


OWEN Electric

A Touchstone Energy Cooperative 

February 27, 2018

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

RE: Amended 2018 A3 Notice, dated February 2nd

Dear Mr. Campbell,

Pursuant to the provisions of the Amendment No. 3 to the Wholesale Power Contract 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 28, 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 19.3 MW's of Owen Electric's power requirements outside of and separate from the Wholesale Power contract between Owen Electric and EKPC for a term of 20 years commencing at 12:00 a.m. (EST) on March 1, 2020.

- (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 19,300 kW.

- (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 supply the 19,300 kW of energy all hours of each year of the 20 year term, by purchasing same from the PJM wholesale market.

- (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 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



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 Contract 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



SALT RIVER ELECTRIC

A Touchstone Energy Cooperative 

111 West Brashear Avenue • Bardstown, Kentucky 40004
(502) 348-3931 • (502) 955-9732 • Fax (502) 348-1993

February 28, 2018

Mr. Anthony S. Campbell
President and CEO
East Kentucky Power Cooperative
PO Box 707
Winchester KY 40392-0707

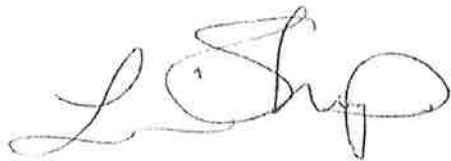
Dear Tony:

Please find attached a Second Supplemental Notification to our original notification dated February 1, 2018, for Amendment 3.

The purpose of this Second Supplemental Notification is to change the commencement date of the term of usage of the Alternate Source.

Please let me know if you have any questions.


Sincerely,



Timothy J. Sharp
President and CEO



SALT RIVER ELECTRIC

A Touchstone Energy Cooperative 

111 West Brashear Avenue • Bardstown, Kentucky 40004
(502) 348-3931 • (502) 955-9732 • Fax (502) 348-1993

SECOND SUPPLEMENTAL NOTIFICATION

February 28, 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 Contract between East Kentucky Power Cooperative, Inc. ("EKPC"), and Salt River Electric Cooperative (hereafter, "Member") 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 Member, dated August 17, 2015 ("MOU"), Member 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, Member 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 12.7 MW's of Member's power requirements outside of and separate from the Wholesale Power contract between Member and EKPC for a term of 20 years commencing at 12:00 a.m. (EST) on March 1, 2020.

- (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 12,700 kW.

- (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 Member 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 supply the 12,700 of energy all hours of each year of the 20 year term, by purchasing same from the PJM wholesale market.

- (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*

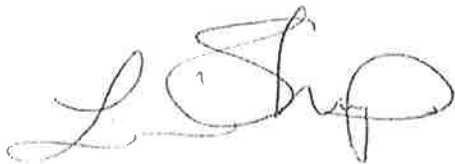
(c) *interconnected to the Owner Member's distribution system and will produce energy that exceeds the Owner Member's load at the Related EKPC Point of Delivery.*

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

Member 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,



Tim Sharp
President and CEO
Salt River Electric Cooperative



SALT RIVER ELECTRIC

A Touchstone Energy Cooperative

111 West Brashear Avenue • Bardstown, Kentucky 40004
(502) 348-3931 • (502) 955-9732 • Fax (502) 348-1993

February 7, 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 Contract between East Kentucky Power Cooperative, Inc. ("EKPC"), and Salt River Electric Cooperative (hereafter, "Member") 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 Member, dated August 17, 2015 ("MOU"), Member 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, Member 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 12.7 MW's of Member's power requirements outside of and separate from the Wholesale Power contract between Member and EKPC for a term of 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 12,700 kW.

- (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 Member 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 supply the 12,700 of energy all hours of each year of the 20 year term, by purchasing same from the PJM wholesale market.

- (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.

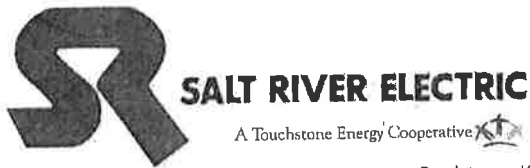
Member will provide additional detail regarding the Alternate Source when it is available and looks forward to work with EKPC on implementation.

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

Sincerely,



Tim Sharp
President and CEO
Salt River Electric Cooperative



111 West Brashear Avenue • Bardstown, Kentucky 40004
(502) 348-3931 • (502) 955-9732 • Fax (502) 348-1993

February 1, 2018

Mr. Tony Campbell
President and CEO
East Kentucky Power Cooperative
4775 Lexington Rd
Winchester KY 40392

RE: Alternate Source Notice Pursuant to Amendment No. 3 to the Wholesale Power Contract Between East Kentucky Power Cooperative and Salt River Electric Cooperative Corporation

Dear Tony:

Salt River Electric Cooperative Corporation (hereafter, "Member") hereby provides an Alternate Source Notice to East Kentucky Power Cooperative, Inc. (hereafter, "EKPC") pursuant to Amendment No. 3 to the Wholesale Power Contract between EKPC and Member dated November 21, 2003, as interpreted in the Memorandum of Understanding and Agreement Regarding Alternative Power Sources between EKPC and each of the Owner Members dated July 16, 2015.

Notice is given to EKPC that Member intends to use an Alternate Source to reduce its purchases from EKPC under the Wholesale Power Contract beginning September 1, 2019 and continuing for a period of 20 years.

The capacity of the Alternate Source is to be calculated at the level equal to five percent (5%) of the rolling average of 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 this notice, less previously-noticed Lock 7 Hydro Partners LLC. Our notice is in reference to the A3 Allotment spreadsheet by EKPC which includes the month of January 2018 in the calculation. The Alternate Source shall reduce Member's demand to be served by EKPC by the same amount.

The Alternate Source is anticipated to be a market purchase by Member under a power purchase agreement or similar contractual arrangement that will provide for delivery of the capacity designated above in every hour of the term of the Alternate Source.

It is anticipated that the Alternate Source will be interconnected or delivered to EKPC's or another entity's transmission system.

We will provide additional detail regarding the Alternate Source when it is available and look forward to working with EKPC on implementation.

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

Sincerely,

Tim Sharp
President and CEO



115 Jackson Energy Lane
McKee, Kentucky 40447
Telephone (606) 364-1000 • Fax (606) 364-1007

February 28, 2018

East Kentucky Power Cooperative
Attention: Tony Campbell and Board of Directors
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707

RE: **Amended** Alternate Source Notice Pursuant to Amendment No. 3 to the Wholesale Power Contract Between East Kentucky Power Cooperative and Jackson Energy Cooperative Corporation

Mr. Campbell:

Jackson Energy Cooperative Corporation (hereafter, "Member") hereby provides an Alternate Source Notice to East Kentucky Power Cooperative, Inc. (hereafter, "EKPC") pursuant to Amendment No. 3 to the Wholesale Power Contract between EKPC and Member dated November 21, 2003, as interpreted in the Memorandum of Understanding and Agreement Regarding Alternative Power Sources between EKPC and each of the Owner Members dated July 16, 2015.

Notice is given to EKPC that Member intends to use an Alternate Source to reduce its purchases from EKPC under the Wholesale Power Contract beginning **March 1, 2020** and continuing for a period of 20 years.

The capacity of the Alternate Source is 8 MW and was calculated at the level equal to five percent (5%) of the rolling average of 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 this notice, less previously-noticed North American Biofuels and Dupree Energy Resources; in addition to, most recent noticed Lock 12 and Lock 14 Hydro Partners, LLC. Our notice is in reference to the A3 Allotment spreadsheet by EKPC which includes the month of January 2018 in the calculation.

The Alternate Source shall reduce the Member's energy and demand on all substations on Rate E excluding the following substations: Beattyville, Hargett, McKee, Millers Creek and Rice. The energy and demand of the Alternate Source shall be applied proportionately to on/off peak usage using the seasonal ratio in Rate E.

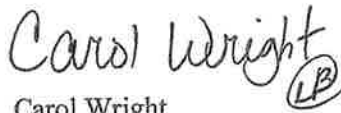
The Alternate Source is anticipated to be a market purchase by Member under a power purchase agreement or similar contractual arrangement that will provide for delivery of the capacity designated above in every hour of the term of the Alternate Source.

It is anticipated that the Alternate Source will be interconnected or delivered to EKPC's or another entity's transmission system.

We will provide additional detail regarding the Alternate Source when it is available and look forward to working with EKPC on implementation.

If you have any questions regarding this Alternate Source Notice, please contact Carol Wright, President & CEO, directly at 606-364-9213.

Sincerely,



Carol Wright
President & CEO



115 Jackson Energy Lane
McKee, Kentucky 40447
Telephone (606) 364-1000 • Fax (606) 364-1007

February 7, 2018

East Kentucky Power Cooperative
Attention: Tony Campbell and Board of Directors
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707

RE: Alternate Source Notice Pursuant to Amendment No. 3 to the Wholesale Power Contract
Between East Kentucky Power Cooperative and Jackson Energy Cooperative Corporation

Mr. Campbell:

Jackson Energy Cooperative Corporation (hereafter, "Member") hereby provides an Alternate Source Notice to East Kentucky Power Cooperative, Inc. (hereafter, "EKPC") pursuant to Amendment No. 3 to the Wholesale Power Contract between EKPC and Member dated November 21, 2003, as interpreted in the Memorandum of Understanding and Agreement Regarding Alternative Power Sources between EKPC and each of the Owner Members dated July 16, 2015.

Notice is given to EKPC that Member intends to use an Alternate Source to reduce its purchases from EKPC under the Wholesale Power Contract beginning September 1, 2019 and continuing for a period of 20 years.

The capacity of the Alternate Source is 8 MW and was calculated at the level equal to five percent (5%) of the rolling average of 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 this notice, less previously-noticed North American Biofuels and Dupree Energy Resources; in addition to, most recent noticed Lock 12 and Lock 14 Hydro Partners, LLC. Our notice is in reference to the A3 Allotment spreadsheet by EKPC which includes the month of January 2018 in the calculation.

The Alternate Source shall reduce the Member's energy and demand on all substations on Rate E excluding the following substations: Beattyville, Hargett, McKee, Millers Creek and Rice. The energy and demand of the Alternate Source shall be applied proportionately to on/off peak usage using the seasonal ratio in Rate E.

The Alternate Source is anticipated to be a market purchase by Member under a power purchase agreement or similar contractual arrangement that will provide for delivery of the capacity designated above in every hour of the term of the Alternate Source.

It is anticipated that the Alternate Source will be interconnected or delivered to EKPC's or another entity's transmission system.

We will provide additional detail regarding the Alternate Source when it is available and look forward to working with EKPC on implementation.

If you have any questions regarding this Alternate Source Notice, please contact Carol Wright, President & CEO, directly at 606-364-9213.

Sincerely,

A handwritten signature in cursive script that reads "Phillip Thompson". The signature is written in black ink and includes a long horizontal flourish extending to the right.

Phillip Thompson
Chairman of the Board



115 Jackson Energy Lane
McKee, Kentucky 40447
Telephone (606) 364-1000 • Fax (606) 364-1007

February 7, 2018

East Kentucky Power Cooperative
Attention: Tony Campbell and Board of Directors
4775 Lexington Rd.
P.O. Box 707
Winchester, KY 40392-0707

Re: Alternative Source Notice

Dear Mr. Campbell and Directors:

Pursuant to Amendment 3 of the Wholesale Power Contract between Jackson Energy Cooperative and East Kentucky Power Cooperative, and the Memorandum of Understanding (MOU) by and among East Kentucky Power and its member distribution cooperatives, this letter will serve as written notice of Jackson Energy's intent to obtain electric power and energy from an alternate source other than East Kentucky Power.

For a term of 20 years, beginning on December 1, 2019, Jackson Energy intends to purchase a maximum of 1,740 kW of electricity from Lock 14 Hydro Partners, LLC which will operate a hydroelectric plant located at Lock 14 on the Kentucky River. Jackson Energy's demand for electrical power from East Kentucky Power will be reduced by a commensurate amount.

The hydroelectric plant will feed into the portion of Jackson Energy's distribution system which is currently served by the Beattyville substation. The approximate, expected pattern of use of this alternate source and the corresponding reductions in energy to be purchased by Jackson Energy from East Kentucky Power is as follows:

<u>Month</u>	<u>Amount</u>
January	1,620 kW
February	1,600 kW
March	1,740 kW
April	1,680 kW
May	1,550 kW
June	1,090 kW
July	960 kW
August	750 kW

September	580 kW
October	770 kW
November	1,110 kW
December	1,450 kW

This alternate source will be connected to Jackson Energy's distribution system and will not produce energy in any hour in excess of Jackson Energy's load at the Beattyville substation.

If you have any questions, please feel free to contact Carol Wright, President & CEO, directly at 606-364-9213.

Sincerely,

A handwritten signature in cursive script that reads "Phillip Thompson". The signature is written in black ink and includes a long horizontal flourish at the end.

Phillip Thompson
Chairman of the Board



115 Jackson Energy Lane
McKee, Kentucky 40447
Telephone (606) 364-1000 • Fax (606) 364-1007

February 7, 2018

East Kentucky Power Cooperative
Attention: Tony Campbell and Board of Directors
4775 Lexington Rd.
P.O. Box 707
Winchester, KY 40392-0707

Re: Alternative Source Notice

Dear Mr. Campbell and Directors:

Pursuant to Amendment 3 of the Wholesale Power Contract between Jackson Energy Cooperative and East Kentucky Power Cooperative, and the Memorandum of Understanding (MOU) by and among East Kentucky Power Cooperative and its member distribution cooperatives, this letter will serve as written notice of Jackson Energy's intent to obtain electric power and energy from an alternate source other than East Kentucky Power.

For a term of 20 years, beginning on December 1, 2018, Jackson Energy intends to purchase a maximum of 1,740 kW of electricity from Lock 12 Hydro Partners, LLC which will operate a hydroelectric plant located at Lock 12 on the Kentucky River. Jackson Energy's demand for electrical power from East Kentucky Power will be reduced by a commensurate amount.

The hydroelectric plant will feed into the portion of Jackson Energy's distribution system which is currently served by the Rice Station substation. The approximate, expected pattern of use of this alternate source and the corresponding reductions in energy to be purchased by Jackson Energy from East Kentucky Power is as follows:

<u>Month</u>	<u>Amount</u>
January	1,620 kW
February	1,600 kW
March	1,740 kW
April	1,680 kW
May	1,550 kW
June	1,090 kW
July	960 kW
August	750 kW

September	580 kW
October	770 kW
November	1,110 kW
December	1,450 kW

This alternate source will be connected to Jackson Energy's distribution system and will produce energy from time to time that will exceed Jackson Energy's load at the Rice Station Substation. Such excess energy will be transmitted to East Kentucky Power via Kentucky Utilities' transmission line that serves the Rice Station Substation.

If you have any questions, please feel free to contact Carol Wright, President & CEO, directly at 606-364-9213.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip Thompson", with a long horizontal flourish extending to the right.

Phillip Thompson
Chairman of the Board