monday, February 5, 2018. Should you have any questions, please do not hesitate to call. Sincerely,

Mark A. Stallons

President & CEO

Owen Electric Cooperative 8205 Hwy 127N; PO Box 400

Owenton, KY 40359

☎ Direct Line: 502-563-3500 **☎ Mobile**: 502-514-1650

Email: mstallons@owenelectric.com

"One of your goals for the future is for you to identify and solve your own problems. But since you are new, come on up and we'll talk."

Source: The One Minute Manager, Page 30.

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A Touchstone Energy Cooperative

February 2, 2018

Mr. Anthony S. Campbell President and CEO East Kentucky Power Cooperative 4775 Lexington Road P.O. Box 707 Winchester, KY 40392-0707

Dear Mr. Campbell,

Pursuant to the provisions of the Amendment No. 3 to the Wholesale Power Contact between East Kentucky Power Cooperative, Inc. ("EKPC"), and Owen Electric Cooperative Inc. ("Owen Electric") dated October 23, 2003 ("Amendment 3"), and the Memorandum of Understanding and Agreement regarding Alternate Power Sources, between EKPC and the 16 Owner Members of EKPC including Owen Electric, dated July 16, 2015 ("MOU"), Owen Electric does hereby provide the following notice of its election to reduce its purchases of electric power from EKPC and replace same with electric power furnished from an Alternate Source.

According to the provisions of Section 4(A) of the MOU there are five (5) primary procedures and requirements for the content of this notice; in compliance with these provisions, Owen Electric provides the required information with respect to its Alternate Source election immediately following each listed item.

(i) the term during which the Alternate Source will be used to reduce the Owner Member's purchases from EKPC under the Wholesale Power Contract, including the date on which such use will begin, and the length of time during which such use will continue, which length may not exceed 20 years (including any renewal options for an Alternate Source that is a contract with a third party)

The Alternate Source (which is further described below) will be used to supply Owen Electric's power requirements outside of and separate from the Wholesale Power Contract between Owen Electric and EKPC for a term of 5-20 years commencing at 12:00 a.m. (EST) on September 1, 2019.

(ii) the maximum electrical capacity, in kW, to be available from the Alternate Source and the corresponding amount of reduction in demands to be served by EKPC as a result of the Alternate Sources, appropriately taking into account expected losses, if any

The maximum electrical capacity to be available from the Alternate Source, and the corresponding amount of reduction in demands to be served by EKPC as a result of the use of the Alternate Source, is to be calculated at the level equal to five percent (5%) of the rolling average of Owen Electric's coincident peak demand for the single calendar month with the highest average peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding this notice, less previously-noticed 2MW Bromley DG Unit upon calculation of the five percent (5%)

level as defined by the A3 Allotment spreadsheet by EKPC which includes the month of January 2018 in the calculation.

(iii) a general description of the nature of the Alternate Source and the primary generating facilities from which the subject electric power and energy will be produced

The Alternate Source shall be in the form of Owen Electric becoming a PJM member and purchasing energy, capacity, transmission and services required by PJM policies from the PJM Market.

(iv) the approximate, expected pattern of use or dispatching of the Alternate Source and the corresponding pattern of the hourly reductions in energy to be purchased by the Owner Member from EKPC

The Alternate Source will provide for delivery of the capacity designated above in every hour of the term of the Alternate Source.

- (v) a designation of whether the Alternate Sources will be:
 - (a) interconnected to the Owner Member's distribution system (and not to any transmission system) and will not produce energy in any hour in excess of the Owner Member's load at the Related EKPC Point of Delivery. Such Alternate Sources are referred to in in the MOU&A as "Behind the Meter Sources". The "Related EKPC Point of Delivery" with respect to any Alternate Sources is the point of delivery under the Owner Member's Wholesale Power Contract through which energy purchased from EKPC would be used to serve the load served by the Alternate Source if the Alternate Source did not exist;
 - (b) interconnected or delivered to EKPC's or another entity's transmission system; or
 - (c) interconnected to the Owner Member's distribution system and will produce energy that exceeds the Owner Member's load at the Related EKPC Point of Delivery.

The Alternate Source will be: (b) interconnected or delivered to EKPC's or another entity's transmission system.

Owen Electric will provide additional detail regarding the Alternate Source when it is available and looks forward to work with EKPC on implementation.

Please let me know if you have any questions regarding this Alternate Source.

Sincerely,

Mark A. Stallons
President and CEO

Owen Electric Cooperative

From: Sally Witt

Sent: Friday, February 2, 2018 10:02 AM

To: Mike McNalley

Cc: David Crews; Julie Tucker

Subject: RE: Load Graph

Attachments: SoKy and 150 reduction charts.pptx

Here you go Mike. I should have done that anyway. I simply didn't notice it.

Please let me know what else you need!

Happy Friday!

From: Mike McNalley

Sent: Friday, February 02, 2018 8:18 AM

To: Sally Witt

Cc: David Crews ; Julie Tucker Subject: RE: Load Graph

Can you do the bar chart with the same scale you used for the SK bar chart last month?

Mike McNalley EVP & CFO East Kentucky Power Cooperative, Inc. 859-745-9209 O 859-595-3897 C

Michael.mcnalley@ekpc.coop

From: Sally Witt

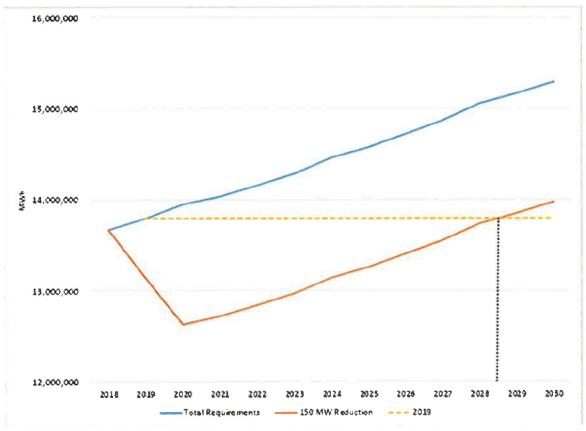
Sent: Thursday, February 1, 2018 2:54 PM

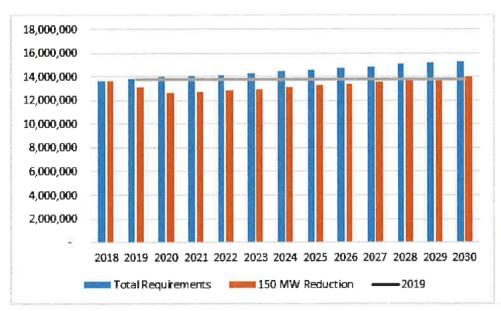
To: Mike McNalley < Michael. McNalley@ekpc.coop >

Cc: David Crews David.Crews@ekpc.coop; Julie Tucker julie.tucker@ekpc.coop;

Subject: RE: Load Graph

Just for a look...assuming 100% If...I'll change whatever you need...





From: Mike McNalley

Sent: Thursday, February 01, 2018 2:19 PM
To: Sally Witt <<u>sally.witt@ekpc.coop</u>>
Co: David Crews <<u>David.Crews@ekpc.coop</u>>

Subject: Re: Load Graph

Can you update for full MOU load going (150MW I think)?

Mike McNalley EVP and CFO East Kentucky Power Cooperative On Jan 5, 2018, at 9:27 AM, Sally Witt <sally.witt@ekpc.coop> wrote:

Maybe....

From: Mike McNalley

Sent: Friday, January 05, 2018 9:23 AM **To:** Sally Witt <<u>sally.witt@ekpc.coop</u>>

Subject: RE: Load Graph

Thanks, Sally!

Do you think, because of the annual MWh issue we were discussing, that a side-by-side bar chart would be clearer?

Mike McNalley EVP & CFO East Kentucky Power Cooperative, Inc. 859-745-9209 O 859-595-3897 C Michael.mcnalley@ekpc.coop

From: Sally Witt

Sent: Friday, January 5, 2018 9:20 AM

To: Mike McNalley < Michael. McNalley@ekpc.coop>

Cc: Julie Tucker < julie.tucker@ekpc.coop>

Subject: RE: Load Graph

Hi Mike!

I think this incorporates the changes you said this morning. Let me know if you need anything else.

Happy Friday! Sally

From: Julie Tucker

Sent: Thursday, January 04, 2018 7:59 AM To: Sally Witt <sally.witt@ekpc.coop>

Subject: RE: Load Graph

Yes, 100% load factor.

I think he wants actual for 2016, not forecast, and actual for 2017, then forecast going forward. He's wanting to demonstrate that our rates are set such that we make a margin on each kWh we sell. When we don't sell those kWh, we lose margin. When we lose margin, everyone has to pay eventually to cover those lost revenues.

From: Sally Witt

Sent: Thursday, January 04, 2018 7:46 AM To: Julie Tucker < <u>julie.tucker@ekpc.coop</u>>

Subject: RE: Load Graph

Since it's 58 MW at 100% load factor, that's 58*8760 for energy drop. Is the load factor still assumed to be 100%? Also, why 2016? We aren't using the 2016 load forecast at this point. The financial forecast is based on a revised version.

From: Julie Tucker

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Please see Mike's request below. I'm thinking he wants to show annual energy not peaks.

From: Mike McNalley

Sent: Thursday, January 04, 2018 7:38 AM

To: Julie Tucker < julie.tucker@ekpc.coop >
Cc: David Crews < David.Crews@ekpc.coop >

Subject: Load Graph

Julie,

Can you put together a line chart showing the load forcast (MWh) from 2016-2030 or so as a line, and then in mid-2019 show a drop representing SKY's 58MW dropping off (round the clock, 100% load factor) and what I assume will be a parallel, lower line to the end for the adjusted load? I'd like a horizontal line from the end of 2017 load and another from the mid-2019 load (before the drop). Point of the chart is to show (a) how long it takes to recover the lost MWh from either starting date, and (b) that even though we get back to where we were, there is still a permanent load loss (so there is a permanent margin loss that all other members "own").

I can sketch it if that helps.

Timing is to support Feb board meeting.

Thanks!

Mike McNalley
EVP & CFO
East Kentucky Power Cooperative, Inc.
859-745-9209 O
859-595-3897 C
Michael.mcnalley@ekpc.coop

From:

Terri Combs

Sent:

Thursday, February 1, 2018 3:41 PM

To:

'Joe Spalding'

Cc:

Tony Campbell; David Smart; Don Mosier; Mike McNalley

Subject:

February Board meeting agendas

Attachments:

Agenda-Directors and CEOs Executive Session.pdf; Agenda-Directors Only Executive

Session.pdf; Agenda-February Board Meeting.pdf

Hello, Joe,

Attached you will find the proposed February Board meeting agenda for your review at your earliest convenience. I am also including agendas for Directors/Owner-Member CEO's Executive Session and Directors Only Executive Session. If you have any changes, please let me know as soon as possible so that I may post them to BoardPaq.

Thanks so much. Hope you have a great evening.

Terri K. Combs
Executive Assistant/Paralegal
Office of the President & CEO
East Kentucky Power Cooperative, Inc.
PO Box 707
Winchester, KY 40392-0707
859-745-9314
Terri.combs@ekpc.coop



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AGENDA

EAST KENTUCKY POWER COOPERATIVE BOARD FEBRUARY BOARD MEETING Tuesday, February 13, 2018, 9:30 am - 3:30 pm BOARD ROOM

- I. Call To Order
- II. Invocation
- III. Roll Call
- IV. Safety Moment Volunteer
- V. Adoption of Agenda
- VI. Approval of Previous Board Meeting Minutes
 - Board Meeting Minutes December 12 2017 Final.pdf

VII. Action Items for Vote by Full Board

- 1. Approval of Resolution Honoring Kelly Shepherd
 - Executive Summary-Resolution-Honoring Kelly Shepherd.pdf
- 2. Acceptance of Big Sandy RECC's Election of Danny Wallen as Director for EKPC
 - Executive Summary-Resolution-Attachment-seating Director-Big Sandy RECC-Danny Wallen.pdf
- VIII. Monthly Financial Overview CFO
- IX. Report of Officers President & CEO
 - Board Room Upgrades CAMPBELL
 - Legislative Update MAYFIELD
 - 3. Legal Update SMART
 - Economic Development Report 2017 & Industrial Electric Usages -HITCH/THOMAS
 - 5. Engineer Retention LINDEMAN
 - Director Training 2018 Discussion CAMPBELL
- X. Audit Committee next meeting February 22,2018
 - 1. Board Action Items
 - a. None
 - 2. Information and Discussion Items
 - a. None
- XI. Strategic Issues Committee

1. Board Action Items

- a. Approval of South KY RECC's Amendment #3 (REQUEST WILL BE DISCUSSED/VOTED ON DURING DIRECTORS & OWNER-MEMBER CEO'S EXECUTIVE SESSION) (See Executive Session Agenda for the Executive Summary/Resolution)
- 2. Information and Discussion Items
 - a. Private Placement Funding Request STACHNIK (information in February / vote in March)
 - Spurlock CCR/ELG Compliance Project & Initial Equipment Contracts -JOHNSON (information in February / vote in March)
 - Spurlock Units 1 & 2 Absorber Spray Header Replacements JOHNSON (information in February / vote in March)
 - d. Update from February 12,2018 Meeting

XII. Board Risk Oversight Committee

- 1. Board Action Items
 - a. None
- 2. Information and Discussion Items
 - a. Update from February 12, 2018 meeting

XIII. Governance Committee

- 1. Board Action Items
 - a. None
- Information and Discussion Items
 - a. Annual Approval of Policy 109, Nepotism (with no recommended changes)
 - b. Request Approval of Revisions to Policy 116 Conflict of Interest (information in February / vote in March)
 - Executive Summary-Resolution-Policy 116-Conflict of Interest -redline-.pdf
 - Request Approval of Proposed Revisions to Policy 119 Fraud Risk Assessment & Deterrence (information in February / vote in March)
 - Executive Summary-Resolution-Policy 119-Fraud Risk Assessment Deterrence -redline-.pdf
 - d. Request Approval of Proposed Revisions to Policy 201 Financial Transaction & Procurement Authorization (information in February / vote in March)
 - Executive Summary-Resolution-Policy 201-Financial Transaction Procurement Authorization Policy -redline-.pdf
 - e. Discuss Committee Recommendation regarding Director Completion of ACES Online Training Modules (PJM Training)
 - f. General Update from January 11, 2018 meeting

XIV. Member System Needs

- XV. Issues List (Additions or Deletions)
- XVI. EKPC Business Unit Monthly Reports

Human Resources Finance Legal Environmental Power Production Power Supply System Operations Safety

- XVII. Agenda Items for Next Agenda
- XVIII. Other Business
- XIX. Executive Session See Agendas for Directors & Owner-Member CEO's Executive Session and Directors Only Executive Session
 - 1. None
- XX. Adjourn

Jody Hughes, Secretary
East Kentucky Power Cooperative, Inc.

AGENDA

EAST KENTUCKY POWER COOPERATIVE

DIRECTOR AND OWNER-MEMBER CEO EXECUTIVE SESSION AGENDA
FEBRUARY DIRECTOR AND OWNER-MEMBER CEO EXECUTIVE SESSION
Tuesday, February 13, 2018, 2:00 pm - 3:00 pm
BOARD ROOM

L. Executive Session

- 1. Approval of the Executive Session Minutes of Regular Board Meeting of December 12, 2017
- Chairman's Report SPALDING
- 3. AEP's Bank Request CAMPBELL
- MOU Cost & Mitigation Plan MCNALLEY/MOSIER
- 5. EKPC Proposal for Remainder of MOU CAMPBELL/MOSIER/MCNALLEY
- Approval of South KY RECC's Amendment #3 Request from the Strategic Issues Committee - ELDRIDGE
 - Executive Summary-Resolution-South KY RECC A3 Purchase from PJM Market.pdf
- II. Adjourn to Directors Only Executive Session

Jody E. Hughes, Secretary East Kentucky Power Cooperative, Inc.

AGENDA



EAST KENTUCKY POWER COOPERATIVE DIRECTORS ONLY EXECUTIVE SESSION AGENDA FEBRUARY DIRECTORS ONLY EXECUTIVE SESSION Tuesday, February 13, 2018, 3:00 pm - 3:30 pm BOARD ROOM

I. Executive Session

- 1. CEO Evaluation Update HAWKINS/SMART
- 2. Treasurer's Quarterly Report of Directors' Fees and Expenses for the 4th Quarter of 2017 CORNETT
- II. Adjourn

Jody E. Hughes, Secretary
East Kentucky Power Cooperative, Inc.

From:

Tony Campbell

Sent:

Friday, February 2, 2018 9:41 AM

To:

David Crews; David Smart; Don Mosier; Mike McNalley

Subject:

Fwd: EKPC Amendment Three Notification

Sent from my iPhone

Begin forwarded message:

From: Tim Sharp < tisharp@srelectric.com > Date: February 2, 2018 at 8:11:38 AM EST

To: "bsexton@bigsandyrecc.com" <bsexton@bigsandyrecc.com">, "Mike Williams (mikew@bgenergy.com)" <mikew@bgenergy.com">, "CHRIS BREWER (cbrewer@clarkenergy.com">, "CHRIS BREWER (cbrewer@clarkenergy.com">, "ted.hampton@cumberlandvalley.coop"

(cbrewer@clarkenergy.com)" <cbrewer@clarkenergy.com">, "ted.hampton@cumberlandvalley.coop"

<ted.hampton@cumberlandvalley.coop</td>, "bprather@farmersrecc.com"
bprather@farmersrecc.com"

"jhazelrigg@fme.coop" <jhazelrigg@fme.coop</td>, "carol.fraley@graysonrecc.com"

"carol.fraley@graysonrecc.com, "jerry@intercountyenergy.net" <jerry@intercountyenergy.net</td>

"carolwright@jacksonenergy.com"<carolwright@jacksonenergy.com</td>

"kkhoward@lvrecc.com, "mmiller@nolinrecc.com"

<mstallons@owenelectric.com</td>, "'Dennis Holt' (dholt@skrecc.com)"

"debbiem@shelbyenergy.com"<debbiem@shelbyenergy.com</td>

<bmyers@tcrecc.com</td>

Cc: "tony.campbell@ekpc.coop" <tony.campbell@ekpc.coop>

Subject: EKPC Amendment Three Notification

As a courtesy, we want to make you aware that Salt River Electric has given East Kentucky Power notification yesterday of our intention to exercise our Amendment Three rights.

Salt River Electric has given East Kentucky Power notice of our intent to acquire the remaining amount up to 5% of our rolling three year average peak from an alternate source. This alternate source is scheduled to begin on September 1, 2019.

Per Tony Campbell's memo of 1/30/18, Salt River is more than willing to work toward a strategy is more beneficial to all of EKPC's members.

Please feel free to contact me if you have any questions or concerns.

Tim Sharp

Salt River Electric

From: Terri Combs

Sent: Thursday, February 1, 2018 3:41 PM

To: 'Joe Spalding'

Cc: Tony Campbell; David Smart; Don Mosier; Mike McNalley

Subject: February Board meeting agendas

Attachments: Agenda-Directors and CEOs Executive Session.pdf; Agenda-Directors Only Executive

Session.pdf; Agenda-February Board Meeting.pdf

Hello, Joe,

Attached you will find the proposed February Board meeting agenda for your review at your earliest convenience. I am also including agendas for Directors/Owner-Member CEO's Executive Session and Directors Only Executive Session. If you have any changes, please let me know as soon as possible so that I may post them to BoardPaq.

Thanks so much. Hope you have a great evening.

Terri K. Combs
Executive Assistant/Paralegal
Office of the President & CEO
East Kentucky Power Cooperative, Inc.
PO Box 707
Winchester, KY 40392-0707
859-745-9314
Terri.combs@ekpc.coop



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 - 2. Legislative Update MAYFIELD
 - 3. Legal Update SMART
 - Economic Development Report 2017 & Industrial Electric Usages -HITCH/THOMAS
 - 5. Engineer Retention LINDEMAN
 - 6. Director Training 2018 Discussion CAMPBELL

X. Audit Committee - next meeting February 22,2018

- Board Action Items
 - a. None
- 2. Information and Discussion Items
 - a. None
- XI. Strategic Issues Committee

Board Action Items

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 - Spurlock Units 1 & 2 Absorber Spray Header Replacements JOHNSON (information in February / vote in March)
 - d. Update from February 12,2018 Meeting

XII. Board Risk Oversight Committee

- 1. Board Action Items
 - a. None
- 2. Information and Discussion Items
 - a. Update from February 12, 2018 meeting

XIII. Governance Committee

- Board Action Items
 - a. None
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XIV. Member System Needs

XV. Issues List (Additions or Deletions)

XVI. EKPC Business Unit Monthly Reports

Human Resources Finance Legal Environmental Power Production Power Supply System Operations Safety

- XVII. Agenda Items for Next Agenda
- XVIII. Other Business
- XIX. Executive Session See Agendas for Directors & Owner-Member CEO's Executive Session and Directors Only Executive Session
 - 1. None
- XX. Adjourn

Jody Hughes, Secretary
East Kentucky Power Cooperative, Inc.

AGENDA

EAST KENTUCKY POWER COOPERATIVE DIRECTOR AND OWNER-MEMBER CEO EXECUTIVE SESSION AGENDA FEBRUARY DIRECTOR AND OWNER-MEMBER CEO EXECUTIVE SESSION Tuesday, February 13, 2018, 2:00 pm - 3:00 pm BOARD ROOM

I. Executive Session

- 1. Approval of the Executive Session Minutes of Regular Board Meeting of December 12, 2017
- 2. Chairman's Report SPALDING
- 3. AEP's Bank Request CAMPBELL
- 4. MOU Cost & Mitigation Plan MCNALLEY/MOSIER
- 5. EKPC Proposal for Remainder of MOU CAMPBELL/MOSIER/MCNALLEY
- Approval of South KY RECC's Amendment #3 Request from the Strategic Issues Committee
 ELDRIDGE
 - Executive Summary-Resolution-South KY RECC A3 Purchase from PJM Market.pdf
- II. Adjourn to Directors Only Executive Session

Jody E. Hughes, Secretary
East Kentucky Power Cooperative, Inc.

AGENDA



EAST KENTUCKY POWER COOPERATIVE DIRECTORS ONLY EXECUTIVE SESSION AGENDA FEBRUARY DIRECTORS ONLY EXECUTIVE SESSION Tuesday, February 13, 2018, 3:00 pm - 3:30 pm BOARD ROOM

- I. Executive Session
 - 1. CEO Evaluation Update HAWKINS/SMART
 - 2. Treasurer's Quarterly Report of Directors' Fees and Expenses for the 4th Quarter of 2017 CORNETT
- II. Adjourn

Jody E. Hughes, Secretary East Kentucky Power Cooperative, Inc.

From:

Don Mosier

Sent:

Thursday, February 1, 2018 10:04 AM

To:

Tony Campbell; Mike McNalley; David Smart; David Crews

Subject:

SKRECC filing comments

I've read through most of the filing focusing on the commercial terms. The agreements executed are typical of the type and kind expected when dealing with sophisticated counterparties like MS.

Energy contract:

- Deal signed 12/19/2017, had 45 days to file with PSC
- 58 MWs 7x24 commences June 1, 2019 through May 31, 2039 (20 years)
- Fixed, LD, physical at EKPC zone, day ahead schedule
- Contract specifies EKPC as agent, MS as scheduling agent, SKRECC becomes PJM member
- Has both change in laws and Enviro majeure clauses
- SKRECC signed ISDA and EEI master purchase agreements
- Asks for expedited PSC approval by May 31
- No exit provision other than a non-appealable decision by PSC

Capacity contract:

- 68 MWs which included 18% ?? reserves
- Fixed until 21/22 then becomes higher of fixed or floating price in auction
- Enviro majeure clause, NRG FERC/PJM settlement majeure clause

Don Mosier EVP & COO

TAST KENTROCK POWER COOPERATIVE

From:

Joni Hazelrigg <jhazelrigg@fme.coop>

Sent:

Thursday, February 1, 2018 2:24 PM

To:

Tony Campbell; Don Mosier; Mike McNalley; David Smart; David Crews

Cc:

Earl Rogers III; Marvin Suit

Subject:

RE: MOU Request

Attachments:

Alt_Source_Notice.pdf

Follow Up Flag:

Flag for follow up

Flag Status:

Flagged

Hi -

Attached is the Alternate Source Notice. As I discussed with Tony yesterday, this has been in the works since the fall of 2016. The Air Permit was filed in January, 2018 and the most recent timeline I was given shows the Plant in operation in October, 2018. I had planned to wait until 90 days prior to production time to file the intent, but due to recent events decided to go ahead and send the notice. FME already has an executed contract with the Seller and is committed to this project.

I will leave it to your discretion as to when this is presented to the rest of the coops, but I appreciate your help in this process.

Let me know if you have questions or need further info.

Be safe!

Joni

Joni Hazelrigg, President & CEO Fleming-Mason Energy Cooperative, Inc. P. O. Box 328 1449 Elizaville Rd. Flemingsburg, KY 41041

O: 606.845.2661 C: 606.782.4526 F: 606.845.1008



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From: Tony Campbell [mailto:tony.campbell@ekpc.coop]

Sent: Thursday, February 1, 2018 11:30 AM

To: Don Mosier; Mike McNalley; David Smart; David Crews

Cc: Joni Hazelrigg

Subject: RE: MOU Request

Importance: High

Guys,

I want Joni to send in her request for the 1 MW today. Then I want to keep it quiet unless another Owner submits for their 5% share of the remaining MOU allotment. No matter what Joni will be first in line, but we don't need to cause everyone heightened concern just because Joni needs 1 MW.

If you have any concerns, or questions please let me know.

Regards, Anthony "Tony" Campbell President and CEO Phone: 859-745-9313 Fax: 859-744-7053





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From: David Crews

Sent: Thursday, February 1, 2018 11:18 PM

To: Tony Campbell

Cc: David Smart; Don Mosier; Mike McNalley

Subject: Re: Salt River notification

I don't mean to split hairs but this letter does not comply with the notice requirements of A3 and MOU. A notice requires you to name your power supply. On first read, I don't see that this names a power supply. The SK notices names The PJM market as their power supply.

The correction need not be adversarial but the notice should comply with A3 and the MOU.

We can discuss this tomorrow or when I get back Monday. Sent from my iPhone

On Feb 1, 2018, at 4:39 PM, Tony Campbell < tony.campbell@ekpc.coop > wrote:

Guys,

Tim called me and stated his board made this decision so he had no choice. However, he stated they were just wanting to make certain their membership was not left completely out. He stated they are still very amenable to backing off if EKPC can find a solution, (ie our proposal), or if we can get SK to back down to 5%.

TC

From: Tim Sharp [mailto:tjsharp@srelectric.com]
Sent: Thursday, February 1, 2018 4:11 PM
To: Tony Campbell <tony.campbell@ekpc.coop>

Subject: Salt River notification

Tony,

Please see attached.

From:

Isaac Scott

Sent:

Thursday, February 1, 2018 8:29 AM

To: Cc: Mike McNalley Patrick Woods

Subject:

South Kentucky Analysis - Two More Questions

Mike.

I have a couple of questions – again I don't want to over-refine the analysis, but I also don't want to misstate things.

- In my recalculation of the FAC, so far I have only adjusted the kWh sales levels. But it would also seem to be logical to assume that the fuel costs should also be adjusted since we would not have to be incurring the same level of costs with lower sales. Without some adjustment to the fuel costs, the analysis I'm doing could be claimed to be overstating the impacts of the South Kentucky action. As a simple way to address, I'm suggesting that I adjust the fuel costs in the calculations using a percentage reduction based on the FAC reduction I calculated for the South Kentucky bills. This would be an approximate reduction of 0.544%. I know this is arbitrary, but at least it would lessen a claim of the analysis overstating the effects. I can incorporate this adjustment into my calculations very easily.
- Looking at the "before rate case" work on the base rates (demand and energy), while I think it makes sense to present the impact of re-spreading demand and energy over the remaining 15 Members, I'm questioning incorporating this adjustment in the surcharge calculations. My doubt comes from the fact the demand and energy rates will not have actually been adjusted in the "before" scenario. I would like to prepare the surcharge impact calculations for the "before" scenario reflecting only the change in the FAC revenues. I would still calculate the spread of demand and energy over the 15 Members and present that. The "after rate case" scenario would show a recalculated demand and energy amounts in the surcharge calculation because that scenario assumes there has been a base rate case to recover the lost demand and energy revenues.

Would you be agreeable to these "tweaks"? Thanks.

Isaac S. Scott
Pricing Manager
East Kentucky Power Cooperative, Inc.
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707
859.745.9243
isaac.scott@ekpc.coop

From: Mike McNalley

Sent: Wednesday, January 31, 2018 8:04 AM

To: Isaac Scott

Subject: RE: South Kentucky Analysis - Follow-up Question

That makes sense, Isaac.

By the way, Michelle sent me the margin allocation (capital credit) spreadsheet so I can play with that.

Thanks,

Mike McNalley EVP & CFO East Kentucky Power Cooperative, Inc. 859-745-9209 O 859-595-3897 C Michael.mcnalley@ekpc.coop

From: Isaac Scott

Sent: Wednesday, January 31, 2018 8:00 AM

To: Mike McNalley < Michael.McNalley@ekpc.coop > Cc: Patrick Woods < patrick.woods@ekpc.coop > Subject: South Kentucky Analysis - Follow-up Question

Mike,

I'm not trying to over-refine the analysis, but I have come up with a question. In all the work I have previously done on the surcharge impact, those calculations have been based on the demand, energy, and FAC revenues from the actual bills during the 12-month period. The surcharge is based off of those three revenue groups. However, since I'm now working on estimating the impact the South Kentucky action has on those three revenue groups, would it not make sense for me to rework the calculation of the surcharge impact so it would be based on the revised demand, energy, and FAC revenues? It won't be a lot of extra work and I will have all the components handy.

I have figured out an approach for a before and after "base rate reset" calculation for the demand and energy revenues, so I could do the surcharge based on either. To get a total picture (including some of the impact on South Kentucky), it might be best to use my "after base rate reset" calculation.

I know this is rambling, but any thoughts? I just want to give you a good overall estimate. Thanks.

Isaac S. Scott
Pricing Manager
East Kentucky Power Cooperative, Inc.
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707
859.745.9243
isaac.scott@ekpc.coop

From:

Don Mosier

Sent:

Wednesday, January 31, 2018 10:11 AM

To:

Tony Campbell; David Smart; Mike McNalley; David Crews

Subject:

RE: Fleming Mason

I just got in from breakfast with Tim. He didn't mention this one, but he is keen on the idea regarding EKPC assisting in the remaining 15's rights. He is not optimistic (I surmised) that the SK issue will not cause disruptions in our boardroom's unity. Also believes several others will grab theirs before this gets traction.

----Original Message-----

From: Tony Campbell

Sent: Wednesday, January 31, 2018 10:03 AM

To: Don Mosier < Don. Mosier@ekpc.coop>; David Smart < david.smart@ekpc.coop>; Mike McNalley

<Michael.McNalley@ekpc.coop>; David Crews <David.Crews@ekpc.coop>; Terri Combs <terri.combs@ekpc.coop>

Subject: RE: Fleming Mason

All:

I just spoke with Joni, at Fleming Mason, regarding a land-field gas project they have been working on for a long while. Joni stated it was moving forward. Joni is out of the office today, but wanted to exercise her rights under the MOU to take this 1 MW. She will e-mail a signed request tomorrow morning.

If anyone feels she needs to do anything special, or faster, please let her know.

TC

Sent from my iPhone

Gwyn Willoughby

From:

David Crews

Sent:

Tuesday, January 30, 2018 2:57 PM

To:

Mike McNalley

Subject:

RE: Amend 3 Rolling 36 month load data

I would suggest waiting for Jan data. The EKPC 5% will go up modestly because of the peak in January 2018. When Feb. rolls off, the number will move down modestly because Feb 2015 rolls off. They should stay somewhat steady after that unless we have spell in Feb that is colder than Jan. We can hope.

The member 5%s are calculated from a different data set than the EKPC 5%. Members 5% is calculated based on the member's peak which may not occur during the same hour as EKPC's.

Its like we were trying to make it as confusing as possible.

From: Mike McNalley

Sent: Tuesday, January 30, 2018 2:47 PM

To: David Crews

Subject: RE: Amend 3 Rolling 36 month load data

Last I have is November billing data. If not done for December I can just wait a few days to get Jan.

Mike McNalley
EVP & CFO
East Kentucky Power Cooperative, Inc.
859-745-9209 O
859-595-3897 C
Michael.mcnalley@ekpc.coop

From: David Crews

Sent: Tuesday, January 30, 2018 2:07 PM

To: Mike McNalley < Michael. McNalley@ekpc.coop > Subject: Re: Amend 3 Rolling 36 month load data

To update the members 5% numbers we need the member meter data for January. We have been getting it piecemeal so far as members ask for their data. When Jan is over we will get a report that includes all member data and be able to calculate all the 5%s.

Sent from my iPhone

On Jan 30, 2018, at 10:31 AM, Mike McNalley < Michael. McNalley@ekpc.coop> wrote:

David,

Has this table been updated?

Mike McNalley

EVP & CFO
East Kentucky Power Cooperative, Inc.
859-745-9209 O
859-595-3897 C
Michael.mcnalley@ekpc.coop

From: David Crews

Sent: Tuesday, December 5, 2017 5:07 PM

To: 'Mark Stallons' <mstallons@owenelectric.com>

Cc: Tony Campbell < tony.campbell@ekpc.coop >; Don Mosier < Don.Mosier@ekpc.coop >; Mike McNalley

<Michael.McNalley@ekpc.coop>; Alan Ahrman <alanahrman@gmail.com>

Subject: RE: Amend 3 Rolling 36 month load data

File Attached. Call if you have questions.

From: Mark Stallons [mailto:mstallons@owenelectric.com]

Sent: Tuesday, December 5, 2017 3:57 PM

To: David Crews

Cc: Tony Campbell; Don Mosier; Mike McNalley; Alan Ahrman

Subject: RE: Amend 3 Rolling 36 month load data

David,

Please provide the excel spreadsheet details of the 36 rolling month load data supporting the threshold limits and Owen's Amendment #3 limits. Much appreciated.

Thanks,

Mark

From: David Crews [mailto:David.Crews@ekpc.coop]

Sent: Tuesday, December 05, 2017 11:36 AM

To: Mark Stallons mstallons@owenelectric.com

Cc: Tony Campbell < tony.campbell@ekpc.coop >; Don Mosier < Don.Mosier@ekpc.coop >; Mike McNalley

<Michael.McNalley@ekpc.coop>; Alan Ahrman <alanahrman@gmail.com>

Subject: RE: Amend 3 Rolling 36 month load data

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email! ***

This is to back up the data I provided you yesterday verbally. The 2.5% threshold is 74.9 MWs and the aggregate notices are 69.2 MWs.

I will also dig up a copy of the MOU that Owen executed as you requested.

From: Mark Stallons [mailto:mstallons@owenelectric.com]

Sent: Monday, December 4, 2017 11:27 AM To: David Crews < David. Crews@ekpc.coop >

Cc: Tony Campbell <tony.campbell@ekpc.coop>; Don Mosier <Don.Mosier@ekpc.coop>; Mike McNalley

< Michael.McNalley@ekpc.coop >; Alan Ahrman < alanahrman@gmail.com >

Subject: Amend 3 Rolling 36 month load data

David,

At Owen Electric's November 30, 2017 Board Meeting, my board asked me to investigate South Kentucky's amendment #3 notice and determine if similar opportunities exist for Owen Electric to pursue. Please provide the following data:

 Owen Electric's current rolling average of Owen Electric's coincident peak demand for the single calendar month with the highest average peak demand occurring during each of the proceeding three (3) twelve month periods.

```
2015 – 347.4 MWs
2016 – 313.0 MWs
2017 – 350.7 MWs
3 year rolling average – 337 MWs
5% = 16.9 MWs
15% = 50.6 MWs
```

2. EKPC current rolling average of EKPC's coincident peak demand for the single calendar month with the highest average peak demand occurring during each of the proceeding three (3) twelve month periods including the 2.5% and 5.0% thresholds.

```
2015 - 3428.1

2016 - 2739.5

2017 - 2771.8

3 year rolling average - 2979.8

5% = 149

2.5% = 74.5
```

3. The current aggregate and individual amount of all owner member's Amendment 3 alternate source loads.

The current aggragate noticed A3 is 69.2 MWs. Owen has noticed 2.0 MWs of A3 resources.

Should you have any questions, please contact me.

Sincerely,

Mark A. Stallons
President & CEO

Owen Electric Cooperative 8205 Hwy 127N; PO Box 400 Owenton, KY 40359

Direct Line: 502-563-3500 **Mobile**: 502-514-1650

"One of your goals for the future is for you to identify and solve your own problems. But since you are new, come on up and we'll talk."

Source: The One Minute Manager, Page 30.

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Gwyn Willoughby

From:

Mike McNalley

Sent:

Tuesday, January 30, 2018 2:45 PM

To:

Tony Campbell

Subject:

SK Margin Impact

Tony,

If SKRECC had taken their 58 MW for all of 2016 (the most recent year I have full margin allocation data completed for), and we had fully mitigated the load loss such that our margin was unchanged, their allocation of EKPC margin would have fallen from \$6.2 million to \$4.0 million.

Mike McNalley
EVP & CFO
East Kentucky Power Cooperative, Inc.
859-745-9209 O
859-595-3897 C
Michael.mcnalley@ekpc.coop

Gwyn Willoughby

From: Terri Combs

Sent: Tuesday, January 30, 2018 2:27 PM

To: A L Rosenberger ; Alan Ahrman - Owen; Barry Myers -- Taylor County; Bill Prather --

Farmers; Bobby Sexton--Big Sandy; Boris Haynes; Carol Fraley -- Grayson; Carol Wright - Jackson Energy; Chris Brewer - Clark Energy; Debbie Martin -- Shelby; Dennis Holt; Elbert Hampton; Jerry Carter; Jimmy Longmire -- Salt River; Jody Hughes; Joe Spalding, Inter-County Energy; Joni Hazelrigg; Kelly Shepherd; Ken Arrington -- Grayson; Kerry Howard -- Licking Valley; Landis Cornett; Mark Stallons -- Owen; Mickey Miller -- Nolin; Mike Williams -- Blue Grass; Paul Hawkins -- Farmers; Raymond Rucker; Ted Hampton; Ted Holbrook; Tim Eldridge; Tim Sharp - Salt River Electric; Wayne Stratton -- Shelby;

William Shearer -- Clark

Cc: Ann Bridges; Barry Lindeman; Barry Mayfield; Craig Johnson; David Crews; David Smart;

Denver York; Don Mosier; Jerry Purvis; Mike McNalley; Terri Combs; Tom Stachnik; Tony

Campbell

Subject: RE: Potential MOU Strategy

Attachments: Directors and Owner-Member CEO MOU Memo.docx; Amendment 3.pdf; MOU _Final_

072015_.pdf

Importance: High

Sending on behalf of Tony Campbell:

Directors/CEO's,

I have been contacted by a number of Owner-Member CEO's regarding the MOU. Needless-to-say, EKPC is bound by the language of the MOU agreement signed by all 16 Owners. It seems the most concerning worry is the fact that there will potentially be cost shifting if I cannot mitigate the loss of load. Plus the fact that there might be some Owner-Members left out if we have an additional run on the MOU bank.

For the above reasons, we at EKPC are trying to find a solution that might prevent that from happening. I have attached a memo that describes our proposal. In addition, I have attached a copy of the MOU, and Amendment #3. At the next board meeting we will discuss this in much greater detail, and begin the process.

Regards, Anthony "Tony" Campbell

President and CEO Phone: 859-745-9313 Fax: 859-744-7053





SK Requests 1, 3 & 5 Page 327 of 693

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AMENDMENT NO. 3 TO WHOLESALE POWER CONTRACT BETWEEN BAST KENTUCKY POWER COOPERATIVE, INC. AND BIG SANDY RURAL BLECTRIC COOPERATIVE CORPORATION

This Agreement date	ed the 17th	day of _0	CTOBER		, 2003, amends
the Wholesale Power Contra	act dated October	r 1, 1964 bety	veen Ea	st Kentuck	y Power
Cooperative, Inc. (hereinafte	er "Seller") and _	Big Sandy	Rura1	Electric	Cooperative
Corporation (I	hereinafter "Men	iber") as follo	ows:		*

- I. Numerical Section 1 of the Wholesale Power Contract shall be amended and restated to read in its entirety as follows:
- 1. General The Seller shall sell and deliver to the Member and the Member shall purchase and receive from the Seller all electric power and energy which shall be required to serve the Member's load, including all electric power and energy required for the operation of the Member's system. Notwithstanding the foregoing, the Member shall have the option, from time to time, with notice to the Seller, to receive electric power and energy, from persons other than the Seller, or from facilities owned or leased by the Member, provided that the aggregate amount of all members' elections (measured in megawatts in 15-minute intervals) so obtained under this paragraph shall not exceed five percent (5%) of the rolling average of Seller's coincident peak demand for the single calendar month with the highest peak demand occurring during each of the 3 twelve month periods immediately preceding any election by the Member from time to time, as provided herein and further provided that no Member shall receive more than fifteen percent (15%) of the rolling average of its coincident peak demand for the single calendar month with the highest average peak demand occurring during each of the 3 twelve

month periods immediately preceding any election by the Member from time to time, as provided herein.

For any election made or cancelled under this Section, the following provisions shall apply:

- a. During any calendar year, the Member may make or cancel any such election or elections by giving at least 90 days' notice to the Seller with respect to any load or loads with an average coincident peak demand (calculated in the same manner as provided in the preceding paragraph) of 5.0 Megawatts or less, in the annual aggregate.
- b. During any calendar year, the Member may make or cancel any such election or elections by giving at least 18 months or greater notice to the Seller with respect to any load or loads with an average coincident peak demand (calculated in the same manner as provided in the preceding paragraph) of 5.0 Megawatts or more, in the annual aggregate

Upon the effective date of the Member's cancellation of any such election under this Agreement, the load or loads shall be governed by the all requirements obligations of the Seller and the Member in this Section, and notice of same shall be provided to the Rural Utilities Service ("RUS") by the member. Such loads which are transferred to Seller's all-requirements obligations shall not thereafter be switched by Member to a different power supplier.

c. Should any such election by Member involve the acquisition of new service territory currently served by another power supplier or municipal utility, Member shall provide evidence to Seller and RUS in the new Load Purchase Agreement that the acquired territory must be served by the current power supplier as a condition of the acquisition of the new load.

Seller will provide transmission, substation, and ancillary services without

discrimination or adverse distinction with regard to rates, terms of service or availability of such service as between power supplies under paragraphs above and Member will pay charges therefore to Seller. Seller also agrees to allow, at Member's sole cost and expense, such additional interconnection as may be reasonably required to provide such capacity and energy as contemplated in the above paragraphs.

Member will be solely responsible for all additional cost associated with the exercise of elections under the above paragraphs including but not limited to administrative, scheduling, transmission tariff and any penalties, charges and costs, imposed by the Midwest Independent System Operator ("MISO") or other authorities.

- II. Section 10 of the Wholesale Power Contract shall be restated as Section 11 and new Section 10 and Section 11 shall read in their entirety as follows;
- 10. Retail Competition Seller and its subsidiaries, shall not, during the term of this contract, without the consent of the Member, (i) sell or offer to sell electric power or energy at retail within the Member's assigned or expanded geographic area, if any, established by applicable laws or regulations or (ii) provide or offer to provide retail electric service to any person which is a customer of the Member.
- 11. Term This Agreement shall become effective only upon approval in writing by the Administrator and shall remain in effect until January 1, 2041, and thereafter until terminated by either party's giving to the other not less than six months' written notice of its intention to terminate. Subject to the provisions of Section 1 hereof, service hereunder and the obligation of the Member to pay therefore shall commence upon completion of the facilities necessary to provide service.

Executed the day and year first above mentioned.

BAST KENTUCKY POWER COOPERATIVE, INC.

BY: Delas Tolans

CHAIRMAN OF THE BOARD

ATTEST, SECRETARY

Big Sandy Rural Electric

Cooperative Corporation

BY: Opl & Shanker

ITS: Chairman of the Board

ATTEST, SECRETARY

(H:Legal/misc/amend-3-wpe)

MEMORANDUM OF UNDERSTANDING AND AGREEMENT REGARDING ALTERNATE POWER SOURCES

This Memorandum of Understanding	g and A	gree	ment	("MOU&	A") is ente	ered into and
effective as of this [_] day of [], 20	15, by and	between E	ast Kentucky
Power Cooperative, Inc. ("EKPC"), and	d each	of	the	following	Member	Distribution
Cooperatives (also referred to herein as "Ow	ner Me	mbe	r"):			

Member Distribution Cooperatives

Big Sandy Rural Electric Cooperative Corporation Blue Grass Energy Cooperative Corporation Clark Energy Cooperative, Inc. Cumberland Valley Electric Farmers Rural Electric Cooperative Corporation Fleming-Mason Energy Cooperative Grayson Rural Electric Cooperative Corporation Inter-County Energy Cooperative Corporation Jackson Energy Cooperative Corporation Licking Valley Rural Electric Cooperative Corporation Nolin Rural Electric Cooperative Corporation Owen Electric Cooperative, Inc. Salt River Electric Cooperative Corporation Shelby Energy Cooperative, Inc. South Kentucky Rural Electric Cooperative Corporation Taylor County Rural Electric Cooperative Corporation

Factual Recitals

- 0.1 Each Owner Member is an electric cooperative, organized under the laws of the State of Kentucky, engaged in the business of supplying and distributing electric power and energy to its members within a certain service area, for which business the Owner Member operates an electric distribution system, among other operations.
- 0.2 EKPC is a generation and transmission cooperative corporation, organized under the laws of the State of Kentucky, which is owned by its Owner Members, which are certain electric cooperatives operating in the State of Kentucky ("Owner Members").
- 0.3 EKPC and each Owner Member are parties to a Wholesale Power Contract, dated October 1, 1964, as amended, pursuant to which (among other things) EKPC sells and delivers to that Owner Member, and that Owner Member purchases and receives, electric power and energy

required for the operation of the Owner Member's electric system. Such Wholesale Power Contracts are identical in all material respects, except for the identification of the respective Owner Member that is a party to each such agreement. A reference herein to "Wholesale Power Contract" refers to each and every such agreement.

- 0.4 As of October 23, 2003, each Wholesale Power Contract was amended by the execution of that certain amendment designated and known as "Amendment No. 3" thereto, to provide, among other things, for the obtaining by the subject Owner Member of electric power and energy from sources other than EKPC for use in operating the Owner Member's electric system, subject to certain limitation and required procedures set forth therein. Except for the identification of the respective Owner Member that is a party to each such Amendment No. 3, all of such amendments are identical. A reference herein to "Amendment No. 3" refers to each and every such amendment.
- 0.5 EKPC and certain Owner Members have, in the past, disagreed on the interpretation of some provisions of Amendment No. 3 and, therefore, to the Wholesale Power Contract as amended thereby.
- 0.6 The Owner Members each have a keen interest in pursuing or investigating opportunities to develop or otherwise obtain and use sources of electric power and energy other than EKPC. Such non-EKPC sources are hereinafter referred to as "Alternate Sources" and further defined in Section 2(A) below.
- 0.7 EKPC and each Owner Member each desire to avoid litigation over the provisions of the Wholesale Power Contract that pertain to Alternate Sources, and thereby avoid the costs and uncertainty of such litigation.

NOW THEREFORE, in consideration of the mutual covenants, understandings, and undertakings set forth herein, each of the Owner Members and EKPC, agree as follows:

Understandings, Stipulations, and Agreements

1. Term

(A) This MOU&A shall become effective on the date first written above and shall continue in effect until the termination of the Wholesale Power Contract. If the Wholesale Power Contract between EKPC and one of the Owner Members terminates before the other Wholesale Power Contracts, then this MOU&A shall terminate with respect to that Owner Member, but shall remain in effect with respect to the other Owner Members.

2. Scope

(A) The purpose of this MOU&A is to memorialize EKPC's and the Owner Members' mutually agreed interpretation of Amendment No. 3 with respect to Alternate Sources. Except as provided in Section 2(B), an "Alternate Source" is any generating resource that is owned (directly or indirectly, in whole or in part) or controlled (directly or indirectly, in whole or in part) by an Owner Member, regardless of whether the resource is connected to the Owner

Member's distribution system, or any power purchase arrangement under which an Owner Member purchases capacity or energy (or both), if such generating resource or power purchase arrangement is used to serve any portion of the Owner Member's load.

- (B) A generating resource that meets the definition of a "Behind the Meter Source" as set forth in Section 4(A)(v)(a) that is used by a Member solely to provide energy to serve interruptible retail load during times when service for such load through PJM has been interrupted pursuant to the load's participation in PJM's demand response program will not be considered an "Alternate Source" subject to the requirements of this MOU&A. If an Owner Member desires to use such a generating resource at any other time, the Owner Member must comply with the requirements of this MOU&A with respect to that generating resource.
- (C) Nothing in this MOU&A is intended to modify any of the express provisions of Amendment No. 3. During the term of this MOU&A, neither EKPC nor any Owner Member shall assert that this MOU&A is invalid for the reason that it is contrary to or inconsistent with the Wholesale Power Contract. In the event of an actual conflict between the Wholesale Power Contract, as amended, including by Amendment No. 3, and this MOU&A, the Wholesale Power Contract, as amended, including by Amendment No. 3, shall control.

3. Maximum Permissible Demand Reduction.

- (A) The maximum demand reduction that an Owner Member can obtain through the use of Alternate Sources shall be determined as follows:
 - (i) All demand measurements, whether of EKPC aggregate demand or an Owner Member's demand, called for in this Section 3 shall be measured in megawatts in 15-minute intervals and shall be adjusted to include any interruptible load that was interrupted at the time of measurement.
 - (ii) If in connection with its acquisition of new service territory the Owner Member provides evidence to EKPC and the RUS in the related acquisition agreement that the acquired service territory must continue to be served by the current power supplier as a condition of the acquisition, the acquired service territory may be supplied by such current power supplier for so long as is required under the terms of such acquisition Until such supply from the current power supplier is terminated, the load of such acquired service territory shall not be included in the calculations of the 5% and 15% limitations set forth below in this Section 3 applicable to the Owner Member that acquired the service territory or any other Owner Member. From and after the termination of such supply from the current power supplier, the load of such acquired service territory (including such load during the three (3) twelve-month (12-month) periods immediately preceding the date of termination of such supply from the current power supplier) shall be included in calculations of the 5% and 15% limitations set forth below in this Section 3 applicable to the Owner Member or any Other Member.

- (iii) If, at the time the Owner Member submits an election notice pursuant to Section 4, the aggregate amount of all Owner Members' loads being served with Alternate Sources (including the load proposed to be served by the Owner Member's new Alternate Source) would be less than two and one half percent (2.5%) of the rolling average of EKPC's coincident peak demand for the single calendar month with the highest peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding the date the Owner Member delivers such election notice, the Owner Member's aggregate demand reduction from Alternate Sources (including the demand reduction from the proposed new Alternate Source) may not exceed 15% of the rolling average of the Owner Member's coincident peak demand for the single calendar month with the highest average peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding the date the Owner Member delivers such election notice. If this 15% threshold would be exceeded, the Alternate Source shall not be permitted unless the load proposed to be served by it is reduced such that this 15% threshold is not exceeded.
- (iv) If, at the time the Owner Member submits an election notice pursuant to Section 4, the aggregate amount of all Owner Members' loads being served with Alternate Sources (including the load proposed to be served by the Owner Member's new Alternate Source) would be equal to or greater than two and one half percent (2.5%) of the rolling average of EKPC's coincident peak demand for the single calendar month with the highest peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding the date the Owner Member delivers such election notice, the Owner Member's aggregate demand reduction from Alternate Sources (including the demand reduction from the proposed new Alternate Source) may not exceed five percent (5%) of the rolling average of the Owner Member's coincident peak demand for the single calendar month with the highest average peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding the date the Owner Member delivers such election notice. If this five percent (5%) threshold would be exceeded, the Alternate Source shall not be permitted unless the load proposed to be served by it is reduced such that this five percent (5%) threshold is not exceeded.
- (v) If, at the time the Owner Member submits an election notice pursuant to Section 4, the aggregate amount of all Owner Members' loads being served with Alternate Sources (including the load proposed to be served by the Owner Member's new Alternate Source) would be greater than five percent (5%) of the rolling average of EKPC's coincident peak demand for the single calendar month with the highest peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding the date the Owner Member delivers such election notice, the

- Alternate Source shall not be permitted unless the load proposed to be served by it is reduced such that this five percent (5%) threshold is not exceeded.
- (vi) The term of any Alternate Source (inclusive of any renewal options), whether the Alternate Source is a generating facility owned or controlled by the Owner Member or a contract with a third party, shall not exceed twenty (20) years.
 - (a) Any Alternate Source that is a contract in effect at the time when the 2.5% threshold defined in Section 3(A)(iii) is reached will be honored for the remaining term of the contract (without exercise of any renewal option). However, if at the end of the existing contract's term that was in effect when the 2.5% threshold was reached, the 2.5% threshold continues to be reached or is exceeded, and the Owner Member's aggregate amount of Alternate Source elections then exceeds the 5% threshold defined in Section 3(A)(iv), then the Alternate Source contract may not be renewed unless the Owner Member reduces the aggregate amount of the Owner Member's load served by Alternate Sources such that the aggregate amount of the Owner Member's load served by Alternate Sources (taking into account the renewal of the contract) does not exceed the 5% threshold set forth in Section 3(A)(iv). The Owner Member may meet this requirement by using demand reduction available to another Owner Member, in accordance with Section 3(B).
 - (b) Any Alternate Source that is a generating facility owned or controlled by the Owner Member that is in effect when the 2.5% threshold defined in Section 3(A)(iii) is reached will be honored for the remaining term of the Alternate Source as set forth in the notice provided under Section 4(A).
- (B) Demand reduction available to one Owner Member may be used by another Owner Member if those two Owner Members so agree; provided, however, that in no event may a new Alternate Source proposed by an Owner Member in an election notice pursuant to Section 4 be approved if:
 - (i) the aggregate amount of all Owner Members' loads being served with Alternate Sources (including the load proposed to be served by the Owner Member's new Alternate Source) would be greater than five percent (5%) of the rolling average of EKPC's coincident peak demand for the single calendar month with the highest peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding the date the Owner Member delivers such election notice; or

(ii) the aggregate amount of the Owner Member's load being served by Alternate Sources (including the load proposed to be served by the Owner Member's new Alternate Source) would be greater than fifteen percent (15%) of the rolling average of the Owner Member's coincident peak demand for the single calendar month with the highest average peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding such notice.

4. Alternate Source Notices

- (A) In order for an Owner Member to reduce its purchases from EKPC by using electric power and energy from an Alternate Source, that Owner Member shall have provided EKPC with prior written notice of such reduction in accordance with the procedures and requirements set forth herein. Each such notice hereunder (an "Alternate Source Notice") shall set forth the following information regarding the subject Alternate Source:
 - (i) the term during which the Alternate Source will be used to reduce the Owner Member's purchases from EKPC under the Wholesale Power Contract, including the date on which such use will begin, and the length of time during which such use will continue, which length may not exceed 20 years (including any renewal options for an Alternate Source that is a contract with a third party);
 - (ii) the maximum electrical capacity, in kW, to be available from the Alternate Source and the corresponding amount of reduction in demands to be served by EKPC as a result of the use of the Alternate Source, appropriately taking into account expected losses, if any;
 - (iii) a general description of the nature of the Alternate Source and the primary generating facilities from which the subject electric power and energy will be produced;
 - (iv) the approximate, expected pattern of use or dispatching of the Alternate Source and the corresponding pattern of hourly reductions in energy to be purchased by the Owner Member from EKPC; and
 - (v) a designation of whether the Alternate Source will be:
 - (a) interconnected to the Owner Member's distribution system (and not to any transmission system) and will not produce energy in any hour in excess of the Owner Member's load at the Related EKPC Point of Delivery. Such Alternate Sources are referred to in this MOU&A as "Behind the Meter Sources". The "Related EKPC Point of Delivery" with respect to any Alternate Source is the point of delivery under the Owner Member's Wholesale

Power Contract through which energy purchased from EKPC would be used to serve the load served by the Alternate Source if the Alternate Source did not exist:

- (b) interconnected or delivered to EKPC's or another entity's transmission system; or
- (c) interconnected to the Owner Member's distribution system and will produce energy that exceeds the Owner Member's load at the Related EKPC Point of Delivery.
- (B) Except as provided in Section 4(C) below, each Alternate Source Notice shall be provided to EKPC in writing at least eighteen (18) months prior to the date on which the use of the subject Alternate Source is to begin.
- (C) For each Alternate Source having a noticed demand reduction of 5,000 kW or less, the required prior written notice may be provided to EKPC up to, but not later than ninety (90) days prior to the date on which the Owner Member intends to begin using that Alternate Source.
- (D) An Owner Member may change or cancel an Alternate Source Notice only by providing to EKPC prior written notice of such change or cancellation, as follows: If after three years of operation an Alternate Source has a three-year rolling average peak capacity less than the maximum capacity set forth in the initial Alternate Source Notice, the Owner Member may reduce the maximum capacity of such Alternate Source by providing written notice to EKPC. Any such reduction shall not change the term or other characteristics of the Alternate Source. Ninety (90) days' prior written notice of any other change or any cancellation shall be required for an Alternate Source having an associated demand reduction of 5,000 kW or less. Otherwise, eighteen (18) months' prior written notice to EKPC of a change or cancellation shall be required. If any change is made to the demand reduction amount of an Alternate Source, the thresholds provided in Section 3 will be re-calculated as of the date the notice of change is submitted.
- (E) If the Owner Member does not implement an Alternate Source within six (6) months after the date set forth in its notice for commencement of deliveries from the Alternate Source, the Owner Member may not implement the Alternate Source without re-submitting the notice required under this Section 4 and such notice shall be subject to re-calculation of the thresholds provided in Section 3 as of the date of such re-submitted notice. During the six (6) month period described in this Section (E), EKPC shall continue to serve the load intended to be served by the Alternate Source through sales of power and energy to the Owner Member under its Wholesale Power Contract.

Development and Use of Alternate Sources

(A) During the noticed term of use of that Alternate Source, it shall be the responsibility of the Owner Member to use commercially reasonable efforts to develop or otherwise acquire the subject Alternate Source so that such source may be used to supply a portion of the Owner Member's requirements beginning on the noticed date. EKPC shall use

commercially reasonable efforts to cooperate with and assist the Owner Member in its development or acquisition; provided that EKPC shall not be required to make out-of-pocket expenditures or provide or facilitate financing for any Alternate Source.

- (B) Except as otherwise agreed to by EKPC and an Owner Member, the owning Owner Member shall use commercially reasonable efforts to operate, maintain, and dispatch the facilities comprising each of its Alternate Sources (or to cause such operation, maintenance, and dispatching) so as to reduce the maximum electrical demand placed on EKPC's system by the corresponding noticed demand reduction.
- (C) With respect to each noticed Alternate Source of an Owner Member, the obligations set forth in the foregoing two paragraphs shall continue until the end of the noticed term of the Alternate Source; provided, however, that such term may be shortened or lengthened at any time by the Owner Member by providing to EKPC prior written notice of such change, as follows: For each such change, ninety (90) days' prior written notice of such change shall be required for an Alternate Source having an associated demand reduction of 5,000 kW or less. Otherwise, eighteen (18) months' prior written notice to EKPC of such change shall be required.
 - (D) Other requirements for Behind the Meter Sources are as follows:
 - (i) To the extent that the Alternate Source does not deliver capacity or energy sufficient to serve the actual load of the Owner Member intended to be served by the Alternate Source, EKPC will charge the Owner Member for capacity and energy at the rates for electric service provided under the Wholesale Power Contract.
 - (ii) The Owner Member must provide to EKPC information regarding the expected generation from the Behind the Meter Source, including planned and unplanned outages, as needed by EKPC so that EKPC can include such information in its schedules of load submitted to PJM and minimize to the extent reasonably practicable any PJM penalties for deviations in load attributable to differences between the estimated and actual generation from the Behind the Meter Source.
 - (iii) The Alternate Sources will be metered with revenue class meters.
- (E) Other requirements for Alternate Sources interconnected or delivered to EKPC's or another entity's transmission system are as follows:
 - (i) To the extent that the Alternate Source does not deliver capacity or energy sufficient to serve the actual load of the Owner Member intended to be served by the Alternate Source, EKPC will charge the Owner Member for capacity and energy as provided in this MOU&A, and not at the rates for electric service provided under the Wholesale Power Contract. EKPC will purchase amounts of replacement capacity and energy based on the historical amounts of capacity and energy provided by the Alternate Source.
 - (ii) The Owner Member must provide to EKPC a day-ahead schedule of generation. EKPC will work with the Owner Member to develop the day-ahead schedule.

- (iii) The day-ahead schedule of load to be served by the Alternate Source will be deemed to equal the day-ahead generation schedule of the Alternate Source.
- (iv) EKPC will pass through to the Owner Member all revenues, credits and charges from PJM associated with the Alternate Source, including without limitation PJM day-ahead and real-time energy market revenues, charges and credits, PJM capacity market revenues, charges and credits, PJM operating reserve revenues, credits and charges, and PJM operating services necessary to serve the load served by the Alternate Source (i.e. capacity, energy, ancillary services (including operating reserves), NITS transmission, RTEP, etc.).
 - (v) The Alternate Sources will be metered with revenue class meters.
- (vi) The Owner Member will pay an administrative fee to EKPC to cover the increased operation and administrative costs.
- (vii) PJM market participant activities for the Alternate Source and related load will be managed by EKPC or EKPC's agent. The Owner Member shall pay EKPC a non-discriminatory, cost-based fee for such PJM market participant services, which shall be performed in accordance with good utility practices. Any dispute regarding such fee shall be submitted to the Kentucky Public Service Commission for a determination of the appropriate fee.
- (F) Other requirements for Alternate Sources interconnected to an Owner Member's distribution system that produce energy that exceeds the Owner Member's load at the Related EKPC Point of Delivery shall be developed based on the requirements set forth above in Sections 5(D) and 5(E).

Other Matters.

- (A) EKPC shall not be entitled to charge any Owner Member for so-called "stranded costs" related to the Owner Member's implementation of its rights to use Alternate Sources. As a result, to the extent that an Owner Member's use of Alternate Sources reduces its billing demands under EKPC's rates under the Wholesale Power Contract as in effect from time to time, EKPC shall not be entitled to charge any special rate or charge to the Owner Member attributable to such billing demand reduction. EKPC will, however, be entitled to continue to set its rates for all Owner Members under the Wholesale Power Contracts to produce revenues that are sufficient to cover all of its costs, in accordance with the Wholesale Power Contracts.
- (B) EKPC covenants and agrees to revise or rescind existing Board Policies so that its Board Policies are consistent with this MOU&A.
- (C) This Agreement may be executed in counterpart, which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Big Sandy Rural Electric Cooperative Corporation	Date
Blue Grass Energy Cooperative Corporation	Date
Clark Energy Cooperative, Inc.	Date
Cumberland Valley Electric	Date
Farmers Rural Electric Cooperative Corporation	Date
Fleming-Mason Energy Cooperative	Date
Grayson Rural Electric Cooperative Corporation	Date
Inter-County Energy Cooperative Corporation	Date
Jackson Energy Cooperative Corporation	Date
Licking Valley Rural Electric Cooperative Corporation	Date
Nolin Rural Electric Cooperative Corporation	Date
Owen Electric Cooperative, Inc.	Date
Salt River Electric Cooperative Corporation	Date
Shelby Energy Cooperative Inc	Date

South Kentucky Rural Electric Cooperative Corporation	Date	
Taylor County Rural Electric Cooperative Corporation	Date	_