

**OWEN ELECTRIC COOPERATIVE, INC.**

**E-Mail Communications**

**November 28, 2017, through February 23, 2018**

**From:** Elaine Johns  
**To:** [Mark Stallons](#)  
**Cc:** [Carter Babbitt](#)  
**Subject:** EnerVision Professional Services Agreement  
**Date:** Monday, December 4, 2017 8:37:37 PM  
**Attachments:** [EnerWilson-Owen Electric PSA.pdf](#)

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

Hey, Mark – attached is our Professional Services Agreement. It should reflect our conversation today. Please let me know if you have any questions. We are good to execute via scans, if you are.

We look forward to working with you. Regards,  
Elaine

**Elaine Johns** President/CEO  
T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840  
[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

ENERVISION® 4170 Ashford Dunwoody Road | Suite 550 | Atlanta, GA 30319

**Delivering results to help you succeed!**

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**From:** David Crews  
**To:** [Mark Stallons](#)  
**Cc:** [Tony Campbell](#); [Don Mosler](#); [Mike McNalley](#); [Alan Ahrman](#)  
**Subject:** RE: Amend 3 Rolling 36 month load data  
**Date:** Tuesday, December 5, 2017 11:36:17 AM

---

**\*\*\* 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:

1. 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  
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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  
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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 aggregate 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

 **Email:** [mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)

owen300dpi with Touchstone



***"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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**Cc:** [Tony Campbell](mailto:Tony.Campbell); [Don Mosier](mailto:Don.Mosier); [Mike McNalley](mailto:Mike.McNalley); [Alan Ahrman](mailto:Alan.Ahrman)  
**Subject:** RE: Amend 3 Rolling 36 month load data  
**Date:** Tuesday, December 5, 2017 5:07:29 PM  
**Attachments:** [Amendment 3 Updated Limits thru Nov 2017.xlsx](#)

---

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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 <[David.Crews@ekpc.coop](mailto:David.Crews@ekpc.coop)>  
**Cc:** Tony Campbell <[tony.campbell@ekpc.coop](mailto:tony.campbell@ekpc.coop)>; Don Mosier <[Don.Mosier@ekpc.coop](mailto:Don.Mosier@ekpc.coop)>; Mike McNalley <[Michael.McNalley@ekpc.coop](mailto:Michael.McNalley@ekpc.coop)>; Alan Ahrman <[alanahrman@gmail.com](mailto:alanahrman@gmail.com)>  
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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.

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**From:** Elaine Johns  
**To:** [Mark Stallons](mailto:Mark.Stallons)  
**Cc:** [Carter Babbit](mailto:Carter.Babbit)  
**Subject:** RE: EnerVision Professional Services Agreement  
**Date:** Tuesday, December 5, 2017 6:00:34 PM  
**Attachments:** [EnerVision-Owen Electric PSA.pdf](#)

---

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Here you go!

**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Tuesday, December 5, 2017 4:53 PM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Cc:** Carter Babbit <Carter.Babbit@enervision-inc.com>  
**Subject:** RE: EnerVision Professional Services Agreement

Elaine,

Sounds good, I will sign final version upon receipt.

Thanks,

Mark

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Tuesday, December 05, 2017 4:15 PM  
**To:** Mark Stallons <mstallons@owenelectric.com>  
**Cc:** Carter Babbit <Carter.Babbit@enervision-inc.com>  
**Subject:** Re: EnerVision Professional Services Agreement

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Not at all, that is actually an oversight on my part. Sorry! I'll make the change!

Sent from my iPhone

On Dec 5, 2017, at 3:44 PM, Mark Stallons <mstallons@owenelectric.com> wrote:

Elaine,

Do you have any objections to changing the Governing Law section to the Commonwealth of Kentucky?

Thanks,

Mark



**From:** Elaine Johns [<mailto:Elaine.Johns@enervision-inc.com>]

**Sent:** Monday, December 04, 2017 8:38 PM

**To:** Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>

**Cc:** Carter Babbit <[Carter.Babbit@enervision-inc.com](mailto:Carter.Babbit@enervision-inc.com)>

**Subject:** EnerVision Professional Services Agreement

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Elaine

**Elaine Johns** President/CEO

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**From:** Elaine Johns  
**To:** [Mark Stallons](#)  
**Cc:** [Mike Cobb](#)  
**Subject:** RE: Amend 3 Rolling 36 month load data  
**Date:** Tuesday, December 5, 2017 9:51:59 PM

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At first glance, it looks the same as we have seen with 2 exceptions, it now lists SKRECC's PPA and Jackson's hydro. Here's what we are thinking for your next steps:

1. Consider a power supply attorney (not included in our PSA). We have several contacts if you need suggestions.
2. Decide on risk tolerance on providing Notice to EKPC
  - a. Provide Notice now for 15%, without knowing if EKPC will accept because it will take the aggregate over 2.5%
    - i. Risk 1 – EKPC rejects Notice
    - ii. Risk 2 – Market exposure if contract was not signed by Delivery Date in 18 months (real market exposure for approximately 6 months or until you rescind Notice)
    - iii. Risk 3 - Other Distribution Members provide Notice first and further erode available volume
  - b. Ask EKPC for volume allowed under their reading of MOU/Amend 3, then provide Notice
    - i. Risk 1 - Other Distribution Members provide Notice first and further erode available volume
  - c. Conduct RFP and negotiate contracts, provide Notice once deal is signed.
    - i. Risk 1 - Other Distribution Members provide Notice first and further erode available volume

I'm available to discuss tomorrow early afternoon, Thursday and/or Friday – let me know what's convenient for you. Thanks,  
Elaine

**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Tuesday, December 5, 2017 9:42 PM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Cc:** Mike Cobb <mcobb@owenelectric.com>  
**Subject:** Fwd: Amend 3 Rolling 36 month load data

Elaine,

Below and attached please find the info from EKPC regarding amendment 3 loads. I will have Mike Cobb forward our 36 month data to you for comparison purposes.

Thanks,

Mark

Sent from my iPad

Begin forwarded message:

**From:** David Crews <[David.Crews@ekpc.coop](mailto:David.Crews@ekpc.coop)>  
**Date:** December 5, 2017 at 5:07:19 PM EST  
**To:** 'Mark Stallons' <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Cc:** Tony Campbell <[tony.campbell@ekpc.coop](mailto:tony.campbell@ekpc.coop)>, Don Mosier <[Don.Mosier@ekpc.coop](mailto:Don.Mosier@ekpc.coop)>, Mike McNalley <[Michael.McNalley@ekpc.coop](mailto:Michael.McNalley@ekpc.coop)>, "Alan Ahrman" <[alanahrman@gmail.com](mailto:alanahrman@gmail.com)>  
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**To:** David Crews <[David.Crews@ekpc.coop](mailto:David.Crews@ekpc.coop)>  
**Cc:** Tony Campbell <[tony.campbell@ekpc.coop](mailto:tony.campbell@ekpc.coop)>; Don Mosier <[Don.Mosier@ekpc.coop](mailto:Don.Mosier@ekpc.coop)>; Mike McNalley <[Michael.McNalley@ekpc.coop](mailto:Michael.McNalley@ekpc.coop)>; Alan Ahrman <[alanahrman@gmail.com](mailto:alanahrman@gmail.com)>  
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Thanks,

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**Cc:** Tony Campbell <[tony.campbell@ekpc.coop](mailto:tony.campbell@ekpc.coop)>; Don Mosier <[Don.Mosier@ekpc.coop](mailto:Don.Mosier@ekpc.coop)>; Mike McNalley <[Michael.McNalley@ekpc.coop](mailto:Michael.McNalley@ekpc.coop)>; Alan Ahrman <[alanahrman@gmail.com](mailto:alanahrman@gmail.com)>

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**✉ Email:** [mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)

---

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[Forget previous vote](#)

**From:** [Mike Cobb](#)  
**To:** [Mark Stallons](#)  
**Subject:** FW: Amend 3 Rolling 36 month load data  
**Date:** Wednesday, December 6, 2017 8:29:33 AM  
**Attachments:** [Amendment 3 Updated Limits thru Nov 2017.xlsx](#)

---

Mark,  
See Owen KW tab. I am not coming back to EK's figures.  
Mike

**From:** Mark Stallons  
**Sent:** Wednesday, December 06, 2017 8:08 AM  
**To:** Mike Cobb  
**Cc:** April Brown; Rusty Williams; James M Crawford ([jcrawford@cbkylaw.com](mailto:jcrawford@cbkylaw.com))  
**Subject:** FW: Amend 3 Rolling 36 month load data

Mike,

Please verify EKPC's summary of Owen Electric's coincident peaks with our billing data for the past 3 rolling 12 month periods, verify their calculations, place your analysis on a separate tab within the attached spreadsheet and return to me as soon as possible.

Thanks,

Mark

**From:** David Crews [<mailto:David.Crews@ekpc.coop>]  
**Sent:** Tuesday, December 05, 2017 5:07 PM  
**To:** Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Cc:** Tony Campbell <[tony.campbell@ekpc.coop](mailto:tony.campbell@ekpc.coop)>; Don Mosier <[Don.Mosier@ekpc.coop](mailto:Don.Mosier@ekpc.coop)>; Mike McNalley <[Michael.McNalley@ekpc.coop](mailto:Michael.McNalley@ekpc.coop)>; Alan Ahrman <[alanahrman@gmail.com](mailto:alanahrman@gmail.com)>  
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☎ **Mobile:** 502-514-1650  
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		Demand (KW)			
		Owen Reg.	Nucor	Total	
<b>2012</b>	January	232,505	159,375	391,880	
	February	215,389	159,901	375,290	
	March	194,175	160,132	354,307	
	April	155,245	159,908	315,153	
	May	228,595	159,964	388,559	
	June	264,696	159,413	424,109	
	July	261,923	159,691	421,614	
	August	252,603	159,888	412,491	
	September	223,878	159,564	383,442	
	October	180,007	159,194	339,201	12 month rolling avg.
	November	198,823	159,845	358,668	
	December	205,226	159,562	364,788	377,459
<b>2013</b>	January	249,698	159,686	409,384	378,917
	February	243,929	159,664	403,593	381,276
	March	222,488	160,926	383,414	383,701
	April	189,281	159,132	348,413	386,473
	May	207,091	161,620	368,711	384,819
	June	223,156	159,724	382,880	381,383
	July	250,177	160,253	410,430	380,451
	August	250,417	159,849	410,266	380,266
	September	244,730	159,852	404,582	382,028
	October	175,850	159,829	335,679	381,734
	November	207,330	159,816	367,146	382,441
	December	235,890	159,230	395,120	384,968
<b>2014</b>	January	299,272	155,032	454,304	388,712
	February	271,878	152,908	424,786	390,478
	March	250,041	152,817	402,858	392,098
	April	193,611	151,957	345,568	391,861
	May	197,593	152,167	349,760	390,282
	June	238,433	152,084	390,517	390,918
	July	248,466	152,242	400,708	390,108
	August	243,836	151,893	395,729	388,896
	September	242,108	151,800	393,908	388,007
	October	186,583	151,837	338,420	388,235
	November	232,780	151,915	384,695	389,698
	December	212,448	151,804	364,252	387,125
<b>2015</b>	January	293,469	151,797	445,266	386,372
	February	307,796	130,125	437,921	387,467
	March	268,480	130,020	398,500	387,104
	April	159,797	130,454	290,251	382,494
	May	197,795	134,781	332,576	381,062
	June	239,470	134,798	374,268	379,708
	July	237,169	134,968	372,137	377,327
	August	233,640	137,989	371,629	375,319
	September	247,226	137,975	385,201	374,593
	October	159,949	137,979	297,928	371,219
	November	194,023	138,183	332,206	366,845
	December	204,721	138,004	342,725	365,051
<b>2016</b>	January	261,223	138,084	399,307	361,221
	February	234,026	138,116	372,142	355,739
	March	205,472	138,063	343,535	351,159

	April	174,688	139,883	314,571	353,185
	May	219,030	144,718	363,748	355,783
	June	227,626	144,534	372,160	355,607
	July	261,582	142,323	403,905	358,255
	August	255,401	142,613	398,014	360,454
	September	251,771	143,374	395,145	361,282
	October	180,763	141,923	322,686	363,345
	November	188,211	146,759	334,970	363,576
	December	249,269	147,870	397,139	368,110
<b>2017</b>	January	249,016	148,867	397,883	367,992
	February	231,939	148,382	380,321	368,673
	March	225,489	149,829	375,318	371,322
	April	180,160	149,086	329,246	372,545
	May	209,137	149,611	358,748	372,128
	June	229,259	149,344	378,603	372,665
	July	248,706	149,276	397,982	372,171
	August	245,405	150,023	395,428	371,956
	September	232,373	149,611	381,984	370,859
	October	183,206	149,978	333,184	371,734
	November		149,781	149,781	
	December			-	

383,184  
384,667  
386,407  
387,634  
386,943  
385,388  
384,003  
382,629  
381,494  
381,542  
380,396  
379,661  
379,048  
378,768  
377,895  
376,787

375,847  
375,709  
375,411  
375,230  
374,890  
374,627  
374,266  
373,373  
373,429  
371,862  
370,626  
369,861  
369,408  
369,658  
369,327  
369,251  
369,243  
368,911  
368,766

**From:** Elaine Johns  
**To:** [Mark Stallons](mailto:Mark.Stallons@owenelectric.com); [Missy Moore](mailto:Missy.Moore@owenelectric.com)  
**Cc:** [April Brown](mailto:April.Brown@owenelectric.com); [Mike Cobb](mailto:Mike.Cobb@owenelectric.com); [Rusty Williams](mailto:Rusty.Williams@owenelectric.com); [Jim Crawford](mailto:Jim.Crawford@owenelectric.com)  
**Subject:** RE: Amendment 3 - Owen Electric Cooperative  
**Date:** Wednesday, December 6, 2017 4:04:24 PM

---

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One question with regards to Nucor - is it 100% interruptible?

-----Original Message-----

From: Mark Stallons [<mailto:mstallons@owenelectric.com>]  
Sent: Wednesday, December 6, 2017 11:58 AM  
To: Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>; Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
Cc: April Brown <[abrown@owenelectric.com](mailto:abrown@owenelectric.com)>; Mike Cobb <[mcobb@owenelectric.com](mailto:mcobb@owenelectric.com)>; Rusty Williams <[rwilliams@owenelectric.com](mailto:rwilliams@owenelectric.com)>; James M Crawford ([jcrawford@cbkylaw.com](mailto:jcrawford@cbkylaw.com)) <[jcrawford@cbkylaw.com](mailto:jcrawford@cbkylaw.com)>  
Subject: RE: Amendment 3 - Owen Electric Cooperative

Elaine,

Please take a look at section 3.(A)(iii) of the MOU. The key phrase in determining if we are constrained to 5% is in parenthesis "(including the load proposed to be served by the Owner Member's new Alternate Source). My conclusion from reading the language of section 3.(A)(iii) and section 3.(A)(iv) is as follows:

1. We must add the aggregate Alternate Load presently served plus loads with notice given plus our proposed load.
2. If the total of step 1 exceeds that 2.5% threshold, then we are constrained to 5%.
3. According to David Crews' email the total Amendment 3 load presently served is as follows:

a.	Jackson Irvine LFGTE	1.6 MW
b.	Jackson Dupree Energy	1.0 MW
c.	Farmers Federal Mogul DG	3.6 MW
d.	Glasgow LFGTE	1.0 MW
e.	Salt River Lock 7	2.0 MW
f.	Owen DG	2.0 MW

---

Total	11.2 MW
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4. Notice Alternate Source load is as follows:

a.	S KY PPA	58 MW
----	----------	-------

5. Owen's proposed at 5% 20 MW

The total of the three existing, noticed plus Owen's proposed equals 89.2 MW while the 2.5% threshold based on David Crews email is approximately 74.5 MW. As a result we and all others that follow will be limited to 5%.

I can discuss at your convenience.

Thanks,

Mark

-----Original Message-----

From: Missy Moore  
Sent: Wednesday, December 06, 2017 9:47 AM  
To: Elaine.Johns@enervision-inc.com  
Cc: Mark Stallons <mstallons@owenelectric.com>  
Subject: Amendment 3 - Owen Electric Cooperative

Elaine,

Amendment 3 agreement attached.

Thank you,  
Missy K. Moore  
Executive Assistant

Owen Electric Cooperative  
PO Box 400  
Owenton, KY 40359  
Direct: 502-563-3501  
Email: mmoore@owenelectric.com

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-----Original Message-----

From: CEOKyocera@owenelectric.com [mailto:CEOKyocera@owenelectric.com]  
Sent: Wednesday, December 6, 2017 9:41 AM  
To: Missy Moore <mmoore@owenelectric.com>  
Subject:

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ECOSYS M6535cidn  
[00:17:c8:01:c8:b8]  
-----

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BEGIN-ANTISPAM-VOTING-LINKS  
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Teach CanIt if this mail (ID 0bUGEWt4N) is spam:  
Spam: [https://antispam.roaringpenguin.com/canit/b.php?  
c=s&i=0bUGEWt4N&m=72d5df422858&rlm=enervision-inc-com&t=20171206](https://antispam.roaringpenguin.com/canit/b.php?c=s&i=0bUGEWt4N&m=72d5df422858&rlm=enervision-inc-com&t=20171206)  
Fraud/Phish: [https://antispam.roaringpenguin.com/canit/b.php?  
c=p&i=0bUGEWt4N&m=72d5df422858&rlm=enervision-inc-com&t=20171206](https://antispam.roaringpenguin.com/canit/b.php?c=p&i=0bUGEWt4N&m=72d5df422858&rlm=enervision-inc-com&t=20171206)  
Not spam: [https://antispam.roaringpenguin.com/canit/b.php?  
c=n&i=0bUGEWt4N&m=72d5df422858&rlm=enervision-inc-com&t=20171206](https://antispam.roaringpenguin.com/canit/b.php?c=n&i=0bUGEWt4N&m=72d5df422858&rlm=enervision-inc-com&t=20171206)  
Forget vote: [https://antispam.roaringpenguin.com/canit/b.php?  
c=f&i=0bUGEWt4N&m=72d5df422858&rlm=enervision-inc-com&t=20171206](https://antispam.roaringpenguin.com/canit/b.php?c=f&i=0bUGEWt4N&m=72d5df422858&rlm=enervision-inc-com&t=20171206)

-----  
END-ANTISPAM-VOTING-LINKS

**From:** [Mike Cobb](#)  
**To:** [Elaine Johns](#); [Mark Stallons](#); [Missy Moore](#)  
**Cc:** [April Brown](#); [Rusty Williams](#); [Jim Crawford](#)  
**Subject:** RE: Amendment 3 - Owen Electric Cooperative  
**Date:** Wednesday, December 6, 2017 4:07:35 PM

---

Elaine,  
Nucor has 15,000 KW of firm load, the balance is interruptible.  
Mike

-----Original Message-----  
From: Elaine Johns [<mailto:Elaine.Johns@enervision-inc.com>]  
Sent: Wednesday, December 06, 2017 4:04 PM  
To: Mark Stallons; Missy Moore  
Cc: April Brown; Mike Cobb; Rusty Williams; James M Crawford ([jcrawford@cbkylaw.com](mailto:jcrawford@cbkylaw.com))  
Subject: RE: Amendment 3 - Owen Electric Cooperative

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

One question with regards to Nucor - is it 100% interruptible?

-----Original Message-----  
From: Mark Stallons [<mailto:mstallons@owenelectric.com>]  
Sent: Wednesday, December 6, 2017 11:58 AM  
To: Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>; Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
Cc: April Brown <[abrown@owenelectric.com](mailto:abrown@owenelectric.com)>; Mike Cobb <[mcobb@owenelectric.com](mailto:mcobb@owenelectric.com)>; Rusty Williams <[rwilliams@owenelectric.com](mailto:rwilliams@owenelectric.com)>; James M Crawford ([jcrawford@cbkylaw.com](mailto:jcrawford@cbkylaw.com)) <[jcrawford@cbkylaw.com](mailto:jcrawford@cbkylaw.com)>  
Subject: RE: Amendment 3 - Owen Electric Cooperative

Elaine,

Please take a look at section 3.(A)(iii) of the MOU. The key phrase in determining if we are constrained to 5% is in parenthesis "(including the load proposed to be served by the Owner Member's new Alternate Source). My conclusion from reading the language of section 3.(A)(iii) and section 3.(A)(iv) is as follows:

1. We must add the aggregate Alternate Load presently served plus loads with notice given plus our proposed load.
2. If the total of step 1 exceeds that 2.5% threshold, then we are constrained to 5%.
3. According to David Crews' email the total Amendment 3 load presently served is as follows:

a.	Jackson Irvine LFGTE	1.6 MW
b.	Jackson Dupree Energy	1.0 MW
c.	Farmers Federal Mogul DG	3.6 MW
d.	Glasgow LFGTE	1.0 MW
e.	Salt River Lock 7	2.0 MW
f.	Owen DG	2.0 MW
-----		
	Total	11.2 MW

4. Notice Alternate Source load is as follows:
  - a. SKY PPA 58 MW
5. Owen's proposed at 5% 20 MW

The total of the three existing, noticed plus Owen's proposed equals 89.2 MW while the 2.5% threshold based on David Crews email is approximately 74.5 MW. As a result we and all others that follow will be limited to 5%.

I can discuss at your convenience.

Thanks,

Mark

-----Original Message-----

From: Missy Moore  
Sent: Wednesday, December 06, 2017 9:47 AM  
To: Elaine.Johns@enervision-inc.com  
Cc: Mark Stallons <mstallons@owenelectric.com>  
Subject: Amendment 3 - Owen Electric Cooperative

Elaine,

Amendment 3 agreement attached.

Thank you,  
Missy K. Moore  
Executive Assistant

Owen Electric Cooperative  
PO Box 400  
Owenton, KY 40359  
Direct: 502-563-3501  
Email: mmoore@owenelectric.com

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-----Original Message-----

From: CEOKyocera@owenelectric.com [mailto:CEOKyocera@owenelectric.com]  
Sent: Wednesday, December 6, 2017 9:41 AM  
To: Missy Moore <mmoore@owenelectric.com>  
Subject:

-----  
ECOSYS M6535cidn  
[00:17:c8:01:c8:b8]  
-----

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BEGIN-ANTISPAM-VOTING-LINKS  
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Teach CanIt if this mail (ID 0bUGEWt4N) is spam:



Spam: [https://antispam.roaringpenguin.com/canit/b.php?  
c=s&i=0bUGEWt4N&m=72d5df422858&rlm=enervision-inc-com&t=20171206](https://antispam.roaringpenguin.com/canit/b.php?c=s&i=0bUGEWt4N&m=72d5df422858&rlm=enervision-inc-com&t=20171206)  
Fraud/Phish: [https://antispam.roaringpenguin.com/canit/b.php?  
c=p&i=0bUGEWt4N&m=72d5df422858&rlm=enervision-inc-com&t=20171206](https://antispam.roaringpenguin.com/canit/b.php?c=p&i=0bUGEWt4N&m=72d5df422858&rlm=enervision-inc-com&t=20171206)  
Not spam: [https://antispam.roaringpenguin.com/canit/b.php?  
c=n&i=0bUGEWt4N&m=72d5df422858&rlm=enervision-inc-com&t=20171206](https://antispam.roaringpenguin.com/canit/b.php?c=n&i=0bUGEWt4N&m=72d5df422858&rlm=enervision-inc-com&t=20171206)  
Forget vote: [https://antispam.roaringpenguin.com/canit/b.php?  
c=f&i=0bUGEWt4N&m=72d5df422858&rlm=enervision-inc-com&t=20171206](https://antispam.roaringpenguin.com/canit/b.php?c=f&i=0bUGEWt4N&m=72d5df422858&rlm=enervision-inc-com&t=20171206)

-----  
END-ANTISPAM-VOTING-LINKS

**From:** Elaine Johns  
**To:** [Mike Cobb](mailto:Mike.Cobb)  
**Cc:** [Mark Stallons](mailto:Mark.Stallons); [Missy Moore](mailto:Missy.Moore); [April Brown](mailto:April.Brown); [Rusty Williams](mailto:Rusty.Williams); [Jim Crawford](mailto:Jim.Crawford)  
**Subject:** Re: Amendment 3 - Owen Electric Cooperative  
**Date:** Wednesday, December 6, 2017 4:20:53 PM

---

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Did EKPC add the interruptible load back in?

Sent from my iPhone

On Dec 6, 2017, at 4:07 PM, Mike Cobb <[mcoobb@owenelectric.com](mailto:mcoobb@owenelectric.com)> wrote:

Elaine,  
Nucor has 15,000 KW of firm load, the balance is interruptible.  
Mike

-----Original Message-----

From: Elaine Johns [<mailto:Elaine.Johns@enervision-inc.com>]  
Sent: Wednesday, December 06, 2017 4:04 PM  
To: Mark Stallons; Missy Moore  
Cc: April Brown; Mike Cobb; Rusty Williams; James M Crawford ([jcrawford@cbkylaw.com](mailto:jcrawford@cbkylaw.com))  
Subject: RE: Amendment 3 - Owen Electric Cooperative

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One question with regards to Nucor - is it 100% interruptible?

-----Original Message-----

From: Mark Stallons [<mailto:mstallons@owenelectric.com>]  
Sent: Wednesday, December 6, 2017 11:58 AM  
To: Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>; Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
Cc: April Brown <[abrown@owenelectric.com](mailto:abrown@owenelectric.com)>; Mike Cobb <[mcoobb@owenelectric.com](mailto:mcoobb@owenelectric.com)>; Rusty Williams <[rwilliams@owenelectric.com](mailto:rwilliams@owenelectric.com)>; James M Crawford ([jcrawford@cbkylaw.com](mailto:jcrawford@cbkylaw.com)) <[jcrawford@cbkylaw.com](mailto:jcrawford@cbkylaw.com)>  
Subject: RE: Amendment 3 - Owen Electric Cooperative

Elaine,

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with notice given plus our proposed load.

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d.	Glasgow LFGTE	1.0 MW
e.	Salt River Lock 7	2.0 MW
f.	Owen DG	2.0 MW
-----		
	Total	11.2 MW

4. Notice Alternate Source load is as follows:

a. S KY PPA 58 MW

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I can discuss at your convenience.

Thanks,

Mark

-----Original Message-----

From: Missy Moore

Sent: Wednesday, December 06, 2017 9:47 AM

To: [Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)

Cc: Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>

Subject: Amendment 3 - Owen Electric Cooperative

Elaine,

Amendment 3 agreement attached.

Thank you,  
Missy K. Moore  
Executive Assistant

Owen Electric Cooperative  
PO Box 400  
Owenton, KY 40359

Direct: 502-563-3501  
Email: [mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)

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-----Original Message-----

From: [CEOKyocera@owenelectric.com](mailto:CEOKyocera@owenelectric.com)  
[mailto:[CEOKyocera@owenelectric.com](mailto:CEOKyocera@owenelectric.com)]  
Sent: Wednesday, December 6, 2017 9:41 AM  
To: Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>  
Subject:

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ECOSYS M6535cidn  
[00:17:c8:01:c8:b8]  
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BEGIN-ANTISPAM-VOTING-LINKS

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Teach CanIt if this mail (ID 0bUGJ7zBi) is spam:  
Spam: [https://antispam.roaringpenguin.com/canit/b.php?  
c=s&i=0bUGJ7zBi&m=84734ae0c969&rlm=enervision-inc-com&t=20171206](https://antispam.roaringpenguin.com/canit/b.php?c=s&i=0bUGJ7zBi&m=84734ae0c969&rlm=enervision-inc-com&t=20171206)  
Fraud/Phish: [https://antispam.roaringpenguin.com/canit/b.php?  
c=p&j=0bUGJ7zBi&m=84734ae0c969&rlm=enervision-inc-com&t=20171206](https://antispam.roaringpenguin.com/canit/b.php?c=p&j=0bUGJ7zBi&m=84734ae0c969&rlm=enervision-inc-com&t=20171206)  
Not spam: [https://antispam.roaringpenguin.com/canit/b.php?  
c=n&i=0bUGJ7zBi&m=84734ae0c969&rlm=enervision-inc-com&t=20171206](https://antispam.roaringpenguin.com/canit/b.php?c=n&i=0bUGJ7zBi&m=84734ae0c969&rlm=enervision-inc-com&t=20171206)  
Forget vote: [https://antispam.roaringpenguin.com/canit/b.php?  
c=f&i=0bUGJ7zBi&m=84734ae0c969&rlm=enervision-inc-com&t=20171206](https://antispam.roaringpenguin.com/canit/b.php?c=f&i=0bUGJ7zBi&m=84734ae0c969&rlm=enervision-inc-com&t=20171206)

-----  
END-ANTISPAM-VOTING-LINKS

**From:** Elaine Johns  
**To:** [Mark Stallons](mailto:Mark.Stallons@owenelectric.com)  
**Cc:** [Mike Cobb](mailto:Mike.Cobb@owenelectric.com); [Missy Moore](mailto:Missy.Moore@owenelectric.com); [April Brown](mailto:April.Brown@owenelectric.com); [Rusty Williams](mailto:Rusty.Williams@owenelectric.com); [Jim Crawford](mailto:Jim.Crawford@owenelectric.com)  
**Subject:** Re: Amendment 3 - Owen Electric Cooperative  
**Date:** Wednesday, December 6, 2017 4:32:33 PM

---

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Did Nucor interrupt during EKPC peak hours? Those should be added back.

Sent from my iPhone

On Dec 6, 2017, at 4:28 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Elaine,

When we negotiated the MOU, EKPC wanted to exclude interruptible loads such as NUCOR. I told them that NUCOR had to be included for us to sign the agreement.

Mark

Mark Stallons  
Sent from my iPhone

On Dec 6, 2017, at 4:20 PM, Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)> wrote:

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Did EKPC add the interruptible load back in?

Sent from my iPhone

On Dec 6, 2017, at 4:07 PM, Mike Cobb  
<[mcobb@owenelectric.com](mailto:mcobb@owenelectric.com)> wrote:

Elaine,  
Nucor has 15,000 KW of firm load, the balance is interruptible.  
Mike

-----Original Message-----

From: Elaine Johns [<mailto:Elaine.Johns@enervision-inc.com>]

Sent: Wednesday, December 06, 2017 4:04 PM

To: Mark Stallons; Missy Moore

Cc: April Brown; Mike Cobb; Rusty Williams; James M Crawford ([jcrawford@cbkylaw.com](mailto:jcrawford@cbkylaw.com))  
Subject: RE: Amendment 3 - Owen Electric Cooperative

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One question with regards to Nucor - is it 100% interruptible?

-----Original Message-----

From: Mark Stallons  
[\[mailto:mstallons@owenelectric.com\]](mailto:mstallons@owenelectric.com)  
Sent: Wednesday, December 6, 2017 11:58 AM  
To: Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>; Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
Cc: April Brown <[abrown@owenelectric.com](mailto:abrown@owenelectric.com)>; Mike Cobb <[mcobb@owenelectric.com](mailto:mcobb@owenelectric.com)>; Rusty Williams <[rwilliams@owenelectric.com](mailto:rwilliams@owenelectric.com)>; James M Crawford ([jcrawford@cbkylaw.com](mailto:jcrawford@cbkylaw.com)) <[jcrawford@cbkylaw.com](mailto:jcrawford@cbkylaw.com)>  
Subject: RE: Amendment 3 - Owen Electric Cooperative

Elaine,

Please take a look at section 3.(A)(iii) of the MOU. The key phrase in determining if we are constrained to 5% is in parenthesis "(including the load proposed to be served by the Owner Member's new Alternate Source). My conclusion from reading the language of section 3.(A)(iii) and section 3.(A)(iv) is as follows:

1. We must add the aggregate Alternate Load presently served plus loads with notice given plus our proposed load.
2. If the total of step 1 exceeds that 2.5% threshold, then we are constrained to 5%.
3. According to David Crews' email the total Amendment 3 load presently served is as follows:
 

a.	Jackson Irvine LFGTE	1.6 MW
b.	Jackson Dupree Energy	1.0 MW
c.	Farmers Federal Mogul DG	3.6 MW
d.	Glasgow LFGTE	1.0 MW
e.	Salt River Lock 7	2.0 MW
f.	Owen DG	2.0 MW

-----  
-  
Total 11.2 MW

4. Notice Alternate Source load is as follows:
  - a. S KY PPA 58 MW
5. Owen's proposed at 5% 20 MW

The total of the three existing, noticed plus Owen's proposed equals 89.2 MW while the 2.5% threshold based on David Crews email is approximately 74.5 MW. As a result we and all others that follow will be limited to 5%.

I can discuss at your convenience.

Thanks,

Mark

-----Original Message-----

From: Missy Moore

Sent: Wednesday, December 06, 2017 9:47 AM

To: [Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)

Cc: Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>

Subject: Amendment 3 - Owen Electric Cooperative

Elaine,

Amendment 3 agreement attached.

Thank you,  
Missy K. Moore  
Executuve Assistant

Owen Electric Cooperative  
PO Box 400  
Owenton, KY 40359  
Direct: 502-563-3501  
Email: [mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)

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-----Original Message-----

From: CEOKyocera@owenelectric.com  
[mailto:CEOKyocera@owenelectric.com]  
Sent: Wednesday, December 6, 2017 9:41 AM  
To: Missy Moore <mmoore@owenelectric.com>  
Subject:

-----  
ECOSYS M6535cidn  
[00:17:c8:01:c8:b8]  
-----

--

--  
BEGIN-ANTISPAM-VOTING-LINKS

-----  
Teach CanIt if this mail (ID 0bUGJ7zBi) is spam:  
Spam:  
Fraud/Phish:  
Not spam:  
Forget vote:

-----  
END-ANTISPAM-VOTING-LINKS

---

[Spam](#) | [Not spam](#)  
[Forget previous vote](#)



**From:** Elaine Johns  
**To:** [Mark Stallons](#)  
**Subject:** Checking in  
**Date:** Friday, December 8, 2017 8:33:28 AM

---

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Checking in, have you heard from EKPC? If you haven't talked with her yet, could you ask how they treated Nucor when they interrupted? Per the MOU (and as you recall), EKPC should add back the interrupted capacity if Nucor interrupted at the CP. I don't know how much verification you want to do, but since you don't have that data, you may want to ask them for the interruption data to the CP.

Happy Friday!  
Elaine

**Elaine Johns** President/CEO  
T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840  
[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Elaine Johns  
**To:** [Mark Stallons](#)  
**Subject:** Excerpt from Grayson Order  
**Date:** Monday, December 11, 2017 4:25:13 PM

---

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Based on a review of the evidence of record and being otherwise sufficiently advised, the Commission finds that the Amendment 3 MOU is comprehensive in nature, does not violate any legal or regulatory principle, and results in a reasonable resolution of all issues to be investigated in this case. As we noted in our July 17, 2013 Order initiating this case, any written agreement that contains provision relating to utility rates and service, as those terms are defined under KRS 278.010(12) and (13) respectively, is within the Commission's Jurisdiction. In addition, KRS 278.160(1) requires a utility to have on file with the Commission "schedules showing all rates and conditions for service established by it and collected or enforced," while Commission regulation 807 KAR 5:011, Section 13, requires each utility to file with the Commission "a copy of all special contracts entered into governing utility service that establish rates, charges, or conditions of service not included in its general tariff." Thus, in granting the pending motions to dismiss, we will require EKPC to file in the Commission's Tariff Filing System one copy of the Amendment 3 MOD with the signature pages of each of its 16 Members.

**Elaine Johns** President/CEO  
T (678) 610-2910 | C (678) 910-1122 | (888) 999-8840  
[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Elaine Johns  
**To:** Mark Stallons; Mike Williams; tisharp@srelectric.com; carolwright@jacksonenergy.com  
**Subject:** Amendment 3 Market Assessment  
**Date:** Wednesday, December 13, 2017 2:07:30 PM

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

All, we have prepared the information below for your consideration of Amendment 3. I think we captured everything you requested. Please let me know if you have any questions. My contact information is at the bottom of this email.

Thanks,  
Elaine

**Current Market Estimates**

Estimated EKPC range (including NITS and Ancillaries)	\$64.45 - \$94.11
Estimated EKPC range (excluding NITS and Ancillaries)	\$62.71 - \$91.36
<b>Equivalent market estimates (\$/MWh)</b>	
5 year range	\$38.00 - \$43.00
10 year range	\$38.00 - \$44.00
15 year range	\$40.00 - \$45.00
20 year range	\$41.00 - \$49.00

**Pros**

- Net savings by purchasing energy at a lower rate from the market rather than from EKPC
- Purchase less energy at the EKPC rate, which is likely to increase as other members make Amendment 3 purchases
- Avoid taking on share of EKPC expenses no longer paid by other members making Amendment 3 purchases (if not participating)

**Cons**

- New expenses associated with administering contract for Amendment 3 purchase (could be shared with other participating cooperatives)
- New skill/knowledge for coop staff to learn
- PSC Exposure: Need for PSC approval of Amendment 3 purchase (RUS approval also needed but expected to be no issue)
- Breaking "agreement" with other EKPC members regarding use of Amendment 3 purchases

**Anticipated Billing Changes**

With the implementation of Amendment 3, anticipated changes to the cooperatives' month billings are listed below. The bulk of this information is located in the MOU, Section 5(E). EKPC is currently producing a mock bill for SKRECC.

Section 5E(i) outlines EKPC's role to provide replacement capacity and energy should the Alternate Source not deliver sufficient capacity or energy to serve the Owner Member's actual load intended to be served by the Alternate Source. In this situation, EKPC will purchase replacement capacity and energy and charge the Owner Member, and not at rates under the Wholesale Power Contract. This means an Alternate Source contract should address failure to deliver, as EKPC may purchase capacity and energy at then-current PJM prices, which may be higher than the prices from the Alternate Source.

- Section 5E(iv) describes how EKPC will pass through all revenues, credits, and charges from PJM associated with the Alternate Source. This includes day-ahead and real-time energy market, PJM capacity market, PJM operating reserve, and PJM operating services necessary to serve the load served by the Alternative Source.
- Section 5E(vi) states that the Owner Member will pay an administrative fee to EKPC to cover the increased operation and administrative costs. This fee has not been finalized, but we anticipate this to be small relative to the overall savings.
- Section 5E(vii) outlines how EKPC or EKPC's agent will manage the PJM market participant activities for the Alternate Source and related load. This includes a non-discriminatory, cost-based fee that Owner Member shall pay to EKPC for these market services.
- New PJM membership will be necessary. This includes filing a one-time Application with a fee of \$1,500 and providing an Annual Membership Fee of \$5,000.

### **Proposed Schedule**

Notice:	ASAP (to ensure place in queue with little risk because market is lower than EKPC) or by end of January 2018
RFP release:	January 1
Bids due:	February 1
Short list:	March 15
Contract negotiations & Board approvals:	May 15
Approvals (RUS, PSC):	November 1
Commencement:	June 2019

**Elaine Johns** President/CEO

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**From:** Elaine Johns  
**To:** Mark Stallons; Mike Williams; tjsharp@srelectric.com; carolwright@jacksonenergy.com  
**Subject:** RE: Amendment 3 Market Assessment  
**Date:** Thursday, December 14, 2017 4:51:49 PM

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

I received a clarifying question from Blue Grass today and realized that I left out some details – sorry!

The ranges below for the market estimates: The low end is the price estimate at the start of the contract (2020). The high end is the price at the end of the contract (includes cost escalations).

The market estimates include NITS and ancillaries, thus are comparable to the EKPC range of \$64.45 - \$94.11.

Approximate breakouts of capacity, energy and NITS & ancillaries within the prices:

- Energy 75-78%
- Capacity 11-13%
- NITS & Anc. 10-13%

Please let me know if you have any questions! Thanks,  
Elaine

**From:** Elaine Johns  
**Sent:** Wednesday, December 13, 2017 2:07 PM  
**To:** mstallons@owenelectric.com; 'Mike Williams' <mikew@bgenenergy.com>; 'tjsharp@srelectric.com' <tjsharp@srelectric.com>; 'carolwright@jacksonenergy.com' <carolwright@jacksonenergy.com>  
**Subject:** Amendment 3 Market Assessment

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Thanks,  
Elaine

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ASAP (to ensure place in queue with little risk because market is lower than EKPC) or by end of January 2018

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**From:** Terri Combs  
**To:** [Mike Williams \(mikew@bgenergy.com\)](mailto:mikew@bgenergy.com); Mark Stallons; Tim Sharp; Carol Wright  
**Cc:** [Tony Campbell](#); [Don Mosier](#); [Mike McNalley](#); [David Crews](#); [Kelli Gibson](#); [Kim Fyffe](#)  
**Subject:** meeting after KAEC meeting  
**Date:** Monday, December 18, 2017 11:48:59 AM

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Tony would like you to meet with him immediately following the KAEC Board meeting tomorrow to continue the Amendment 3 discussion. EKPC staff members (Mike McNalley, Don Mosier and David Crews) will be participating via a conference call.

The conference call information is as follows:

Toll-Free Dial-In: 1-877-597-2663  
Conference ID: 2213450  
Moderator PIN: 4689 (Tony will moderate)

Please let me know if you will be able to meet with him to participate on this call. Thank you so much.

Regards,  
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](mailto:Terri.combs@ekpc.coop)



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**From:** Terri Combs  
**To:** "Carol Wright"  
**Cc:** [Mike Williams \(mikew@bgenenergy.com\)](mailto:mikew@bgenenergy.com); Mark Stallons; Tim Sharp; Tony Campbell; Don Mosier; Mike McNalley; David Crews; Kelli Gibson; Kim Fyffe  
**Subject:** RE: meeting after KAEC meeting  
**Date:** Monday, December 18, 2017 12:35:35 PM

---

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Yes, sorry Carol. Tony said it will be after the statewide safety goals meeting.

Thanks,  
T.

**From:** Carol Wright [mailto:[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)]  
**Sent:** Monday, December 18, 2017 12:18 PM  
**To:** Terri Combs <[terri.combs@ekpc.coop](mailto:terri.combs@ekpc.coop)>  
**Cc:** Mike Williams ([mikew@bgenenergy.com](mailto:mikew@bgenenergy.com)) <[mikew@bgenenergy.com](mailto:mikew@bgenenergy.com)>; [mstallons@owenelectric.com](mailto:mstallons@owenelectric.com); Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Tony Campbell <[tony.campbell@ekpc.coop](mailto:tony.campbell@ekpc.coop)>; Don Mosier <[Don.Mosier@ekpc.coop](mailto:Don.Mosier@ekpc.coop)>; Mike McNalley <[Michael.McNalley@ekpc.coop](mailto:Michael.McNalley@ekpc.coop)>; David Crews <[David.Crews@ekpc.coop](mailto:David.Crews@ekpc.coop)>; Kelli Gibson <[KGibson@kaec.org](mailto:KGibson@kaec.org)>; Kim Fyffe <[Kim.Fyffe@ekpc.coop](mailto:Kim.Fyffe@ekpc.coop)>  
**Subject:** Re: meeting after KAEC meeting

All CEO's were suppose to meet regarding setting statewide safety goals immediately following the KAEC meeting during lunch.

Could we participate after that meeting?

Carol

Sent from my iPhone

On Dec 18, 2017, at 11:49 AM, Terri Combs <[terri.combs@ekpc.coop](mailto:terri.combs@ekpc.coop)> wrote:

Tony would like you to meet with him immediately following the KAEC Board meeting tomorrow to continue the Amendment 3 discussion. EKPC staff members (Mike McNalley, Don Mosier and David Crews) will be participating via a conference call.

The conference call information is as follows:

Toll-Free Dial-In:	1-877-597-2663
Conference ID:	2213450
Moderator PIN:	4689 (Tony will moderate)

Please let me know if you will be able to meet with him to participate on this call. Thank you so much.

Regards,

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](mailto:Terri.combs@ekpc.coop)



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**From:** Terri Combs  
**To:** "Carol Wright"  
**Cc:** [Mike Williams \(mikew@bgenergy.com\)](mailto:mikew@bgenergy.com); Mark Stallons; Tim Sharp; Tony Campbell; Don Mosier; Mike McNalley; David Crews; Kelli Gibson; Kim Fyffe  
**Subject:** RE: meeting after KAEC meeting  
**Date:** Monday, December 18, 2017 2:06:25 PM

---

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Tomorrow's meeting will be held in the Rockbridge room.

**From:** Carol Wright [<mailto:carolwright@jacksonenergy.com>]  
**Sent:** Monday, December 18, 2017 2:05 PM  
**To:** Terri Combs <[terri.combs@ekpc.coop](mailto:terri.combs@ekpc.coop)>  
**Cc:** Mike Williams ([mikew@bgenergy.com](mailto:mikew@bgenergy.com)) <[mikew@bgenergy.com](mailto:mikew@bgenergy.com)>; [mstallons@owenelectric.com](mailto:mstallons@owenelectric.com); Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Tony Campbell <[tony.campbell@ekpc.coop](mailto:tony.campbell@ekpc.coop)>; Don Mosier <[Don.Mosier@ekpc.coop](mailto:Don.Mosier@ekpc.coop)>; Mike McNalley <[Michael.McNalley@ekpc.coop](mailto:Michael.McNalley@ekpc.coop)>; David Crews <[David.Crews@ekpc.coop](mailto:David.Crews@ekpc.coop)>; Kelli Gibson <[KGibson@kaec.org](mailto:KGibson@kaec.org)>; Kim Fyffe <[Kim.Fyffe@ekpc.coop](mailto:Kim.Fyffe@ekpc.coop)>  
**Subject:** Re: meeting after KAEC meeting

Thank you, I will attend.

Carol

Sent from my iPhone

On Dec 18, 2017, at 12:35 PM, Terri Combs <[terri.combs@ekpc.coop](mailto:terri.combs@ekpc.coop)> wrote:

Yes, sorry Carol. Tony said it will be after the statewide safety goals meeting.

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On Dec 18, 2017, at 11:49 AM, Terri Combs <[terri.combs@ekpc.coop](mailto:terri.combs@ekpc.coop)> wrote:

Tony would like you to meet with him immediately following the KAEC Board meeting tomorrow to continue the Amendment 3 discussion. EKPC staff members (Mike McNalley, Don Mosier and David Crews) will be participating via a conference call.

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Regards,  
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Executive Assistant/Paralegal  
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PO Box 707  
Winchester, KY 40392-0707  
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[Terri.combs@ekpc.coop](mailto:Terri.combs@ekpc.coop)

<image001.jpg>

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**From:** Tim Sharp  
**To:** Elaine Johns  
**Cc:** carolwright@jacksonenergy.com; Mark Stallons; Mike Williams (mikew@bcenergy.com)  
**Subject:** FW: EnerVision Professional Services Agreement  
**Date:** Friday, December 22, 2017 12:22:01 PM  
**Attachments:** EnerVision-Salt River PSA.docx

---

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Elaine,

Our attorney reviewed the agreement and had a specific concern before we sign it.

He would like it to spell out how the cost will be divided among the cooperatives (straight split, % of contract, etc.) and also how we would handle someone deciding not to participate or someone else deciding to participate in the future.

In general terms, we said we would share the cost, but he does bring up a valid concern we need to address.

Carol, Mark, or Mike.....Do you have any thoughts on how you want to handle this? I do not have any strong feelings, but feel we do need to decide before we get too far along.

Have a great Christmas!

Tim

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Thursday, December 14, 2017 11:29 AM  
**To:** Tim Sharp <tjsharp@srelectric.com>  
**Subject:** EnerVision Professional Services Agreement

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

Hi, Tim -- I hope the information I sent yesterday will be helpful for your discussions with your board. Please let me know if you need anything else.

Attached is our Professional Services Agreement. Please let me know if you have any comments. You will see in the description dollar estimates for each Phase of the project, these dollars are for the entire group. Usually, the cooperatives will determine together how they will divide up our fees and expenses.

We can execute via scans if that's ok with you. Merry Christmas! Thanks,  
Elaine

**Elaine Johns** President/CEO

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[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Terri Combs  
**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](#); [Jim Jacobus -- Inter-County](#); [Jimmy Longmire -- Salt River](#); [Jody Hughes](#); [Joe Spalding, Inter-County Energy](#); [Jonl Hazelrigg](#); [Kelly Shepherd](#); [Ken Arrington -- Grayson](#); [Kerry Howard -- Licking Valley](#); [Landis Cornett](#); [Mark Stallons](#); [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:** [Tony Campbell](#); [Mike McNalley](#); [Don Mosier](#); [David Smart](#)  
**Subject:** From Tony Campbell re: Amendment 3 Memo  
**Date:** Friday, December 29, 2017 3:32:27 PM  
**Attachments:** [image002.png](#)  
[A3 Load Loss Mitigation Discussion Final.docx](#)

---

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***Sending on behalf of Tony Campbell***

All:

Since South Kentucky gave us notice to exercise their rights under the MOU, we have had a number of CEO's contact us. Many have asked questions about the financial impacts to the remaining Owner Members. Mike McNalley and his team have been working on the potential cost implications of losing this 58 MW baseload block of power. Please remember this was done somewhat quickly, and we will continue to refine the data. In addition, please note that we will do everything possible to totally mitigate this loss of load, and will protect our Owner Members should it return at an inopportune time.

*Regards,*  
**Anthony "Tony" Campbell**

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

cid:image001.jpg@01D0992C.EB9EAD80



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**From:** Elaine Johns  
**To:** Mark Stallons; [tsharp@srelectric.com](mailto:tsharp@srelectric.com); Carol Wright; Mike Williams  
**Subject:** A3 Allocation Change Due to This Week's Weather  
**Date:** Tuesday, January 2, 2018 5:33:12 PM  
**Importance:** High

---

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From looking at EKPC zone this morning, we are watching to see if this week will knock off the January 2016 from the A3 Allocation if you notice February 1. We should verify our interpretation of the MOU with EKPC – to get January 2018 (which is higher than January 2016) in the A3 Allocation, your notice needs to be submitted on Feb. 1 instead of Jan 31.

Thanks,  
Elaine

**Elaine Johns** President/CEO  
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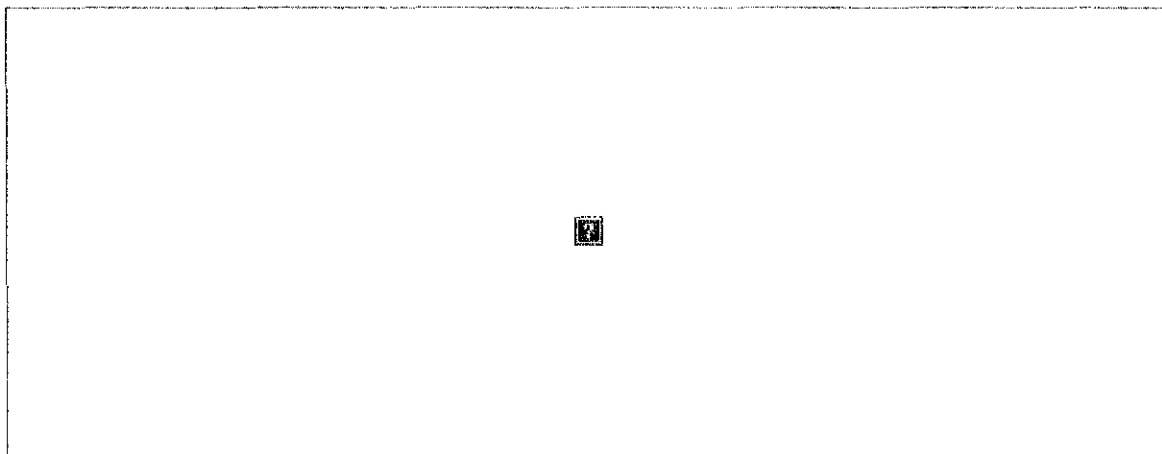
**From:** Elaine Johns  
**To:** Mark Stallons; tjsharp@srelectric.com; Carol Wright; Mike Williams  
**Cc:** Barry Birkett  
**Subject:** RE: A3 Allocation Change Due to This Week's Weather  
**Date:** Tuesday, January 2, 2018 5:29:00 PM  
**Attachments:** [Image001.png](#)

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Here's a visual that may help to explain how the MOU calculations work.

- . The first line shows the 3 rolling 12-month CPs, if you give notice in January.
- . The second line, if you notice in February. Notice that Jan 2018 comes into play if you wait to notice in Feb. That's what I'd like to verify with EKPC – assuming that Jan. 2018 will set an EKPC peak.
- . And the third line, if March. Notice you lose the polar vortex (Jan. 2015) if you wait until March to provide notice.



**From:** Elaine Johns  
**Sent:** Tuesday, January 2, 2018 9:07 AM  
**To:** mstallons@owenelectric.com; 'tjsharp@srelectric.com' <tjsharp@srelectric.com>; 'Carol Wright' <carolwright@jacksonenergy.com>; 'Mike Williams' <mikew@bgenenergy.com>  
**Subject:** A3 Allocation Change Due to This Week's Weather  
**Importance:** High

From looking at EKPC zone this morning, we are watching to see if this week will knock off the January 2016 from the A3 Allocation if you notice February 1. We should verify our interpretation of the MOU with EKPC – to get January 2018 (which is higher than January 2016) in the A3 Allocation, your notice needs to be submitted on Feb. 1 instead of Jan 31.

Thanks,  
Elaine

**Elaine Johns** President/CEO  
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**From:** Elaine Johns  
**To:** [Mark Stallons](#); [Tim Sharp](#); [Carol Wright](#); [Mike Williams](#)  
**Cc:** [Mary Ellen Cole](#)  
**Subject:** EnerVision Housekeeping for KY Group  
**Date:** Thursday, January 4, 2018 8:47:21 PM

---

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Hi, all - I spoke to Mark today our several items that came up over the holidays:

. We are tracking our costs via 2 buckets: one for the RFP and the other for Amendment 3 and MOU process and transacting in PJM. Mark indicated that he and Mike have agreed to the following approach: The RFP Bucket will be split evenly among Owen, Salt River and Jackson. When/If Blue Grass participates, we will take the total and have Blue Grass true you up. The other Bucket will be split evenly among the 4 coops. Tim and Carol, do you concur? . This week's weather is being labeled as the 2nd Polar Vortex. If that is true, we expect EKPC will be peaking this week, thus, per my earlier email, if you all provide notice on Feb. 1, you will probably have an increased allocation that you can take to the market. Please refer to that email as I would like to have EKPC's concurrence to our conclusion.

. Mary Ellen Cole (from EnerVision) is facilitating the RFP with the marketers. Today she sent over NDAs from 3 marketers that need to be executed by Owen, Salt River and Jackson.

We need to have your John Hancocks before the marketers submit their bids on Jan. 19.

Please let me know if you have any questions! Thanks,  
Elaine

**Elaine Johns President/CEO**

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Sent from my iPad

**From:** Mary Ellen Cole  
**To:** [Carol Wright](#); [Elaine Johns](#)  
**Cc:** [Tim Sharp](#); [Mark Stallons](#)  
**Subject:** RE: Data to be Sent  
**Date:** Tuesday, January 16, 2018 7:35:53 PM

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Our timeframe to evaluate is fairly quick – I expect to have preliminary analysis to you by Wednesday of this next week. The Shortlist Decision Date (as listed on the RFP) is February 1, so we have up until then to make the shortlist.

As far as the different notice dates – a likely solution would be to give notice when necessary (January and February), but identify the same delivery commencement date despite the different notice dates. So if Owen provides notice in January, Mark would actually give 19 months' notice; Jackson and Salt River would provide notice in February, and give 18 months' notice. This would satisfy the notice requirements and keep you all in line with the same commencement date. I will confirm this as a possible option in the Amendment and MOU language for further discussion.

Let me know if this answers your questions. Thanks,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (865) 454-0548 | Alt. (865) 803-8037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Carol Wright [<mailto:carolwright@jacksonenergy.com>]  
**Sent:** Tuesday, January 16, 2018 6:52 PM  
**To:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**Cc:** Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; [mstallons@owenelectric.com](mailto:mstallons@owenelectric.com); Mary Ellen Cole <[Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)>  
**Subject:** Re: Data to be Sent

Also, what is our timeframe to evaluate the bids?

I am also wondering how the notice to EKPC will work since Owen may need to notice on Jan. 31

while Salt River and Jackson's date is the end of Feb. Any thoughts on this?

Carol

Sent from my iPad

On Jan 16, 2018, at 6:41 PM, Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)> wrote:

Mark and I discussed what data needs to be sent to marketers. To be easier and consistent, we identified what SKRECC sent:

- 2015 EKPC Financial Forecast
- EKPC Section E Tariff
- One month EKPC Invoice

**Elaine Johns** President/CEO  
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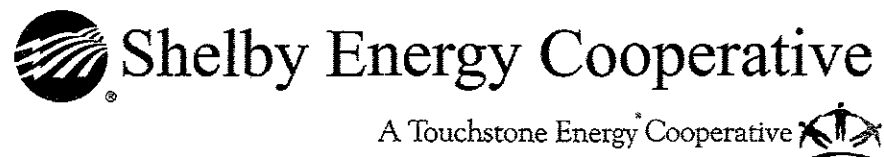
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# Introduction to EnerVision and Power Supply Discussion



January 31, 2018



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*Confidential*

# Agenda

- Introduction to EnerVision
- EKPC Alternate Source
- The Power Supply Procurement Process
- The Active RFP Status

## **EnerVision Background**

- Incorporated in 1997 as OPC subsidiary
- Employees bought company in October 1998
- Located in Atlanta, GA
- Have served 120+ clients in 30+ states





## Markets We Serve

- **Electric Cooperatives (Primary)**

- Distribution
- G&Ts
- Statewide Organizations
- Affiliated Organizations (NRECA, CFC, etc.)

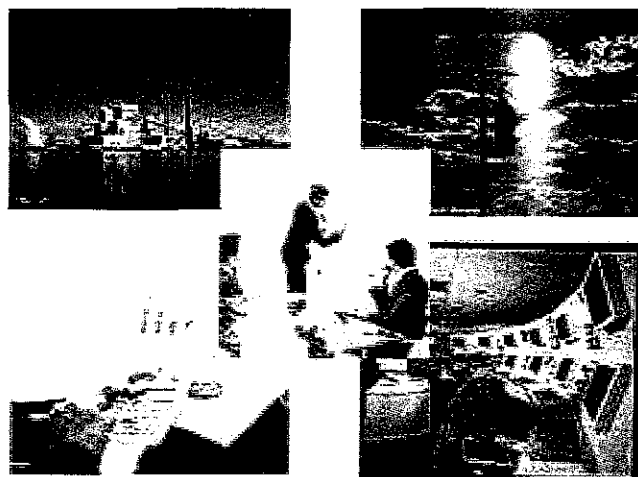
- **Municipal Utilities**

- **Renewable Resource Developers**

- **Other Select Clients**

- Government Groups
- Private Entities
- Large Power Users

# Services / Business Lines



**Management Consulting**

**Emerging Energy  
Solutions**

**Power Supply**



# Management Consulting

**EnerVision offers a set of Management Consulting services to address changing business needs and effectively meet customers' future requirements**

- Strategic Planning
- Business Planning
- Organizational Design
- Succession Planning
- Board Self-Assessments / Policies Review
- Mergers & Acquisitions
- Emergency Restoration Planning (ERP)



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# Emerging Energy Solutions

The Emerging Energy Solutions business line focuses on a utility's ability to meet future goals and requirements by leveraging its distribution system and end users



## Demand Side

### Management (DSM)

- Energy Efficiency / Conservation
- Demand Response
- Direct Load control
- Consumer Engagement

### Renewables / DERs

### Smart Grid

- Technology Strategic Planning

## Wholesale & Retail

### Rates Services

- Rate and Pricing Strategy
- Cost of Service Studies
- Rate Design
- Innovative Pricing Structures
- Cost Recovery Mechanisms



# Power Supply

**EnerVision offers a wide range of Power Supply consulting services which can assist the electric utility with all aspects of power supply planning**

## **Power Supply Services**

- Traditional Generation Sources
- Purchase Power Opportunities
- Alternate Energy Options
- New Technologies

## **Supply Side Services**

- Planning
- Contracting
- Contract Administration
- Hedging & Risk Management

## **Renewable Energy & Energy Innovation Services**

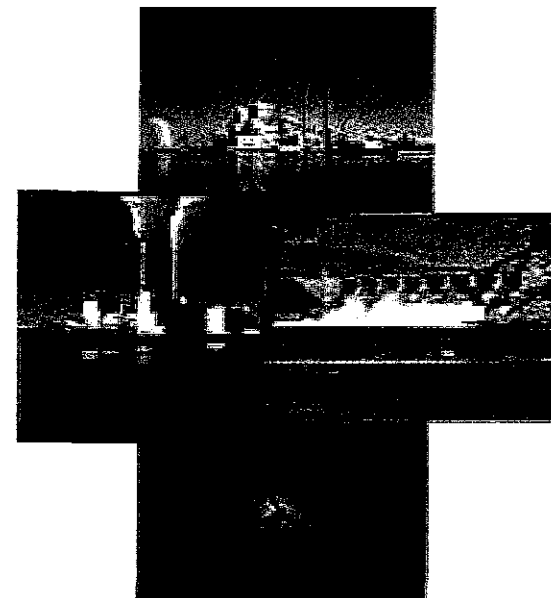
- Total Energy Planning
- Renewable Resources
- DERs

## **Load Management / Demand Response**

## **Energy Efficiency / Evaluation Tools**

## **Compliance Services**

- Integrated Resource Plans (IRP)
- Renewable Portfolio Standards (RPS)
- FERC / NERC Compliance



# EKPC Alternate Source



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## **Original Purpose of Amendment 3**

**“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.” - MOU, Section 0.6**

## **EKPC Alternate Source Opportunity**

- **Amendment 3 and MOU**

- 15% individual load, up to 2.5% of EKPC's total system load. Then,
- 5% individual load, up to 5% of EKPC's total system load.

- **Key Requirements**

- Notice: 18 months prior to delivery; 18 months prior to exit
- Term start date (18 months +); term duration (max. 20 years)
- Quantity (max. based on 3 year average CP, other member elections)
- General description of Source
- Approximate Expected Pattern of energy delivery; based on PPA parameters not necessarily profile of actual generation asset
- Designate behind the meter or Related EKPC Point of Delivery



## **EKPC Remaining Opportunity (approx.)**

- **5% of EKPC total system = 149.0 MW**
- **Already noticed by others = 69.2 MW**
- **Remaining = 79.8 MW**
- **Based on rolling 3-year CP average**
  - Will be adjusted with new January 2018 peak data

# Power Supply Procurement Process



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## Determining Buyer Preferences

- **Wants:**

- “Hands-on” or more “turnkey”?
- Do economics trump all other considerations?
- Cost-based (formula rate) or market price?
- Pricing structure – fixed, indexed to fuel, energy only, flat/escalation?
- Other contractual terms (e.g., preferred term, evergreen provision)?
- Steel in the ground?
- Any providers they will not consider, or with which they’ve had a bad experience?

# RFP Development

- Request for Proposals
  - Definition of what we're seeking – quantity; delivery point; term
- Schedule
  - Key milestone dates – RFP Release; Notice of Intent; Response Date (proposal deadline); Short List; Contract Execution (perhaps); Delivery Commencement
- Proposal Requirements
  - Elements that must be included for proposal to be compliant
  - Often extends beyond power supply particulars to counterparty information (qualifications, financial information, references)

## RFP Development (Cont'd.)

- Additional Information
  - Buyer preferences, if any, that can be shared at time of distribution
  - Criteria upon which proposals will be evaluated – may be general or specific
  - Legal disclaimers – confidentiality, no representation/warranty, no obligation
  - Contact information – Buyer (if applicable), Legal (if applicable)
  - Next Steps. Reminder to provide Notice of Intent and to initiate confidentiality process
  - Buyer Information. Any background Buyer may wish to provide, including territory map
- Confidentiality Agreement (separate document). Sometimes will send this out with RFP or may wait for notice of intent to respond
- Load and Resource Data (separate documents). Not distributed until Confidentiality Agreement has been executed

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## RFP Distribution

- Determine if public distribution or selected audience
  - If public distribution:
    - Consider whether to publish in an industry publication
    - Consider which website(s) on which to post
  - If selected audience:
    - Identify those marketers able to provide
    - Personally contact all capable marketers

# Evaluating Buyer's Preferences

Kepner-Tregoe (K-T) decision-making approach of assigning weights and scores to subjective factors/preferences

- **Must Have's:**
  - Economics (equal to or better than the Base Case)
  - Reliability (ability to provide Firm power to appropriate delivery points)
  - Creditworthiness (able to meet minimum counterparty credit standard of investment grade rating)
- **Want's:**
  - Desired objectives, weighted and scored
- **Risk Assessment: potential adverse consequences associated with top 2 alternatives**
  - Plot on a grid according to probability of occurrence and magnitude of impact
  - Potential impact of adverse consequences may trump everything else (i.e., the downside would be too great to bear)

## Scoring the K-T (Wants & Weightings)

Factor	What it Means	Weight	Proposal A	Proposal B	Proposal C
Economics	All-in expected cost, including congestion	10			
Term	Minimum 10 year deal (or with extension = ten)	9			
Credit Assurances	Acceptable level of credit assurance (credit rating, provisions to post credit upon downgrade, etc.)	9			
Structure	Cost versus Market-based	7			
Price Stability	Willing to pay higher rate now for level price path; ability to maintain an escalation path similar to other regional players	6			
Load Management	Cooperative maintains controls of load management program and associated decisions	5			
Regulation	Prefer regulated over non-regulated entities	4			
Source of Power	Steel in the ground; green power/RPS alternatives; defined contracts for purchased power	2			
Comfort Level	Knowledge / experience with supplier; comfortable with customer service aspects of supplier	1			





## Develop Base Case; Compare Proposals

- The Base Case represents the amount Buyer would continue to pay under status quo
- All components of power supply are calculated for each proposal to ensure apples-to-apples comparison (see next slide)
- Comparing the Base Case and the marketers' proposals shows possible savings
- Present value analysis is used to equate proposals with different year-to-year savings

## Apples-to-Apples Comparisons

- Most proposals do not include all power supply components in their fixed price
- Evaluation needs to calculate values for all individual components of power supply in order to calculate an all-in cost for each proposal:
  - Capacity
  - Energy
  - Scheduling Agent Services
  - Transmission/Ancillary Services
  - Other

## Round 1 Cuts and Subsequent Pricing Rounds

- Develop your own “cut list” going in (applies to every round)
  - Does proposal include must-have criteria?
  - Is Marketer creditworthiness acceptable?
  - Are the economics out of line with Base Case?
- Identify next steps for subsequent round(s)
  - Clarify any remaining uncertainties regarding proposal terms
  - Ask for refreshed pricing for remaining proposals
  - Clearly communicate competitive nature of process to marketers
  - Rinse and repeat with respect to evaluation, presentation, and future cuts
- Give remaining marketers one final shot before cutting to the short list

## After Cutting to the Short List

- Refreshed term sheets from all remaining respondents
  - Ask for representative contract terms for issues that will be difference-makers for Buyer; perhaps:
    - Credit terms
    - Congestion
    - One-way termination
- Additional senior management and board presentations
- Cut to a “short-short-list” of two or three
  - Draft contracts from at least two (so one can’t leave you hanging)
  - Consider having Buyer’s team pull together the first draft
- Negotiations
  - If more than one Marketer is offering an excellent opportunity, it is recommended to negotiate with more than one until they separate themselves

## Mock Bills

- Obtain mock bills from both G&T and Marketer
  - Ensures that implementation will meet expectations and analyses
  - Includes all components of wholesale power costs:
    - Power supply
    - Transmission
    - RTO costs

## Negotiate Contract(s)

- **Final negotiations will begin at this point**

- Negotiations will include attempts to further reduce price, as well as strengthen any part of the proposal that will provide extra benefits
- All terms and conditions are established during the negotiations (more difficult than negotiating price)
- If negotiating with more than one Marketer, negotiations are done in parallel (leverage)

## Contract Protections - Delivery

- **If seller fails to deliver as contracted, both reliability and economics are protected**
  - PJM market automatically provides replacement capacity and energy at market prices
  - Contract contains “replacement cost” provision requiring Seller to pay difference between PJM market price and price cooperative would have paid seller
- **EKPC continues to be party responsible, as it is today, for communicating load information to PJM and receiving capacity, energy & PJM billing information on behalf of cooperative**

## Contract Protections - Credit

- **Promise to deliver at contracted prices only as good as the creditworthiness of the seller making the promise**
- **Proposals will only be accepted from:**
  - Potential sellers with strong credit
  - Potential sellers with less than strong credit that provide a guarantee from a parent or other entity with strong credit
- **To protect against seller or guarantor credit that declines in quality over time**
  - Credit triggers will be included in contract and monitored throughout the term
  - Contract provisions will require seller to post letter of credit or other protection for cooperative if seller does not meet creditworthiness threshold



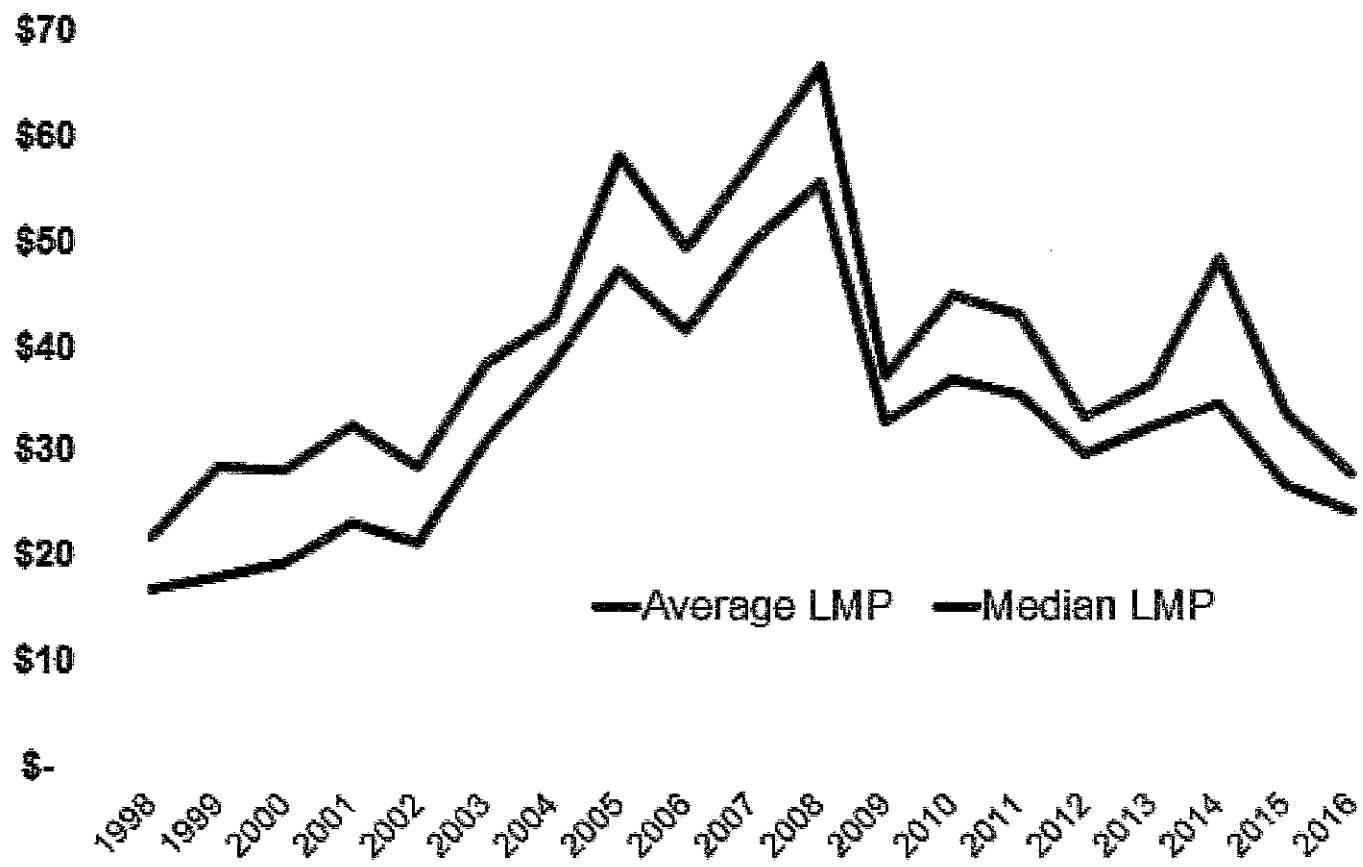
## Creditworthiness

- **Creditworthiness is crucial to both cooperative and seller, especially in longer-term transactions**
  - Cooperative needs assurance seller will be able to deliver at contract prices throughout the term
  - Seller needs assurance buyer will be able to pay for purchases throughout the term
- **Contracts include provisions for posting of collateral if agreed minimum credit thresholds are not maintained by either party**
- **Cooperatives (if not rated) typically insist marketers accept minimum TIER and/or DSC thresholds in debt covenants as indication of creditworthiness**
- **For sellers (or sellers' guarantors), creditworthiness based on credit ratings from agencies (S&P, Fitch, Moody's)**

## Early Termination

- **Early termination in most contracts is allowed only in the case of default when one party fails to meet a significant obligation**
  - Termination upon default is negotiated so neither party gets stuck in the contract should the other party fail to meet its obligations
  - Optional termination provisions not typically seen in marketers contracts
- **Protections against damages to cooperatives from seller default:**
  - Careful selection of potential sellers, keeping in mind financial strength and history with other transactions
  - Contract credit provisions as discussed in prior slides
  - Provisions to require posting of collateral prior to credit issues
- **Bottom line: there is no guarantee ANY seller will be there throughout a long term contract, but contract provisions can keep the cooperative whole should the seller fail**

## PJM Historical Market Prices 1998-2016



Data from  
PJM State of the  
Market Report - 2016

## Sign Most Attractive Contract(s)

- Once an agreement is reached on the terms and conditions of the contract, the contract and recommendations are presented to the Board of Directors
- Upon Board approval, the contract can be signed

## Approval and Implementation

- Transmission agreements, if applicable, are completed and signed with new supplier(s)
- Signed contract and transmission agreements are submitted to RUS and other regulatory agencies for approval
- Implementation arrangements are completed with incumbent supplier and new supplier(s)

## Then What?

- EnerVision develops process to check initial bills
- If desired, staff is trained, or
  - Coops with similar contracts can share in contract administration
- Contract administration includes
  - Monthly bill review (G&T, Marketer & RTO)
  - Budgets and forecasts

# Active RFP Status



---

*Confidential*

## Active RFP Status and Timeline

- **Published RFP (December 22)**
  - Directed to select potential providers and published publicly
  - Maximize savings versus EKPC all requirements supply
- **Received bids (January 19)**
- **Apples-to-Apples Evaluation (on-going)**
- **Shortlist created (Feb 5)**
- **Round 2 Evaluation and Negotiation**
- **Serve Notice to EKPC (Feb 23)**
- **Alternate Supply Delivery (target Aug 1, 2019)**



# Summary

- Introduction to EnerVision
- EKPC Alternate Source
- The Power Supply Procurement Process
- The Active RFP Status

## Next Steps

- **Board Resolution to proceed**
- **If affirmative**
  - NDA with Marketers
  - Share financial data for credit check
  - Review proposals

**From:** Mary Ellen Cole  
**To:** [Mark Stallons](#); [Tim Sharp](#); [Carol Wright](#); [mikew@bgenergy.com](mailto:mikew@bgenergy.com)  
**Cc:** [Barry Birkett](#); [Elaine Johns](#)  
**Subject:** RE: EKPC Notice Template  
**Date:** Thursday, February 1, 2018 3:12:35 PM

---

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

Good afternoon all,

After a question from Tim, we feel that your notice could say 20 years instead of 5-20 years for the term. You're reserving your right to extend your term for the full 20 years while leaving the option open to a shorter term should you so choose. If you provide notice now, and choose later to not follow through with an Alternate Source, your load will stay within the full requirements rate. This is per the MOU.

If you have any questions, please feel free to email or call. Thanks,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (866) 454-0548 | Alt. (866) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Elaine Johns  
**Sent:** Tuesday, January 30, 2018 4:23 PM  
**To:** [mstallons@owenelectric.com](mailto:mstallons@owenelectric.com); [Tim Sharp <tjsharp@srelectric.com>](mailto:timsharp@srelectric.com); [Carol Wright <carolwright@jacksonenergy.com>](mailto:carolwright@jacksonenergy.com); [mikew@bgenergy.com](mailto:mikew@bgenergy.com)  
**Cc:** [Barry Birkett <Barry.Birkett@enervision-inc.com>](mailto:Barry.Birkett@enervision-inc.com); [Mary Ellen Cole <Mary\\_Ellen.Cole@enervision-inc.com>](mailto:Mary_Ellen.Cole@enervision-inc.com)  
**Subject:** EKPC Notice Template

Hi, all – attached is a template for the EKPC notice – the letter contains all requirements of the notice as outlined in the MOU.

Please let us know if you have any questions. See you at 8am!  
Elaine

**Elaine Johns** President/CEO

T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840

[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Elaine Johns  
**To:** Mary Ellen Cole  
**Cc:** Mark Stallons; Tim Sharp; Carol Wright; mlkew@bcenergy.com; Barry Birkett  
**Subject:** Re: EKPC Notice Template  
**Date:** Friday, February 2, 2018 7:20:35 AM

---

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Update and to answer questions from yesterday:

While there is a provision in the **MOU (5(E)(i))** under which EKPC would purchase market power to replace energy from an Alternate Source that does not deliver as anticipated, all provisions point to the obligation of EKPC to serve Members' load under the full requirements rate as long as any notice is cancelled within six month of being submitted to EKPC.

It is clear load is anticipated to be served under the full requirements rate until the date in the notice. Under **Section 4(E) of the MOU**, the member has until six months beyond the date provided in the notice to bring the Alternate Source online. That section clearly states the load will continue to be served by EKPC under the Wholesale Power Contract for that six month period.

**Section 4(D) of the MOU** provides the ability for the member to cancel or modify the Alternate Source election by providing EKPC 18 months' notice.

Taken together, these sections give the member six months from the date the initial notice is submitted to EKPC to cancel the notice without risk of the load being taken out from under the EKPC tariff.

In looking at Amendment 3 (not the MOU), there is a section to note. Pursuant to **Section 1.1.b. of Amendment 3**, if a notice is given and cancelled, such that the loads go back to the EKPC full requirements obligation, "such loads" may not thereafter be switched to another supplier. We have a simple interpretation to that language: in the event you desire to cancel your notice, the MWs associated with your Feb. 2018 go back to the EKPC pot and cannot be used again. You can still notice later - say, in May 2018, those are not the same MWs.

As you know, this week Clark, Shelby and Fleming Mason received the nods from their boards to join the RFP. We are communicating with the marketers today for sharpened pricing and a potential 70 MW block.

Please let us know if you have questions/comments. Thanks,  
Elaine

Sent from my iPad

On Feb 1, 2018, at 3:12 PM, Mary Ellen Cole <[Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)> wrote:

Good afternoon all,

After a question from Tim, we feel that your notice could say 20 years instead of 5-20 years for the term. You're reserving your right to extend your term for the full 20 years while leaving the option open to a shorter term should you so choose. If you provide notice now, and choose later to not follow through with an Alternate Source, your load will stay within the full requirements rate. This is per the MOU.

If you have any questions, please feel free to email or call. Thanks,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant

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[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Elaine Johns

**Sent:** Tuesday, January 30, 2018 4:23 PM

**To:** [mstallons@owenelectric.com](mailto:mstallons@owenelectric.com); Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; [mikew@bgenenergy.com](mailto:mikew@bgenenergy.com)

**Cc:** Barry Birkett <[Barry.Birkett@enervision-inc.com](mailto:Barry.Birkett@enervision-inc.com)>; Mary Ellen Cole <[Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)>

**Subject:** EKPC Notice Template

Hi, all – attached is a template for the EKPC notice – the letter contains all requirements of the notice as outlined in the MOU.

Please let us know if you have any questions. See you at 8am!  
Elaine

**Elaine Johns** President/CEO  
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[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** [Missy Moore](#)  
**To:** [Mark Stallons](#)  
**Subject:** Letter of Notice  
**Date:** Tuesday, February 6, 2018 8:57:28 AM  
**Attachments:** [Letter of Notice - V2.2.2.18.docx](#)

---

Hi Mark,

Attached is the letter of notice we completed last Friday following the board meeting. Please let me know what changes you would like for me to make.

*Thank you.*

*Missy K. Moore*

*Executive Assistant*

*Owen Electric Cooperative*

*PO Box 400*

*Owenton, KY 40359*

*Direct: 502-563-3501*

*Email: [mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)*

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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

**From:** [Missy Moore](#)  
**To:** [Mark Stallons](#)  
**Subject:** Letter of Notice -2.6.18  
**Date:** Tuesday, February 6, 2018 11:44:50 AM  
**Attachments:** [Letter of Notice -2.6.18.docx](#)

---

Mark,

Updated letter of notice attached for your review.

Thanks,  
Missy

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 18.9 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 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 18,900 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 18,900 KW of energy all hours of each year the 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.**

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:** David Crews  
**To:** [Mark Stallons](#)  
**Subject:** Letter of Notice -Final draft  
**Date:** Tuesday, February 6, 2018 5:10:38 PM  
**Attachments:** [Letter of Notice -Final draft.docx](#)

---

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A few minor comments. Call me at your convenience.

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,

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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 18.9 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 ~~5-20~~ years commencing at 12:00 a.m. (EST) on September 1, 2019.**

**Commented [DC1]:** If I were going to do this I would give notice for 20 years. The notice requirement to come back under the Wholesale Power Contract would be 18 months.

- (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 ~~18,900~~ kW.**

**Commented [DC2]:** New number from Sally.

- (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 18,900 kW of energy all hours of each year of the 5-20 year term, by purchasing same from the PJM wholesale market.**

Commented [DC3]: Same comment as above.

- (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



**From:** Elaine Johns  
**To:** [Carol Wright](#); [Mark Stallons](#)  
**Subject:** RE: Notification Letter to EKPC - Jackson Energy  
**Date:** Wednesday, February 7, 2018 9:26:36 AM

---

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The rest of the components meet the MOU requirements.

**From:** Elaine Johns  
**Sent:** Wednesday, February 7, 2018 9:23 AM  
**To:** 'Carol Wright' <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Subject:** RE: Notification Letter to EKPC - Jackson Energy

I'm on a conference call right now, but not sure I understand your substations that are excluded?

**From:** Carol Wright [<mailto:carolwright@jacksonenergy.com>]  
**Sent:** Wednesday, February 7, 2018 9:05 AM  
**To:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>; Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Subject:** Fwd: Notification Letter to EKPC - Jackson Energy

Please review my notice letter and let me know your thoughts on the paragraph noted how to apply the energy and demand to Rate E substations.

Thanks,

Carol

Sent from my iPad

Begin forwarded message:

**From:** Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>  
**Date:** February 7, 2018 at 9:04:10 AM EST  
**To:** Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>  
**Subject:** Notification Letter to EKPC - Jackson Energy

---

[Spam](#) | [Not spam](#)

[Forget previous vote](#)

**From:** Elaine Johns  
**To:** Mark Stallons  
**Subject:** RE: EKPC A3 Notice  
**Date:** Thursday, February 8, 2018 12:15:36 PM

---

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Did you see in SKRECC's notice – they refer to the MOU dated July 15, 2015 (not July 16). Were there 2 different versions? My copy says July 16.

**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Tuesday, February 6, 2018 12:09 PM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Cc:** mikew@bgenenergy.com; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; Joni Hazelrigg <jhazelrigg@fme.coop>; Debbie Martin <debbiem@shelbyenergy.com>; CHRIS BREWER (cbrewer@clarkenergy.com) <cbrewer@clarkenergy.com>; Jim Crawford <JCrawford@cbkylaw.com>; Missy Moore <mmoore@owenelectric.com>  
**Subject:** EKPC A3 Notice

Elaine,

I have revised my notice after confirming with David Crews that Owen's 5% maximum 36 month rolling coincident peak has moved from 18.5MW to 18.9MW as a result of the January 2018 load levels. Please review and advise. I would like to send this update later today.

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)

owen300dpi with Touchstone



*"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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**From:** Elaine Johns  
**To:** [Mark Stallons](mailto:Mark.Stallons)  
**Subject:** RE: EKPC A3 Notice  
**Date:** Thursday, February 8, 2018 1:57:28 PM

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I saw that as Tim asked me to review his revised notice this morning.

BTW, I was looking at the latest A3 Allotment spreadsheet, so you had them fix your interruptible load?? Good to see!

**From:** Mark Stallons [<mailto:mstallons@owenelectric.com>]  
**Sent:** Thursday, February 8, 2018 1:55 PM  
**To:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**Cc:** Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>  
**Subject:** RE: EKPC A3 Notice

Elaine,

I saw that as well and was puzzled. However, as I recall, there was one copy with individually signed signature pages. Member Owner Cooperatives signed on different dates and mailed a signed copy to EKPC who collected everyone's signed agreement. I have asked Missy to verify when we signed ours.

Mark

**From:** Elaine Johns [<mailto:Elaine.Johns@enervision-inc.com>]  
**Sent:** Thursday, February 08, 2018 12:16 PM  
**To:** Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Subject:** RE: EKPC A3 Notice

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Did you see in SKRECC's notice -- they refer to the MOU dated July 15, 2015 (not July 16). Were there 2 different versions? My copy says July 16.

**From:** Mark Stallons [<mailto:mstallons@owenelectric.com>]  
**Sent:** Tuesday, February 6, 2018 12:09 PM  
**To:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**Cc:** [mikew@bgenergy.com](mailto:mikew@bgenergy.com); Tim Sharp <[tisharp@srelectric.com](mailto:tisharp@srelectric.com)>; Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Joni Hazelrigg <[jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop)>; Debbie Martin <[debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com)>; CHRIS BREWER ([cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)) <[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>; Jim Crawford <[JCrawford@cbkylaw.com](mailto:JCrawford@cbkylaw.com)>; Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>  
**Subject:** EKPC A3 Notice

Elaine,

I have revised my notice after confirming with David Crews that Owen's 5% maximum 36 month rolling coincident peak has moved from 18.5MW to 18.9MW as a result of the January 2018 load levels. Please review and advise. I would like to send this update later today.

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)

owen300dpi with Touchstone



***"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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**From:** [Missy Moore](#)  
**To:** [Mark Stallons](#)  
**Subject:** MOU\_Final\_Owen Electric Cooperative - Executed.pdf  
**Date:** Thursday, February 8, 2018 1:58:07 PM  
**Attachments:** [MOU\\_Final\\_Owen Electric Cooperative - Executed.pdf](#)

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Mark,

Attached is the MOU signed by John Grant, on July 28, 2015.

*Thank you,  
Missy K. Moore  
Executive Assistant*

*Owen Electric Cooperative  
PO Box 400  
Owenton, KY 40359  
Direct: 502-563-3501  
Email: [mnoore@owenelectric.com](mailto:mnoore@owenelectric.com)*

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**MEMORANDUM OF UNDERSTANDING AND AGREEMENT  
REGARDING ALTERNATE POWER SOURCES**

This Memorandum of Understanding and Agreement (“**MOU&A**”) is entered into and effective as of this 28th day of July, 2015, by and between East Kentucky Power Cooperative, Inc. (“**EKPC**”), and each of the following Member Distribution Cooperatives (also referred to herein as “**Owner Member**”):

**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 agreement. 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.

#### 5. 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.

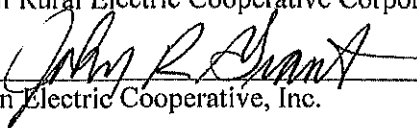
(F) Other requirements for Alternate Sources interconnected to an Owner Member's distribution system that produce energy that exceeds the Owner Member's load at the Related EKPC Point of Delivery shall be developed based on the requirements set forth above in Sections 5(D) and 5(E).

#### 6. 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.	7/28/15 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

**From:** [Missy Moore](#)  
**To:** [Mark Stallons](#)  
**Subject:** Letter of Notice - Final 2.7.18  
**Date:** Thursday, February 8, 2018 2:03:47 PM  
**Attachments:** [Letter of Notice - Final 2.7.18.doc](#)

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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 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 18.9 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 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 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 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:** Alan Ahrman  
**To:** [Mark Stallons](mailto:Mark.Stallons)  
**Subject:** Re: FW: EKPC Amendment Three Notification  
**Date:** Friday, February 9, 2018 2:33:55 PM

---

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Call when you have time.

Alan

On Feb 9, 2018 1:52 PM, "Mark Stallons" <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Alan,

I have forwarded this to all the EKPC CEO's, Tony, Don, Mike & David. I have not forwarded it to any directors. Let's discuss at your convenience.

Mark

**From:** Mark Stallons  
**Sent:** Friday, February 09, 2018 1:44 PM  
**To:** 'Bill Prather' <[bprather@farmersrecc.net](mailto:bprather@farmersrecc.net)>; Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>  
**Cc:** [bsexton@bigsandyrecc.com](mailto:bsexton@bigsandyrecc.com); Mike Williams ([mikew@bgenergy.com](mailto:mikew@bgenergy.com)) <[mikew@bgenergy.com](mailto:mikew@bgenergy.com)>; CHRIS BREWER ([cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)) <[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>; [ted.hampton@cumberlandvalley.coop](mailto:ted.hampton@cumberlandvalley.coop); [jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop); [carol.fraley@graysonrecc.com](mailto:carol.fraley@graysonrecc.com); [jerry@intercountyenergy.net](mailto:jerry@intercountyenergy.net); [carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com); [khoward@lvrecc.com](mailto:khoward@lvrecc.com); [mmiller@nolinrecc.com](mailto:mmiller@nolinrecc.com); 'Dennis Holt' ([dholt@skrecc.com](mailto:dholt@skrecc.com)) <[dholt@skrecc.com](mailto:dholt@skrecc.com)>; [debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com); [bmyers@tcrecc.com](mailto:bmyers@tcrecc.com); [tony.campbell@ekpc.coop](mailto:tony.campbell@ekpc.coop); Don Mosier <[Don.Mosier@ekpc.coop](mailto:Don.Mosier@ekpc.coop)>; Mike McNalley <[Michael.McNalley@ekpc.coop](mailto:Michael.McNalley@ekpc.coop)>; [david.crews@ekpc.coop](mailto:david.crews@ekpc.coop)  
**Subject:** RE: EKPC Amendment Three Notification

Fellow Manager's,

Owen has likewise given EKPC notification on the remaining balance of our Amendment 3 rights. As Tim and Bill have expressed, Owen is also hopeful that we can work together to find common ground and determine a pathway that meets all of our 500,000 plus members desire for affordable and reliable energy. As developed in 2003, Amendment 3's differential between an

individual coops ability to go to market for 15% while EKPC's allotment is simply 5%, has always been recognized and is a serious problem that creates major inequities. When we negotiated the MOU, unfortunately we were unable to mitigate this risk and agree on a common percentage that applied to both EKPC and the Member Owners.

In Owen's board room discussions, we used the attached excel spreadsheet to understand the Amendment 3 impacts to EKPC and all 16 member owners. You are welcome to modify and use this model to see what your Cooperative's impacts are under a variety of scenarios. Please understand that some data is not readily available and as a result I have made assumptions that affect the outcome. For example in the last tab entitled "Cost shift", I used the 2017 capital credit allocations to estimate each cooperatives power bill. To receive a more accurate estimated impact, please input your actual 2017 Environmental Surcharge power expense in column D (highlighted green) and your Base Rate power bill in column F also highlighted green.

The first tab, titled "Jan 2018 Allotment", is a historical summary of Amendment 3 notices and the balances by cooperative as of February 8, 2018. I have included Farmer's recent notice, however, I simply applied the notice to the remaining balance. If a prior notice has been rescinded then my assumption is not accurate. If you want to see the impact of your Cooperative's decision to give notice or to not give notice please update column X and Y highlighted in green and entitled 2018 PJM Notices with either your remaining balance in column Z, the pro-rata share in column AA, or leave as zero. Please note that column AE, titled "Net Member Savings(Loss)" identifies the resulting cost impact. As you change your notice and as others change their notice the impacts shift.

The second tab, titled "A3 Savings" takes the noticed amount from tab 1 "Jan 2018 Allotment" and calculates the annual savings that your individual cooperative could expect in year 1 if the price spread was \$20. You can change the price spread highlighted in green to any number you choose.

The third tab, titled "EKPC Impact" shows the impact on the Environmental Surcharge and on the Base Rates charged to each member owner based upon the number of cooperatives who have given notice. Please note that the cost shifts are proportional to the cost shifts identified in EKPC's letter dated December 27, 2017 which discusses said cost shifts and mitigation. Please also note that the notices provided since November 2017 are estimated to result in roughly a \$7 Million dollar reduction (6.44%) in EKPC's environmental surcharge revenue and roughly a \$22 Million reduction (2.88%) in base rate revenue. As you change your notice choice on tab 1, the impact is updated.

The fourth tab, entitled "Cost Shift", displays the savings if you exercise Amendment 3, the

resulting cost shifts, and the net impact on all 16 cooperatives. Unfortunately, the bottom line is that exercising your Amendment 3 option will not completely mitigate the negative cost impacts or totally reduce the cost shifts. The only successful way forward is for all of us is to sit down and develop a new path that is beneficial to all concerned.

I do not claim the attached spreadsheet to be perfect, however, I do believe it is directionally correct and a good start. I am also very willing to work with interested parties to modify and improve the model. Should you have any questions, please do not hesitate to call.

Sincerely,

Mark

**From:** Bill Prather [<mailto:bprather@farmersrecc.net>]

**Sent:** Thursday, February 08, 2018 3:53 PM

**To:** Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>

**Cc:** [bsexton@bigsandyrecc.com](mailto:bsexton@bigsandyrecc.com); Mike Williams ([mikew@bgenergy.com](mailto:mikew@bgenergy.com)) <[mikew@bgenergy.com](mailto:mikew@bgenergy.com)>; CHRIS BREWER ([cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)) <[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>; [ted.hampton@cumberlandvalley.coop](mailto:ted.hampton@cumberlandvalley.coop); [jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop); [carol.fraley@graysonrecc.com](mailto:carol.fraley@graysonrecc.com); [jerry@intercountyenergy.net](mailto:jerry@intercountyenergy.net); [carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com); [kxhoward@lvrecc.com](mailto:kxhoward@lvrecc.com); [mmiller@nolinrecc.com](mailto:mmiller@nolinrecc.com); Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>; 'Dennis Holt' ([dholt@skrecc.com](mailto:dholt@skrecc.com)) <[dholt@skrecc.com](mailto:dholt@skrecc.com)>; [debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com); [bmyers@tcrecc.com](mailto:bmyers@tcrecc.com); [tony.campbell@ekpc.coop](mailto:tony.campbell@ekpc.coop)

**Subject:** Re: EKPC Amendment Three Notification

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Folks,

Like Tim at Salt River, I wanted to give you a heads up that Farmers has likewise given EKPC notification on the remaining balance of our Amendment 3 rights. Farmers too, is hopeful that we can all determine a path forward that will be beneficial to all sixteen member-owners. We look forward to working together to find common ground that is fair to all. We do not philosophically support where Amendment 3 is currently taking us all, and hope we can find a better way for our

sixteen members.

Bill Prather

Farmers RECC

On Fri, Feb 2, 2018 at 7:11 AM, Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)> wrote:

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

--

**William T. Prather**  
President/CEO  
Farmers Rural Electric Cooperative Corporation  
504 South Broadway

Glasgow, Kentucky 42141



270-651-2191, ext. 8300  
bprather@farmersrecc.com



**From:** Carol Wright  
**To:** [Mark Stallons](#)  
**Cc:** [Tim Sharp](#); [mikew@bcenergy.com](mailto:mikew@bcenergy.com); [Alan Ahrman](#)  
**Subject:** Re: A3 Path Forward  
**Date:** Friday, February 9, 2018 5:28:51 PM

---

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Does SK get to keep their 15% while the remaining 15 are limited to 5%? Or are you saying SK let's others join their 58MW group? Confused on that one....

I am available Monday after BROCC meeting which should be finished around noon.

Carol

Sent from my iPhone

> On Feb 9, 2018, at 5:17 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

>

> All,

>

> Below please find an email string between Mike McNalley and me earlier in the week. Mike & I have had several phone calls as well. Based on conversations with all of you this week and EKPC staff, I suggest the following as a possible path forward:

>

> 1. We approve S Kentucky's notice - to not approve would invite and basically guarantee a lawsuit battle much worse than Grayson

> 2. We form a special committee comprised of interested CEO's/Manager's; EKPC staff including Tony, Mike, Don & David; and the Board Representation to accomplish the following:

>

> a. Agree to Identify possible pathways to move our portfolio away from carbon risk assets by a defined time and present to the EKPC Board for further discussion and hopefully an agreement.

> b. Provide a pathway for Member Owners to move to more market based power supply without shifting costs.

> 1. Based on January 2018 Amendment 3 (A3) load Allocation, EKPC assigns 161.9 MW of market based power available to any Member Owner who request access to A3 market power.

> 2. Member Owner's agree that no one can exceed 5% of their cooperative's rolling 36 month coincident peak as identified in the MOU.

> c. S KY assigns Morgan Stanley agreement to EKPC as an A3 noticed project.

> d. Member Owner's have a defined x day window to join the S KY Morgan Stanley Agreement or the Kentucky Group and purchase up to their full 5% allocation as defined above.

>

> Can we discuss either in person or by phone sometime Monday, before, in between or after Committee Meetings, your thoughts,

>

> Mark

>

>

>

>

> -----Original Message-----

> From: Mark Stallons

> Sent: Wednesday, February 07, 2018 6:11 AM

> To: Mike McNalley <[Michael.McNalley@ekpc.coop](mailto:Michael.McNalley@ekpc.coop)>

> Subject: Re: A3 Cost Shift Spreadsheet

>

> Mike,  
>  
> Thanks for taking a look. Your comments 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.  
>  
> In regards to a twenty year NPV I have that in a different model with Owen alone. To improve accuracy, I need a more recent or adjusted EKPC financial forecast. I have the 2015 in my files. However, it is obviously dated.  
>  
> The ES and base rate 2018 EKPC budget numbers by Cooperative is necessary to finish the model. Without that I can not accurately show the impact on a Cooperative basis.  
>  
> Would also like to see present capacity and energy costs by generating unit for all of EKPC's units compared to market. In addition a range of expected market selling price and revenue, the remaining depreciation and resulting annual regulatory asset cost for each of EKPC's generating assets.  
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> In other words what is the cost of our steel hedge compared to market and what if any possible pathways do we have to lessen our stranded costs. What is our enterprise risk associated with Dems regaining control of the EPA, house and or Senate? What is our risk mitigation plan if Bevin and the Republicans deregulate Kentucky?  
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> The S KY Amendment 3 move highlights a handful of questions that I am sure the EKPC staff understand, have thought about, and have concluded that staying with a steel hedge is our best response. In the last few weeks I have found that most board of directors and CEO's can not explain the value or risk of a steel hedge at \$15 to \$25 per MWh above the PJM market.  
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> I found this simple spreadsheet to be a useful tool to educate my board concerning the impact of SKy's actions as well as a means to explain the possible outcomes associated with a variety of mitigation strategies. If we work together, I believe we can develop a more accurate model to educate all stakeholders including the PSC.  
>  
> I can talk about the above anytime this morning.  
>  
> Thanks,  
>  
> Mark  
>  
>  
> Mark Stallons  
> Sent from my iPhone  
>  
>> 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.

>>

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>>

>>

>> <Cost Shift 020318.xlsx>

>

**From:** Carol Wright  
**To:** [Mark Stallons](#)  
**Cc:** [Tim Sharp](#); [mikew@bgenergy.com](mailto:mikew@bgenergy.com); [Alan Ahrman](#)  
**Subject:** Re: A3 Path Forward  
**Date:** Friday, February 9, 2018 5:54:56 PM

---

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Ok. I would be interested in exploring that option.

Carol

Sent from my iPhone

> On Feb 9, 2018, at 5:46 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

>

> Carol,

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> SK gives up 58MW agreement and assigns their contract to EKPC who then makes it available to all member owners. SKY would agree to move from 15% to 5% and most likely keep their 5% share with the Morgan Stanley agreement. The rest of us would have access to the remaining share of the Morgan Stanley agreement or could fully use or expand the 35-70 MW Kentucky Group RFP project. If the Kentucky Group assigned our PJM project to EKPC, then we would not need a financial hedge as we would use EKPC's existing steel in the ground hedge that we are already paying for.

>

> Mark

>

> -----Original Message-----

> From: Carol Wright [<mailto:carolwright@jacksonenergy.com>]

> Sent: Friday, February 09, 2018 5:29 PM

> To: Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>

> Cc: Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; [mikew@bgenergy.com](mailto:mikew@bgenergy.com); Alan Ahrman <[alanahrman@gmail.com](mailto:alanahrman@gmail.com)>

> Subject: Re: A3 Path Forward

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>> Sent: Wednesday, February 07, 2018 6:11 AM

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

>> Subject: Re: A3 Cost Shift Spreadsheet

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>>

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>> Mark

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>> Mark Stallons

>> Sent from my iPhone

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>>>

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>>>

>>> 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>>

>>>

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>>> Thanks,

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>>> 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."

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>>>

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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:** [Mark Stallons](#)  
**To:** [Missy Moore](#)  
**Subject:** FW: A3 Path Forward  
**Date:** Thursday, April 19, 2018 11:40:53 AM

---

-----Original Message-----

From: Tim Sharp [<mailto:tsharp@srelectric.com>]  
Sent: Friday, February 09, 2018 7:37 PM  
To: Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
Cc: Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; [mikew@bgenenergy.com](mailto:mikew@bgenenergy.com); Alan Ahrman <[alanahrman@gmail.com](mailto:alanahrman@gmail.com)>  
Subject: Re: A3 Path Forward

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I can work with this option as well, but it all revolves around SK being willing to step back. Seems like a yes or no option and I'm not sure how we negotiate off that position. The rest we should be able to work out, if they are willing to move.

Sent from my iPhone

> On Feb 9, 2018, at 7:18 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

>

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>

>

> All,

>

> Something to think about. If this is something we could accept, then what position do we start with? Or, do we start here and simply hold? I typically start with something less desirable and have several moves before agreeing to a final position.

>

> Mark Stallons

> Sent from my iPhone

>

>> On Feb 9, 2018, at 5:54 PM, Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)> wrote:

>>

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>>>

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>>> Cc: Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; mikew@bgenenergy.com; Alan Ahrman <[alanahrman@gmail.com](mailto:alanahrman@gmail.com)>

>>> Subject: Re: A3 Path Forward

>>>

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

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>>> Does SK get to keep their 15% while the remaining 15 are limited to 5%? Or are you saying SK let's others join their 58MW group? Confused on that one....

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>>> I am available Monday after BROC meeting which should be finished around noon.

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>>> Carol

>>>

>>> Sent from my iPhone

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>>>> On Feb 9, 2018, at 5:17 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

>>>>

>>>> All,

>>>>

>>>> Below please find an email string between Mike McNalley and me earlier in the week. Mike & I have had several phone calls as well. Based on conversations with all of you this week and EKPC staff, I suggest the following as a possible path forward:

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>>>> 1. We approve S Kentucky's notice - to not approve would invite and basically guarantee a lawsuit battle much worse than Grayson

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>>>> Can we discuss either in person or by phone sometime Monday, before, in between or after Committee Meetings, your thoughts,

>>>>

>>>> Mark

>>>>

>>>>

>>>>

>>>> -----Original Message-----

>>>> From: Mark Stallons

>>>> Sent: Wednesday, February 07, 2018 6:11 AM

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

>>>> Subject: Re: A3 Cost Shift Spreadsheet

>>>>

>>>> Mike,

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>>>> 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)<<mailto:mstallons@owenelectric.com>>> wrote:

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>>>> 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)<<mailto:mstallons@owenelectric.com>>  
>>>> <image001.jpg>

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>>>> "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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>>>>

>>>>

>>>> <Cost Shift 020318.xlsx>

>>>>

>>>

**From:** Carol Wright  
**To:** [Mark Stallons](#)  
**Cc:** [Tim Sharp](#); [mikew@bgenergy.com](mailto:mikew@bgenergy.com); [Alan Ahrman](#)  
**Subject:** Re: A3 Path Forward  
**Date:** Saturday, February 10, 2018 7:24:36 AM

---

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I think the whole group should be involved. I am fine to include them. We need all the support we can get.

Carol

Sent from my iPhone

> On Feb 9, 2018, at 8:06 PM, Mark Stallons <mstallons@owenelectric.com> wrote:

>

> Tim,

>

> I may be naive, but I am hopeful that our willingness to look at all of our assets, lessen our carbon risk in a financially prudent process and define a path to greater market opportunities for individual systems will entice SK back. EKPC and the other member owners have to give SK something and we can give this if we are willing. I think you are correct they will either say yes or no.

>

> Mike, are you ok with this? If yes, can you check with Chris and see if he is good with this?

>

> Or should I reforward this to all of you and add Joni, Chris and Debbie and continue the discussion with the broader group?

>

>

>

> Mark Stallons

> Sent from my iPhone

>

>> On Feb 9, 2018, at 7:37 PM, Tim Sharp <tjsharp@srelectric.com> wrote:

>>

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>>

>> I can work with this option as well, but it all revolves around SK being willing to step back. Seems like a yes or no option and I'm not sure how we negotiate off that position. The rest we should be able to work out, if they are willing to move.

>>

>> Sent from my iPhone

>>

>>> On Feb 9, 2018, at 7:18 PM, Mark Stallons <mstallons@owenelectric.com> wrote:

>>>

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>>>

>>>

>>> All,

>>>

>>> Something to think about. If this is something we could accept, then what position do we start with? Or, do we start here and simply hold? I typically start with something less desirable and have several moves before

agreeing to a final position.

>>>

>>> Mark Stallons

>>> Sent from my iPhone

>>>

>>>> On Feb 9, 2018, at 5:54 PM, Carol Wright <carolwright@jacksonenergy.com> wrote:

>>>>

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>>>>

>>>> Ok. I would be interested in exploring that option.

>>>>

>>>> Carol

>>>>

>>>> Sent from my iPhone

>>>>

>>>>> On Feb 9, 2018, at 5:46 PM, Mark Stallons <mstallons@owenelectric.com> wrote:

>>>>>

>>>>> Carol,

>>>>>

>>>>> SK gives up 58MW agreement and assigns their contract to EKPC who then makes it available to all member owners. SKY would agree to move from 15% to 5% and most likely keep their 5% share with the Morgan Stanley agreement. The rest of us would have access to the remaining share of the Morgan Stanley agreement or could fully use or expand the 35-70 MW Kentucky Group RFP project. If the Kentucky Group assigned our PJM project to EKPC, then we would not need a financial hedge as we would use EKPC's existing steel in the ground hedge that we are already paying for.

>>>>>

>>>>> Mark

>>>>>

>>>>> -----Original Message-----

>>>>> From: Carol Wright [mailto:carolwright@jacksonenergy.com]

>>>>> Sent: Friday, February 09, 2018 5:29 PM

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

>>>>> Cc: Tim Sharp <tjsharp@srelectric.com>; mikew@bgenenergy.com; Alan Ahrman <alanahrman@gmail.com>

>>>>> Subject: Re: A3 Path Forward

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>>>>> Does SK get to keep their 15% while the remaining 15 are limited to 5%? Or are you saying SK let's others join their 58MW group? Confused on that one....

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>>>>> From: Mark Stallons

>>>>> Sent: Wednesday, February 07, 2018 6:11 AM

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

>>>>> Subject: Re: A3 Cost Shift Spreadsheet

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>>>>> Mike,

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>>>>>> Source: The One Minute Manager, Page 30.

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>>>>>>

>>>>>>

>>>>>> <Cost Shift 020318.xlsx>

>>>>>>

>>>>>>

>

**From:** [Mark Stallons](mailto:Mark.Stallons)  
**To:** [Missy Moore](mailto:Missy.Moore)  
**Subject:** FW: A3 Path Forward  
**Date:** Thursday, April 19, 2018 11:26:14 AM

---

-----Original Message-----

From: Chris Brewer [<mailto:cbrewer@clarkenergy.com>]  
Sent: Saturday, February 10, 2018 3:44 PM  
To: Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>; Mike Williams <[mikew@bgenergy.com](mailto:mikew@bgenergy.com)>; Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Joni Hazelrigg <[jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop)>; Debbie Martin <[debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com)>  
Subject: RE: A3 Path Forward

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To All

I'm fine to meet on Monday. I would like to offer that we can meet at our office if the group prefers rather than meeting at EKP. Just let me know the plans.

Chris

---

From: Mark Stallons [[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)]  
Sent: Saturday, February 10, 2018 9:19 AM  
To: Mike Williams; Carol Wright; Tim Sharp; Joni Hazelrigg; Debbie Martin; Chris Brewer  
Subject: Fwd: A3 Path Forward

> All,  
>

> Below please find an email string between Mike McNalley and me earlier in the week. Mike & I have had several phone calls as well. Based on conversations with all of you and EKPC the past few weeks, I suggest we consider the following as a possible path forward:

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> Mark

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> Subject: Re: A3 Cost Shift Spreadsheet

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>>

>>

>> <Cost Shift 020318.xlsx>

**From:** [Mark Stallons](mailto:Mark.Stallons)  
**To:** [Missy Moore](mailto:Missy.Moore)  
**Subject:** FW: A3 Path Forward  
**Date:** Thursday, April 19, 2018 11:39:41 AM

---

-----Original Message-----

From: Mike Williams [<mailto:mikew@bgenergy.com>]  
Sent: Saturday, February 10, 2018 3:50 PM  
To: Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
Cc: Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Joni Hazelrigg <[jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop)>; Debbie Martin <[debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com)>; Chris Brewer <[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>  
Subject: Re: A3 Path Forward

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Would it be better to wait and see what options are presented during board meeting on Tuesday and we could afterwards or latter in the week to discuss next step?

Thanks,  
Mike Williams

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**From:** Debbie Martin  
**To:** [Mike Williams](#)  
**Cc:** [Mark Stallons](#); [Carol Wright](#); [Tim Sharp](#); [Jonl Hazelrigg](#); [Chris Brewer](#)  
**Subject:** Re: A3 Path Forward  
**Date:** Saturday, February 10, 2018 4:12:27 PM

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Subject: Re: A3 Cost Shift Spreadsheet

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**From:** Carol Wright  
**To:** [Mark Stallons](#)  
**Cc:** [Debbie Martin](#); [Mike Williams](#); [Tim Sharp](#); [Joni Hazelrigg](#); [Chris Brewer](#)  
**Subject:** Re: A3 Path Forward  
**Date:** Saturday, February 10, 2018 5:52:59 PM

---

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I will be calling into the BROCC meeting on Monday and not be there in person.

I can meet after the EKPC Board meeting Tuesday and I do suggest we meet somewhere other than EKPC.

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Sent from my iPad

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<image001.jpg>

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Source: The One Minute Manager, Page 30.

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reply e-mail and destroy all  
copies of the original message.

<Cost Shift 020318.xlsx>

**From:** [Mark Stallons](mailto:Mark.Stallons)  
**To:** [Missy Moore](mailto:Missy.Moore)  
**Subject:** FW: A3 Path Forward  
**Date:** Thursday, April 19, 2018 11:37:47 AM

---

-----Original Message-----

From: Joni Hazelrigg [<mailto:jhazelrigg@fme.coop>]  
Sent: Saturday, February 10, 2018 6:07 PM  
To: Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
Cc: Mike Williams <[mikew@bgenergy.com](mailto:mikew@bgenergy.com)>; Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Debbie Martin <[debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com)>; Chris Brewer <[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>  
Subject: Re: A3 Path Forward

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I am available after the board meeting on Tuesday also. I plan to attend the S.I. meeting Monday afternoon as well.

Thanks Mark for the spreadsheet and sharing your information.

Joni

Sent from my iPhone

On Feb 10, 2018, at 9:19 AM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

>> All,

>>

>> Below please find an email string between Mike McNalley and me earlier in the week. Mike & I have had several phone calls as well. Based on conversations with all of you and EKPC the past few weeks, I suggest we consider the following as a possible path forward:

>>

>> 1. We approve S Kentucky's notice - to not approve would invite and basically guarantee a lawsuit battle much worse than Grayson

>> 2. We form a special committee comprised of interested CEO's/Manager's; EKPC key staff including Tony, Mike, Don & David; and Board Representation to accomplish the following:

>>

>> a. Agree to Identify possible pathways to move our portfolio in a financially prudent manner away from carbon risk assets by a defined time and present to the EKPC Board for further discussion and hopefully an agreement.

>> b. Provide a pathway for Member Owners to move to an increasing market based alternate source power supply portfolio without shifting costs. I believe we need to do this to give SKY reason to talk. They have spent considerable funds to secure market power and they will not simply give it up.

>> c. Based on January 2018 Amendment 3 (A3) load Allocation calculations, EKPC agrees to use the Jan 2018 method resulting in 161.9 MW to allocate present and future A3 market based power available to Member Owners.

>> d. Member Owner's agree that no one can exceed 5% of their cooperative's rolling 36 month coincident peak as identified by A3 and in the MOU and at present totals 161.9 MW.

>> e. S KY agrees to reduce their A3 percentage to 5% and assigns Morgan Stanley agreement to EKPC as an A3 noticed project.

>> f. The Kentucky Group of 7 agrees to work with EKPC and open their RFP process to any EKPC member owner.

> g. Member Owner's have a defined x day window to join the S KY Morgan Stanley Agreement up to 58MW or

join the Kentucky Group and purchase up to their full 5% allocation as defined above.

>>

>> 3. If item 2 above fails, then we are left with intervention at the PSC and/or moving forward with the Kentucky Group RFP process.

>

>> Can we discuss either in person or by phone Monday, after BROCC and

>> before SI in between Committee Meetings during lunch.

>

>> Your thoughts,

>>

>> Mark

>>

>>

>>

>> -----Original Message-----

>> From: Mark Stallons

>> Sent: Wednesday, February 07, 2018 6:11 AM

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

>> Subject: Re: A3 Cost Shift Spreadsheet

>>

>> Mike,

>>

>> Thanks for taking a look. Your comments 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.

>>

>> In regards to a twenty year NPV I have that in a different model with Owen alone. To improve accuracy, I need a more recent or adjusted EKPC financial forecast. I have the 2015 in my files. However, it is obviously dated.

>>

>> The ES and base rate 2018 EKPC budget numbers by Cooperative is necessary to finish the model. Without that I can not accurately show the impact on a Cooperative basis.

>>

>> Would also like to see present capacity and energy costs by generating unit for all of EKPC's units compared to market. In addition a range of expected market selling price and revenue, the remaining depreciation and resulting annual regulatory asset cost for each of EKPC's generating assets.

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>> In other words what is the cost of our steel hedge compared to market and what if any possible pathways do we have to lessen our stranded costs. What is our enterprise risk associated with Dems regaining control of the EPA, house and or Senate? What is our risk mitigation plan if Bevin and the Republicans deregulate Kentucky?

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>> The S KY Amendment 3 move highlights a handful of questions that I am sure the EKPC staff understand, have thought about, and have concluded that staying with a steel hedge is our best response. In the last few weeks I have found that most board of directors and CEO's can not explain the value or risk of a steel hedge at \$15 to \$25 per MWh above the PJM market.

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>> I found this simple spreadsheet to be a useful tool to educate my board concerning the impact of SKy's actions as well as a means to explain the possible outcomes associated with a variety of mitigation strategies. If we work together, I believe we can develop a more accurate model to educate all stakeholders including the PSC.

>>

>> I can talk about the above anytime this morning.

>>

>> Thanks,

>>

>> Mark

>>

>>

>> Mark Stallons



>> Sent from my iPhone

>>

>>> 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>

>>>

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>>> Source: The One Minute Manager, Page 30.

>>>

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>>>

>>>

>>> <Cost Shift 020318.xlsx>

**From:** Carol Wright  
**To:** Mark Stallons  
**Subject:** Re: A3 Path Forward  
**Date:** Sunday, February 11, 2018 3:58:21 PM

---

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

Mark:

In thinking about this proposal, what does EKPC bring to the table? If I were SK, I would not give up my 15% and go back to 5%. They have zero incentive to give up that much savings especially when EKPC is not bringing anything to the table. Seems like the coops are the ones making all the compromise. And if EKPC does not make any decisions that actually reduce their costs to the coops, then we really haven't accomplished anything other than block SK from getting 15% and everyone only getting 5%.

And as far as the coops, I am not sure it is a good idea to make our max 5%.

We do not know what the future holds for EKPC and they have mentioned more than once picking up more territory (AEP, KU, etc.) and if they do, then their 161 MW which is only 5% will increase dramatically, but we will be maxed at 5%.

I would like to see every coop have a percentage to use and not have a max on EKPC side. And I would rather move up from a max of 5% to 10% removing any reference to an EKPC max peak amount or bucket.

So I will listen to what EKPC says, but I am not convinced they aren't glad this happened and that is why they didn't try to stop SK in the beginning. And they knew about Sk's deal months before it was final or even announced to the rest of the coops.

Just a few of my thoughts,

Carol

Sent from my iPad

On Feb 10, 2018, at 9:19 AM, Mark Stallons <mstallons@owenelectric.com> wrote:

>> All,  
>>

>> Below please find an email string between Mike McNalley and me earlier in the week. Mike & I have had several phone calls as well. Based on conversations with all of you and EKPC the past few weeks, I suggest we consider the following as a possible path forward:

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>> in between Committee Meetings during lunch.

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>> Your thoughts,

>>

>> Mark

>>

>>

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>> -----Original Message-----

>> From: Mark Stallons

>> Sent: Wednesday, February 07, 2018 6:11 AM

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

>> Subject: Re: A3 Cost Shift Spreadsheet

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>> Mike,

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>>

>> Thanks,

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>> Mark

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>> Mark Stallons

>> Sent from my iPhone

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>>> 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>>

>>>

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>>> On Feb 5, 2018, at 5:31 PM, Mark Stallons

<mstallons@owenelectric.com<<mailto:mstallons@owenelectric.com>>> wrote:

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>>> Mike,

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>>>

>>> Thanks,

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>>> Mark

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>>> Mark A. Stallons

>>> President & CEO

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>>> 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>

>>>

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all copies of the original message.

>>>

>>>

>>> <Cost Shift 020318.xlsx>

>

**From:** Terri Combs  
**To:** [Joe Spalding](#), [Inter-County Energy](#); [Bill Shearer](#); [Landis Cornett \(ekpc@landiscornett.com\)](#); [Mike Williams \(mikew@bgenergy.com\)](#); [Tim Sharp](#); [Chris Brewer](#); [Mark Stallons](#)  
**Cc:** [Tony Campbell](#); [David Smart](#); [Don Mosier](#); [Mike McNailey](#); [David Crews](#)  
**Subject:** FROM TONY CAMPBELL RE: MOU Committee  
**Date:** Wednesday, February 14, 2018 12:05:55 PM  
**Attachments:** [image002.png](#)  
**Importance:** High

---

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**SENDING ON BEHALF OF TONY CAMPBELL:**

-  
All:

I was asked to put together a committee to assist with the resolution to our MOU issue. You, and the following, are being asked to serve on this committee. I'm thinking this will not require a substantial amount of time. Plus, I will try to use phone conferencing where possible.

Directors: **1) Joe Spalding 2) Bill Shearer 3) Landis Cornett**

CEO's: **1) Mike Williams 2) Tim Sharp 3) Chris Brewer 4) Mark Stallons**

If you would rather not serve on the committee please let me know as soon as possible, and I'll make some changes.

I'm going to try and kick this off early next week by conference call.

*Regards,  
Anthony "Tony" Campbell*

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

cid:image001.jpg@01D0992C.EB9EAD80



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calling East Kentucky Power Cooperative, Inc. at 859-744-4812 (collect), so that our address record can be corrected.

**From:** Terri Combs  
**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; 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:** Tony Campbell  
**Subject:** Sending on behalf of Tony Campbell: RE: Directors and CEO's  
**Date:** Friday, February 16, 2018 8:15:06 PM  
**Attachments:** image002.png

**\*\*\* Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email! \*\*\***  
**Sending on behalf of Tony Campbell**

Directors/CEO's,

At last Tuesday's board meeting, I was asked to create a committee to assist me in possibly finding resolution to the South Kentucky MOU issue. Following are the people I placed on the committee (the CEO's contacted me and requested to be on the committee): 1) Joe Spalding 2) Bill Shearer 3) Landis Cornett 4) Mike Williams 5) Tim Sharp 6) Chris Brewer and 7) Mark Stallons.

I'm planning on having a kickoff conference call mid next week. We will then wait to get a date from Dennis Holt to meet with the South Kentucky board. I would assume Chairman Spalding would then want to update the board on our findings.

*Regards,*  
**Anthony "Tony" Campbell**

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



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calling East Kentucky Power Cooperative, Inc. at 859-744-4812 (collect), so that our address record can be corrected.

**From:** Terri Combs  
**To:** [Joe Spalding](#); [Inter-County Energy](#); [Bill Shearer](#); [Landis Cornett \(ekpc@landiscornett.com\)](#); [Mike Williams \(mlkew@bgenenergy.com\)](#); [Tim Sharp](#); [Chris Brewer](#); [Mark Stallons](#)  
**Cc:** [Tony Campbell](#); [Don Mosier](#); [David Smart](#); [David Crews](#); [Mike McNalley](#)  
**Subject:** MOU Committee discussion  
**Date:** Monday, February 19, 2018 9:15:28 AM

---

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

Good morning,

Tony asked that I set up a conference call for the MOU Committee tomorrow (Tuesday, 2/20) at 3:00 p.m. (eastern time). Does this time work for all of you?

Once the date/time is established, I will send out a calendar invitation. Please let me know at your earliest convenience.

Thanks so much,

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](mailto:Terri.combs@ekpc.coop)

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**From:** Terri Combs  
**To:** "Chris Brewer"; Joe Spalding, Inter-County Energy; Bill Shearer; Landis Cornett (ekpc@landiscornett.com); Mike Williams (mlkew@bgenerov.com); Tim Sharp; Mark Stallons; Tony Campbell; Don Mosier; Mike McNalley; David Smart; David Crews  
**Subject:** Conference Call: MOU Committee discussion

---

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

The dial in information for the conference call with the MOU Committee is:

Toll-Free Dial-In: 1-877-597-2663  
Conference ID: 2213450  
Moderator PIN: 4689 (Tony will moderate)

If you have any issues, please feel free to contact me.

Thanks so much,

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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**From:** Michael Kurtz  
**To:** Mark Stallons  
**Subject:** Fwd: Nucor Steel Response to South Kentucky, Case #2018-00050  
**Date:** Friday, February 23, 2018 6:25:37 PM  
**Attachments:** [Response of Nucor Kentucky's Objection to its Intervention.pdf](#)  
[ATT00001.htm](#)

---

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

Sent from my iPhone

Begin forwarded message:

**From:** Michael Kurtz <[MKurtz@bkllawfirm.com](mailto:MKurtz@bkllawfirm.com)>  
**Date:** February 23, 2018 at 5:02:57 PM EST  
**To:** 'Evan Buckley' <[ebuckley@gosssamfordlaw.com](mailto:ebuckley@gosssamfordlaw.com)>, "[phauser@barbourville.com](mailto:phauser@barbourville.com)" <[phauser@barbourville.com](mailto:phauser@barbourville.com)>, "Chandler, Kent A (KYOAG)" <[Kent.Chandler@ky.gov](mailto:Kent.Chandler@ky.gov)>, "[Rebecca.Goodman@ky.gov](mailto:Rebecca.Goodman@ky.gov)" <[Rebecca.Goodman@ky.gov](mailto:Rebecca.Goodman@ky.gov)>, "[mdgoss@gosssamfordlaw.com](mailto:mdgoss@gosssamfordlaw.com)" <[mdgoss@gosssamfordlaw.com](mailto:mdgoss@gosssamfordlaw.com)>, "[wjscott@windstream.net](mailto:wjscott@windstream.net)" <[wjscott@windstream.net](mailto:wjscott@windstream.net)>, "[jmiller@smlegal.com](mailto:jmiller@smlegal.com)" <[jmiller@smlegal.com](mailto:jmiller@smlegal.com)>, "[msullivan@smlegal.com](mailto:msullivan@smlegal.com)" <[msullivan@smlegal.com](mailto:msullivan@smlegal.com)>, "[jcrawford@cbkylaw.com](mailto:jcrawford@cbkylaw.com)" <[jcrawford@cbkylaw.com](mailto:jcrawford@cbkylaw.com)>, "[Rspragens@spragenshigdonlaw.com](mailto:Rspragens@spragenshigdonlaw.com)" <[Rspragens@spragenshigdonlaw.com](mailto:Rspragens@spragenshigdonlaw.com)>, "[coswald@tkolegal.com](mailto:coswald@tkolegal.com)" <[coswald@tkolegal.com](mailto:coswald@tkolegal.com)>, "[jdh@bardstoswn.com](mailto:jdh@bardstoswn.com)" <[jdh@bardstoswn.com](mailto:jdh@bardstoswn.com)>  
**Cc:** "[Nancy.Vinsel@ky.gov](mailto:Nancy.Vinsel@ky.gov)" <[Nancy.Vinsel@ky.gov](mailto:Nancy.Vinsel@ky.gov)>, "[richard.raff@ky.gov](mailto:richard.raff@ky.gov)" <[richard.raff@ky.gov](mailto:richard.raff@ky.gov)>  
**Subject:** Nucor Steel Response to South Kentucky, Case #2018-00050

Counsel, attached please find a copy of the RESPONSE OF NUCOR KENTUCKY'S OBJECTION TO ITS INTERVENTION filed in the above-referenced docket.

Michael L. Kurtz, Esq.  
**BOEHM, KURTZ & LOWRY**  
36 E. Seventh St., Suite 1510  
Cincinnati, Ohio 45202  
Ph: 513.421.2255 Fax: 513.421.2764  
[MKurtz@BKllawfirm.com](mailto:MKurtz@BKllawfirm.com)

**BOEHM, KURTZ & LOWRY**

ATTORNEYS AT LAW  
36 EAST SEVENTH STREET  
SUITE 1510  
CINCINNATI, OHIO 45202  
TELEPHONE (513) 421-2255  
TELECOPIER (513) 421-2764

**VIA OVERNIGHT MAIL**

February 23, 2018

Gwen R. Pinson, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

*Re: Case Nos. 2018-00050*

Dear Ms. Pinson:

Please find enclosed the original and ten (10) copies of the RESPONSE OF NUCOR KENTUCKY'S OBJECTION TO ITS INTERVENTION for filing in the above-referenced matter.

By copy of this letter, all parties listed on the Certificate of Service have been served. Please place this document of file.

Very Truly Yours,



Michael L. Kurtz, Esq.  
**BOEHM, KURTZ & LOWRY**

MLKkew  
Attachment

cc: Certificate of Service  
Nancy Vinsel, Esq.  
Richard Raff, Esq.

### CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by electronic mail (when available) or by regular, U.S. mail, unless otherwise noted, this 23<sup>rd</sup> day of February, 2018 to the following:

  
\_\_\_\_\_

Michael L. Kurtz, Esq.

Kent Chandler, Esq.  
Rebecca W Goodman, Esq.  
Assistant Attorneys General  
Office of Rate Intervention  
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**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

In The Matter Of: THE APPLICATION OF SOUTH KENTUCKY :  
RURAL ELECTRIC COOPERATIVE CORPORATION FOR : Case No. 2018-00050  
APPROVAL OF MASTER POWER PURCHASE AND SALE :  
AGREEMENT AND TRANSACTIONS THEREUNDER :

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**RESPONSE OF NUCOR  
TO SOUTH KENTUCKY'S OBJECTION TO ITS INTERVENTION**

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**I. Procedural Background**

On January 31, 2017, South Kentucky Rural Electric Cooperative Corporation ("South Kentucky") filed an Application seeking approval from the Kentucky Public Service Commission ("Commission") for approval of the Master Power Purchase and Sale Agreement ("Agreement") between South Kentucky and Morgan Stanley Capital Group ("Morgan Stanley"). The Agreement was entered into pursuant to the November 13, 2003 Amendment 3 to the wholesale power agreement between East Kentucky Power Cooperative ("EKPC") and its sixteen member-owners. Amendment 3 was further defined and explained by the July 23, 2015 Memorandum of Understanding ("MOU") between EKPC and its sixteen member-owners. By Order entered December 18, 2005 in Case No. 2012-00503, the Commission approved the Amendment 3 MOU, determined that the Amendment 3 MOU was a written agreement relating to utility rates subject to the Commission's jurisdiction and required EKPC to file the Amendment 3 MOU in the Commission's Tariff Filing System.

The Agreement at issue requires South Kentucky to purchase from Morgan Stanley 58 MW of firm energy on a 7x24x365 (100% load factor) basis for 20 years. This amounts to 508,080 MWh per year, or 42.4% of South Kentucky's 2017 retail energy sales. The Agreement also requires South Kentucky to purchase a financial capacity hedge of 68 MW (58 MW plus an 18% reserve margin) for 18 years. This represents 15% of South Kentucky's coincident peak demand. Finally, the Agreement requires South Kentucky to become a member of PJM.

On February 22, 2018, Nucor Steel Gallatin (“Nucor”) filed a Motion to intervene. In its Motion Nucor explained that the Agreement would result in a cost shift to its utility supplier, Owen Electric Cooperative (“Owen”). Owen is one of the sixteen EKPC member-owners. Nucor asserted that before mitigation through resale into the PJM energy and capacity markets, the Agreement would reduce EKPC’s fixed cost recovery by approximately \$15 million per year which would result in an immediate increase in the environmental surcharge collected by Owen and paid by Nucor. Nucor further asserted that the Agreement could result in an increase in its base rates. Finally, Nucor asserted that this case would establish the policy and precedent for buying Alternative Sources of power under Amendment 3 and the MOU, which policy and precedent would apply to Owen and therefore impact Nucor.

On February 22, 2018, eight EKPC member-owners filed a Motion to intervene. The eight joint Movants explained that the Agreement could increase their wholesale power costs from EKPC which would have a corresponding retail rate increase on their member-customers.

On February 23, Owen filed its own Motion to Intervene. Like the eight joint Movants, Owen explained that the Agreement “*will have a significant impact on the rates paid by OEC and its members for electricity*”, including Nucor.

On February 23, 2018, South Kentucky filed a Response And Objection opposing Nucor’s Motion to Intervene. South Kentucky argued that Nucor failed to meet the requirements of 807 KAR 5:001, Section 4(11)(a)(1) and Section 4(11)(b) primarily because it is “*harboring speculative and unsupported concern that it may pay higher rates in the future if South Kentucky is permitted to proceed pursuant to Amendment No. 3.*” Objection at p. 1. South Kentucky further argues that Nucor’s interests are “*too remote to justify intervention*” especially since it is “*not even a customer of the applicant utility...*” Objection at p. 2. South Kentucky further argues that Nucor’s interest is neither exceptional nor special and that Nucor’s intervention would open the door for intervention by all ultimate customers from EKPC’s sixteen member-owners. Objection at p. 3. South Kentucky argues that Nucor’s interests will be represented by EKPC, the Attorney General and the other member-owners (including Owen) and that Nucor “*is not likely to present issues or develop facts that will assist the*



*Commission in fully considering the matter.”* Objection at p. 4. Finally, South Kentucky argues that Nucor’s participation “*would unduly complicate or disrupt the proceedings...*” Objection at p. 5.

For the reasons stated below, South Kentucky’s Objection should be denied and Nucor’s intervention should be approved

## **II. Argument**

807 KAR 5:001, Section 4(11)(b) establishes two separate grounds for granting a timely motion for intervention. First, the Commission “*shall*” grant a person leave to intervene if the Commission finds that “*he or she has a special interest in the case that is not otherwise adequately represented.*” Second, the Commission “*shall*” grant intervention if it finds that “*his or her intervention is likely to present issues or to develop facts that assist the commission in fully considering the matter without unduly complicating or disrupting the proceedings.*” Even though meeting just one of the two standards would be sufficient for granting Nucor’s intervention, Nucor meets both standards. In fact, Nucor’s Motion to Intervene is far more detailed and specific in explaining how the intervention standard has been met than any of the other interventions filed to date.

### **A. Nucor Has A Special Interest That Is Not Otherwise Adequately Represented**

Nucor is by far the largest retail ratepayer on the EKPC system. Pursuant to a Commission approved special contract, Nucor purchases approximately one billion kWh annually from EKPC through Owen. This represents approximately 7.5% of all retail sales on the EKPC system. Because of the operating flexibility of Nucor’s electric arc furnace operations, Nucor provides EKPC with more than 100 MW of interruptible capacity to help meet EKPC’s operating and reserve requirements in PJM. This is more than all of the other interruptible load on the EKPC system combined. Because of its large size and significant impact on EKPC’s operations, Nucor is required each day to submit a binding hourly schedule for expected energy consumption on its 345 Kv line and is penalized for load forecast errors. No other ratepayer has this load forecast obligation. Finally, because of its large size, Owen directly assigns to Nucor environmental surcharge costs charged by EKPC. Again, no other customer is subject to this environmental surcharge rate treatment.

The Agreement between South Kentucky and Morgan Stanley could have unique and adverse effects on Nucor and its Commission approved special contract. The loss of up to \$15 million in fixed cost recovery would immediately increase EKPC's environmental surcharge and Nucor's direct assignment of that cost. This concern is real, not speculative. Approval of the Agreement could also force EKPC into a rate case thus increasing Nucor's base rates. The loss of up to \$15 million in margins would absolutely accelerate the need for EKPC to raise rates. The loss of 68 MW of capacity could affect EKPC's system planning and the use of the Nucor interruptible resource in PJM. It is highly doubtful that EKPC, the Attorney General or any of the member-owners have any concern for Nucor's interruptible rate. Nucor recently received an economic development rate from EKPC to add a galvanizing line to its operations which would add approximately 75 full time employees and consume an additional 25 MW. Nucor is considering additional major investments at its Kentucky operations and the cost of electricity is a major factor in those decisions. Any environmental surcharge or base rate increase resulting from the Agreement would adversely affect those expansion plans. Again, this is a concern exclusive to Nucor, not any of the other intervenors.

The fact that Nucor is not a customer of South Kentucky does not diminish the importance of this case to Nucor. Nucor is not concerned with South Kentucky's rates. Our concern is the impact of the Agreement on EKPC, Owen and ultimately our own rates. Interventions in G&T rate proceedings are always one step removed. Nucor routinely intervenes in EKPC rate proceeding because the rate impact is ultimately passed through to Owen and Nucor. If Owen has standing to intervene in this case, then so too should Nucor.

Given its unique rate arrangement with EKPC and Owen, Nucor has a special interest that is not otherwise adequately represented.

**B. Nucor's Intervention Will Present Issues And Develop Facts That Will Assist The Commission**

Nucor (and its predecessor Gallatin Steel) has participated in all major EKPC rate proceedings over the last fourteen years which gives it and its counsel special expertise in EKPC rate matters that can assist the Commission. These proceedings include:

- *Application of East Kentucky Power Cooperative, Inc. for Deviation from Obligation Resulting from Case No. 2012-00169, Case No. 2015-00358*

- *Application Of East Kentucky Power Cooperative Inc. For Certificate Of Public Convenience And Necessity For Alteration Of Certain Equipment At The Cooper Station And Approval Of A Compliance Plan Amendment For Environmental Surcharge Cost Recovery*  
Case No. 2013-00259
- *Application of East Kentucky Power Cooperative, Inc. to Transfer Functional Control of Certain Transmission Facilities to PJM Interconnection, LLC*, Case No. 2012-00169
- *Investigation Of East Kentucky Power Cooperative, Inc.'s Need For The Smith 1 Generating Facility*, Case No. 2010-00238
- *General Adjustment Of Rates Of East Kentucky Power Cooperative, Inc.*,  
Case No. 2010-00167
- *General Adjustment of Electric Rates of East Kentucky Power Cooperative, Inc.*,  
Case No. 2008-00409
- *Application Of East Kentucky Power Cooperative, Inc. For Approval Of An Amendment To Its Environmental Compliance Plan And Environmental Surcharge*, Case No. 2008-00115
- *General Adjustment of Electric Rates of East Kentucky Power Cooperative, Inc.*,  
Case No. 2006-00472
- *Application Of East Kentucky Power Cooperative Inc. For Approval Of An Environmental Compliance Plan And Authority To Implement An Environmental Surcharge*,  
Case No. 2004-00321

It has been our experience that participation by other individual ratepayers in these proceedings has been extremely limited. So any concern that ratepayers from the sixteen member systems will flood into this case are overblown, especially since the intervention deadline is today. This case is being processed on an expedited basis with limited time for discovery and other matters. Nucor's participation will not complicate or disrupt this proceeding. To the contrary, we intend to productively assist the Commission in making a reasonable decision that balances the interests of all affected parties. Counsel for Nucor has reviewed the Application and supporting testimony. To demonstrate the issues and facts which we intend to present in an effort to assist the Commission, we tender these initial observations.

**1. The Agreement Likely Violates Amendment 3 And The MOU Because It Results In The Purchase From Morgan Stanley Of 15% Of South Kentucky's Capacity Requirements But 42.4% Of Its Energy Requirements**

Amendment 3 and the MOU are very clear regarding the amount of capacity that can be purchased from Alternative Sources. Only five percent of EKPC's coincident peak demand can be provided to the sixteen member-owners from Alternative Sources, and no individual member-owner shall receive more than fifteen

percent of its coincident peak demand from Alternative Sources. The amount of energy that can be provided from Alternative Sources is less clear. But reading Amendment 3 and the MOU together demonstrates that the intent regarding energy purchases was to match the member-owner's overall load profile. The proposed Agreement creates a mismatch where 15% of South Kentucky's demand will be purchased at market based rates, whereas 42.4% of its energy will be purchased at market.

Section 4 (A)(iv) of the MOU requires the Alternative Source Notice to include information about the pattern of dispatch of the Alternative Source and the corresponding pattern of hourly reductions in energy to be purchased from EKPC. That Section requires each Alternative Source Notice to include "*the approximate, expected pattern of use or dispatching of the Alternative Source and the corresponding pattern of hourly reductions in energy to be purchased by the Owner member from EKPC.*"

But, contrary to the intent of the Commission approved rate, South Kentucky will purchase 58 MW of energy on a 7x24x365 basis (100% load factor). The actual pattern of South Kentucky's energy use results in a load factor closer to 50%. Of course, it is much cheaper to purchase large blocks of off-peak market energy than it is to purchase an energy product that follows the customers' actual usage pattern. Conversely, with the loss of an around-the-clock energy block of 58 MW, EKPC's cost to load follow and serve the remaining South Kentucky load will be higher than is reflected in its current rates.

58 MW on a 100% load factor basis results in 508,080 MWh per year (58 MW x 24 x 365). On page 6 of her testimony, Ms. Herrman testifies that South Kentucky's 2017 energy usage was 1,197,891 MWh. Therefore, the purchase from Morgan Stanley is for 42.4% of South Kentucky's energy requirements. This far exceeds the 15% purchase limitation in Amendment 3.

EKPC's base rate energy charge does not recover only variable costs. Instead, EKPC's base rate energy charge for Rates A, B and C of \$40.502/MWh recovers approximately \$10/MWh in fixed costs. This means that the loss of energy sales will reduce EKPC's margins which will ultimately raise base rates on all member-customers.

15% of South Kentucky's 2017 energy usage is 179,683 MWh. This is 328,397 MWh less than the 100% load factor purchase from Morgan Stanley. This translates into approximately \$3.28 million in lost fixed

cost recovery because South Kentucky exceeded the maximum 15% energy purchase limit. That \$3.28 million will be made up from member-customers, including Nucor.

The loss of energy sales above the 15% threshold will also increase environmental surcharge costs on the remaining 15 member-owners. EKPC recovers certain environmental fixed cost through its environmental surcharge. EKPC's environmental surcharge is allocated to its 16 member-owners on the basis of total revenue, including energy revenue. This means that by purchasing 42.4% of its energy from Morgan Stanley, South Kentucky will improperly shift fixed environmental costs to the other 15 member-owners (even though EKPC will be made whole since it will recover the same fixed environmental costs but from fewer sales). As stated previously, Nucor is the only ratepayer that is directly assigned environmental surcharge costs from EKPC.

## **2. The Agreement Likely Violates KRS 278.170**

KRS 278.170 prohibits utilities (including EKPC) from giving any unreasonable preference or advantage to any person (including South Kentucky) or subjecting any person (including the remaining 15 member-owners) to any unreasonable prejudice or disadvantage for doing a like and contemporaneous service under the same or substantially the same conditions. KRS 278.170(1) provides:

*"No utility shall, as to rates or service, give any unreasonable preference or advantage to any person or subject any person to any unreasonable prejudice or disadvantage, or establish or maintain any unreasonable difference between localities or between classes of service for doing a like and contemporaneous service under the same or substantially the same conditions."*

Amendment 3 limits the amount of purchases from Alternative Sources to 5% of EKPC's coincident peak demand. EKPC's coincident peak demand is the sum of the demands of all sixteen of its member-owners. Yet Amendment 3 also allows an individual member owner to purchase up to 15% of its capacity and related energy needs from Alternative Sources. Mathematically, if member-owners start the process each claiming 15%, then EKPC's 5% limit will be hit before all of the member-owners can participate. And if the big member-owners go first, then the majority of the remaining member-owners will get zero. Whether this is described as a run on the bank or a race to the court house, the result is unduly discriminatory.

The process described above will result in an unreasonable preference to the early movers and an unreasonable prejudice to those left behind. Those left behind will receive no low cost market purchases, and to add insult to injury, will be forced to pick up the tab for EKPC's lost margins through higher base rates as well as higher environmental surcharge costs.

The Commission's December 18, 2015 Order in Case No. 2012-00503 approving the Amendment 3 MOU determined that it constituted a rate subject to the Commission's jurisdiction and required EKPC file it in the Commission's Tariff Filing System. All rates are subject to change by Order of the Commission. Accordingly, it is our initial conclusion and recommendation that the Commission should order that all Amendment 3 purchases from Alternative Sources must be limited 5% of each member-owner's energy and capacity needs. That way all member-owners will be treated equally as required by KRS 278.170.

**WHEREFORE**, for the reasons presented herein, Nucor's Motion to Intervene should be granted.

Respectfully submitted,



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Michael L. Kurtz, Esq.  
**BOEHM, KURTZ & LOWRY**  
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Cincinnati, Ohio 45202  
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**COUNSEL FOR NUCOR STEEL GALLATIN**

February 23, 2018

**From:** Alan Ahrman  
**To:** Mark Stallons  
**Subject:** Re: FW: EKPC Amendment Three Notification  
**Date:** Friday, February 9, 2018 2:33:55 PM

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Call when you have time.

Alan

On Feb 9, 2018 1:52 PM, "Mark Stallons" <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Alan,

I have forwarded this to all the EKPC CEO's, Tony, Don, Mike & David. I have not forwarded it to any directors. Let's discuss at your convenience.

Mark

**From:** Mark Stallons  
**Sent:** Friday, February 09, 2018 1:44 PM  
**To:** 'Bill Prather' <[bprather@farmersrecc.net](mailto:bprather@farmersrecc.net)>; Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>  
**Cc:** [bsexton@bigsandyrecc.com](mailto:bsexton@bigsandyrecc.com); Mike Williams ([mikew@bgenenergy.com](mailto:mikew@bgenenergy.com)) <[mikew@bgenenergy.com](mailto:mikew@bgenenergy.com)>; CHRIS BREWER ([cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)) <[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>; [ted.hampton@cumberlandvalley.coop](mailto:ted.hampton@cumberlandvalley.coop); [jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop); [carol.fraleley@graysonrecc.com](mailto:carol.fraleley@graysonrecc.com); [jerry@intercountyenergy.net](mailto:jerry@intercountyenergy.net); [carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com); [kkhoward@lvrecc.com](mailto:kkhoward@lvrecc.com); [mmiller@nolinrecc.com](mailto:mmiller@nolinrecc.com); 'Dennis Holt' ([dholt@skrecc.com](mailto:dholt@skrecc.com)) <[dholt@skrecc.com](mailto:dholt@skrecc.com)>; [debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com); [bmyers@tcrecc.com](mailto:bmyers@tcrecc.com); [tony.campbell@ekpc.coop](mailto:tony.campbell@ekpc.coop); Don Mosier <[Don.Mosier@ekpc.coop](mailto:Don.Mosier@ekpc.coop)>; Mike McNalley <[Michael.McNalley@ekpc.coop](mailto:Michael.McNalley@ekpc.coop)>; [david.crews@ekpc.coop](mailto:david.crews@ekpc.coop)  
**Subject:** RE: EKPC Amendment Three Notification

Fellow Manager's,

Owen has likewise given EKPC notification on the remaining balance of our Amendment 3 rights. As Tim and Bill have expressed, Owen is also hopeful that we can work together to find common ground and determine a pathway that meets all of our 500,000 plus members desire for affordable and reliable energy. As developed in 2003, Amendment 3's differential between an

individual coops ability to go to market for 15% while EKPC's allotment is simply 5%, has always been recognized and is a serious problem that creates major inequities. When we negotiated the MOU, unfortunately we were unable to mitigate this risk and agree on a common percentage that applied to both EKPC and the Member Owners.

In Owen's board room discussions, we used the attached excel spreadsheet to understand the Amendment 3 impacts to EKPC and all 16 member owners. You are welcome to modify and use this model to see what your Cooperative's impacts are under a variety of scenarios. Please understand that some data is not readily available and as a result I have made assumptions that affect the outcome. For example in the last tab entitled "Cost shift", I used the 2017 capital credit allocations to estimate each cooperatives power bill. To receive a more accurate estimated impact, please input your actual 2017 Environmental Surcharge power expense in column D (highlighted green) and your Base Rate power bill in column F also highlighted green.

The first tab, titled "Jan 2018 Allotment", is a historical summary of Amendment 3 notices and the balances by cooperative as of February 8, 2018. I have included Farmer's recent notice, however, I simply applied the notice to the remaining balance. If a prior notice has been rescinded then my assumption is not accurate. If you want to see the impact of your Cooperative's decision to give notice or to not give notice please update column X and Y highlighted in green and entitled 2018 PJM Notices with either your remaining balance in column Z, the pro-rata share in column AA, or leave as zero. Please note that column AE, titled "Net Member Savings(Loss)" identifies the resulting cost impact. As you change your notice and as others change their notice the impacts shift.

The second tab, titled "A3 Savings" takes the noticed amount from tab 1 "Jan 2018 Allotment" and calculates the annual savings that your individual cooperative could expect in year 1 if the price spread was \$20. You can change the price spread highlighted in green to any number you choose.

The third tab, titled "EKPC Impact" shows the impact on the Environmental Surcharge and on the Base Rates charged to each member owner based upon the number of cooperatives who have given notice. Please note that the cost shifts are proportional to the cost shifts identified in EKPC's letter dated December 27, 2017 which discusses said cost shifts and mitigation. Please also note that the notices provided since November 2017 are estimated to result in roughly a \$7 Million dollar reduction (6.44%) in EKPC's environmental surcharge revenue and roughly a \$22 Million reduction (2.88%) in base rate revenue. As you change your notice choice on tab 1, the impact is updated.

The fourth tab, entitled "Cost Shift", displays the savings if you exercise Amendment 3, the



resulting cost shifts, and the net impact on all 16 cooperatives. Unfortunately, the bottom line is that exercising your Amendment 3 option will not completely mitigate the negative cost impacts or totally reduce the cost shifts. The only successful way forward is for all of us is to sit down and develop a new path that is beneficial to all concerned.

I do not claim the attached spreadsheet to be perfect, however, I do believe it is directionally correct and a good start. I am also very willing to work with interested parties to modify and improve the model. Should you have any questions, please do not hesitate to call.

Sincerely,

Mark

**From:** Bill Prather [<mailto:bprather@farmersrecc.net>]  
**Sent:** Thursday, February 08, 2018 3:53 PM  
**To:** Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>  
**Cc:** [bsexton@bigsandyrecc.com](mailto:bsexton@bigsandyrecc.com); Mike Williams ([mikew@bgenergy.com](mailto:mikew@bgenergy.com)) <[mikew@bgenergy.com](mailto:mikew@bgenergy.com)>; CHRIS BREWER ([cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)) <[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>; [ted.hampton@cumberlandvalley.coop](mailto:ted.hampton@cumberlandvalley.coop); [jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop); [carol.fraley@graysonrecc.com](mailto:carol.fraley@graysonrecc.com); [jerry@intercountyenergy.net](mailto:jerry@intercountyenergy.net); [carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com); [kxhoward@lyrecc.com](mailto:kxhoward@lyrecc.com); [mmiller@nolinrecc.com](mailto:mmiller@nolinrecc.com); Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>; 'Dennis Holt' ([dholt@skrecc.com](mailto:dholt@skrecc.com)) <[dholt@skrecc.com](mailto:dholt@skrecc.com)>; [debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com); [bmyers@tcrecc.com](mailto:bmyers@tcrecc.com); [tony.campbell@ekpc.coop](mailto:tony.campbell@ekpc.coop)  
**Subject:** Re: EKPC Amendment Three Notification

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Folks,

Like Tim at Salt River, I wanted to give you a heads up that Farmers has likewise given EKPC notification on the remaining balance of our Amendment 3 rights. Farmers too, is hopeful that we can all determine a path forward that will be beneficial to all sixteen member-owners. We look forward to working together to find common ground that is fair to all. We do not philosophically support where Amendment 3 is currently taking us all, and hope we can find a better way for our

sixteen members.

Bill Prather

Farmers RECC

On Fri, Feb 2, 2018 at 7:11 AM, Tim Sharp <tsharp@srelectric.com> wrote:

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

--

**William T. Prather**  
President/CEO  
Farmers Rural Electric Cooperative Corporation  
504 South Broadway

Glasgow, Kentucky 42141

270-651-2191, ext. 8300  
bprather@farmersrecc.com



**From:** Alan Ahrman  
**To:** [Mark Stallons](mailto:Mark.Stallons)  
**Subject:** Re: A3 Path Forward  
**Date:** Friday, February 9, 2018 8:27:46 PM

---

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What if SK is willing to step back to 10% and give up the other 5%? Is it all the way back to 5% or nothing?

Alan

On Fri, Feb 9, 2018 at 8:06 PM Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Tim,

I may be naive, but I am hopeful that our willingness to look at all of our assets, lessen our carbon risk in a financially prudent process and define a path to greater market opportunities for individual systems will entice SK back. EKPC and the other member owners have to give SK something and we can give this if we are willing. I think you are correct they will either say yes or no.

Mike, are you ok with this? If yes, can you check with Chris and see if he is good with this?

Or should I reforward this to all of you and add Joni, Chris and Debbie and continue the discussion with the broader group?

Mark Stallons  
Sent from my iPhone

> On Feb 9, 2018, at 7:37 PM, Tim Sharp <[tsharp@srelectric.com](mailto:tsharp@srelectric.com)> wrote:

>

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>

> I can work with this option as well, but it all revolves around SK being willing to step back. Seems like a yes or no option and I'm not sure how we negotiate off that position. The rest we should be able to work out, if they are willing to move.

>

> Sent from my iPhone

>

>> On Feb 9, 2018, at 7:18 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

>>

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>>

>>

>> All,

>>

>> Something to think about. If this is something we could accept, then what position do

we start with? Or, do we start here and simply hold? I typically start with something less desirable and have several moves before agreeing to a final position.

>>

>> Mark Stallons

>> Sent from my iPhone

>>

>>> On Feb 9, 2018, at 5:54 PM, Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)> wrote:

>>>

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

>>>

>>> Ok. I would be interested in exploring that option.

>>>

>>> Carol

>>>

>>> Sent from my iPhone

>>>

>>>> On Feb 9, 2018, at 5:46 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

>>>>

>>>> Carol,

>>>>

>>>> SK gives up 58MW agreement and assigns their contract to EKPC who then makes it available to all member owners. SKY would agree to move from 15% to 5% and most likely keep their 5% share with the Morgan Stanley agreement. The rest of us would have access to the remaining share of the Morgan Stanley agreement or could fully use or expand the 35-70 MW Kentucky Group RFP project. If the Kentucky Group assigned our PJM project to EKPC, then we would not need a financial hedge as we would use EKPC's existing steel in the ground hedge that we are already paying for.

>>>>

>>>> Mark

>>>>

>>>> -----Original Message-----

>>>> From: Carol Wright [mailto:[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)]

>>>> Sent: Friday, February 09, 2018 5:29 PM

>>>> To: Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>

>>>> Cc: Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; [mikew@bgenergy.com](mailto:mikew@bgenergy.com); Alan Ahrman <[alanahrman@gmail.com](mailto:alanahrman@gmail.com)>

>>>> Subject: Re: A3 Path Forward

>>>>

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

>>>>

>>>> Does SK get to keep their 15% while the remaining 15 are limited to 5%? Or are you saying SK let's others join their 58MW group? Confused on that one....

>>>>

>>>> I am available Monday after BROC meeting which should be finished around noon.

>>>>

>>>> Carol

>>>>

>>>> Sent from my iPhone

>>>>

>>>>> On Feb 9, 2018, at 5:17 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

>>>>>

>>>>> All,

>>>>>

>>>>> Below please find an email string between Mike McNalley and me earlier in the week. Mike & I have had several phone calls as well. Based on conversations with all of you this week and EKPC staff, I suggest the following as a possible path forward:

>>>>>

>>>>> 1. We approve S Kentucky's notice - to not approve would invite and basically guarantee a lawsuit battle much worse than Grayson

>>>>> 2. We form a special committee comprised of interested CEO's/Manager's; EKPC staff including Tony, Mike, Don & David; and the Board Representation to accomplish the following:

>>>>>

>>>>> a. Agree to Identify possible pathways to move our portfolio away from carbon risk assets by a defined time and present to the EKPC Board for further discussion and hopefully an agreement.

>>>>> b. Provide a pathway for Member Owners to move to more market based power supply without shifting costs.

>>>>> 1. Based on January 2018 Amendment 3 (A3) load Allocation, EKPC assigns 161.9 MW of market based power available to any Member Owner who request access to A3 market power.

>>>>> 2. Member Owner's agree that no one can exceed 5% of their cooperative's rolling 36 month coincident peak as identified in the MOU.

>>>>> c. S KY assigns Morgan Stanley agreement to EKPC as an A3 noticed project.

>>>>> d. Member Owner's have a defined x day window to join the S KY Morgan Stanley Agreement or the Kentucky Group and purchase up to their full 5% allocation as defined above.

>>>>>

>>>>> Can we discuss either in person or by phone sometime Monday, before, in between or after Committee Meetings, your thoughts,

>>>>>

>>>>> Mark

>>>>>

>>>>>

>>>>>

>>>>> -----Original Message-----

>>>>> From: Mark Stallons

>>>>> Sent: Wednesday, February 07, 2018 6:11 AM

>>>>> To: Mike McNalley <[Michael.McNalley@ekpc.coop](mailto:Michael.McNalley@ekpc.coop)>

>>>>> Subject: Re: A3 Cost Shift Spreadsheet

>>>>>

>>>>> Mike,

>>>>>

>>>>> Thanks for taking a look. Your comments 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.

>>>>>

>>>>> In regards to a twenty year NPV I have that in a different model with Owen alone. To improve accuracy, I need a more recent or adjusted EKPC financial forecast. I have the 2015 in my files. However, it is obviously dated.

>>>>>

>>>>> The ES and base rate 2018 EKPC budget numbers by Cooperative is necessary to finish the model. Without that I can not accurately show the impact on a Cooperative basis.

>>>>>

>>>>> Would also like to see present capacity and energy costs by generating unit for all of EKPC's units compared to market. In addition a range of expected market selling price and revenue, the remaining depreciation and resulting annual regulatory asset cost for each of EKPC's generating assets.

>>>>>

>>>>> In other words what is the cost of our steel hedge compared to market and what if any possible pathways do we have to lessen our stranded costs. What is our enterprise risk associated with Dems regaining control of the EPA, house and or Senate? What is our risk mitigation plan if Bevin and the Republicans deregulate Kentucky?

>>>>>

>>>>> The S KY Amendment 3 move highlights a handful of questions that I am sure the EKPC staff understand, have thought about, and have concluded that staying with a steel hedge is our best response. In the last few weeks I have found that most board of directors and CEO's can not explain the value or risk of a steel hedge at \$15 to \$25 per MWh above the PJM market.

>>>>>

>>>>> I found this simple spreadsheet to be a useful tool to educate my board concerning the impact of SKy's actions as well as a means to explain the possible outcomes associated with a variety of mitigation strategies. If we work together, I believe we can develop a more accurate model to educate all stakeholders including the PSC.

>>>>>

>>>>> I can talk about the above anytime this morning.

>>>>>

>>>>> Thanks,

>>>>>

>>>>> Mark

>>>>>

>>>>>

>>>>> Mark Stallons

>>>>> Sent from my iPhone

>>>>>

>>>>>> On Feb 6, 2018, at 5:25 PM, Mike McNalley <[Michael.McNalley@ekpc.coop](mailto: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)<mailto:michael.mcnalley@ekpc.coop>

>>>>>

>>>>>

>>>>> On Feb 5, 2018, at 5:31 PM, Mark Stallons  
<[mstallons@owenelectric.com](mailto: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)<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.

>>>>>

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intended recipient, please contact the sender by reply e-mail and destroy all copies of the  
original message.

>>>>>

>>>>>

>>>>> <Cost Shift 020318.xlsx>

>>>>>

>>>>>



## Missy Moore

---

**From:** Mike McNalley <Michael.McNalley@ekpc.coop>  
**Sent:** Friday, February 23, 2018 12:31 PM  
**To:** Mark Stallons  
**Cc:** Joe Spalding; Jim Crawford  
**Subject:** Re: A3 impact model

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

This one is yours. I don't think the billing data is confidential since it can be derived from PSC and RUS filings. But it really is your data - we don't have a concern.

Mike McNalley  
EVP and CFO  
East Kentucky Power Cooperative

On Feb 23, 2018, at 12:26 PM, Mark Stallons <mstallons@owenelectric.com<mailto:mstallons@owenelectric.com>> wrote:

Mike,

I would also like to share this revised spreadsheet with attorneys Miller and Crawford. Do you concur?

Thanks,

Mark

Mark Stallons  
Sent from my iPhone

On Feb 21, 2018, at 4:05 PM, Mike McNalley <Michael.McNalley@ekpc.coop<mailto:Michael.McNalley@ekpc.coop>> wrote:

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

Here is your spreadsheet with the actual billing data on the "Cost Shift" tab in green. I have not made any other changes. We can discuss tomorrow. I am OK with you sending this to the committee.

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

From: Mark Stallons [mailto:mstallons@owenelectric.com]  
Sent: Wednesday, February 21, 2018 4:47 PM  
To: Mike McNalley <Michael.McNalley@ekpc.coop<mailto:Michael.McNalley@ekpc.coop>>  
Subject: A3 impact model

Mike,

This is my latest version. Feel free to call as needed. I emailed this to all CEO's and asked them to input their own numbers in lieu of the capital credit assumptions I made on the last sheet. Yes, I have the word "draft" all over this to indicate a work in progress not perfection...

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.

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<Copy of A3 Cost Shift 020818 022118 EK Data.xlsx>

## Missy Moore

---

**From:** Mike McNalley <Michael.McNalley@ekpc.coop>  
**Sent:** Friday, February 23, 2018 12:44 PM  
**To:** Mark Stallons  
**Cc:** Joe Spalding; Jim Crawford  
**Subject:** Re: A3 impact model

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

Just got clearance on that one too. Go ahead.

Mike McNalley  
EVP and CFO  
East Kentucky Power Cooperative

> On Feb 23, 2018, at 12:37 PM, Mark Stallons <mstallons@owenelectric.com> wrote:

>

> Mike,

>

> I understand. Just wanted to be sure. What about the scenario spreadsheet which is definitely EKPC developed?

>

> Thanks,

>

> Mark

>

> Mark Stallons

> Sent from my iPhone

>

>> On Feb 23, 2018, at 11:30 AM, Mike McNalley <Michael.McNalley@ekpc.coop> wrote:

>>

>> \*\*\* Exercise caution. This is an EXTERNAL email. DO NOT open

>> attachments or click links from unknown senders or unexpected email!

>> \*\*\*

>>

>> This one is yours. I don't think the billing data is confidential since it can be derived from PSC and RUS filings. But it really is your data - we don't have a concern.

>>

>> Mike McNalley

>> EVP and CFO

>> East Kentucky Power Cooperative

>>

>>

>> On Feb 23, 2018, at 12:26 PM, Mark Stallons <mstallons@owenelectric.com<mailto:mstallons@owenelectric.com>> wrote:

>>

>> Mike,

>>

Witness: Mark Stallons

>> I would also like to share this revised spreadsheet with attorneys Miller and Crawford. Do you concur?

>>

>> Thanks,

>>

>> Mark

>>

>> Mark Stallons

>> Sent from my iPhone

>>

>> On Feb 21, 2018, at 4:05 PM, Mike McNalley

<Michael.McNalley@ekpc.coop<mailto:Michael.McNalley@ekpc.coop>> wrote:

>>

>> \*\*\* Exercise caution. This is an EXTERNAL email. DO NOT open

>> attachments or click links from unknown senders or unexpected email!

>> \*\*\* Mark,

>>

>> Here is your spreadsheet with the actual billing data on the "Cost Shift" tab in green. I have not made any other changes. We can discuss tomorrow. I am OK with you sending this to the committee.

>>

>>

>> Mike McNalley

>> EVP & CFO

>> East Kentucky Power Cooperative, Inc.

>> 859-745-9209 O

>> 859-595-3897 C

>> Michael.mcnalley@ekpc.coop<mailto:Michael.mcnalley@ekpc.coop>

>>

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

>> Sent: Wednesday, February 21, 2018 4:47 PM

>> To: Mike McNalley

>> <Michael.McNalley@ekpc.coop<mailto:Michael.McNalley@ekpc.coop>>

>> Subject: A3 impact model

>>

>> Mike,

>>

>> This is my latest version. Feel free to call as needed. I emailed

>> this to all CEO's and asked them to input their own numbers in lieu

>> of the capital credit assumptions I made on the last sheet. Yes, I

>> have the word "draft" all over this to indicate a work in progress

>> not perfection...

>>

>> 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.

>>

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>>

>>

>> <Copy of A3 Cost Shift 020818 022118 EK Data.xlsx>

**Missy Moore**

---

**From:** Debbie Martin <debbiem@shelbyenergy.com>  
**Sent:** Thursday, February 22, 2018 6:21 PM  
**To:** Mark Stallons  
**Subject:** Re: SKY Intervention Teleconference

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

Sorry Mark. We didn't get wrapped up in time for me to participate.

*Debra J. Martin  
President & CEO  
Shelby Energy Cooperative  
Office: (502) 633- 4163  
Fax: (502) 633-2387*

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On Feb 22, 2018, at 2:58 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

All,

Today's SKY teleconference dial-in information:

Participants:

Teleconference Number: 1-877-597-2663

Conference ID: 9300908#

Mark:

1-877-597-2663

Conference ID: 9300908#

Leader Code: 9905#

Thanks,

Missy

<meeting.ics>

**Missy Moore**

---

**From:** Mike McNalley <Michael.McNalley@ekpc.coop>  
**Sent:** Thursday, February 22, 2018 1:42 PM  
**To:** Bill Prather (bprather@farmersrecc.net); Bill Shearer; Chris Brewer (cbrewer@clarkenergy.com); Mike Williams (mikew@bgenergy.com); Mark Stallons; Tim Sharp (tjsharp@srelectric.com); Joe Spalding (spaldingfarm@windstream.net); Landis Cornett  
**Cc:** Tony Campbell; Don Mosier; David Smart; David Crews  
**Subject:** Analyses of SK Scenarios  
**Attachments:** A3 Summary Analyses Draft.xlsx

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

Special Committee Members:

Please treat this email and attachment as **confidential**.

Attached is a summary of the preliminary analyses Isaac and I prepared on SK's Amendment 3 election. This summarizes several large, complex analyses in several spreadsheets – it is not the output of a dynamic model where we can modify selected inputs to generate different scenarios. This is because of the complexity of our billing mechanisms and cost structures.

There are three scenarios summarized on the first tab, and each is detailed a bit on the subsequent tabs.

The Base Case Scenario is South Kentucky takes 58MW (We have been calling this 15% but it is actually a bit shy of that). This sets the impacts on FAC, ES and Base Rates after a rate case, using current ratemaking (before we do a cost of service study and try to reallocate some of this)

Case 1 is South Kentucky takes 10% which is 41.2 MW and the remaining 16.8 MW are spread to the other 15 owner-members using their share of the A3 allotments proportionately.

Case 2 is South Kentucky takes 5% which is 20.6 MW and the remaining 37.4 MW are spread to the other 15 owner-members using their share of the A3 allotments proportionately.

For Cases 2 and 3 I had to assume a cost of the Morgan Stanley purchase. I assumed \$40/MWh for energy plus \$5/MWh for capacity (68 MW \* \$100/MW-Day \*365), for a total of \$45/MWh. Our average cost of energy (BROC report) is \$25/MWh so the net cost of the Morgan Stanley deal is assumed to be \$20/MWh. There are several other assumptions that were necessary to prepare these analyses, which are subject to correction, so it must be viewed as probably directionally correct but not precise. Some of the key assumptions are noted on the first tab (page) of the attachment, but there are several others embedded in the thinking.

Note that I have made no effort to estimate what SK is saving in their "deal"; the attached is from the EKPC perspective only. There are several other scenarios we can create, but they are increasingly difficult to model or require assumptions which are much more likely to lead to incorrect conclusions.

Feel free to call to discuss this.

Best,

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



**East Kentucky Power Cooperative, Inc.**  
**Amendment 3 Summary of Preliminary Analyses**  
**CONFIDENTIAL WORKING DRAFT**

**Summary of Cases: Total Unmitigated Impact on Owner-Member Billing**

Member	Base Case	Case 1: SK 10% Spread	Case 2: SK 5% Spread
Big Sandy	\$547,480	\$463,300	\$368,443
Blue Grass	\$2,717,694	\$2,300,466	\$1,832,718
Clark	\$1,080,330	\$900,583	\$696,829
Cumberland Valley	\$1,096,898	\$912,774	\$704,033
Farmers	\$1,121,296	\$895,388	\$636,642
Fleming-Mason	\$1,668,807	\$1,481,056	\$1,274,535
Grayson	\$562,259	\$469,935	\$365,633
Inter-County	\$1,033,482	\$888,303	\$726,589
Jackson	\$2,047,297	\$1,678,639	\$1,258,728
Licking Valley	\$620,564	\$514,221	\$393,456
Nolin	\$1,573,025	\$1,329,463	\$1,056,202
Owen	\$2,840,200	\$2,357,485	\$1,821,391
Salt River	\$2,660,762	\$2,129,054	\$1,519,617
Shelby	\$873,845	\$729,746	\$567,811
Taylor County	\$1,370,679	\$1,194,770	\$996,344
<b>Totals</b>	<b>\$21,814,618</b>	<b>\$18,245,182</b>	<b>\$14,218,973</b>
South Kentucky:			
Initial Bill Reduction	\$30,422,032	\$21,610,131	\$10,805,069
Share of Base Rates, FAC, and Surcharge	\$1,495,520	\$1,268,457	\$764,887
Net Effect on SK	<u>\$29,242,756</u>	<u>\$20,609,904</u>	<u>\$10,227,260</u>
Net Savings All Owner Members	\$7,428,138	\$2,364,722	(\$3,991,713)

Key assumptions:

1. Unmitigated loss of load and demand
2. Uses Rate E for SK revenue calculations for simplification.
3. Based on monthly actual billing, etc., for 12/2016-11/2017
4. Very preliminary analyses subject to substantial revision

**East Kentucky Power Cooperative, Inc.**  
**Amendment 3 Summary of Preliminary Analyses**

CONFIDENTIAL WORKING DRAFT

Base Case: SK 58 MW impact, after base rate case; no other new elections effective

**A3 Allocations and Elections**

Member	Increase in Base Rates to Members			Change in FAC	Change in Environ. Surch.	Total
	Demand	Energy	Total			
Big Sandy	\$102,397	\$303,254	\$405,651	\$46,082	\$95,747	\$547,480
Blue Grass	\$503,216	\$1,452,593	\$1,955,809	\$280,831	\$481,054	\$2,717,694
Clark	\$203,808	\$604,168	\$807,976	\$89,274	\$183,080	\$1,080,330
Cumberland Valley	\$200,194	\$620,009	\$820,203	\$91,450	\$185,245	\$1,096,898
Farmers	\$202,271	\$632,462	\$834,733	\$102,369	\$184,194	\$1,121,296
Fleming-Mason	\$197,139	\$611,671	\$808,810	\$224,498	\$635,499	\$1,668,807
Grayson	\$102,063	\$310,829	\$412,892	\$52,700	\$96,667	\$562,259
Inter-County	\$199,862	\$558,331	\$758,193	\$96,872	\$178,417	\$1,033,482
Jackson	\$386,077	\$1,129,652	\$1,515,729	\$181,868	\$349,700	\$2,047,297
Licking Valley	\$113,283	\$350,637	\$463,920	\$51,735	\$104,909	\$620,564
Nolin	\$292,006	\$846,640	\$1,138,646	\$160,769	\$273,610	\$1,573,025
Owen	\$457,379	\$1,471,008	\$1,928,387	\$487,471	\$424,342	\$2,840,200
Salt River	\$476,948	\$1,478,472	\$1,955,420	\$249,030	\$456,312	\$2,660,762
Shelby	\$149,360	\$461,854	\$611,214	\$106,192	\$156,439	\$873,845
Taylor County	\$207,758	\$623,166	\$830,924	\$97,621	\$442,134	\$1,370,679
<b>Totals</b>	<b>\$3,793,761</b>	<b>\$11,454,746</b>	<b>\$15,248,507</b>	<b>\$2,318,762</b>	<b>\$4,247,349</b>	<b>\$21,814,618</b>
South Kentucky: Initial Bill Reduction Share of Base Rates, FAC, and Surcharge Net Effect on SK	\$4,189,920 \$396,167 <b>\$3,793,753</b>	\$24,337,536 \$810,830 <b>\$23,526,706</b>	\$28,527,456 \$1,206,997 <b>\$27,320,459</b>	(\$2,482,633) \$158,122 <b>(\$2,324,511)</b>	\$4,377,209 \$130,401 <b>\$4,246,808</b>	\$30,422,032 \$1,495,520 <b>\$29,242,756</b>

Owner-Member Cooperative	Member 15% Limit	5% Limit	Elected	Proportionate Remainder
Big Sandy	11.1	3.7		1.6
Blue Grass	55.9	18.6		8.1
Clark	20.4	6.8		3.0
Cumberland Valley	20.5	6.8		3.0
Farmers	19.6	6.5	6.5	0.0
Fleming Mason	28.3	9.4	1.4	3.5
Grayson	10.8	3.6		1.6
Inter-County	23.2	7.7	7.7	0.0
Jackson	42.7	14.2	14.1	0.1
Licking Valley	11.3	3.8	0.3	1.5
Nolin	32.3	10.8		4.7
Owen	64.0	21.3	21.3	0.0
Salt River	44.2	14.7	14.7	0.0
Shelby	16.8	5.6		2.4
South Kentucky	61.9	20.6	58.0	1.7
Taylor	22.8	7.6		3.3
<i>Systems' total</i>		161.9		
<i>EKPC Limit</i>		158.5	124.0	34.5
		<i>As of February 12, 2018</i>		

See Key Assumptions on Page 1

**East Kentucky Power Cooperative, Inc.  
Amendment 3 Summary of Preliminary Analyses**

CONFIDENTIAL WORKING DRAFT

**Case 1: SK 10% (41.2MW), deal spread to others**

**A3 Allocations and Elections**

Member	Increase in Base Rates to Members			Change in FAC	Change in Environ. Surch.	Total	Deal Impact/MWh	
	Demand	Energy	Total				\$ 175,200	Total
Big Sandy	\$72,023	\$211,707	\$283,730	\$32,513	\$65,396	\$381,639	\$81,661	\$463,300
Blue Grass	\$353,941	\$1,013,981	\$1,367,922	\$198,073	\$324,072	\$1,890,067	\$410,399	\$2,300,466
Clark	\$143,352	\$421,750	\$565,102	\$62,957	\$122,922	\$750,981	\$149,602	\$900,583
Cumberland Valley	\$140,806	\$432,781	\$573,587	\$64,512	\$124,409	\$762,508	\$150,266	\$912,774
Farmers	\$142,264	\$441,444	\$583,708	\$70,610	\$119,617	\$773,935	\$121,453	\$895,388
Fleming-Mason	\$138,649	\$426,953	\$565,602	\$158,439	\$549,077	\$1,273,118	\$207,938	\$1,481,056
Grayson	\$71,779	\$216,966	\$288,745	\$37,180	\$64,687	\$390,612	\$79,323	\$469,935
Inter-County	\$140,588	\$389,766	\$530,354	\$68,300	\$119,334	\$717,988	\$170,315	\$888,303
Jackson	\$271,556	\$788,549	\$1,060,105	\$128,266	\$234,333	\$1,422,704	\$255,935	\$1,678,639
Licking Valley	\$79,673	\$244,760	\$324,433	\$36,497	\$70,456	\$431,386	\$82,835	\$514,221
Nolin	\$205,395	\$590,994	\$796,389	\$113,368	\$182,826	\$1,092,583	\$236,880	\$1,329,463
Owen	\$321,643	\$1,026,741	\$1,348,384	\$343,963	\$239,568	\$1,931,915	\$425,570	\$2,357,485
Salt River	\$335,432	\$1,031,930	\$1,367,362	\$175,588	\$305,590	\$1,848,540	\$280,514	\$2,129,054
Shelby	\$105,045	\$322,386	\$427,431	\$74,918	\$104,136	\$606,485	\$123,261	\$729,746
Taylor County	\$146,129	\$435,001	\$581,130	\$68,726	\$377,505	\$1,027,361	\$167,409	\$1,194,770
<b>Totals</b>	<b>\$2,668,275</b>	<b>\$7,995,709</b>	<b>\$10,663,984</b>	<b>\$1,633,910</b>	<b>\$3,003,928</b>	<b>\$15,301,822</b>	<b>\$2,943,360</b>	<b>\$18,245,182</b>

Owner-Member Cooperative	Member 15% Limit	5% Limit	Elected	Proportionate Remainder	Deal Spread
Big Sandy	11.1	3.7		3.0	0.47
Blue Grass	55.9	18.6		15.3	2.34
Clark	20.4	6.8		5.6	0.85
Cumberland Valley	20.5	6.8		5.6	0.86
Farmers	19.6	6.5	1.0	4.5	0.69
Fleming Mason	28.3	9.4		7.7	1.19
Grayson	10.8	3.6		3.0	0.45
Inter-County	23.2	7.7		6.3	0.97
Jackson	42.7	14.2	2.6	9.5	1.46
Licking Valley	11.3	3.8		3.1	0.47
Nolin	32.3	10.8		8.8	1.35
Owen	64.0	21.3	2.0	15.9	2.43
Salt River	44.2	14.7	2.0	10.5	1.60
Shelby	16.8	5.6		4.6	0.70
South Kentucky	61.9	20.6	41.2	0.0	0.00
Taylor	22.8	7.6		6.2	0.96
<i>Systems' total</i>		161.9			
<i>EKPC Limit</i>		158.5	48.8	109.7	16.80
	<i>As of February 12, 2018</i>				

See Key Assumptions on Page 1

South Kentucky:						
Initial Bill Reduction	\$2,976,288	\$17,288,043	\$20,264,331	(\$1,763,526)	\$3,109,326	\$21,610,131
Share of Base Rates, FAC, and Surcharge	\$308,026	\$717,080	\$1,025,106	\$134,115	\$109,236	\$1,268,457
<b>Net Effect on SK</b>	<b>\$2,668,262</b>	<b>\$16,570,963</b>	<b>\$19,239,225</b>	<b>(\$1,629,411)</b>	<b>\$3,000,090</b>	<b>\$20,609,904</b>

East Kentucky Power Cooperative, Inc.  
 Ammendment 3 Summary of Preliminary Analyses

CONFIDENTIAL WORKING DRAFT

Case 1: SK 5% (20.6MW) MW impact, after base rate case, all others get balance of MS deal

A3 Allocations and Elections

Member	Increase in Base Rates to Members			Change in FAC	Change in Environ. Surch.	Total	Deal Impact/MWh	
	Demand	Energy	Total				\$	175,200
Big Sandy	\$35,584	\$103,649	\$139,233	\$18,740	\$28,741	\$186,714	\$181,729	\$368,443
Blue Grass	\$174,863	\$496,471	\$671,334	\$114,044	\$134,029	\$919,407	\$913,311	\$1,832,718
Clark	\$70,818	\$206,489	\$277,307	\$36,288	\$50,306	\$363,901	\$332,928	\$696,829
Cumberland Valley	\$69,560	\$211,876	\$281,436	\$37,173	\$51,018	\$369,627	\$334,406	\$704,033
Farmers	\$70,279	\$216,128	\$286,407	\$38,337	\$41,615	\$366,359	\$270,283	\$636,642
Fleming-Mason	\$68,491	\$209,032	\$277,523	\$91,076	\$443,186	\$811,785	\$462,750	\$1,274,535
Grayson	\$35,464	\$106,220	\$141,684	\$21,399	\$26,022	\$189,105	\$176,528	\$365,633
Inter-County	\$69,461	\$190,851	\$260,312	\$39,391	\$47,864	\$347,567	\$379,022	\$726,589
Jackson	\$134,167	\$386,101	\$520,268	\$73,950	\$94,946	\$689,164	\$569,564	\$1,258,728
Licking Valley	\$39,360	\$119,837	\$159,197	\$21,033	\$28,884	\$209,114	\$184,342	\$393,456
Nolin	\$101,479	\$289,340	\$390,819	\$65,247	\$72,977	\$529,043	\$527,159	\$1,056,202
Owen	\$158,871	\$502,658	\$661,529	\$197,564	\$15,225	\$874,318	\$947,073	\$1,821,391
Salt River	\$165,705	\$505,183	\$670,888	\$100,905	\$123,562	\$895,355	\$624,262	\$1,519,617
Shelby	\$51,892	\$157,845	\$209,737	\$43,094	\$40,671	\$293,502	\$274,309	\$567,811
Taylor County	\$72,196	\$212,974	\$285,170	\$39,418	\$299,201	\$623,789	\$372,555	\$996,344
<b>Totals</b>	<b>\$1,318,190</b>	<b>\$3,914,654</b>	<b>\$5,232,844</b>	<b>\$937,659</b>	<b>\$1,498,247</b>	<b>\$7,668,750</b>	<b>\$6,550,223</b>	<b>\$14,218,973</b>
South Kentucky: Initial Bill Reduction Share of Base Rates, FAC, and Surcharge Net Effect on SK	\$1,488,144 \$169,962 <u>\$1,318,182</u>	\$8,644,023 \$441,726 <u>\$8,202,297</u>	\$10,132,167 \$611,688 <u>\$9,520,479</u>	(\$881,761) \$93,539 <u>(\$788,222)</u>	\$1,554,663 \$59,660 <u>\$1,495,003</u>	\$10,805,069 \$764,887 <u>\$10,227,260</u>		

Owner-Member Cooperative	Member 15% Limit	5% Limit	Elected	Proportionate Remainder	Deal Spread
Big Sandy	11.1	3.7		3.6	1.04
Blue Grass	55.9	18.6		18.2	5.21
Clark	20.4	6.8		6.6	1.90
Cumberland Valley	20.5	6.8		6.6	1.91
Farmers	19.6	6.5	1	5.4	1.54
Fleming Mason	28.3	9.4		9.2	2.64
Grayson	10.8	3.6		3.5	1.01
Inter-County	23.2	7.7		7.5	2.16
Jackson	42.7	14.2	2.6	11.3	3.25
Licking Valley	11.3	3.8		3.7	1.05
Nolin	32.3	10.8		10.5	3.01
Owen	64.0	21.3	2	18.8	5.41
Salt River	44.2	14.7	2	12.4	3.56
Shelby	16.8	5.6		5.5	1.57
South Kentucky	61.9	20.6	20.6	0.0	0.00
Taylor	22.8	7.6		7.4	2.13
Systems' total		161.9			
EKPC Limit		158.5	48.8	130.3	37.39

*As of February 12, 2018*

See Key Assumptions on Page 1

## Missy Moore

---

**From:** Bill Prather <bprather@farmersrecc.net>  
**Sent:** Thursday, February 22, 2018 10:12 AM  
**To:** Mark Stallons  
**Subject:** Conference Call this afternoon - South Ky Case

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

Mark,

Were you going to send out the invitation on the conference call this afternoon at 4:30 p.m. EST?

Bill

--

**William T. Prather**  
President/CEO  
Farmers Rural Electric Cooperative Corporation  
504 South Broadway  
Glasgow, Kentucky 42141  
270-651-2191, ext. 8300  
[bprather@farmersrecc.com](mailto:bprather@farmersrecc.com)



**Missy Moore**

---

**From:** Mike McNalley <Michael.McNalley@ekpc.coop>  
**Sent:** Wednesday, February 21, 2018 5:05 PM  
**To:** Mark Stallons  
**Cc:** Don Mosier; Tony Campbell; David Smart; David Crews  
**Subject:** RE: A3 impact model  
**Attachments:** Copy of A3 Cost Shift 020818 022118 EK Data.xlsx

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

Mark,

Here is your spreadsheet with the actual billing data on the "Cost Shift" tab in green. I have not made any other changes. We can discuss tomorrow. I am OK with you sending this to the committee.

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

**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Wednesday, February 21, 2018 4:47 PM  
**To:** Mike McNalley <Michael.McNalley@ekpc.coop>  
**Subject:** A3 impact model

Mike,

This is my latest version. Feel free to call as needed. I emailed this to all CEO's and asked them to input their own numbers in lieu of the capital credit assumptions I made on the last sheet. Yes, I have the word "draft" all over this to indicate a work in progress not perfection...

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)



***"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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**A3 Cost Shift Draft (2017 Actuals)**

<i>Member Owner</i>	<i>2017 Capital Credits</i>	<i>Est. 2017 Member Owner ES Power Bill</i>	6.44%		2.88%		<i>Base Rate Savings</i>	<i>Net Base Rate Savings (Loss)</i>	<i>Net Member Savings (Loss)</i>
			<i>ES Cost Increase</i>	<i>Est. 2017 Member Owner Base Rate Power Bill</i>	<i>Base Rate Increase</i>				
Big Sandy	\$ 456,552.84	\$ 2,180,784.00	\$ 140,510.29	\$ 14,159,924.84	\$ 407,562.84	\$ -	\$ (407,562.84)	\$ (548,073.13)	
Blue Grass	\$ 2,544,829.40	\$ 12,704,137.00	\$ 818,541.40	\$ 82,662,825.13	\$ 2,379,270.82	\$ -	\$ (2,379,270.82)	\$ (3,197,812.22)	
Clark	\$ 902,424.95	\$ 4,279,023.00	\$ 275,702.12	\$ 27,706,077.71	\$ 797,459.59	\$ -	\$ (797,459.59)	\$ (1,073,161.70)	
Cumberland Valley	\$ 891,226.76	\$ 4,284,008.00	\$ 276,023.31	\$ 27,834,252.87	\$ 801,148.83	\$ -	\$ (801,148.83)	\$ (1,077,172.14)	
Farmers	\$ 978,324.48	\$ 4,865,184.00	\$ 307,507.24	\$ 31,456,348.78	\$ 905,403.04	\$ 332,880.00	\$ (572,523.04)	\$ (880,030.27)	
Fleming Mason	\$ 1,594,149.10	\$ 7,907,535.00	\$ 509,491.10	\$ 54,088,758.17	\$ 1,556,828.04	\$ -	\$ (1,556,828.04)	\$ (2,066,319.14)	
Grayson	\$ 504,925.70	\$ 2,450,030.00	\$ 157,858.10	\$ 15,899,366.29	\$ 457,628.91	\$ -	\$ (457,628.91)	\$ (615,487.01)	
Inter-County	\$ 952,243.55	\$ 4,583,414.00	\$ 295,314.36	\$ 29,715,169.26	\$ 855,286.94	\$ -	\$ (855,286.94)	\$ (1,150,601.31)	
Jackson	\$ 1,789,997.81	\$ 8,587,016.00	\$ 508,964.84	\$ 55,727,318.43	\$ 1,603,990.46	\$ 1,401,600.00	\$ (202,390.46)	\$ (711,355.29)	
Licking Valley	\$ 502,348.35	\$ 2,422,607.00	\$ 156,091.21	\$ 15,725,553.70	\$ 452,626.09	\$ -	\$ (452,626.09)	\$ (608,717.30)	
Nolin	\$ 1,438,700.80	\$ 7,214,992.00	\$ 464,869.80	\$ 46,863,685.52	\$ 1,348,869.93	\$ -	\$ (1,348,869.93)	\$ (1,813,739.74)	
Owen	\$ 2,870,788.29	\$ 18,250,930.00	\$ 948,746.17	\$ 119,651,352.41	\$ 3,443,905.66	\$ 3,381,360.00	\$ (62,545.66)	\$ (1,011,291.83)	
Salt River	\$ 2,281,982.31	\$ 11,365,957.00	\$ 639,223.14	\$ 73,603,343.86	\$ 2,118,513.23	\$ 2,225,040.00	\$ 106,526.77	\$ (532,696.37)	
Shelby	\$ 901,620.69	\$ 4,634,477.00	\$ 298,604.41	\$ 30,201,957.75	\$ 869,298.10	\$ -	\$ (869,298.10)	\$ (1,167,902.51)	
South Kentucky	\$ 2,592,576.90	\$ 12,517,918.00	\$ 338,279.84	\$ 81,156,859.87	\$ 2,335,924.86	\$ 10,161,600.00	\$ 7,825,675.14	\$ 7,487,395.29	
Taylor	\$ 939,573.41	\$ 4,857,759.00	\$ 312,990.71	\$ 32,804,783.29	\$ 944,214.81	\$ -	\$ (944,214.81)	\$ (1,257,205.52)	
<b>Total</b>	<b>\$ 22,142,265.34</b>	<b>\$ 113,105,771.00</b>	<b>\$ 6,448,718.04</b>	<b>\$ 739,257,577.86</b>	<b>\$ 21,277,932.15</b>	<b>\$ 17,502,480.00</b>	<b>\$ (3,775,452.15)</b>	<b>\$ (10,224,170.19)</b>	



### Amendment 3 Impact on EKPC (DRAFT)

<u>Notice</u>	<u>MW</u>	<u>MWh/Year</u>	<u>ES \$ Shift</u>	<u>ES %</u>	<u>Base \$ Shift</u>	<u>Total \$ Shift</u>
Big Sandy	0.0	-	\$ -	0.00%	\$ -	\$ -
Blue Grass	0.0	-	\$ -	0.00%	\$ -	\$ -
Clark	0.0	-	\$ -	0.00%	\$ -	\$ -
Cumberland Valley	0.0	-	\$ -	0.00%	\$ -	\$ -
Farmers	1.9	16,644	\$ 134,310.34	1.90%	\$ 425,862.07	\$ 560,172.41
Fleming Mason	0.0	-	\$ -	0.00%	\$ -	\$ -
Grayson	0.0	-	\$ -	0.00%	\$ -	\$ -
Inter-County	0.0	-	\$ -	0.00%	\$ -	\$ -
Jackson	8.0	70,080	\$ 565,517.24	8.01%	\$ 1,793,103.45	\$ 2,358,620.69
Licking Valley	0.0	-	\$ -	0.00%	\$ -	\$ -
Nolin	0.0	-	\$ -	0.00%	\$ -	\$ -
Owen	19.3	169,068	\$ 1,364,310.34	19.32%	\$ 4,325,862.07	\$ 5,690,172.41
Salt River	12.7	111,252	\$ 897,758.62	12.71%	\$ 2,846,551.72	\$ 3,744,310.34
Shelby	0.0	-	\$ -	0.00%	\$ -	\$ -
South Kentucky	58.0	508,080	\$ 4,100,000.00	58.06%	\$ 13,000,000.00	\$ 17,100,000.00
Taylor	0.0	-	\$ -	0.00%	\$ -	\$ -
<b>Member Owner Total</b>	<b>99.9</b>	<b>875,124</b>	<b>\$ 7,061,896.55</b>		<b>\$ 22,391,379.31</b>	<b>\$ 29,453,275.86</b>
<b>EKPC 2018 Budget</b>	<b>29,194</b>	<b>13,534,101</b>	<b>EKPC Pass Thru</b>		<b>EKPC Rate Increase</b>	

### Cost Shift Percentages

<u>EKPC Base Rate Impact</u>	<u>EKPC 2018 Budget (pgA2)</u>	<u>Base Shift</u>	<u>Percent Increase</u>
Base Rate	\$ 777,941,988.00	\$ 22,391,379.31	2.88%
EKPC ES Revenue	\$ 109,603,865.00	\$ 7,061,896.55	6.44%

## Assumed Savings per Year (DRAFT)

Cooperative	MW Load Noticed 2018	Savings per MW	Savings per Year
Big Sandy	0.00	\$ 20.00	\$ -
Blue Grass	0.00	\$ 20.00	\$ -
Clark	0.00	\$ 20.00	\$ -
Cumberland Valley	0.00	\$ 20.00	\$ -
Farmers	1.90	\$ 20.00	\$ 332,880
Fleming Mason	0.00	\$ 20.00	\$ -
Grayson	0.00	\$ 20.00	\$ -
Inter-County	0.00	\$ 20.00	\$ -
Jackson	8.00	\$ 20.00	\$ 1,401,600
Licking Valley	0.00	\$ 20.00	\$ -
Nolin	0.00	\$ 20.00	\$ -
Owen	19.30	\$ 20.00	\$ 3,381,360
Salt River	12.70	\$ 20.00	\$ 2,225,040
Shelby	0.00	\$ 20.00	\$ -
South Kentucky	\$ 58.00	\$ 20.00	\$ 10,161,600
Taylor	0.00	\$ 20.00	\$ -
<b>Totals</b>	<b>99.90</b>		<b>17,502,480</b>

Owner-Member Cooperative	EKPC 5% Limit			Average	5% Limit
	EKPC CP (MW) for Month of				
	Feb 2015- Jan 2016	Feb 2016- Jan 2017	Feb 2017- Jan 2018		
Big Sandy	89.5	56.9	74.3	73.6	3.7
Blue Grass	410.9	324.4	382.2	372.5	18.6
Clark	154.0	113.6	139.4	135.7	6.8
Cumberland Valley	158.3	109.6	141.3	136.4	6.8
Farmers	136.4	115.9	138.4	130.2	6.5
Fleming Mason	196.9	166.9	189.1	184.3	9.2
Grayson	85.2	57.6	72.7	71.9	3.6
Inter-County	171.1	134.1	158.6	154.6	7.7
Jackson	325.6	290.2	293.6	283.2	14.2
Licking Valley	88.6	58.7	75.0	74.1	3.7
Nolin	211.1	199.1	215.5	208.6	10.4
Owen	347.4	350.7	423.8	374.0	18.7
Salt River	314.4	262.0	306.4	294.3	14.7
Shelby	120.5	99.6	113.9	111.3	5.6
South Kentucky	458.9	353.4	426.2	412.9	20.6
Taylor	159.4	139.1	157.0	151.8	7.6
<b>Total</b>	<b>3,428.1</b>	<b>2,771.8</b>	<b>3,307.4</b>	<b>3,169.1</b>	<b>158.5</b>

Owner-Member Cooperative	A3 Allotments, Based on Data Through January 2018					
	Owner-Member Peak (MW)			Average	5% Election	15% Election
	Feb 2015- Jan 2016	Feb 2016- Jan 2017	Feb 2017- Jan 2018			
Big Sandy	89.5	58.8	74.9	74.2	3.710	11.1
Blue Grass	410.9	324.4	383.2	372.8	18.642	55.9
Clark	154.0	113.6	140.1	135.9	6.796	20.4
Cumberland Valley	158.3	110.0	141.3	136.5	6.826	20.5
Farmers	136.8	115.9	138.4	130.3	6.517	19.6
Fleming Mason	198.0	179.7	189.1	188.9	9.445	28.3
Grayson	85.2	58.3	72.7	72.1	3.603	10.8
Inter-County	171.1	134.4	158.6	154.7	7.736	23.2
Jackson	327.7	232.2	293.6	284.5	14.226	42.7
Licking Valley	88.6	60.6	76.6	75.3	3.763	11.3
Nolin	230.4	199.1	216.1	215.2	10.760	32.3
Owen	430.9	401.5	447.5	426.6	21.330	64.0
Salt River	316.1	262.0	306.4	294.8	14.742	44.2
Shelby	120.5	101.6	113.9	112.0	5.599	16.8
South Kentucky	458.9	353.4	426.2	412.9	20.643	61.9
Taylor	160.2	139.1	157.0	152.1	7.604	22.8
<b>Total</b>	<b>3,537.0</b>	<b>2,844.5</b>	<b>3,335.0</b>	<b>3,238.8</b>	<b>161.9</b>	

Owner-Member Cooperative	A3 Balances as of January 2018							
	Allocation		Notice Before 2018 & 2018 Non PJM Notices	PJM Notice Yor N	Please choose your 2018 PJM Notice	5% Balance	Live Pro-rata Share of Balance	Feb 8 2018 Pro-Rata Share of Balance
	%	MW						
						MW	MW	MW
Big Sandy	5%	3.7	0.0	N	0.0	3.7	1.9	1.9
Blue Grass	5%	18.6	0.0	N	0.0	18.6	9.5	9.5
Clark	5%	6.8	0.0	N	0.0	6.8	3.5	3.5
Cumberland Valley	5%	6.8	0.0	N	0.0	6.8	3.5	3.5
Farmers*	5%	6.5	4.6	Y	1.9	0.0	0.0	0.0
Fleming Mason*	5%	9.4	1.4	N	0.0	8.0	4.1	4.1
Grayson	5%	3.6	0.0	N	0.0	3.6	1.8	1.8
Inter-County	5%	7.7	0.0	N	0.0	7.7	4.0	4.0
Jackson*	5%	14.2	6.0	Y	8.0	0.0	0.0	0.0
Licking Valley	5%	3.8	0.0	N	0.0	3.8	1.9	1.9
Nolin	5%	10.8	0.0	N	0.0	10.8	5.5	5.5
Owen*	5%	21.9	2.0	Y	19.3	0.0	0.0	0.0
Salt River*	5%	14.7	2.0	Y	12.7	0.0	0.0	0.0
Shelby	5%	5.6	0.0	N	0.0	5.6	2.9	2.9
South Kentucky*	15%	61.9	58.0	N	0.0	0.0	0.0	0.0
Taylor	5%	7.6	0.0	N	0.0	7.6	3.9	3.9
* indicates project in place or in process.								
<b>Total</b>		<b>203.2</b>	<b>74.0</b>		<b>41.9</b>	<b>83.2</b>	<b>42.6</b>	<b>42.5</b>

Total projects MW cannot exceed 5% of the 3 year average of EKPC CP, which is currently 158.5 MW.

Feb 2015-Jan 2016 Peak Occurred Feb 2015  
 Feb 2016-Jan 2017 Peak Occurred Jan 2017  
 Feb 2017-Jan 2018 Peak Occurred Jan 2018

Noticed Projects						
Owner-Member	Project	Notice Given	MW	Delivery Date		
Jackson	Irvine LFGTE		1.6	10/2013		
Jackson	Dupree Energy Sys		1.0	3/2015		
Farmers	Federal Mogul DG		3.6	2005		
Farmers	Glasgow LFGTE		1.0	11/2015		
Salt River	Lock 7		2.0	2013		
Owen	Owen Office		2.0	2016		
South Kentucky	PJM/Market	12/2018	58.0	6/2019		
Salt River	PJM/Market	2/2018	12.7	9/2019		
Owen	PJM/Market	2/2018	19.3	9/2019		
Fleming-Mason	LFG PPA	2/2018	1.4	10/2018		
Jackson	PJM Market	2/2019	8.0			
Jackson	Hydro	2/2020	3.4			
<b>Total Projects</b>			<b>114.0</b>			
Not to Exceed 158.5 MW						
Remaining Balance of 5% Amendment 3 Pool Feb 8, 2018						<b>44.46</b>
Noticed February 8, 2019 not in above:						<b>1.9</b>

Attachment #1  
Page #227 of 877  
Witness: Mark Stallions

**Missy Moore**

---

**From:** Missy Moore  
**Sent:** Thursday, February 22, 2018 10:02 AM  
**To:** Mary Ellen Cole; Mark Stallons  
**Cc:** Elaine Johns  
**Subject:** RE: Last 3 CAs

Mary Ellen,

I have printed these and will get them signed following our Board Meeting today. It will likely be late afternoon before I will be able to send them.

Thanks,  
Missy

**From:** Mary Ellen Cole [mailto:Mary\_Ellen.Cole@enervision-inc.com]  
**Sent:** Thursday, February 22, 2018 10:00 AM  
**To:** Mark Stallons <mstallons@owenelectric.com>; Missy Moore <mmoore@owenelectric.com>  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** Last 3 CAs

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Mark,

I've received two of the five final executed CAs from you. Could you review, sign, and return the attached at your earliest convenience?

Thank you,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (866) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Look for us in Booth #1518 at the NRECA Tech-Advantage Conference & Expo in Nashville, TN Feb. 26<sup>th</sup>-28<sup>th</sup>, 2018!**

**Check us out at [www.EnerVision-inc.com](http://www.EnerVision-inc.com)**

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**Missy Moore**

---

**From:** Terri Combs <terri.combs@ekpc.coop>  
**Sent:** Wednesday, February 21, 2018 1:44 PM  
**To:** 'Chris Brewer'; Joe Spalding, Inter-County Energy; Bill Shearer; Landis Cornett (ekpc@landiscornett.com); Mike Williams (mikew@bgenergy.com); Tim Sharp; Mark Stallons; Tony Campbell; Don Mosier; Mike McNalley; David Smart; David Crews; 'Bill Prather'  
**Subject:** Update re: Tony's phone call today with Dennis Holt

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

Tony would like to have a conference call today at 3:30 p.m. to update you regarding a phone conversation that he had today with Dennis Holt.

The call in information will be sent out to you under an Outlook Meeting invitation. Please let me know if you have any issues with the timing of this call.

Thanks so much,

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](mailto:Terri.combs@ekpc.coop)



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## Missy Moore

---

**Subject:** Conference Call: MOU Committee discussion  
**Location:** Conference Call  
  
**Start:** Mon 2/19/2018 10:00 AM  
**End:** Mon 2/19/2018 10:30 AM  
**Show Time As:** Tentative  
  
**Recurrence:** (none)  
  
**Organizer:** Terri Combs

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The dial in information for the conference call with the MOU Committee is:

Toll-Free Dial-In: 1-877-597-2663  
Conference ID: 2213450  
Moderator PIN: 4689 (Tony will moderate)

If you have any issues, please feel free to contact me.

Thanks so much,

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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**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Monday, February 19, 2018 1:12 PM  
**To:** Mark Stallons; Tim Sharp; Carol Wright; mikew@bgenergy.com; CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com); Debbie Martin; Joni Hazelrigg  
**Subject:** PSC  
**Attachments:** 20180219\_PSC\_ORDER.PDF

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PSC timeline of events for South Kentucky filing attached.

Elaine

**Elaine Johns** President/CEO  
T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840  
[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTH KENTUCKY RURAL	)	
ELECTRIC COOPERATIVE CORPORATION	)	CASE NO.
FOR APPROVAL OF MASTER POWER	)	2018-00050
PURCHASE AND SALE AGREEMENT AND	)	
TRANSACTIONS THEREUNDER	)	

ORDER

On January 31, 2018, South Kentucky Rural Electric Cooperative Corporation ("South Kentucky") filed an application ("Application") requesting approval of a long-term power purchase and sale agreement ("Agreement") under KRS 278.300. The Agreement includes related energy and capacity transactions between South Kentucky and Morgan Stanley Capital Group Inc. ("Morgan Stanley Capital"). South Kentucky also requests, pursuant to 807 KAR 5:001, Section 22, a deviation from certain filing requirements in 807 KAR 5:001, Section 18.

Under the Agreement, South Kentucky will purchase 58 megawatts ("MW") of firm energy from Morgan Stanley Capital for 20 years, beginning June 1, 2019, and a financial capacity hedge of 68 MW for 18 years, beginning June 1, 2021. South Kentucky requests that the Commission approve the Application on an expedited basis. The terms of the Agreement specify that a final, non-appealable Order approving the Agreement must be obtained from the Commission on or before May 31, 2018. For that reason, South Kentucky requests the Commission issue an Order on or before April 25,



2018, so that the Order is issued slightly more than 30 days prior to the contractual deadline set forth in the Agreement.

KRS 278.300 provides that the Commission must adjudicate an application for authority to issue evidences of indebtedness within 60 days of the date the application was filed, unless it is necessary for good cause to continue the application. The proposed Agreement requires South Kentucky to become a member of PJM Interconnection LLC ("PJM") in order to take delivery of the power it purchases from Morgan Stanley Capital. Given the complexity of the proposed transaction, including the requirement that South Kentucky become a PJM Market Participant, the Commission does not expect to complete its investigation of South Kentucky's Application within 60 days. Therefore, the Commission finds that good cause exists to continue the Application beyond the 60-day period specified in KRS 278.300(2). The Commission will use its best efforts to render a decision on or before April 25, 2018, but must conduct a thorough review of the proposed transaction, which may result in a decision after the date requested by South Kentucky.

South Kentucky requests to deviate from certain filing requirements in 807 KAR 5:001, Section 18. South Kentucky asserts that filing requirements relating to the issuance, assumption, of use of proceeds from stocks, bonds, or notes; the acquisition, construction, improvement, or extension of property; and the discharge or refund of obligations, are inapplicable to this Application given the nature of the proposed transaction. The Commission finds that, pursuant to 807 KAR 5:001, Section 22, South Kentucky has established good cause, and therefore a deviation should be granted from

807 KAR 5:001, Section 18(1)(c)–(g) and (2)(c). The Application is deemed filed as of the date of this Order.

Last, the Commission finds that a procedural schedule should be established to review the reasonableness of the Agreement. The procedural schedule is attached as an Appendix to this Order.

IT IS THEREFORE ORDERED that:

1. South Kentucky's request to deviate from the filing requirements in 807 KAR 5:001, Section 18(1)(c)–(g) and (2)(c) is granted, and the Application is deemed filed as of the date of this Order.

2. South Kentucky's Application for approval of the Agreement with Morgan Stanley Capital is continued beyond the 60-day period specified in KRS 278.300(2).

3. The procedural schedule set forth in the Appendix to this Order shall be followed.

4. Any document filed with the Commission shall be served on all parties of record, with the original and ten copies in paper medium to the Commission.

5. a. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed and shall include the name of the witness responsible for responding to questions related to the information provided, with the original and ten copies in paper medium to the Commission.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or an association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the

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

c. Any party shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any request to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

e. Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

f. Any party filing a paper containing personal information shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that the personal information cannot be read.

6. Any motion to intervene filed after February 20, 2018, shall show a basis for intervention and good cause for being untimely, and must state with specificity the person's special interest that is not otherwise adequately represented, or the issues and facts the person will present that will assist the Commission in fully considering the matter. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

7. South Kentucky shall give notice of the hearing in accordance with the provisions set forth in 807 KAR 5:001, Section 9(2)(b). In addition, the notice of hearing

shall include the following statement: "This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov." At the time publication is requested, South Kentucky shall forward a duplicate of the notice and request to the Commission.

8. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

9. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video transcript shall be made of the hearing.

10. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

11. Nothing contained in this Order shall prevent the Commission from entering further Orders in this matter.

By the Commission

ENTERED  
FEB 19 2018  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

Steven R. Penson  
Executive Director

Case No. 2018-00050

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2018-00050 DATED **FEB 19 2018**

All requests for intervention shall be filed by..... 02/23/18

All requests for information to South Kentucky shall  
be filed no later than ..... 02/28/18

South Kentucky shall file responses to requests for  
information no later than ..... 03/07/18

Supplemental requests for information to  
South Kentucky shall be filed no later than ..... 03/14/18

South Kentucky's response to supplemental  
requests for information shall be filed no later than ..... 03/21/18

Intervenor testimony, if any, in verified prepared  
form shall be filed no later than..... 03/26/18

All requests for information to Intervenors shall  
be filed no later than ..... 03/30/18

Intervenors shall file responses to requests for  
information no later than ..... 04/06/18

South Kentucky shall file, in verified prepared form, its rebuttal  
testimony, if any, no later than ..... 04/12/18

Last day for South Kentucky to publish notice of hearing ..... To be scheduled

Public Hearing to be held in Hearing Room 1  
of the Commission's offices at 211 Sower Boulevard,  
Frankfort, Kentucky, for the purpose of cross-examination  
of witnesses of South Kentucky and Intervenors ..... To be scheduled

Simultaneous Briefs, if any ..... To be scheduled

\*M. Evan Buckley  
Goss Samford, PLLC  
2365 Harrodsburg Road, Suite B325  
Lexington, KENTUCKY 40504

\*South Kentucky R.E.C.C.  
925-929 N Main Street  
P. O. Box 910  
Somerset, KY 42502-0910

\*Mark David Goss  
Goss Samford, PLLC  
2365 Harrodsburg Road, Suite B325  
Lexington, KENTUCKY 40504

**Missy Moore**

---

**From:** Mike Williams <mikew@bgenergy.com>  
**Sent:** Monday, February 19, 2018 9:35 AM  
**To:** Terri Combs  
**Cc:** Joe Spalding, Inter-County Energy; Bill Shearer; Landis Cornett (ekpc@landiscornett.com); Tim Sharp; Chris Brewer; Mark Stallons; Tony Campbell; Don Mosier; David Smart; David Crews; Mike McNalley  
**Subject:** Re: MOU Committee discussion

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I 'm good with that time.

Thanks,  
Mike Williams

> On Feb 19, 2018, at 9:15 AM, Terri Combs <terri.combs@ekpc.coop> wrote:  
>  
> Good morning,  
>  
> Tony asked that I set up a conference call for the MOU Committee tomorrow (Tuesday, 2/20) at 3:00 p.m. (eastern time). Does this time work for all of you?  
>  
> Once the date/time is established, I will send out a calendar invitation. Please let me know at your earliest convenience.  
>  
> Thanks so much,  
>  
>  
> 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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>  
>  
>



**Missy Moore**

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Monday, February 19, 2018 3:05 PM  
**To:** Mark Stallons  
**Subject:** RE: SKY Action Plan

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Tomorrow morning better for me as well. 9am?

Carol Wright  
President & CEO  
606-364-9213



**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Monday, February 19, 2018 2:51 PM  
**To:** Carol Wright <carolwright@jacksonenergy.com>; Tim Sharp <tjsharp@srelectric.com>  
**Subject:** SKY Action Plan

Let's discuss today. Will 4pm telecom work? Or anytime tomorrow morning?

Phone 877.597.2663  
ID 9300908#

## **Proposed SKY A3 Action Plan**

- Negotiate with SKY

- SKY assigns Morgan Stanley agreement to EKPC
- SKY reduces take from 15% to less than 10%
- EKPC assigns 5% PPA's to all remaining member owners and increases in reasonable time to match SKY PPA%.
- EKPC reduces either costs or steel in the ground hedge to offset the cost impact of PPA financial hedges
- EKPC intervenes at PSC and files financial impact testimony
- Member Owners intervene individually or jointly and testify to the financial impact
- Continue to develop Kentucky Group PPA

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)



***"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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## Missy Moore

---

**From:** Tim Sharp <tjsharp@srelectric.com>  
**Sent:** Monday, February 19, 2018 3:17 PM  
**To:** Mark Stallons  
**Cc:** Carol Wright  
**Subject:** Re: SKY Action Plan

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K

Sent from my iPhone

On Feb 19, 2018, at 3:06 PM, Mark Stallons <mstallons@owenelectric.com> wrote:

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9am sounds good.

**From:** Carol Wright [<mailto:carolwright@jacksonenergy.com>]  
**Sent:** Monday, February 19, 2018 3:05 PM  
**To:** Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Subject:** RE: SKY Action Plan

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

Tomorrow morning better for me as well. 9am?

Carol Wright  
President & CEO  
606-364-9213  
<image002.jpg>

**From:** Mark Stallons [<mailto:mstallons@owenelectric.com>]  
**Sent:** Monday, February 19, 2018 2:51 PM  
**To:** Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>  
**Subject:** SKY Action Plan

Let's discuss today. Will 4pm telecom work? Or anytime tomorrow morning?

Phone 877.597.2663  
ID 9300908#

## **Proposed SKY A3 Action Plan**

- Negotiate with SKY
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- EKPC assigns 5% PPA's to all remaining member owners and increases in reasonable time to match SKY PPA%.
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- EKPC intervenes at PSC and files financial impact testimony
- Member Owners intervene individually or jointly and testify to the financial impact
- Continue to develop Kentucky Group PPA

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)

<image003.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.

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## Missy Moore

---

**From:** Tim Sharp <tjsharp@srelectric.com>  
**Sent:** Monday, February 19, 2018 2:58 PM  
**To:** Mark Stallons  
**Cc:** Carol Wright  
**Subject:** Re: SKY Action Plan

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I would prefer morning

Sent from my iPhone

On Feb 19, 2018, at 2:50 PM, Mark Stallons <mstallons@owenelectric.com> wrote:

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Let's discuss today. Will 4pm telecom work? Or anytime tomorrow morning?

Phone 877.597.2663  
ID 9300908#

## Proposed SKY A3 Action Plan

- Negotiate with SKY
  - SKY assigns Morgan Stanley agreement to EKPC
  - SKY reduces take from 15% to less than 10%

- EKPC assigns 5% PPA's to all remaining member owners and increases in reasonable time to match SKY PPA%.
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- EKPC intervenes at PSC and files financial impact testimony
- Member Owners intervene individually or jointly and testify to the financial impact
- Continue to develop Kentucky Group PPA

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.

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## Missy Moore

---

**From:** Terri Combs <terri.combs@ekpc.coop>  
**Sent:** Monday, February 19, 2018 1:52 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; Danny Wallen (dlwallen@icloud.com); Debbie Martin -- Shelby; Dennis Holt; Elbert Hampton; Jerry Carter; Jimmy Longmire -- Salt River; Jody Hughes; Joe Spalding, Inter-County Energy; Joni Hazelrigg; Ken Arrington -- Grayson; Kerry Howard -- Licking Valley; Landis Cornett; Mark Stallons; 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:** Tony Campbell; Mike McNalley; Don Mosier; David Smart; David Crews  
**Subject:** Sending on Behalf of Tony Campbell re: Order from KY PSC  
**Attachments:** 3235\_001.pdf

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*Sending on behalf of Tony Campbell:*

The KY Public Service Commission issued an Order this afternoon establishing a procedural schedule for South Kentucky's Application Requesting Approval of a Long-Term Power Purchase and Sale Agreement with Morgan Stanley Capital Group, Inc., which I have attached. Paragraph 6 on Page 4 indicates that any Motion to Intervene shall be filed on February 20, 2018, while the Appendix states that "All requests for Intervention shall be filed by February 23, 2018". EKPC is in the process of verifying whether Motions are due either tomorrow or Friday and we will let you know as soon as we find out.

*Regards,*  
*Anthony "Tony" Campbell*

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



EKPC SAFETY IS  
**R.I.G.H.T.**

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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTH KENTUCKY RURAL	)	
ELECTRIC COOPERATIVE CORPORATION	)	CASE NO.
FOR APPROVAL OF MASTER POWER	)	2018-00050
PURCHASE AND SALE AGREEMENT AND	)	
TRANSACTIONS THEREUNDER	)	

ORDER

On January 31, 2018, South Kentucky Rural Electric Cooperative Corporation ("South Kentucky") filed an application ("Application") requesting approval of a long-term power purchase and sale agreement ("Agreement") under KRS 278.300. The Agreement includes related energy and capacity transactions between South Kentucky and Morgan Stanley Capital Group Inc. ("Morgan Stanley Capital"). South Kentucky also requests, pursuant to 807 KAR 5:001, Section 22, a deviation from certain filing requirements in 807 KAR 5:001, Section 18.

Under the Agreement, South Kentucky will purchase 58 megawatts ("MW") of firm energy from Morgan Stanley Capital for 20 years, beginning June 1, 2019, and a financial capacity hedge of 68 MW for 18 years, beginning June 1, 2021. South Kentucky requests that the Commission approve the Application on an expedited basis. The terms of the Agreement specify that a final, non-appealable Order approving the Agreement must be obtained from the Commission on or before May 31, 2018. For that reason, South Kentucky requests the Commission issue an Order on or before April 25,

2018, so that the Order is issued slightly more than 30 days prior to the contractual deadline set forth in the Agreement.

KRS 278.300 provides that the Commission must adjudicate an application for authority to issue evidences of indebtedness within 60 days of the date the application was filed, unless it is necessary for good cause to continue the application. The proposed Agreement requires South Kentucky to become a member of PJM Interconnection LLC ("PJM") in order to take delivery of the power it purchases from Morgan Stanley Capital. Given the complexity of the proposed transaction, including the requirement that South Kentucky become a PJM Market Participant, the Commission does not expect to complete its investigation of South Kentucky's Application within 60 days. Therefore, the Commission finds that good cause exists to continue the Application beyond the 60-day period specified in KRS 278.300(2). The Commission will use its best efforts to render a decision on or before April 25, 2018, but must conduct a thorough review of the proposed transaction, which may result in a decision after the date requested by South Kentucky.

South Kentucky requests to deviate from certain filing requirements in 807 KAR 5:001, Section 18. South Kentucky asserts that filing requirements relating to the issuance, assumption, of use of proceeds from stocks, bonds, or notes; the acquisition, construction, improvement, or extension of property; and the discharge or refund of obligations, are inapplicable to this Application given the nature of the proposed transaction. The Commission finds that, pursuant to 807 KAR 5:001, Section 22, South Kentucky has established good cause, and therefore a deviation should be granted from

807 KAR 5:001, Section 18(1)(c)–(g) and (2)(c). The Application is deemed filed as of the date of this Order.

Last, the Commission finds that a procedural schedule should be established to review the reasonableness of the Agreement. The procedural schedule is attached as an Appendix to this Order.

IT IS THEREFORE ORDERED that:

1. South Kentucky's request to deviate from the filing requirements in 807 KAR 5:001, Section 18(1)(c)–(g) and (2)(c) is granted, and the Application is deemed filed as of the date of this Order.

2. South Kentucky's Application for approval of the Agreement with Morgan Stanley Capital is continued beyond the 60-day period specified in KRS 278.300(2).

3. The procedural schedule set forth in the Appendix to this Order shall be followed.

4. Any document filed with the Commission shall be served on all parties of record, with the original and ten copies in paper medium to the Commission.

5. a. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed and shall include the name of the witness responsible for responding to questions related to the information provided, with the original and ten copies in paper medium to the Commission.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or an association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the

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

c. Any party shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any request to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

e. Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

f. Any party filing a paper containing personal information shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that the personal information cannot be read.

6. Any motion to intervene filed after February 20, 2018, shall show a basis for intervention and good cause for being untimely, and must state with specificity the person's special interest that is not otherwise adequately represented, or the issues and facts the person will present that will assist the Commission in fully considering the matter. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

7. South Kentucky shall give notice of the hearing in accordance with the provisions set forth in 807 KAR 5:001, Section 9(2)(b). In addition, the notice of hearing

shall include the following statement: "This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov." At the time publication is requested, South Kentucky shall forward a duplicate of the notice and request to the Commission.

8. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

9. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video transcript shall be made of the hearing.

10. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

11. Nothing contained in this Order shall prevent the Commission from entering further Orders in this matter.

By the Commission

ENTERED  
FEB 19 2018  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

Case No. 2018-00050

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2018-00050 DATED FEB 19 2018

All requests for intervention shall be filed by.....02/23/18

All requests for information to South Kentucky shall  
be filed no later than .....02/28/18

South Kentucky shall file responses to requests for  
information no later than .....03/07/18

Supplemental requests for information to  
South Kentucky shall be filed no later than.....03/14/18

South Kentucky's response to supplemental  
requests for information shall be filed no later than .....03/21/18

Intervenor testimony, if any, in verified prepared  
form shall be filed no later than.....03/26/18

All requests for information to Intervenors shall  
be filed no later than .....03/30/18

Intervenors shall file responses to requests for  
information no later than .....04/06/18

South Kentucky shall file, in verified prepared form, its rebuttal  
testimony, if any, no later than .....04/12/18

Last day for South Kentucky to publish notice of hearing ..... To be scheduled

Public Hearing to be held in Hearing Room 1  
of the Commission's offices at 211 Sower Boulevard,  
Frankfort, Kentucky, for the purpose of cross-examination  
of witnesses of South Kentucky and Intervenors ..... To be scheduled

Simultaneous Briefs, if any ..... To be scheduled



\*M. Evan Buckley  
Goss Samford, PLLC  
2365 Harrodsburg Road, Suite B325  
Lexington, KENTUCKY 40504

\*South Kentucky R.E.C.C.  
925-929 N Main Street  
P. O. Box 910  
Somerset, KY 42502-0910

\*Mark David Goss  
Goss Samford, PLLC  
2365 Harrodsburg Road, Suite B325  
Lexington, KENTUCKY 40504

**Missy Moore**

---

**From:** Terri Combs <terri.combs@ekpc.coop>  
**Sent:** Monday, February 19, 2018 9:15 AM  
**To:** Joe Spalding, Inter-County Energy; Bill Shearer; Landis Cornett (ekpc@landiscornett.com); Mike Williams (mikew@bgenergy.com); Tim Sharp; Chris Brewer; Mark Stallons  
**Cc:** Tony Campbell; Don Mosier; David Smart; David Crews; Mike McNalley  
**Subject:** MOU Committee discussion

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

Good morning,

Tony asked that I set up a conference call for the MOU Committee tomorrow (Tuesday, 2/20) at 3:00 p.m. (eastern time). Does this time work for all of you?

Once the date/time is established, I will send out a calendar invitation. Please let me know at your earliest convenience.

Thanks so much,

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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## Missy Moore

---

**From:** Tim Sharp <tjsharp@srelectric.com>  
**Sent:** Wednesday, February 14, 2018 10:41 AM  
**To:** Carol Wright; Mark Stallons  
**Subject:** RE: Committee

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

FYI, I received confirmation that I'm on also.

-----Original Message-----

**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Wednesday, February 14, 2018 9:08 AM  
**To:** Mark Stallons <mstallons@owenelectric.com>  
**Cc:** Tim Sharp <tjsharp@srelectric.com>  
**Subject:** Re: Committee

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Thanks mark! And I hope you feel better soon...

Carol

Sent from my iPhone

> On Feb 14, 2018, at 8:53 AM, Mark Stallons <mstallons@owenelectric.com> wrote:

>

> Carol & Tim,

>

> I volunteered by sending a text to Tony and received confirmation that I am on the committee. I will try to find out who else is on the committee. Feeling better today, temp is 98.9. Still not totally back to normal by closer.

>

> Thanks,

>

>

> Mark

>

> -----Original Message-----

> **From:** Carol Wright [mailto:carolwright@jacksonenergy.com]

> **Sent:** Wednesday, February 14, 2018 8:10 AM

> **To:** Mark Stallons <mstallons@owenelectric.com>; Tim Sharpe <tjsharp@srelectric.com>

> **Subject:** Committee

>

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

>

> I would like to see you both on this committee that Tony will be forming.

>

> Do you want to volunteer or get volunteered-someone nominate you?

>

> Carol

>

> Sent from my iPhone

>

## Missy Moore

---

**From:** Tim Sharp <tjsharp@srelectric.com>  
**Sent:** Wednesday, February 14, 2018 10:15 AM  
**To:** Carol Wright; Mark Stallons  
**Subject:** RE: Committee

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

Carol,

Thanks for your vote of confidence. I sent Tony an email offering to help. I will let you know what I hear.

-----Original Message-----

**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Wednesday, February 14, 2018 8:10 AM  
**To:** mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>  
**Subject:** Committee

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

I would like to see you both on this committee that Tony will be forming.

Do you want to volunteer or get volunteered-someone nominate you?

Carol

Sent from my iPhone

**Missy Moore**

---

**From:** Alan Ahrman <alanahrman@gmail.com>  
**Sent:** Wednesday, February 14, 2018 4:39 PM  
**To:** Mark Stallons  
**Subject:** Re: Fwd: FROM TONY CAMPBELL RE: MOU Committee

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

Great I hope you're feeling better.

On Feb 14, 2018 3:49 PM, "Mark Stallons" <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:  
FYI

Mark Stallons  
Sent from my iPhone

Begin forwarded message:

**From:** Terri Combs <[terri.combs@ekpc.coop](mailto:terri.combs@ekpc.coop)>  
**Date:** February 14, 2018 at 12:05:44 PM EST  
**To:** "Joe Spalding, Inter-County Energy" <[spaldingfarm@windstream.net](mailto:spaldingfarm@windstream.net)>, "Bill Shearer" <[wpshearer@bellsouth.net](mailto:wpshearer@bellsouth.net)>, "Landis Cornett ([ekpc@landiscornett.com](mailto:ekpc@landiscornett.com))" <[ekpc@landiscornett.com](mailto:ekpc@landiscornett.com)>, "Mike Williams ([mikew@bgenergy.com](mailto:mikew@bgenergy.com))" <[mikew@bgenergy.com](mailto:mikew@bgenergy.com)>, Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>, Chris Brewer <[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>, "[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)" <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Cc:** Tony Campbell <[tony.campbell@ekpc.coop](mailto:tony.campbell@ekpc.coop)>, David Smart <[david.smart@ekpc.coop](mailto:david.smart@ekpc.coop)>, Don Mosier <[Don.Mosier@ekpc.coop](mailto:Don.Mosier@ekpc.coop)>, Mike McNalley <[Michael.McNalley@ekpc.coop](mailto:Michael.McNalley@ekpc.coop)>, David Crews <[David.Crews@ekpc.coop](mailto:David.Crews@ekpc.coop)>  
**Subject:** FROM TONY CAMPBELL RE: MOU Committee

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

**SENDING ON BEHALF OF TONY CAMPBELL:**

All:

I was asked to put together a committee to assist with the resolution to our MOU issue. You, and the following, are being asked to serve on this committee. I'm thinking this will not require a substantial amount of time. Plus, I will try to use phone conferencing where possible.

Directors: 1) Joe Spalding 2) Bill Shearer 3) Landis Cornett

CEO's: 1) Mike Williams 2) Tim Sharp 3) Chris Brewer 4) Mark Stallons

If you would rather not serve on the committee please let me know as soon as possible, and I'll make some changes.

I'm going to try and kick this off early next week by conference call.

*Regards,*

*Anthony "Tony" Campbell*

*President and CEO*

*Phone: 859-745-9313*

*Fax: 859-744-7053*

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**Missy Moore**

**From:** David Smart <david.smart@ekpc.coop>  
**Sent:** Thursday, February 15, 2018 2:33 PM  
**To:** Mark Stallons  
**Subject:** RE: Resolution for Approval to Enter into Power Purchase Agreement (Amended)

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Done

**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Thursday, February 15, 2018 2:03 PM  
**To:** David Smart <david.smart@ekpc.coop>  
**Subject:** RE: Resolution for Approval to Enter into Power Purchase Agreement (Amended)

David,

From my perspective the major addition that Paul Hawkins added to the motion was the formation of a committee appointed by Tony. Please consider adding that to the minutes.

Respectfully,

Mark

**From:** David Smart [mailto:david.smart@ekpc.coop]  
**Sent:** Wednesday, February 14, 2018 11:46 AM  
**To:** 'A.L. Rosenberger -- Nolin' <buddyandcarol@bbtel.com>; 'Alan Ahrman - Owen' <alanahrman@gmail.com>; 'Barry Myers -- Taylor County' <bmyers@tcrc.com>; 'Bill Prather -- Farmers' <bprather@farmersrecc.com>; Bobby Sexton <bsexton@bigsandyrecc.com>; Boris Haynes <borish@skrecc.com>; 'Carol Fraley -- Grayson' <carol.fraley@graysonrecc.com>; 'Carol Wright - Jackson Energy' <carolwright@jacksonenergy.com>; 'Chris Brewer - Clark Energy' <cbrewer@clarkenergy.com>; Danny Wallen <dlwallen@icloud.com>; 'Debbie Martin -- Shelby' <debbiem@shelbyenergy.com>; Dennis Holt <dennish@skrecc.com>; Elbert Hampton <eredhampton@gmail.com>; Jerry Carter <jerry@intercountyenergy.net>; 'Jimmy Longmire -- Salt River' <jlongmire94@icloud.com>; 'Jody Hughes' <jodyh@bgenenergy.com>; 'Joe Spalding (spaldingfarm@windstream.net)' <spaldingfarm@windstream.net>; 'Joni Hazelrigg' <jhazelrigg@fme.coop>; 'Kelly Shepherd' <kshpherd@foothills.net>; 'Ken Arrington -- Grayson' <karringtonrecc@foothills.net>; 'Kerry Howard -- Licking Valley' <kkhoward@lvrecc.com>; 'Landis Cornett' <ekpc@landiscornett.com>; Mark Stallons <mstallons@owenelectric.com>; 'Mickey Miller -- Nolin' <miller@nolinrecc.com>; 'Mike Williams -- Blue Grass' <mikew@bgenenergy.com>; 'Paul Hawkins -- Farmers' <paulcat@scrtc.com>; 'Raymond Rucker' <lakeside47@yahoo.com>; 'Ted Hampton' <ted.hampton@cumberlandvalley.coop>; Ted Holbrook <tedh@mrtc.com>; 'Tim Eldridge' <timothy.eldridge@baldwincpas.com>; 'Tim Sharp - Salt River Electric' <tsharp@srelectric.com>; 'Wayne Stratton -- Shelby' <wayne@jnmcpa.com>; 'William Shearer -- Clark' <wpshearer@bellsouth.net>  
**Cc:** Tony Campbell <tony.campbell@ekpc.coop>; Don Mosier <Don.Mosier@ekpc.coop>; Mike McNalley <Michael.McNalley@ekpc.coop>; David Crews <David.Crews@ekpc.coop>; Jeannie Jones <Jeannie.Jones@ekpc.coop>; Terri Combs <terri.combs@ekpc.coop>; Shanan Strange <shanan.strange@ekpc.coop>  
**Subject:** Resolution for Approval to Enter into Power Purchase Agreement (Amended)



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Dear Directors and CEOs,

As promised at yesterday's Board Meeting, I am sending to you the amended Board Resolution regarding EKPC's authority to enter into a power purchase agreement in the context of A3 and the MOU. I added the last sentence to the Resolution requiring Board review and approval of any such action by EKPC Management. I used Paul Hawkins' exact words. Thanks very much.

David

David Smart  
General Counsel  
East Kentucky Power Cooperative, Inc.  
P.O. Box 707  
Winchester, KY 40392-0707  
(859) 745.9237 (DD)

**Missy Moore**

---

**From:** David Smart <david.smart@ekpc.coop>  
**Sent:** Wednesday, February 14, 2018 11:46 AM  
**To:** 'A.L. Rosenberger -- Nolin'; 'Alan Ahrman - Owen'; 'Barry Myers -- Taylor County'; 'Bill Prather -- Farmers'; 'Bobby Sexton'; 'Boris Haynes'; 'Carol Fraley -- Grayson'; 'Carol Wright - Jackson Energy'; 'Chris Brewer - Clark Energy'; 'Danny Wallen'; 'Debbie Martin -- Shelby'; 'Dennis Holt'; 'Elbert Hampton'; 'Jerry Carter'; 'Jimmy Longmire -- Salt River'; 'Jody Hughes'; 'Joe Spalding (spaldingfarm@windstream.net)'; 'Joni Hazelrigg'; 'Kelly Shepherd'; 'Ken Arrington -- Grayson'; 'Kerry Howard -- Licking Valley'; 'Landis Cornett'; 'Mark Stallons'; '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:** Tony Campbell; Don Mosier; Mike McNalley; David Crews; Jeannie Jones; Terri Combs; Shanana Strange  
**Subject:** Resolution for Approval to Enter into Power Purchase Agreement (Amended)  
**Attachments:** Approval to Enter into Power Purchase Agreement (Amended).pdf

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Dear Directors and CEOs,

As promised at yesterday's Board Meeting, I am sending to you the amended Board Resolution regarding EKPC's authority to enter into a power purchase agreement in the context of A3 and the MOU. I added the last sentence to the Resolution requiring Board review and approval of any such action by EKPC Management. I used Paul Hawkins' exact words. Thanks very much.

David

David Smart  
General Counsel  
East Kentucky Power Cooperative, Inc.  
P.O. Box 707  
Winchester, KY 40392-0707  
(859) 745.9237 (DD)

# Resolution

FEBRUARY

## APPROVAL TO ENTER INTO POWER PURCHASE AGREEMENT

**WHEREAS**, on or about October 1, 1964, East Kentucky Power Cooperative (“EKPC”) entered into separate Wholesale Power Contracts with each of its Owner-Members. Each of the Wholesale Power Contracts contain identical provisions and under those contracts, EKPC sells and delivers to each of the sixteen Owner-Members and each of the sixteen Owner-Members purchases and receives, all electric power for the operations of their respective retail electric system; and

**WHEREAS**, in 2003 each Wholesale Power Contract was amended to permit each of the sixteen Owner-Members the ability to obtain power and energy from non-EKPC sources subject to certain limitations and required procedures, this amendment also known as “Amendment No. 3;” and

**WHEREAS**, on or about July 23, 2015, EKPC and each of the sixteen Owner-Members entered into a Memorandum of Understanding and Agreement Regarding Alternate Power Sources (“MOU”), which provides the framework by which the sixteen Owner-Members may pursue and contract with parties other than EKPC (“Alternate Source”) to satisfy a defined portion of their future power needs and includes provisions relating to, among other matters, limitations on the quantities of alternate source power that can be acquired by each Owner-Member, the length of the terms for which the alternate source power can be acquired, and the advance notice that must be provided by an Owner-Member before acquiring alternate-source power; and

**WHEREAS**, South Kentucky Rural Electric Cooperative Corporation (“South Kentucky”) has provided notice to EKPC, pursuant to the terms of the MOU, that it intends to reduce and substitute 58 MW of its purchases from EKPC by using electric power and energy from an Alternate Source beginning in mid-2019, and, further, South Kentucky has filed an Application with the Kentucky Public Service Commission to approve its power purchase agreement with its Alternate Source provider, Morgan Stanley Capital Group; and

**WHEREAS**, the proposed power purchase contract South Kentucky has entered into has precipitated a concern from other Owner-Members of EKPC that South Kentucky and other potential distribution cooperatives exercising rights under the MOU will be unfairly subsidized by entering into power purchase contracts, to the detriment of those cooperatives not entering into those agreements; and

**WHEREAS**, it has always been the earnest resolve of EKPC to be prudent and fair with all of its Owner-Members in its business decisions and conduct; and

**WHEREAS**, an Owner-Member exercising its rights under the MOU may create a situation that is, or is perceived to be, a disproportionate or unfair allocation of

## Resolution

FEBRUARY

alternate power from an alternate source.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of EKPC hereby authorizes and empowers EKPC to take the most economical action within the Wholesale Power Contract to procure a power purchase agreement (“PPA”) for those Owner-Members who do or did not have an opportunity, due to the original Amendment No. 3/MOU notice, to purchase a proportionate 5% allocation of alternate power from EKPC as an alternate source in complete compliance with the Wholesale Power Contract and Amendment No. 3. Any action taken by EKPC Management will be reviewed and approved by the Board of Directors.

## Missy Moore

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Thursday, February 15, 2018 12:46 PM  
**To:** Mark Stallons; tjsharp@srelectric.com; Carol Wright (carolwright@jacksonenergy.com); mikew@bgenergy.com; jhazelrigg@fme.coop; Debbie Martin; cbrewer@clarkenergy.com  
**Cc:** Elaine Johns; Barry Birkett  
**Subject:** RFP Review, Round 2, call tomorrow

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Good afternoon everyone,

Just a quick reminder for our scheduled call tomorrow at 3:15pm (ET). Please use the link below to see the presentation data, and use the call in number to hear/speak in the conversation. You will need to connect on both.

Look forward to speaking with you all then,  
Mary Ellen

**You have been invited to a join.me meeting**

**Join the meeting: [join.me/EVI-1\\_EnerVision](https://join.me/EVI-1_EnerVision)**

Friday, February 16, 2018 3:15 PM  
Eastern Time (US & Canada)  
In my time zone?

**To dial in by phone:**

United States - Atlanta, GA  
**+1.404.400.8750**

United States - Hartford, CT  
**+1.860.970.0010**

More phone numbers

Conference ID:  
**702-156-323 #**

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**Mary Ellen Cole** Lead Consultant  
Main (888) 454-0548 | Alt. (866) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

**ENERVISION®** 4170 Ashford Dunwoody Road | Suite 550 | Atlanta, GA 30319

**Look for us in Booth #1518 at the NRECA Tech-Advantage Conference & Expo in Nashville, TN Feb. 26<sup>th</sup>-28<sup>th</sup>, 2018!**

**Check us out at [www.EnerVision-inc.com](http://www.EnerVision-inc.com)**

Witness: Mark Stallons

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**Missy Moore**

---

**From:** Terri Combs <terri.combs@ekpc.coop>  
**Sent:** Friday, February 16, 2018 8:15 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; 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:** Tony Campbell  
**Subject:** Sending on behalf of Tony Campbell: RE: Directors and CEO's

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

**Sending on behalf of Tony Campbell**

Directors/CEO's,

At last Tuesday's board meeting, I was asked to create a committee to assist me in possibly finding resolution to the South Kentucky MOU issue. Following are the people I placed on the committee (the CEO's contacted me and requested to be on the committee): 1) Joe Spalding 2) Bill Shearer 3) Landis Cornett 4) Mike Williams 5) Tim Sharp 6) Chris Brewer and 7) Mark Stallons.

I'm planning on having a kickoff conference call mid next week. We will then wait to get a date from Dennis Holt to meet with the South Kentucky board. I would assume Chairman Spalding would then want to update the board on our findings.

*Regards,*  
**Anthony "Tony" Campbell**

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



EKPC SAFETY IS  
**R.I.G.H.T.**

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Witness: Mark Stallons

not to be copied or forwarded to any unauthorized persons. If you have received this electronic mail transmission in error, delete it from your system without copying or forwarding it, and notify the sender of the error by replying via email or by calling East Kentucky Power Cooperative, Inc. at 859-744-4812 (collect), so that our address record can be corrected.



**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Sunday, February 18, 2018 12:57 PM  
**To:** Mark Stallons  
**Subject:** SKRECC Assignment Clause

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Mark – below are the Assignment Provisions in the SKRECC Master EEI Agreement. The contract can be assigned to EKPC if Morgan consents (Morgan cannot unreasonably withhold consent). The first paragraph is the Master EEI template assignment language. The second paragraph is the amended language specific to the SKRECC-Morgan Stanley agreement. In addition, there is a reference to a term Affiliate, I have pulled template and amended language for that definition, too. "Affiliate" does not apply to EKPC, in this case.

Please call if you have any questions,  
Elaine

**Master EEI template:**

10.5 Assignment. Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent may be withheld in the exercise of its sole discretion; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), (i) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements, (ii) transfer or assign this Agreement to an affiliate of such Party which affiliate's creditworthiness is equal to or higher than that of such Party, or (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets whose creditworthiness is equal to or higher than that of such Party; provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request.

**Amended SKRECC and Morgan Stanley agreement:**

Section 10.5, "Assignment", shall be amended by (1) deleting the phrase "which consent may be withheld in the exercise of its sole discretion" and replacing with the following: "which consent shall not be unreasonably withheld"; (2) in clause (ii), replacing the words "affiliate" and "affiliate's" with, respectively, "Affiliate" and "Affiliate's"; and (3) in clause (iii), immediately after the words "substantially all of the assets" inserting the words "of such Party and".

**A clarification to the definition of Affiliate:**

**Master EEI template:** 1.1 "Affiliate" means, with respect to any person, any other person (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person. For this purpose, "control" means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

**Amended SKRECC and Morgan Stanley agreement:** Section 1.1, "Affiliate" shall be amended by adding the following at the end thereof  
"; provided,  
however, that in the case of Party A, the term "Affiliate" shall not include Morgan Stanley Derivative Products Inc."

**Elaine Johns** President/CEO

T (678) 810-2010 | C (678) 910-1122 | (888) 999-8840  
[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Dennis Holt <dholt@skrecc.com>  
**Sent:** Monday, February 12, 2018 7:25 AM  
**To:** bsexton@bigandyrecc.com; Mike Williams (mikew@bgenergy.com); CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com); ted.hampton@cumberlandvalley.coop; jhazelrigg@fme.coop; carol.fraley@graysonrecc.com; jerry@intercountyenergy.net; carolwright@jacksonenergy.com; kkhoward@lvrecc.com; mmiller@nolinrecc.com; debbiem@shelbyenergy.com; bmyers@tcrecc.com; tony.campbell@ekpc.coop; Don Mosier; Mike McNalley; david.crews@ekpc.coop; Mark Stallons; Bill Prather; Tim Sharp  
**Subject:** EKPC Amendment Three  
**Attachments:** DOC021218-02122018072337.pdf

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

In advance of tomorrow's EKPC Board Meeting I am sending the attached letter for your review.

I look forward to seeing everyone at tomorrow's meeting.

Dennis Holt  
President & CEO  
South Kentucky RECC  
Somerset, Kentucky 42503  
Phone 606-678-4121  
Cell 606-872-3555

Dennis Holt  
President & CEO  
Phone (606) 678-4121



200 Electric Avenue  
P. O. Box 910  
Somerset KY 42502

February 12, 2018

Dear Fellow Managers,

As you are all aware South Kentucky gave notice to East Kentucky Power (EKPC) on November 28, 2017 to exercise our Amendment Three Privileges. South Kentucky is aware of the concerns of other EKPC Member Cooperatives that the cumulative effect of all Amendment Three elections could be significant cost-shifting between and among us. Because of South Kentucky's recognition of this fact we are willing to work with the other distribution cooperatives to help mitigate these concerns.

South Kentucky has contracted with Morgan Stanley for a 58 Megawatt fixed energy product, and a 68 Megawatt Financial Capacity Hedge product. While South Kentucky remains obligated under this contract to take 58 Megawatts from Morgan Stanley, we are open to reasonable options to reduce the impact on the other distribution cooperatives.

During the due diligence phase of this transaction leading up to our Amendment Three notification to EKPC we have been very careful to meet all legal requirements outlined in Amendment Three and the corresponding Memorandum of Understanding agreed to by all of us, and approved by the Kentucky Public Service Commission. However, South Kentucky values its relationship to each of its sister cooperatives too much to allow disunity at EKPC. Because of this, at its recent monthly meeting, South Kentucky's Board of Directors voted and directed me to investigate ways in which we can reduce our election of 15% by 1/3, to a 10% election instead.

I am sure each of you understands that South Kentucky cannot now directly reduce the amount of power being procured in the contract with Morgan Stanley due to contractual obligations; however, we believe there may be other ways to transfer and/or assign a portion of our contracted amount so as to benefit other cooperatives and flatten out the effect of cost-shifting. We will all probably need EKPC's expertise in determining ways to achieve this transfer and/or assignment.

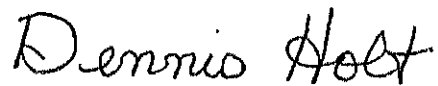
South Kentucky has expended significant expense in staff time, consultants and attorneys to reach this point in the process. We would hope that whoever ultimately benefits from

this transfer will recognize this fact and South Kentucky would expect some reasonable mitigation of its financial outlay from the participant(s).

South Kentucky stands ready to work with our sister distribution cooperatives to develop a plan to achieve the objective of mitigation of cost-shifting to the degree possible. I'm sure that we will all need to rely on EKPC's assistance as we move forward to accomplish this goal.

We can discuss this matter in greater detail at tomorrow's EKPC Board of Directors meeting.

Sincerely Yours,

A handwritten signature in black ink that reads "Dennis Holt". The signature is written in a cursive, slightly slanted style.

Dennis Holt  
President & CEO  
South Kentucky RECC  
200 Electric Avenue  
Somerset, Kentucky 42503

**Missy Moore**

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Monday, February 12, 2018 7:28 AM  
**To:** Mark Stallons  
**Subject:** FW: EKPC Amendment Three  
**Attachments:** DOC021218-02122018072337.pdf

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This is our shot at 10% for all coops.....and it may be our only shot!

Carol Wright  
 President & CEO  
 606-364-9213



**From:** Dennis Holt [mailto:dholt@skrecc.com]  
**Sent:** Monday, February 12, 2018 7:25 AM  
**To:** bsxton@bigsandyrecc.com; Mike Williams (mikew@bgenergy.com) <mikew@bgenergy.com>; CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com) <cbrewer@clarkenergy.com>; ted.hampton@cumberlandvalley.coop; jhazelrigg@fme.coop; carol.fraley@graysonrecc.com; jerry@intercountyenergy.net; Carol Wright <carolwright@jacksonenergy.com>; kkhoward@lvrecc.com; mmiller@nolinrecc.com; debbiem@shelbyenergy.com; bmyers@tcrecc.com; tony.campbell@ekpc.coop; Don Mosier <Don.Mosier@ekpc.coop>; Mike McNalley <Michael.McNalley@ekpc.coop>; david.crews@ekpc.coop; Mark Stallons <mstallons@owenelectric.com>; Bill Prather <bprather@farmersrecc.net>; Tim Sharp <tjsharp@srelectric.com>  
**Subject:** EKPC Amendment Three

In advance of tomorrow's EKPC Board Meeting I am sending the attached letter for your review.

I look forward to seeing everyone at tomorrow's meeting.

Dennis Holt  
 President & CEO  
 South Kentucky RECC  
 Somerset, Kentucky 42503  
 Phone 606-678-4121  
 Cell 606-872-3555

**Missy Moore**

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Tuesday, February 13, 2018 8:54 AM  
**To:** Mark Stallons; Carol Wright (carolwright@jacksonenergy.com); tjsharp@srelectric.com; mikew@bgenergy.com; debbiem@shelbyenergy.com; jhazelrigg@fme.coop; cbrewer@clarkenergy.com  
**Cc:** Elaine Johns; Missy Moore  
**Subject:** RE: Kentucky Group, status update  
**Attachments:** Kentucky Group Confidentiality Agreement\_Constellation (FINAL) v3 2-7-18.pdf

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

Good morning,

We've received one more Confidentiality Agreement (Constellation) for your review and signature. I am waiting for one more to arrive (Calpine) and expect it sometime today. I'll send that over as soon as it is available. Please sign and return at your earliest convenience.

Thank you,  
 Mary Ellen

**Mary Ellen Cole** Lead Consultant  
 Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Mary Ellen Cole  
**Sent:** Monday, February 12, 2018 12:21 PM  
**To:** Mark Stallons (mstallons@owenelectric.com) <mstallons@owenelectric.com>; Carol Wright (carolwright@jacksonenergy.com) <carolwright@jacksonenergy.com>; tjsharp@srelectric.com; 'mikew@bgenergy.com' <mikew@bgenergy.com>; 'debbiem@shelbyenergy.com' <debbiem@shelbyenergy.com>; 'jhazelrigg@fme.coop' <jhazelrigg@fme.coop>; 'cbrewer@clarkenergy.com' <cbrewer@clarkenergy.com>  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>; 'Missy Moore' <m Moore@owenelectric.com>  
**Subject:** RE: Kentucky Group, status update

Good afternoon all,

I have received the attached revised and executed Confidentiality Agreements from three of the marketers so far (AEP, Morgan Stanley, and Sky Global). Please review, sign, and return to me at your earliest convenience. I'll provide the remaining two as soon as they are available.

Thank you,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Mary Ellen Cole  
**Sent:** Tuesday, February 6, 2018 5:02 PM  
**To:** Mark Stallons ([mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)) <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>; Carol Wright ([carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)) <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; [tjsharp@srelectric.com](mailto:tjsharp@srelectric.com); [mikew@bgenergy.com](mailto:mikew@bgenergy.com); 'debbiem@shelbyenergy.com' <[debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com)>; 'jhazlrigg@fme.coop' <[jhazlrigg@fme.coop](mailto:jhazlrigg@fme.coop)>; 'cbrewer@clarkenergy.com' <[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>  
**Cc:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>; 'Missy Moore' <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>  
**Subject:** Kentucky Group, status update

Good afternoon everyone,

We have received confirmation from 3 of the 5 marketers (Morgan Stanley, AEP, and Constellation) that pricing should not change if the energy purchase increases to 70MW or if the Kentucky Group increases to 7 cooperatives. I expect to hear the same confirmation from the remaining two soon.

With that, we will need to revise and execute new Confidentiality Agreements to include all of you as part of the Kentucky Group so that you can share information. I will revise the existing Confidentiality Agreements as such, and send copies executed by the marketers to you over the next few days.

Looking forward to working with you all,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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Witness: Mark Stallons

*sender immediately by telephone (678-510-2900) or by electronic mail ([info@enervision-inc.com](mailto:info@enervision-inc.com)), and delete this message and all copies and backups thereof. Thank you.*

**Missy Moore**

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Monday, February 12, 2018 12:22 PM  
**To:** Mark Stallons; Carol Wright (carolwright@jacksonenergy.com); tjsharp@srelectric.com; mikew@bgenergy.com; debbiem@shelbyenergy.com; jhazlrigg@fme.coop; cbrewer@clarkenergy.com  
**Cc:** Elaine Johns; Missy Moore  
**Subject:** RE: Kentucky Group, status update  
**Attachments:** Kentucky Group CA\_AEPEP\_partially executed\_02.07.2018.pdf; MSCG\_NDA\_Signed\_06Feb18.pdf; Kentucky Group & Sky Global NDA - 2-8-18.pdf

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[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Mary Ellen Cole  
**Sent:** Tuesday, February 6, 2018 5:02 PM  
**To:** Mark Stallons (mstallons@owenelectric.com) <mstallons@owenelectric.com>; Carol Wright (carolwright@jacksonenergy.com) <carolwright@jacksonenergy.com>; tjsharp@srelectric.com; mikew@bgenergy.com; 'debbiem@shelbyenergy.com' <debbiem@shelbyenergy.com>; 'jhazlrigg@fme.coop' <jhazlrigg@fme.coop>; 'cbrewer@clarkenergy.com' <cbrewer@clarkenergy.com>  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>; 'Missy Moore' <mmoore@owenelectric.com>  
**Subject:** Kentucky Group, status update

Good afternoon everyone,

Witness: Mark Stallons

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Mary Ellen

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## Missy Moore

---

**From:** Tim Sharp <tjsharp@srelectric.com>  
**Sent:** Monday, February 12, 2018 7:57 AM  
**To:** Elaine Johns; Mark Stallons; Carol Wright; Mike Williams; debbiem@shelbyenergy.com; Joni Hazelrigg; cbrewer@clarkenergy.com  
**Cc:** Missy Moore; Mary Ellen Cole; Barry Birkett  
**Subject:** RE: Round 2 Meeting

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I'm good anytime Friday.

Tim

-----Original Message-----

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Sunday, February 11, 2018 9:35 PM  
**To:** mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; Mike Williams <mikew@bgenenergy.com>; debbiem@shelbyenergy.com; Joni Hazelrigg <jhazelrigg@fme.coop>; cbrewer@clarkenergy.com  
**Cc:** mmoore@owenelectric.com; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>; Barry Birkett <Barry.Birkett@enervision-inc.com>  
**Subject:** Round 2 Meeting

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

With Round 2 pricing due in this Weds., 2/14, we were wondering if a Friday 2/16 afternoon meeting could work?

I have down Blue Grass Board on 2/19. Is there another before then?

Please let me know if you can make a joint meeting on Friday 2/16 at 2:30pm. If not, let us know what works for you

—  
Thanks,  
Elaine

Sent from my iPhone

## Missy Moore

---

**From:** Mike Williams <mikew@bgenergy.com>  
**Sent:** Monday, February 12, 2018 8:21 AM  
**To:** Elaine Johns; Mark Stallons; Tim Sharp; Carol Wright; debbiem@shelbyenergy.com; Joni Hazelrigg; cbrewer@clarkenergy.com  
**Cc:** Missy Moore; Mary Ellen Cole; Barry Birkett  
**Subject:** RE: Round 2 Meeting

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

I'm available anytime Friday.

Sincerely,

Michael I. Williams  
President/CEO  
Blue Grass Energy

-----Original Message-----

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Sunday, February 11, 2018 9:35 PM  
**To:** mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; Mike Williams <mikew@bgenergy.com>; debbiem@shelbyenergy.com; Joni Hazelrigg <jhazelrigg@fme.coop>; cbrewer@clarkenergy.com  
**Cc:** mmoore@owenelectric.com; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>; Barry Birkett <Barry.Birkett@enervision-inc.com>  
**Subject:** Round 2 Meeting

With Round 2 pricing due in this Weds., 2/14, we were wondering if a Friday 2/16 afternoon meeting could work?

I have down Blue Grass Board on 2/19. Is there another before then?

Please let me know if you can make a joint meeting on Friday 2/16 at 2:30pm. If not, let us know what works for you

—  
Thanks,  
Elaine

Sent from my iPhone

**Missy Moore**

---

**From:** Chris Brewer <cbrewer@clarkenergy.com>  
**Sent:** Monday, February 12, 2018 8:51 AM  
**To:** Elaine Johns; Mark Stallons; Tim Sharp; Carol Wright; Mike Williams; debbiem@shelbyenergy.com; Joni Hazelrigg  
**Cc:** Missy Moore; Mary Ellen Cole; Barry Birkett  
**Subject:** RE: Round 2 Meeting

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I should be available.

Chris Brewer, PE  
cbrewer@clarkenergy.com  
859-901-9207  
President & CEO  
Clark Energy

-----Original Message-----

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Sunday, February 11, 2018 9:35 PM  
**To:** mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; Mike Williams <mikew@bgenenergy.com>; debbiem@shelbyenergy.com; Joni Hazelrigg <jhazelrigg@fme.coop>; Chris Brewer <cbrewer@clarkenergy.com>  
**Cc:** mmoore@owenelectric.com; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>; Barry Birkett <Barry.Birkett@enervision-inc.com>  
**Subject:** Round 2 Meeting

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I have down Blue Grass Board on 2/19. Is there another before then?

Please let me know if you can make a joinme meeting on Friday 2/16 at 2:30pm. If not, let us know what works for you

—  
Thanks,  
Elaine

Sent from my iPhone

**Missy Moore**

---

**From:** Joni Hazelrigg <jhazelrigg@fme.coop>  
**Sent:** Monday, February 12, 2018 9:26 AM  
**To:** Elaine Johns; Mark Stallons; Tim Sharp; Carol Wright; Mike Williams; debbiem@shelbyenergy.com; cbrewer@clarkenergy.com  
**Cc:** Missy Moore; Mary Ellen Cole; Barry Birkett  
**Subject:** RE: Round 2 Meeting

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

I am available anytime Friday.

Thanks,

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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-----Original Message-----

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Sunday, February 11, 2018 9:35 PM  
**To:** mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; Mike Williams <mikew@bgenenergy.com>; debbiem@shelbyenergy.com; Joni Hazelrigg <jhazelrigg@fme.coop>; cbrewer@clarkenergy.com  
**Cc:** mmoore@owenelectric.com; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>; Barry Birkett <Barry.Birkett@enervision-inc.com>  
**Subject:** Round 2 Meeting

With Round 2 pricing due in this Weds., 2/14, we were wondering if a Friday 2/16 afternoon meeting could work?

I have down Blue Grass Board on 2/19. Is there another before then?

Witness: Mark Stallons

Please let me know if you can make a joinme meeting on Friday 2/16 at 2:30pm. If not, let us know what works for you

—

Thanks,  
Elaine

Sent from my iPhone



## Missy Moore

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Monday, February 12, 2018 7:25 AM  
**To:** 'Elaine Johns'; Mark Stallons; Tim Sharp; Mike Williams; debbiem@shelbyenergy.com; Joni Hazelrigg; cbrewer@clarkenergy.com  
**Cc:** Missy Moore; Mary Ellen Cole; Barry Birkett  
**Subject:** RE: Round 2 Meeting

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

I can join the meeting on Friday at 2:30pm.

Thanks,

Carol Wright  
President & CEO  
606-364-9213



-----Original Message-----

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Sunday, February 11, 2018 9:35 PM  
**To:** mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; Mike Williams <mikew@bgenenergy.com>; debbiem@shelbyenergy.com; Joni Hazelrigg <jhazelrigg@fme.coop>; cbrewer@clarkenergy.com  
**Cc:** mmoore@owenelectric.com; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>; Barry Birkett <Barry.Birkett@enervision-inc.com>  
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Please let me know if you can make a joint meeting on Friday 2/16 at 2:30pm. If not, let us know what works for you

—

Thanks,  
Elaine

Sent from my iPhone

**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Sunday, February 11, 2018 9:35 PM  
**To:** Mark Stallons; Tim Sharp; Carol Wright; Mike Williams; debbiem@shelbyenergy.com; Joni Hazelrigg; cbrewer@clarkenergy.com  
**Cc:** Missy Moore; Mary Ellen Cole; Barry Birkett  
**Subject:** Round 2 Meeting

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Please let me know if you can make a joinme meeting on Friday 2/16 at 2:30pm. If not, let us know what works for you

—

Thanks,  
Elaine

Sent from my iPhone

**Missy Moore**

---

**From:** Missy Moore  
**Sent:** Thursday, February 8, 2018 2:04 PM  
**To:** Mark Stallons  
**Subject:** Letter of Notice - Final 2.7.18  
**Attachments:** Letter of Notice - Final 2.7.18.doc

**Missy Moore**

---

**From:** Bill Prather <bprather@farmersrecc.net>  
**Sent:** Thursday, February 8, 2018 3:53 PM  
**To:** Tim Sharp  
**Cc:** bsexton@big sandyrecc.com; Mike Williams (mikew@bgenergy.com); CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com); ted.hampton@cumberlandvalley.coop; jhazelrigg@fme.coop; carol.fraley@graysonrecc.com; jerry@intercountyenergy.net; carolwright@jacksonenergy.com; kkhoward@lvrecc.com; mmiller@nolinrecc.com; Mark Stallons; 'Dennis Holt' (dholt@skrecc.com); debbiem@shelbyenergy.com; bmyers@trecc.com; tony.campbell@ekpc.coop  
**Subject:** Re: EKPC Amendment Three Notification

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

Folks,

Like Tim at Salt River, I wanted to give you a heads up that Farmers has likewise given EKPC notification on the remaining balance of our Amendment 3 rights. Farmers too, is hopeful that we can all determine a path forward that will be beneficial to all sixteen member-owners. We look forward to working together to find common ground that is fair to all. We do not philosophically support where Amendment 3 is currently taking us all, and hope we can find a better way for our sixteen members.

Bill Prather  
Farmers RECC

On Fri, Feb 2, 2018 at 7:11 AM, Tim Sharp <tjsharp@srelectric.com> wrote:

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

--

**William T. Prather**

President/CEO

Farmers Rural Electric Cooperative Corporation


504 South Broadway

Glasgow, Kentucky 42141

270-651-2191, ext. 8300

[bprather@farmersrecc.com](mailto:bprather@farmersrecc.com)



A Touchstone Energy® Cooperative 

## Missy Moore

---

**From:** Alan Ahrman <alanahrman@gmail.com>  
**Sent:** Friday, February 9, 2018 2:34 PM  
**To:** Mark Stallons  
**Subject:** Re: FW: EKPC Amendment Three Notification

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

Call when you have time.

Alan

On Feb 9, 2018 1:52 PM, "Mark Stallons" <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Alan,

I have forwarded this to all the EKPC CEO's, Tony, Don, Mike & David. I have not forwarded it to any directors. Let's discuss at your convenience.

Mark

**From:** Mark Stallons  
**Sent:** Friday, February 09, 2018 1:44 PM  
**To:** 'Bill Prather' <[bprather@farmersrecc.net](mailto:bprather@farmersrecc.net)>; Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>  
**Cc:** [bsexton@bigsandyrecc.com](mailto:bsexton@bigsandyrecc.com); Mike Williams ([mikew@bgenergy.com](mailto:mikew@bgenergy.com)) <[mikew@bgenergy.com](mailto:mikew@bgenergy.com)>; CHRIS BREWER ([cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)) ([cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)) <[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>; [ted.hampton@cumberlandvalley.coop](mailto:ted.hampton@cumberlandvalley.coop); [jhazlrigg@fme.coop](mailto:jhazlrigg@fme.coop); [carol.fraley@graysonrecc.com](mailto:carol.fraley@graysonrecc.com); [jerry@intercountyenergy.net](mailto:jerry@intercountyenergy.net); [carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com); [kkhoward@lvrecc.com](mailto:kkhoward@lvrecc.com); [mmiller@nolinrecc.com](mailto:mmiller@nolinrecc.com); 'Dennis Holt' ([dholt@skrecc.com](mailto:dholt@skrecc.com)) <[dholt@skrecc.com](mailto:dholt@skrecc.com)>; [debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com); [bmyers@tcrecc.com](mailto:bmyers@tcrecc.com); [tony.campbell@ekpc.coop](mailto:tony.campbell@ekpc.coop); Don Mosier <[Don.Mosier@ekpc.coop](mailto:Don.Mosier@ekpc.coop)>; Mike McNalley <[Michael.McNalley@ekpc.coop](mailto:Michael.McNalley@ekpc.coop)>; [david.crews@ekpc.coop](mailto:david.crews@ekpc.coop)  
**Subject:** RE: EKPC Amendment Three Notification

Fellow Manager's,

Owen has likewise given EKPC notification on the remaining balance of our Amendment 3 rights. As Tim and Bill have expressed, Owen is also hopeful that we can work together to find common ground and determine a pathway that meets all of our 500,000 plus members desire for affordable and reliable energy. As developed in 2003, Amendment 3's differential between an individual coops ability to go to market for 15% while EKPC's allotment is simply 5%, has

Witness: Mark Stallons

always been recognized and is a serious problem that creates major inequities. When we negotiated the MOU, unfortunately we were unable to mitigate this risk and agree on a common percentage that applied to both EKPC and the Member Owners.

In Owen's board room discussions, we used the attached excel spreadsheet to understand the Amendment 3 impacts to EKPC and all 16 member owners. You are welcome to modify and use this model to see what your Cooperative's impacts are under a variety of scenarios. Please understand that some data is not readily available and as a result I have made assumptions that affect the outcome. For example in the last tab entitled "Cost shift", I used the 2017 capital credit allocations to estimate each cooperatives power bill. To receive a more accurate estimated impact, please input your actual 2017 Environmental Surcharge power expense in column D (highlighted green) and your Base Rate power bill in column F also highlighted green.

The first tab, titled "Jan 2018 Allotment", is a historical summary of Amendment 3 notices and the balances by cooperative as of February 8, 2018. I have included Farmer's recent notice, however, I simply applied the notice to the remaining balance. If a prior notice has been rescinded then my assumption is not accurate. If you want to see the impact of your Cooperative's decision to give notice or to not give notice please update column X and Y highlighted in green and entitled 2018 PJM Notices with either your remaining balance in column Z, the pro-rata share in column AA, or leave as zero. Please note that column AE, titled "Net Member Savings(Loss)" identifies the resulting cost impact. As you change your notice and as others change their notice the impacts shift.

The second tab, titled "A3 Savings" takes the noticed amount from tab 1 "Jan 2018 Allotment" and calculates the annual savings that your individual cooperative could expect in year 1 if the price spread was \$20. You can change the price spread highlighted in green to any number you choose.

The third tab, titled "EKPC Impact" shows the impact on the Environmental Surcharge and on the Base Rates charged to each member owner based upon the number of cooperatives who have given notice. Please note that the cost shifts are proportional to the cost shifts identified in EKPC's letter dated December 27, 2017 which discusses said cost shifts and mitigation. Please also note that the notices provided since November 2017 are estimated to result in roughly a \$7 Million dollar reduction (6.44%) in EKPC's environmental surcharge revenue and roughly a \$22 Million reduction (2.88%) in base rate revenue. As you change your notice choice on tab 1, the impact is updated.

The fourth tab, entitled "Cost Shift", displays the savings if you exercise Amendment 3, the resulting cost shifts, and the net impact on all 16 cooperatives. Unfortunately, the bottom line is that exercising your Amendment 3 option will not completely mitigate the negative cost impacts or totally reduce the cost shifts. The only successful way forward is for all of us is to sit down and develop a new path that is beneficial to all concerned.

I do not claim the attached spreadsheet to be perfect, however, I do believe it is directionally correct and a good start. I am also very willing to work with interested parties to modify and improve the model. Should you have any questions, please do not hesitate to call.

Sincerely,

Mark

**From:** Bill Prather [<mailto:bprather@farmersrecc.net>]

**Sent:** Thursday, February 08, 2018 3:53 PM

**To:** Tim Sharp <[tisharp@srelectric.com](mailto:tisharp@srelectric.com)>

**Cc:** [bsexton@bigsandyrecc.com](mailto:bsexton@bigsandyrecc.com); Mike Williams ([mikew@bgenergy.com](mailto:mikew@bgenergy.com)) <[mikew@bgenergy.com](mailto:mikew@bgenergy.com)>; CHRIS BREWER ([cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)) ([cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)) <[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>; [ted.hampton@cumberlandvalley.coop](mailto:ted.hampton@cumberlandvalley.coop); [jhazlrigg@fme.coop](mailto:jhazlrigg@fme.coop); [carol.fraley@graysonrecc.com](mailto:carol.fraley@graysonrecc.com); [jerry@intercountyenergy.net](mailto:jerry@intercountyenergy.net); [carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com); [khoward@lvrecc.com](mailto:khoward@lvrecc.com); [mmiller@nolinrecc.com](mailto:mmiller@nolinrecc.com); Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>; 'Dennis Holt' ([dholt@skrecc.com](mailto:dholt@skrecc.com)) <[dholt@skrecc.com](mailto:dholt@skrecc.com)>; [debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com); [bmyers@tccecc.com](mailto:bmyers@tccecc.com); [tony.campbell@ekpc.coop](mailto:tony.campbell@ekpc.coop)

**Subject:** Re: EKPC Amendment Three Notification

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Folks,

Like Tim at Salt River, I wanted to give you a heads up that Farmers has likewise given EKPC notification on the remaining balance of our Amendment 3 rights. Farmers too, is hopeful that we can all determine a path forward that will be beneficial to all sixteen member-owners. We look forward to working together to find common ground that is fair to all. We do not philosophically support where Amendment 3 is currently taking us all, and hope we can find a better way for our sixteen members.

Bill Prather

Farmers RECC

On Fri, Feb 2, 2018 at 7:11 AM, Tim Sharp <[tisharp@srelectric.com](mailto:tisharp@srelectric.com)> wrote:

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.



Witness: Mark Stallons

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

--  
**William T. Prather**  
President/CEO  
Farmers Rural Electric Cooperative Corporation  
504 South Broadway

Glasgow, Kentucky 42141  
270-651-2191, ext. 8300  
[bprather@farmersrecc.com](mailto:bprather@farmersrecc.com)



**Missy Moore**

---

**From:** David Crews <David.Crews@ekpc.coop>  
**Sent:** Wednesday, February 7, 2018 4:05 PM  
**To:** Barry Myers; Bill Prather; Bobby Sexton; Carol Fraley; Carol Wright - Jackson Energy; Chris Brewer - Clark Energy; Debbie Martin; Dennis Holt; Jerry Carter; Joni Hazelrigg; Kerry Howard; Mark Stallons; Mickey Miller; Mike Williams; Ted Hampton; Tim Sharp - Salt River Electric  
**Subject:** Amendment 3 Allotment Jan 2018 for distribution.xlsx  
**Attachments:** Amendment 3 Allotment Jan 2018 for distribution.xlsx

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

This is the spreadsheet updated with notices received today.

### A3 Allotments, Based on Data Through January 2018

Owner-Member Cooperative	Owner-Member Peak (MW)			Average	5% Election	15% Election
	Feb 2015-	Feb 2016-	Feb 2017-			
	Jan 2016	Jan 2017	Jan 2018			
Big Sandy	89.5	58.8	74.3	74.2	3.7	11.1
Blue Grass	410.9	324.4	383.2	372.8	18.6	55.9
Clark	154.0	113.6	140.1	135.9	6.8	20.4
Cumberland Valley	158.3	110.0	141.3	136.5	6.8	20.5
Farmers	136.8	115.9	138.4	130.3	6.5	19.6
Fleming Mason	198.0	179.7	189.1	188.9	9.4	28.3
Grayson	85.2	58.3	72.7	72.1	3.6	10.8
Inter-County	171.1	134.4	158.6	154.7	7.7	23.2
Jackson	327.7	232.2	293.6	284.5	14.2	42.7
Licking Valley	88.6	60.6	76.6	75.3	3.8	11.3
Nolin	230.4	199.1	216.1	215.2	10.8	32.3
Owen	430.9	401.5	447.5	426.6	21.3	64.0
Salt River	316.1	262.0	306.4	294.8	14.7	44.2
Shelby	120.5	101.6	113.9	112.0	5.6	16.8
South Kentucky	458.9	353.4	426.2	412.9	20.6	61.9
Taylor	160.2	139.1	157.0	152.1	7.6	22.8
<b>Total</b>	<b>3,537.0</b>	<b>2,844.5</b>	<b>3,335.0</b>	<b>3,238.8</b>	<b>161.9</b>	

**Missy Moore**

---

**From:** Mike McNalley <Michael.McNalley@ekpc.coop>  
**Sent:** Wednesday, February 7, 2018 9:33 AM  
**To:** Mark Stallons  
**Subject:** FW: Amendment 3 Allotment Jan 2018 for distribution.xlsx  
**Attachments:** Amendment 3 Allotment Jan 2018 for distribution.xlsx

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

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

**From:** Sally Witt  
**Sent:** Tuesday, February 6, 2018 4:51 PM  
**To:** David Crews <David.Crews@ekpc.coop>; Don Mosier <Don.Mosier@ekpc.coop>; Mike McNalley <Michael.McNalley@ekpc.coop>  
**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

### A3 Allotments, Based on Data Through January 2018

Owner-Member Cooperative	Owner-Member Peak (MW)			Average	5% Election	15% Election
	Feb 2015-	Feb 2016-	Feb 2017-			
	Jan 2016	Jan 2017	Jan 2018			
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Farmers	136.8	115.9	138.4	130.3	6.5	19.6
Fleming Mason	198.0	179.7	189.1	188.9	9.4	28.3
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Inter-County	171.1	134.4	158.6	154.7	7.7	23.2
Jackson	327.7	232.2	293.6	284.5	14.2	42.7
Licking Valley	88.6	60.6	76.6	75.3	3.8	11.3
Nolin	230.4	199.1	216.1	215.2	10.8	32.3
Owen	430.9	401.5	447.5	426.6	21.3	64.0
Salt River	316.1	262.0	306.4	294.8	14.7	44.2
Shelby	120.5	101.6	113.9	112.0	5.6	16.8
South Kentucky	458.9	353.4	426.2	412.9	20.6	61.9
Taylor	160.2	139.1	157.0	152.1	7.6	22.8
<b>Total</b>	<b>3,537.0</b>	<b>2,844.5</b>	<b>3,335.0</b>	<b>3,238.8</b>	<b>161.9</b>	

**Missy Moore**

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Wednesday, February 7, 2018 9:05 AM  
**To:** Elaine Johns; Mark Stallons  
**Subject:** Fwd: Notification Letter to EKPC - Jackson Energy  
**Attachments:** Notification\_to\_EKPC\_-\_Jackson\_Energy\_2-7-18\_-\_Chairman.pdf; ATT00001.htm

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

Please review my notice letter and let me know your thoughts on the paragraph noted how to apply the energy and demand to Rate E substations.

Thanks,

Carol

Sent from my iPad

Begin forwarded message:

**From:** Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>  
**Date:** February 7, 2018 at 9:04:10 AM EST  
**To:** Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>  
**Subject:** Notification Letter to EKPC - Jackson Energy



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

February 7, 2018

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

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,

Phillip Thompson  
Chairman of the Board



## Missy Moore

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Thursday, February 8, 2018 12:16 PM  
**To:** Mark Stallons  
**Subject:** RE: EKPC A3 Notice

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

Did you see in SKRECC's notice – they refer to the MOU dated July 15, 2015 (not July 16). Were there 2 different versions? My copy says July 16.

**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Tuesday, February 6, 2018 12:09 PM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Cc:** mikew@bgenenergy.com; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; Joni Hazelrigg <jhazelrigg@fme.coop>; Debbie Martin <debbiem@shelbyenergy.com>; CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com) <cbrewer@clarkenergy.com>; Jim Crawford <JCrawford@cbkylaw.com>; Missy Moore <mmoore@owenelectric.com>  
**Subject:** EKPC A3 Notice

Elaine,

I have revised my notice after confirming with David Crews that Owen's 5% maximum 36 month rolling coincident peak has moved from 18.5MW to 18.9MW as a result of the January 2018 load levels. Please review and advise. I would like to send this update later today.

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)



*"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.

Witness: Mark Stallons

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**Missy Moore**

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**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Thursday, February 8, 2018 1:57 PM  
**To:** Mark Stallons  
**Subject:** RE: EKPC A3 Notice

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

I saw that as Tim asked me to review his revised notice this morning.

BTW, I was looking at the latest A3 Allotment spreadsheet, so you had them fix your interruptible load?? Good to see! ☺

**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Thursday, February 8, 2018 1:55 PM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Cc:** Missy Moore <mmoore@owenelectric.com>  
**Subject:** RE: EKPC A3 Notice

Elaine,

I saw that as well and was puzzled. However, as I recall, there was one copy with individually signed signature pages. Member Owner Cooperatives signed on different dates and mailed a signed copy to EKPC who collected everyone's signed agreement. I have asked Missy to verify when we signed ours.

Mark

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Thursday, February 08, 2018 12:16 PM  
**To:** Mark Stallons <mstallons@owenelectric.com>  
**Subject:** RE: EKPC A3 Notice

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Did you see in SKRECC's notice – they refer to the MOU dated July 15, 2015 (not July 16). Were there 2 different versions? My copy says July 16.

**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Tuesday, February 6, 2018 12:09 PM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Cc:** mikew@bgenergy.com; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; Joni Hazelrigg <jhazelrigg@fme.coop>; Debbie Martin <debbiem@shelbyenergy.com>; CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com) <cbrewer@clarkenergy.com>; Jim Crawford <JCrawford@cbkylaw.com>; Missy Moore <mmoore@owenelectric.com>  
**Subject:** EKPC A3 Notice

Elaine,

Witness: Mark Stallons

I have revised my notice after confirming with David Crews that Owen's 5% maximum 36 month rolling coincident peak has moved from 18.5MW to 18.9MW as a result of the January 2018 load levels. Please review and advise. I would like to send this update later today.

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)



*"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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**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Wednesday, February 7, 2018 9:27 AM  
**To:** Carol Wright; Mark Stallons  
**Subject:** RE: Notification Letter to EKPC - Jackson Energy

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The rest of the components meet the MOU requirements.

**From:** Elaine Johns  
**Sent:** Wednesday, February 7, 2018 9:23 AM  
**To:** 'Carol Wright' <carolwright@jacksonenergy.com>; Mark Stallons <mstallons@owenelectric.com>  
**Subject:** RE: Notification Letter to EKPC - Jackson Energy

I'm on a conference call right now, but not sure I understand your substations that are excluded?

**From:** Carol Wright [<mailto:carolwright@jacksonenergy.com>]  
**Sent:** Wednesday, February 7, 2018 9:05 AM  
**To:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>; Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Subject:** Fwd: Notification Letter to EKPC - Jackson Energy

Please review my notice letter and let me know your thoughts on the paragraph noted how to apply the energy and demand to Rate E substations.

Thanks,

Carol

Sent from my iPad

Begin forwarded message:

**From:** Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>  
**Date:** February 7, 2018 at 9:04:10 AM EST  
**To:** Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>  
**Subject:** Notification Letter to EKPC - Jackson Energy

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**Missy Moore**

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**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Wednesday, February 7, 2018 9:28 AM  
**To:** Elaine Johns  
**Cc:** Mark Stallons  
**Subject:** Re: Notification Letter to EKPC - Jackson Energy

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Excluding the ones where I have noticed other projects....

Sent from my iPhone

On Feb 7, 2018, at 9:23 AM, Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)> wrote:

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**To:** Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>  
**Subject:** Notification Letter to EKPC - Jackson Energy

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**Missy Moore**

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**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Wednesday, February 7, 2018 9:37 AM  
**To:** Carol Wright  
**Cc:** Mark Stallons  
**Subject:** RE: Notification Letter to EKPC - Jackson Energy

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

One more question: I don't understand the need to indicate the spread of energy proportionately to on/off peak usage, since that should be done automatically by EKPC based on the 7x24 block. Still, it should not hurt to include.

**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Wednesday, February 7, 2018 9:28 AM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Cc:** Mark Stallons <mstallons@owenelectric.com>  
**Subject:** Re: Notification Letter to EKPC - Jackson Energy

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**Subject:** Fwd: Notification Letter to EKPC - Jackson Energy

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Thanks,

Carol

Sent from my iPad

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**From:** Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>  
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**Subject:** Notification Letter to EKPC - Jackson Energy

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## Missy Moore

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Wednesday, February 7, 2018 12:24 PM  
**To:** Mark Stallons  
**Cc:** Elaine Johns  
**Subject:** Re: Notification Letter to EKPC - Jackson Energy

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I was afraid EK would credit all the purchase to off peak....

Sent from my iPhone

On Feb 7, 2018, at 10:49 AM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Carol & Elaine,

I assume at substations where you have already given an A3 notice, that there is not enough load 24x7 to accept a second block of load, therefore you exclude that substation. I also understand that by pointing EKPC to Rate E billed load you are targeting the benefit to your residential & small commercial load and excluding rate B/C large loads or special contracts. Since David is asking me to update my notice with actual load, I will look at doing the same and target Rate E for the notice.

I am not understanding the need to indicate the spread of energy proportionately to on/off peak usage. Please clarify.

Mark

**From:** Carol Wright [<mailto:carolwright@jacksonenergy.com>]  
**Sent:** Wednesday, February 07, 2018 9:05 AM  
**To:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>; Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Subject:** Fwd: Notification Letter to EKPC - Jackson Energy

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

Please review my notice letter and let me know your thoughts on the paragraph noted how to apply the energy and demand to Rate E substations.

Thanks,

Carol

Sent from my iPad

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**Date:** February 7, 2018 at 9:04:10 AM EST

**To:** Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>  
**Subject:** Notification Letter to EKPC - Jackson Energy

## Missy Moore

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Wednesday, February 7, 2018 1:57 PM  
**To:** Carol Wright  
**Cc:** Mark Stallons  
**Subject:** Re: Notification Letter to EKPC - Jackson Energy

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

Always safe to err on clarification side - besides if EKPC made such moves to off peak, that could lead to legal questions.

Sent from my iPad

On Feb 7, 2018, at 12:24 PM, Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)> wrote:

I was afraid EK would credit all the purchase to off peak....

Sent from my iPhone

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**From:** Carol Wright [<mailto:carolwright@jacksonenergy.com>]  
**Sent:** Wednesday, February 07, 2018 9:05 AM  
**To:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>; Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Subject:** Fwd: Notification Letter to EKPC - Jackson Energy

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Carol

Sent from my iPad

Begin forwarded message:

**From:** Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>  
**Date:** February 7, 2018 at 9:04:10 AM EST  
**To:** Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>  
**Subject:** Notification Letter to EKPC - Jackson Energy

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## Missy Moore

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Wednesday, February 7, 2018 9:23 AM  
**To:** Carol Wright; Mark Stallons  
**Subject:** RE: Notification Letter to EKPC - Jackson Energy

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

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**Sent:** Wednesday, February 7, 2018 9:05 AM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>; Mark Stallons <mstallons@owenelectric.com>  
**Subject:** Fwd: Notification Letter to EKPC - Jackson Energy

Please review my notice letter and let me know your thoughts on the paragraph noted how to apply the energy and demand to Rate E substations.

Thanks,

Carol

Sent from my iPad

Begin forwarded message:

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Date:** February 7, 2018 at 9:04:10 AM EST  
**To:** Carol Wright <carolwright@jacksonenergy.com>  
**Subject:** Notification Letter to EKPC - Jackson Energy

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## Missy Moore

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Tuesday, February 6, 2018 5:02 PM  
**To:** Mark Stallons; Carol Wright (carolwright@jacksonenergy.com); tjsharp@srelectric.com; mikew@bgenenergy.com; debbiem@shelbyenergy.com; jhazlrigg@fme.coop; cbrewer@clarkenergy.com  
**Cc:** Elaine Johns; Missy Moore  
**Subject:** Kentucky Group, status update

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

Good afternoon everyone,

We have received confirmation from 3 of the 5 marketers (Morgan Stanley, AEP, and Constellation) that pricing should not change if the energy purchase increases to 70MW or if the Kentucky Group increases to 7 cooperatives. I expect to hear the same confirmation from the remaining two soon.

With that, we will need to revise and execute new Confidentiality Agreements to include all of you as part of the Kentucky Group so that you can share information. I will revise the existing Confidentiality Agreements as such, and send copies executed by the marketers to you over the next few days.

Looking forward to working with you all,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** David Crews <David.Crews@ekpc.coop>  
**Sent:** Tuesday, February 6, 2018 5:11 PM  
**To:** Mark Stallons  
**Subject:** Letter of Notice -Final draft  
**Attachments:** Letter of Notice -Final draft.docx

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

A few minor comments. Call me at your convenience.

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 18.9 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 5-20 years commencing at 12:00 a.m. (EST) on September 1, 2019.**

**Commented [DC1]:** If I were going to do this I would give notice for 20 years. The notice requirement to come back under the Wholesale Power Contract would be 18 months.

- (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 18,900 kW.**

**Commented [DC2]:** New number from Sally.

- (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 18,900 kW of energy all hours of each year of the 5-20 year term, by purchasing same from the PJM wholesale market.

Commented [DC3]: Same comment as above.

- (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

## Missy Moore

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Tuesday, February 6, 2018 7:53 AM  
**To:** Mark Stallons; Tim Sharp; Carol Wright; mikew@bgenergy.com; Chris Brewer; Debbie Martin; Joni Hazelrigg  
**Cc:** Mary Ellen Cole; Barry Birkett  
**Subject:** Mark to Market Examples  
**Attachments:** Mark to Market Examples for Kentucky Group 02 2018.xlsx

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

All, we have put together 3 examples on how mark to market works. Please note Example #3 – we discuss a concept of credit threshold which is a component negotiated in mark to market transactions. The goal is to have a credit threshold high enough so that a mark is not triggered.

Note: the print paper is set to 11x17 so it's all on one page!

Please let me know if you'd like to discuss further. Thanks,  
Elaine

**Elaine Johns** President/CEO  
T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840  
[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Mark to Market Examples for a 50 MW 7x24 Purchase with a 10 Year Term**

**Scenario 1: Contract executed at a price of \$40 per MWh, in December 2018 the market falls to \$35.**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Alt Supply MWh	438,000	438,000	438,000	438,000	438,000	438,000	438,000	438,000	438,000	438,000
Alt Supply Cost per MWh	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Current Market Value	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00
Mark-to-Market Calculation	\$2,190,000	\$2,190,000	\$2,190,000	\$2,190,000	\$2,190,000	\$2,190,000	\$2,190,000	\$2,190,000	\$2,190,000	\$2,190,000

Total Marketer Exposure to Cooperative \$21,900,000  
 Total Cooperative Exposure to Marketer \$0

**Explanation:** Because the market price has dropped since the transaction was executed, the marketer would lose money selling its power in the market if the transaction were terminated for any reason, thus it has a credit exposure to the cooperative. Therefore, the cooperative would be required to post collateral (likely a letter of credit) unless the credit threshold is \$21,900,00 or higher, with collateral to be reduced over time as the future MWh to be delivered are reduced.

**Scenario 2: Contract executed at a price of \$40 per MWh, in December 2018 the market increases to \$45**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Alt Supply MWh	438,000	438,000	438,000	438,000	438,000	438,000	438,000	438,000	438,000	438,000
Alt Supply Cost per MWh	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Current Market Value	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00
Mark-to-Market Calculation	\$2,190,000	\$2,190,000	\$2,190,000	\$2,190,000	\$2,190,000	\$2,190,000	\$2,190,000	\$2,190,000	\$2,190,000	\$2,190,000

Total Marketer Exposure to Cooperative \$0  
 Total Cooperative Exposure to Marketer \$21,900,000

**Explanation:** Because the market price has increased since the transaction was executed, the cooperative would pay more in the market to replace the transaction if it were terminated for any reason, thus it has a credit exposure to the marketer. Therefore, the marketer would be required to post collateral (likely a letter of credit) unless the credit threshold is \$21,900,000 or higher, with collateral to be reduced over time as the future MWh to be delivered are reduced.

**Scenario 3: Contract executed at a price of \$40 per MWh; in January 2022 the market price increases to \$45; in January 2026 the market price falls to \$30**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Alt Supply MWh	438,000	438,000	438,000	438,000	438,000	438,000	438,000	438,000	438,000	438,000
Alt Supply Cost per MWh	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Current Market Value	\$40.00	\$40.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00
Mark-to-Market Calculation	\$0	\$0	\$2,190,000	\$2,190,000	\$2,190,000	\$2,190,000	\$2,190,000	\$2,190,000	\$2,190,000	\$2,190,000

Alt Supply MWh							438,000	438,000	438,000	438,000
Alt Supply Cost per MWh							\$40.00	\$40.00	\$40.00	\$40.00
Current Market Value							\$30.00	\$30.00	\$30.00	\$30.00
Mark-to-Market Calculation							\$4,380,000	\$4,380,000	\$4,380,000	\$4,380,000

Through end of 2021:

Total Marketer Exposure to Cooperative \$0  
 Total Cooperative Exposure to Markete \$0

January 2022:

Total Marketer Exposure to Cooperativ \$0  
 Total Cooperative Exposure to Markete \$17,520,000

January 2026:

Total Marketer Exposure to Cooperativ \$17,520,000  
 Total Cooperative Exposure to Markete \$0

**Explanation:**

- Through the end of 2021, neither party has market exposure to the other.
- In January 2022, because the market price has increased, the cooperative would pay more in the market to replace the transaction if it were terminated for any reason. Therefore, the marketer would be required to post collateral unless the credit threshold is \$17,520,000 or higher, with collateral to be reduced over time as the future MWh to be delivered are reduced.
- In January 2026, because the market price has decreased below the contract price, (1) the cooperative would return the marketer's collateral and (2) the cooperative would be required to post collateral unless the credit threshold was \$17,250,000 or higher, with the collateral to be reduced over time as described above.

## Missy Moore

---

**From:** Mike McNalley <Michael.McNalley@ekpc.coop>  
**Sent:** Monday, February 5, 2018 7:23 PM  
**To:** Mark Stallons  
**Subject:** Re: A3 Cost Shift Spreadsheet  
**Attachments:** image001.jpg

Any time before 11 or after 2.

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.

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<Cost Shift 020318.xlsx>

## Missy Moore

---

**From:** Sally Witt <sally.witt@ekpc.coop>  
**Sent:** Tuesday, February 6, 2018 6:26 PM  
**To:** Mark Stallons  
**Subject:** Re: A3 Load Allocations  
**Attachments:** image001.png; image004.jpg

Hi! December didn't change. Do you mean coincident with EK? The 423 is still that one. It's Owen's system peak that I had wrong. Should have been 447. I will send exact value in the morning. Don't have access to it from here. Sorry.

Sent from my iPad

On Feb 6, 2018, at 5:11 PM, Mark Stallons <mstallons@owenelectric.com<mailto:mstallons@owenelectric.com>> wrote:

Sally,

What were Owen's final December 2017 and January 2018 coincident kW peaks? In my prior spreadsheet I show them as follows:

Jan-18

est.

423.84

Dec-17

est.

402.70

Thanks,

Mark

**From:** Sally Witt [mailto:sally.witt@ekpc.coop]  
**Sent:** Tuesday, February 06, 2018 4:54 PM  
**To:** Mark Stallons <mstallons@owenelectric.com<mailto:mstallons@owenelectric.com>>  
**Cc:** Julie Tucker <julie.tucker@ekpc.coop<mailto:julie.tucker@ekpc.coop>>; David Crews <David.Crews@ekpc.coop<mailto:David.Crews@ekpc.coop>>  
**Subject:** RE: A3 Load Allocations

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

Here are your updated numbers:

<image001.png>

Again sorry for the error.

Thank you!

Sally

From: Mark Stallons [mailto:mstallons@owenelectric.com]  
Sent: Tuesday, February 06, 2018 12:44 PM  
To: David Crews <David.Crews@ekpc.coop<mailto:David.Crews@ekpc.coop>>  
Cc: Sally Witt <sally.witt@ekpc.coop<mailto:sally.witt@ekpc.coop>>  
Subject: A3 Load Allocations

David,

Attached please find a draft of the latest updated letter of notice. Please ask Sally Witt to forward the A3 Allotment spreadsheet supporting the 18.9MW number for my records.

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>
- <image004.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.

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**Missy Moore**

---

**From:** Sally Witt <sally.witt@ekpc.coop>  
**Sent:** Wednesday, February 7, 2018 8:13 AM  
**To:** Mark Stallons  
**Subject:** RE: A3 Load Allocations  
**Attachments:** A3\_37.xlsx

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

Hi Mark!

December didn't change and January was 447.467 MW. Attached is all of your data. Let me know if you have questions.

Happy Wednesday!

**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Tuesday, February 06, 2018 5:11 PM  
**To:** Sally Witt <sally.witt@ekpc.coop>  
**Subject:** RE: A3 Load Allocations

Sally,

What were Owen's final December 2017 and January 2018 coincident kW peaks? In my prior spreadsheet I show them as follows:

Jan-18	est.	423.84
Dec-17	est.	402.70

Thanks,

Mark

**From:** Sally Witt [mailto:sally.witt@ekpc.coop]  
**Sent:** Tuesday, February 06, 2018 4:54 PM  
**To:** Mark Stallons <mstallons@owenelectric.com>  
**Cc:** Julie Tucker <julie.tucker@ekpc.coop>; David Crews <David.Crews@ekpc.coop>  
**Subject:** RE: A3 Load Allocations

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

Hi Mark,

Here are your updated numbers:



Witness: Mark Stallons

Base	Average	5%
Jan notice	414.3	20.7
Feb notice	426.6	21.3
Mar notice	419.4	21.0
Already Allocated Owen	Owen Office	2.0 '2016
Remaining		
Jan notice		18.7
Feb notice		19.3
Mar notice		19.0

Again sorry for the error.

Thank you!

Sally

**From:** Mark Stallons [<mailto:mstallons@owenelectric.com>]  
**Sent:** Tuesday, February 06, 2018 12:44 PM  
**To:** David Crews <[David.Crews@ekpc.coop](mailto:David.Crews@ekpc.coop)>  
**Cc:** Sally Witt <[sally.witt@ekpc.coop](mailto:sally.witt@ekpc.coop)>  
**Subject:** A3 Load Allocations

David,

Attached please find a draft of the latest updated letter of notice. Please ask Sally Witt to forward the A3 Allotment spreadsheet supporting the 18.9MW number for my records.

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)



*"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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Mar notice		Feb notice		Jan notice			
1	Feb-18						
2	Jan-18	1	Jan-18			1/2/2018	8:00
3	Dec-17	2	Dec-17	1	Dec-17	12/37/17	7:00
4	Nov-17	3	Nov-17	2	Nov-17	11/20/2017	7:00
5	Oct-17	4	Oct-17	3	Oct-17	10/4/2017	16:45
6	Sep-17	5	Sep-17	4	Sep-17	9/21/2017	17:00
7	Aug-17	6	Aug-17	5	Aug-17	8/16/2017	16:45
8	Jul-17	7	Jul-17	6	Jul-17	7/20/2017	19:15
9	Jun-17	8	Jun-17	7	Jun-17	6/12/2017	17:00
10	May-17	9	May-17	8	May-17	5/17/2017	19:15
11	Apr-17	10	Apr-17	9	Apr-17	4/30/2017	19:00
12	Mar-17	11	Mar-17	10	Mar-17	3/16/2017	6:30
1	Feb-17	12	Feb-17	11	Feb-17	2/4/2017	8:15
2	Jan-17	1	Jan-17	12	Jan-17	1/7/2017	8:15
3	Dec-16	2	Dec-16	1	Dec-16	12/15/2016	21:45
4	Nov-16	3	Nov-16	2	Nov-16	11/22/2016	7:30
5	Oct-16	4	Oct-16	3	Oct-16	10/7/2016	17:00
6	Sep-16	5	Sep-16	4	Sep-16	9/6/2016	18:15
7	Aug-16	6	Aug-16	5	Aug-16	8/25/2016	18:00
8	Jul-16	7	Jul-16	6	Jul-16	7/24/2016	18:45
9	Jun-16	8	Jun-16	7	Jun-16	6/26/2016	19:15
10	May-16	9	May-16	8	May-16	5/31/2016	14:45
11	Apr-16	10	Apr-16	9	Apr-16	4/8/2016	6:30
12	Mar-16	11	Mar-16	10	Mar-16	3/3/2016	20:30
1	Feb-16	12	Feb-16	11	Feb-16	2/14/2016	19:15
2	Jan-16	1	Jan-16	12	Jan-16	1/19/2016	6:45
3	Dec-15	2	Dec-15	1	Dec-15	12/19/2015	20:00
4	Nov-15	3	Nov-15	2	Nov-15	11/23/2015	6:45
5	Oct-15	4	Oct-15	3	Oct-15	10/23/2015	15:30
6	Sep-15	5	Sep-15	4	Sep-15	9/4/2015	16:45
7	Aug-15	6	Aug-15	5	Aug-15	8/16/2015	17:45
8	Jul-15	7	Jul-15	6	Jul-15	7/18/2015	17:15
9	Jun-15	8	Jun-15	7	Jun-15	6/23/2015	17:30
10	May-15	9	May-15	8	May-15	5/30/2015	17:30
11	Apr-15	10	Apr-15	9	Apr-15	4/24/2015	6:45
12	Mar-15	11	Mar-15	10	Mar-15	3/6/2015	6:00
	Feb-15	12	Feb-15	11	Feb-15	2/20/2015	5:15
				12		1/7/2015	21:45

Jan notice	Feb notice	Mar notice	Jan notice	Feb notice	Mar notice	Base	
						447.467	Jan notice
447.467	447.467	447.467		447.467			Feb notice
402.7	402.7	402.7	402.7				Mar notice
353.23	353.23	353.23					
336.80	336.80	336.80				Already Allocated	Owen
374.23	374.23	374.23					
395.16	395.16	395.16				Remaining	
398.23	398.23	398.23					Jan notice
382.19	382.19	382.19					Feb notice
348.20	348.20	348.20					Mar notice
324.12	324.12	324.12					
365.65	365.65	365.65					
374.56	374.56	374.56				401.5014	
393.99	393.99	393.99		401.5014			
401.50	401.50	401.50	409.3237				
332.24	332.24	332.24					
328.52	328.52	328.52					
389.43	389.43	389.43					
394.14	394.14	394.14					
394.83	394.83	394.83					
382.23	382.23	382.23					
347.68	347.68	347.68					
321.39	321.39	321.39					
337.79	337.79	337.79					
399.56	399.56	399.56				409.3237	
409.32	409.32	409.32		430.8577			
343.74	343.74	343.74	430.8577				
346.54	346.54	346.54					
297.25	297.25	297.25					
384.64	384.64	384.64					
376.50	376.50	376.50					
383.17	383.17	383.17					
373.68	373.68	373.68					
349.15	349.15	349.15					
309.20	309.20	309.20					
406.95	406.95	406.95					
430.86	430.86	430.86					
404.36	404.36	404.36					

Average	5%
414.3	20.7
426.6	21.3
419.4	21.0

Owen Office 2.0 2016

18.7  
19.3  
19.0

**Missy Moore**

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Tuesday, February 6, 2018 10:45 AM  
**To:** Mark Stallons  
**Subject:** RE: Amendment 3 Cost Impact  
**Attachments:** Cost Shift All IN 020318 Revised by JE.xlsx

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Mark:

I have made corrections on a couple of the tabs highlighted in yellow with numerical changes in red.

I am not following your logic on the Update Allotment tab as my 5% is 8MW with the new peaks including my hydro projects.

If you have time to discuss, I am in the office until 2pm.

Thanks,

**Carol Wright**  
 President & CEO  
 606-364-9213



**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Monday, February 05, 2018 10:59 AM  
**To:** mikew@bgenenergy.com; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; Joni Hazelrigg <jhazelrigg@fme.coop>; Debbie Martin <debbiem@shelbyenergy.com>; CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com) <cbrewer@clarkenergy.com>  
**Cc:** Mark Stallons <mstallons@owenelectric.com>; Rusty Williams <rwilliams@owenelectric.com>; April Brown <abrown@owenelectric.com>; Judy Osborne <josborne@owenelectric.com>  
**Subject:** Amendment 3 Cost Impact

Kentucky Group,

Attached please find an excel model to understand the cost impacts and shifts associated with giving Amendment 3 notice. To use the model please complete the following:

1. Note that on the A3 Savings tab cell E2 it has a zero (0) entered to date meaning that no coops other than SKY have exercised their Amendment 3 option. You can change the number to 7 to see the impact of the Kentucky

Witness: Mark Stallons

Group or you can change the number to 15 and see the impact of all the cooperatives using the remaining allotment.

2. Note that the Allotment tab includes Sally Witt's load data up through October 31, 2017. When January 2018 numbers are available this week I will update this tab.
3. Note on the Cost Shift tab, please add your 2018 Environmental Surcharge power budget in column titled the same and also add your Base Rate 2018 Budget number in the column titled the same. This will allow you to see the cost impact on your cooperative for all three cases discussed above.

Please add your cooperative data and reply to all of us. Please review and vet the model from an accuracy stand point. I welcome your gentle corrections. I suggest we share this or a similar tool with EKPC to aide our discussions at EKPC next week.

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)



**OWEN Electric**

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Savings Based on Number that gives Notice			0	Discount Rate			4.00%
Cooperative	MW Load Oct 31, 2017	Savings per MW	Savings per Year	NPV 5 Years	NPV 10 Years	NPV 15 Years	NPV 20 Years
Blue Grass	0.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -
Owen	0.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -
Salt River	0.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -
Jackson	8.00	\$ 30.00	\$ 2,102,400	\$ 9,359,511	\$ 17,052,347	\$ 23,375,298	\$ 28,572,302
Nolin	0.00	\$ 30.00	\$ -	\$ -	\$ -	\$ -	\$ -
Fleming Mason	0.00	\$ 30.00	\$ -	\$ -	\$ -	\$ -	\$ -
Inter-County	0.00	\$ 30.00	\$ -	\$ -	\$ -	\$ -	\$ -
Taylor	0.00	\$ 30.00	\$ -	\$ -	\$ -	\$ -	\$ -
Cumberland Valley	0.00	\$ 30.00	\$ -	\$ -	\$ -	\$ -	\$ -
Clark	0.00	\$ 30.00	\$ -	\$ -	\$ -	\$ -	\$ -
Shelby	0.00	\$ 30.00	\$ -	\$ -	\$ -	\$ -	\$ -
Big Sandy	0.00	\$ 30.00	\$ -	\$ -	\$ -	\$ -	\$ -
Licking Valley	0.00	\$ 30.00	\$ -	\$ -	\$ -	\$ -	\$ -
Grayson	0.00	\$ 30.00	\$ -	\$ -	\$ -	\$ -	\$ -
Farmers	0.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -
	8.00		2,102,400	9,359,511	17,052,347	23,375,298	28,572,302
South Kentucky	\$ 58.00	\$ 20.00	\$ 10,161,600	\$ 45,237,638	\$ 82,419,679	\$ 112,980,606	\$ 138,099,460



**EKPC A3 Allotments, Based on Data Through October 2017 (per Sally Witt)**

Owner-Member Cooperative	EKPC CP (MW) for Month of			Average	Load Ratio Share of the 5% Cap	15% Election	5% Election	Existing Projects	Noticed Projects	Remaining MW Share	All In	RFP Election	Percent
	Feb. 2015	Jan. 2016	Jan. 2018										
Blue Grass	410.92	315.86	324.44	350.40	17.52	53.37	17.80	0.00	0.00	17.80	11.35	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	11.86	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	7.59	7.60	63.87%
Jackson	327.70	232.22	293.62	284.51	14.23	42.68		2.60	3.40	8.23	5.25	5.10	61.97%
Nolin	211.10	188.12	199.11	199.44	9.97	31.08	10.40	0.00	0.00	10.40	6.63	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	5.8	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	4.53	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	4.08	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	2.17	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	<u>458.91</u>	<u>352.24</u>	<u>353.44</u>	<u>388.20</u>	<u>19.41</u>	<u>58.46</u>	<u>19.50</u>	<u>0.00</u>	<u>58.00</u>	<u>0.46</u>	<u>0.00</u>	<u>0.00</u>	
Total	3430.15	2730.34	2835.21	2998.57	149.93	464.93	155.00	11.20	61.40	121.29	77.03	76.30	
<b>Remaining Notice Amount</b>										<b>77.33</b>			

**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	<u>2.64</u>	<u>1/2019</u>	<i>Not yet Noticed</i>
<b>Total Projects</b>		<b>71.84</b>		

3.4

### Amendment 3 Impact on EKPC (DRAFT)

<u>Notice</u>	<u>MW</u>	<u>MWh/Year</u>	<u>ES \$ Shift</u>	<u>ES %</u>	<u>Base \$ Shift</u>	<u>Total \$ Shift</u>
South Kentucky	58.0	508,080	\$ 4,100,000.00	87.88%	\$ 13,000,000.00	\$ 17,100,000.00
Blue Grass	0.0	-	\$ -	0.00%	\$ -	\$ -
Owen	0.0	-	\$ -	0.00%	\$ -	\$ -
Salt River	0.0	-	\$ -	0.00%	\$ -	\$ -
Jackson	8.0	70,080	\$ 565,517.24	12.12%	\$ 1,793,103.45	\$ 2,358,620.69
Nolin	0.0	-	\$ -	0.00%	\$ -	\$ -
Fleming Mason	0.0	-	\$ -	0.00%	\$ -	\$ -
Inter-County	0.0	-	\$ -	0.00%	\$ -	\$ -
Taylor	0.0	-	\$ -	0.00%	\$ -	\$ -
Cumberland Valley	0.0	-	\$ -	0.00%	\$ -	\$ -
Clark	0.0	-	\$ -	0.00%	\$ -	\$ -
Shelby	0.0	-	\$ -	0.00%	\$ -	\$ -
Big Sandy	0.0	-	\$ -	0.00%	\$ -	\$ -
Licking Valley	0.0	-	\$ -	0.00%	\$ -	\$ -
Grayson	0.0	-	\$ -	0.00%	\$ -	\$ -
Farmers	0.0	-	\$ -	0.00%	\$ -	\$ -
<b>Member Owner Total</b>	<b>66.0</b>	<b>578,160</b>	<b>\$ 4,665,517.24</b>		<b>\$ 14,793,103.45</b>	<b>\$ 19,458,620.69</b>
<b>EKPC 2018 Budget</b>	<b>29,194</b>	<b>13,534,101</b>	<b>EKPC Pass Thru</b>		<b>EKPC Rate Increase</b>	

### Cost Shift Percentages

<u>EKPC Base Rate Impact</u>	<u>EKPC 2018 Budget (pgA2)</u>	<u>Base Shift</u>	<u>Percent Increase</u>	<u>SKY Alone</u>
Base Rate	\$ 777,941,988.00	\$ 14,793,103.45	1.90%	1.67%
EKPC ES Revenue	\$ 109,603,865.00	\$ 4,665,517.24	4.26%	3.74%

### A3 Cost Shift

<u>Member Owner</u>	<u>Member Owner ES Power Bill</u>	4.26%	<u>Member Owner Base Rate Power Bill</u>	1.90%	<u>Base Rate Savings</u>	<u>Net Base Rate Savings (Loss)</u>	<u>Net Member Savings (Loss)</u>
		<u>ES Cost Increase</u>		<u>Base Rate Increase</u>			
Blue Grass							
Owen	\$ 10,178,329.52	\$ 433,261.84	\$ 79,426,899.01	\$ 1,510,357.27	\$ -	\$ (1,510,357.27)	\$ (1,943,619.10)
Salt River							
Jackson	\$ 8,587,016	\$ 321,218.29	\$ 54,402,030	\$ 1,034,492.12	\$ 2,102,400.00	\$ 1,067,907.88	\$ 746,689.59
Nolin							
Fleming Mason							
Inter-County							
Taylor							
Cumberland Valley							
Clark							
Shelby							
Big Sandy							
Licking Valley							
Grayson							
Farmers							
South Kentucky							
<b>Total</b>	<b>\$ 18,765,345.52</b>	<b>\$ 754,480.12</b>	<b>\$ 133,828,929.01</b>	<b>\$ 2,544,849.39</b>	<b>\$ 2,102,400.00</b>	<b>\$ (442,449.39)</b>	

## Missy Moore

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Monday, February 5, 2018 2:30 PM  
**To:** Mark Stallons  
**Subject:** RE: Amendment 3 Cost Impact

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

Thanks.

Also, Feb. 2015 peak is incorrect for Jackson. It should be 327.70 per Sally Witt's spreadsheet. Not a major item as the spreadsheet will change this week again.

Carol Wright  
President & CEO  
606-364-9213



**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Monday, February 05, 2018 2:27 PM  
**To:** Carol Wright <carolwright@jacksonenergy.com>  
**Subject:** Re: Amendment 3 Cost Impact

Carol,

Yes, only ES charges for ES column and only Base Rate charges for E and B rates at Owen. We do not have Rate G. I did not include special contracts.

Thanks,

Mark

Mark Stallons  
Sent from my iPhone

On Feb 5, 2018, at 2:03 PM, Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)> wrote:

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

On the cost shift tab, just want to verify that you used the ES charges for the 12 months in 2017 for column C and only demand and energy charges (no ES, FAC, or fixed costs such as sub/metering) for the 12 months in column E?

Carol Wright

President & CEO

606-364-9213

<image004.jpg>

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

**Sent:** Monday, February 05, 2018 10:59 AM

**To:** [mikew@bgenergy.com](mailto:mikew@bgenergy.com); Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Joni Hazelrigg <[jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop)>; Debbie Martin <[debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com)>; CHRIS BREWER ([cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)) ([cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)) <[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>

**Cc:** Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>; Rusty Williams <[rwilliams@owenelectric.com](mailto:rwilliams@owenelectric.com)>; April Brown <[abrown@owenelectric.com](mailto:abrown@owenelectric.com)>; Judy Osborne <[josborne@owenelectric.com](mailto:josborne@owenelectric.com)>

**Subject:** Amendment 3 Cost Impact

Kentucky Group,

Attached please find an excel model to understand the cost impacts and shifts associated with giving Amendment 3 notice. To use the model please complete the following:

1. Note that on the A3 Savings tab cell E2 it has a zero (0) entered to date meaning that no coops other than SKY have exercised their Amendment 3 option. You can change the number to 7 to see the impact of the Kentucky Group or you can change the number to 15 and see the impact of all the cooperatives using the remaining allotment.
2. Note that the Allotment tab includes Sally Witt's load data up through October 31, 2017. When January 2018 numbers are available this week I will update this tab.
3. Note on the Cost Shift tab, please add your 2018 Environmental Surcharge power budget in column titled the same and also add your Base Rate 2018 Budget number in the column titled the same. This will allow you to see the cost impact on your cooperative for all three cases discussed above.

Please add your cooperative data and reply to all of us. Please review and vet the model from an accuracy stand point. I welcome your gentle corrections. I suggest we share this or a similar tool with EKPC to aide our discussions at EKPC next week.

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)



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<Cost Shift All IN 020318.xlsx>

**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Tuesday, February 6, 2018 12:50 PM  
**To:** Mark Stallons  
**Cc:** mikew@bgenergy.com; Tim Sharp; Carol Wright; Joni Hazelrigg; Debbie Martin; CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com); Jim Crawford; Missy Moore  
**Subject:** RE: EKPC A3 Notice

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1) Yes, this language is consistent with our RFP requirements:

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

2) Making sure that you have documentation that backs your 18.9MW number – please get Sally's spreadsheet to confirm your MWs. Second alternative (but not ideal) is to document your phone call with David Crews when he provided you with 18.9MW for Owen.

Tim, I'm assuming EKPC has asked you to revise your notice with the specific MWs?

Thanks,  
Elaine

**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Tuesday, February 6, 2018 12:09 PM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Cc:** mikew@bgenergy.com; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; Joni Hazelrigg <jhazelrigg@fme.coop>; Debbie Martin <debbiem@shelbyenergy.com>; CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com) <cbrewer@clarkenergy.com>; Jim Crawford <JCrawford@cbkylaw.com>; Missy Moore <mmoore@owenelectric.com>  
**Subject:** EKPC A3 Notice

Elaine,

I have revised my notice after confirming with David Crews that Owen's 5% maximum 36 month rolling coincident peak has moved from 18.5MW to 18.9MW as a result of the January 2018 load levels. Please review and advise. I would like to send this update later today.

Thanks,

Mark

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President & CEO

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Owenton, KY 40359

☎ Direct Line: 502-563-3500

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✉ Email: [mstallons@owenelectric.com](mailto: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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---

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**Missy Moore**

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Wednesday, February 7, 2018 8:54 AM  
**To:** Mark Stallons  
**Cc:** Elaine Johns; mikew@bgenergy.com; Tim Sharp; Joni Hazelrigg; Debbie Martin; CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com); Jim Crawford; Missy Moore  
**Subject:** Re: EKPC A3 Notice

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I don't have one, please ask for one. My Board meeting starts at 9:30am.

Thanks,

Carol

Sent from my iPad

On Feb 7, 2018, at 8:48 AM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Elaine,

I received the update from a phone call and have not received an email copy yet. Does anyone else have the February updated A# allocation spreadsheet? If not, I will ask David to forward and send to everyone.

Mark

**From:** Elaine Johns [<mailto:Elaine.Johns@enervision-inc.com>]  
**Sent:** Tuesday, February 06, 2018 12:12 PM  
**To:** Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Cc:** [mikew@bgenergy.com](mailto:mikew@bgenergy.com); Tim Sharp <[tisharp@srelectric.com](mailto:tisharp@srelectric.com)>; Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Joni Hazelrigg <[jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop)>; Debbie Martin <[debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com)>; CHRIS BREWER ([cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)) ([cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)); Jim Crawford <[JCrawford@cbkylaw.com](mailto:JCrawford@cbkylaw.com)>; Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>  
**Subject:** Re: EKPC A3 Notice

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Ok, can you please send the latest and greatest A3 Allotment spreadsheet?

Thanks!

Sent from my iPhone

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Thanks,

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✉ **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.

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**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Wednesday, February 7, 2018 8:58 AM  
**To:** Carol Wright  
**Cc:** Mark Stallons  
**Subject:** RE: EKPC A3 Notice

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

Carol, if you do not get the spreadsheet in time for your board meeting, I would give your board the approximate MWS and refer to the upcoming A3 Allotment confirmation from EKPC that includes the month of January 2018, which we expect to be a bit higher due to the January polar vortex. You could ask the board to give you authority to write in the final number when it's confirmed.

Just a suggestion – good luck!  
Elaine

**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Wednesday, February 7, 2018 8:54 AM  
**To:** Mark Stallons <mstallons@owenelectric.com>  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>; mikew@bgenergy.com; Tim Sharp <tjsharp@srelectric.com>; Joni Hazelrigg <jhazelrigg@fme.coop>; Debbie Martin <debbiem@shelbyenergy.com>; CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com) <cbrewer@clarkenergy.com>; Jim Crawford <JCrawford@cbkylaw.com>; Missy Moore <mmoore@owenelectric.com>  
**Subject:** Re: EKPC A3 Notice

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Thanks,

Carol

Sent from my iPad

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Elaine,

I received the update from a phone call and have not received an email copy yet. Does anyone else have the February updated A# allocation spreadsheet? If not, I will ask David to forward and send to everyone.

Mark

**From:** Elaine Johns [mailto:[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)]  
**Sent:** Tuesday, February 06, 2018 12:12 PM  
**To:** Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Cc:** [mikew@bgenergy.com](mailto:mikew@bgenergy.com); Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Joni Hazelrigg <[jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop)>; Debbie Martin

Witness: Mark Stallons

<debbiem@shelbyenergy.com>; CHRIS BREWER (cbrewer@clarkenergy.com)  
(cbrewer@clarkenergy.com) <cbrewer@clarkenergy.com>; Jim Crawford <JCrawford@cbkylaw.com>;  
Missy Moore <mmoore@owenelectric.com>  
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Ok, can you please send the latest and greatest A3 Allotment spreadsheet?

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Elaine,

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☎ **Direct Line:** 502-563-3500  
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**Missy Moore**

---

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**Sent:** Wednesday, February 7, 2018 8:59 AM  
**To:** Elaine Johns  
**Cc:** Mark Stallons  
**Subject:** Re: EKPC A3 Notice

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I have the updated numbers for my system and will only be doing 8 MW's, so that is not an issue. I just wanted to see what EKPC's 5% bucket went to....

Thanks,

Carol

Sent from my iPad

On Feb 7, 2018, at 8:57 AM, Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)> wrote:

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**To:** Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Cc:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>; [mikew@bgenegy.com](mailto:mikew@bgenegy.com); Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Joni Hazelrigg <[jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop)>; Debbie Martin <[debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com)>; CHRIS BREWER ([cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)) <[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>; Jim Crawford <[JCrawford@cbkylaw.com](mailto:JCrawford@cbkylaw.com)>; Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>  
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<image001.jpg>

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**Missy Moore**

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**Sent:** Tuesday, February 6, 2018 12:12 PM  
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**Cc:** mikew@bgenergy.com; Tim Sharp; Carol Wright; Joni Hazelrigg; Debbie Martin; CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com); Jim Crawford; Missy Moore  
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<image001.jpg>

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**Missy Moore**

---

**From:** Missy Moore  
**Sent:** Tuesday, February 6, 2018 8:56 AM  
**To:** Mary Ellen Cole; Carol Wright (carolwright@jacksonenergy.com); tjsharp@srelectric.com; mikew@bgenenergy.com; Mark Stallons  
**Cc:** Elaine Johns  
**Subject:** RE: Revised CAs, remainder

Good Morning Mary Ellen,

I was able to open and save all files.

Thanks,  
Missy

**From:** Mary Ellen Cole [mailto:Mary\_Ellen.Cole@enervision-inc.com]  
**Sent:** Monday, February 5, 2018 2:17 PM  
**To:** Carol Wright (carolwright@jacksonenergy.com) <carolwright@jacksonenergy.com>; tjsharp@srelectric.com; mikew@bgenenergy.com; Mark Stallons <mstallons@owenelectric.com>  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>; Missy Moore <mmoore@owenelectric.com>  
**Subject:** Revised CAs, remainder

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And as mentioned, the rest of the CAs are attached here for your records.

If you would, please send me a short note confirming that you are able to open and save the files. If not, I will resend in a different format.

Thanks very much,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Monday, February 5, 2018 1:28 PM  
**To:** Mark Stallons  
**Subject:** A3 Allotment

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Hi, hope you had a nice weekend! Just talked to Mike, I bet the phones are ringing throughout KY!

Just wanted to see if EKPC has sent out a revised A3 Allotment spreadsheet? And if you could forward a copy please?

Thanks,  
Elaine

Sent from my iPhone

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Monday, February 5, 2018 10:59 AM  
**To:** mikew@bgenenergy.com; Tim Sharp; Carol Wright; Joni Hazelrigg; Debbie Martin; CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com)  
**Cc:** Mark Stallons; Rusty Williams; April Brown; Judy Osborne  
**Subject:** Amendment 3 Cost Impact  
**Attachments:** Cost Shift All IN 020318.xlsx

Kentucky Group,

Attached please find an excel model to understand the cost impacts and shifts associated with giving Amendment 3 notice. To use the model please complete the following:

1. Note that on the A3 Savings tab cell E2 it has a zero (0) entered to date meaning that no coops other than SKY have exercised their Amendment 3 option. You can change the number to 7 to see the impact of the Kentucky Group or you can change the number to 15 and see the impact of all the cooperatives using the remaining allotment.
2. Note that the Allotment tab includes Sally Witt's load data up through October 31, 2017. When January 2018 numbers are available this week I will update this tab.
3. Note on the Cost Shift tab, please add your 2018 Environmental Surcharge power budget in column titled the same and also add your Base Rate 2018 Budget number in the column titled the same. This will allow you to see the cost impact on your cooperative for all three cases discussed above.

Please add your cooperative data and reply to all of us. Please review and vet the model from an accuracy stand point. I welcome your gentle corrections. I suggest we share this or a similar tool with EKPC to aide our discussions at EKPC next week.

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)



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**EKPC A3 Allotments, Based on Data Through October 2017 (per Sally Witt)**

Owner-Member Cooperative	EKPC CP (MW) for Month of			Average	Load Ratio Share of the 5% Cap	15% Election	5% Election	Existing Projects	Noticed Projects	Remaining MW Share	All In	RFP Election	Percent
	Feb. 2015	Jan. 2016	Jan. 2017										
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	7.57	7.60	63.87%
Jackson	325.61	241.36	230.23	265.73	13.29	40.06	13.40	2.60	2.64	8.16	5.19	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	<u>458.91</u>	<u>352.24</u>	<u>353.44</u>	<u>388.20</u>	<u>19.41</u>	<u>58.46</u>	<u>19.50</u>	<u>0.00</u>	<u>58.00</u>	0.46	<u>0.00</u>	<u>0.00</u>	
<b>Total</b>	<b>3428.06</b>	<b>2739.47</b>	<b>2771.82</b>	<b>2979.79</b>	<b>148.99</b>	<b>462.32</b>	<b>154.10</b>	<b>11.20</b>	<b>60.64</b>	<b>121.22</b>	<b>76.86</b>	<b>76.30</b>	
<b>Remaining Notice Amount</b>										<b>77.15</b>			

**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
<b>Total Projects</b>		<b>71.84</b>		

Savings Based on Number that gives Notice			0	Discount Rate			4.00%
Cooperative	MW Load Oct 31, 2017	Savings per MW	Savings per Year	NPV 5 Years	NPV 10 Years	NPV 15 Years	NPV 20 Years
Blue Grass	0.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -
Owen	0.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -
Salt River	0.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -
Jackson	0.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -
Nolin	0.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -
Fleming Mason	0.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -
Inter-County	0.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -
Taylor	0.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -
Cumberland Valley	0.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -
Clark	0.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -
Shelby	0.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -
Big Sandy	0.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -
Licking Valley	0.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -
Grayson	0.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -
Farmers	0.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -
	-		-	-	-	-	-
South Kentucky	\$ 58.00	\$ 20.00	\$ 10,161,600	\$ 45,237,638	\$ 82,419,679	\$ 112,980,606	\$ 138,099,460



**Amendment 3 Impact on EKPC (DRAFT)**

<u>Notice</u>	<u>MW</u>	<u>MWh/Year</u>	<u>ES \$ Shift</u>	<u>ES %</u>	<u>Base \$ Shift</u>	<u>Total \$ Shift</u>
South Kentucky	58.0	508,080	\$ 4,100,000.00	100.00%	\$ 13,000,000.00	\$ 17,100,000.00
Blue Grass	0.0	-	\$ -	0.00%	\$ -	\$ -
Owen	0.0	-	\$ -	0.00%	\$ -	\$ -
Salt River	0.0	-	\$ -	0.00%	\$ -	\$ -
Jackson	0.0	-	\$ -	0.00%	\$ -	\$ -
Nolin	0.0	-	\$ -	0.00%	\$ -	\$ -
Fleming Mason	0.0	-	\$ -	0.00%	\$ -	\$ -
Inter-County	0.0	-	\$ -	0.00%	\$ -	\$ -
Taylor	0.0	-	\$ -	0.00%	\$ -	\$ -
Cumberland Valley	0.0	-	\$ -	0.00%	\$ -	\$ -
Clark	0.0	-	\$ -	0.00%	\$ -	\$ -
Shelby	0.0	-	\$ -	0.00%	\$ -	\$ -
Big Sandy	0.0	-	\$ -	0.00%	\$ -	\$ -
Licking Valley	0.0	-	\$ -	0.00%	\$ -	\$ -
Grayson	0.0	-	\$ -	0.00%	\$ -	\$ -
Farmers	0.0	-	\$ -	0.00%	\$ -	\$ -
<b>Member Owner Total</b>	<b>58.0</b>	<b>508,080</b>	<b>\$ 4,100,000.00</b>		<b>\$ 13,000,000.00</b>	<b>\$ 17,100,000.00</b>
<b>EKPC 2018 Budget</b>	<b>29,194</b>	<b>13,534,101</b>	<b>EKPC Pass Thru</b>		<b>EKPC Rate Increase</b>	

**Cost Shift Percentages**

<u>EKPC Base Rate Impact</u>	<u>EKPC 2018 Budget (pgA2)</u>	<u>Base Shift</u>	<u>Percent Increase</u>	<u>SKY Alone</u>
Base Rate	\$ 777,941,988.00	\$ 13,000,000.00	1.67%	1.67%
EKPC ES Revenue	\$ 109,603,865.00	\$ 4,100,000.00	3.74%	3.74%

### A3 Cost Shift

<u>Member Owner</u>	<u>Member Owner ES Power Bill</u>	3.74%	<u>Member Owner Base Rate Power Bill</u>	1.67%	<u>Base Rate Savings</u>	<u>Net Base Rate Savings (Loss)</u>	<u>Net Member Savings (Loss)</u>
		<u>ES Cost Increase</u>		<u>Base Rate Increase</u>			
Blue Grass							
Owen	\$ 10,178,329.52	\$ 380,745.25	\$ 79,426,899.01	\$ 1,327,283.66	\$ -	\$ (1,327,283.66)	\$ (1,708,028.91)
Salt River							
Jackson							
Nolin							
Fleming Mason							
Inter-County							
Taylor							
Cumberland Valley							
Clark							
Shelby							
Big Sandy							
Licking Valley							
Grayson							
Farmers							
South Kentucky							
<b>Total</b>	<b>\$ 10,178,329.52</b>	<b>\$ 380,745.25</b>	<b>\$ 79,426,899.01</b>	<b>\$ 1,327,283.66</b>	<b>\$ -</b>	<b>\$ (1,327,283.66)</b>	

**Missy Moore**

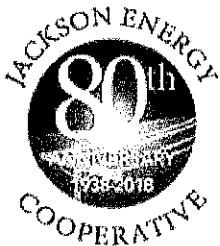
---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Monday, February 5, 2018 2:03 PM  
**To:** Mark Stallons  
**Subject:** FW: Amendment 3 Cost Impact  
**Attachments:** Cost Shift All IN 020318.xlsx

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On the cost shift tab, just want to verify that you used the ES charges for the 12 months in 2017 for column C and only demand and energy charges (no ES, FAC, or fixed costs such as sub/metering) for the 12 months in column E?

Carol Wright  
President & CEO  
606-364-9213



**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Monday, February 05, 2018 10:59 AM  
**To:** mikew@bgenergy.com; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; Joni Hazelrigg <jhazelrigg@fme.coop>; Debbie Martin <debbiem@shelbyenergy.com>; CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com) <cbrewer@clarkenergy.com>  
**Cc:** Mark Stallons <mstallons@owenelectric.com>; Rusty Williams <rwilliams@owenelectric.com>; April Brown <abrown@owenelectric.com>; Judy Osborne <josborne@owenelectric.com>  
**Subject:** Amendment 3 Cost Impact

Kentucky Group,

Attached please find an excel model to understand the cost impacts and shifts associated with giving Amendment 3 notice. To use the model please complete the following:

1. Note that on the A3 Savings tab cell E2 it has a zero (0) entered to date meaning that no coops other than SKY have exercised their Amendment 3 option. You can change the number to 7 to see the impact of the Kentucky Group or you can change the number to 15 and see the impact of all the cooperatives using the remaining allotment.
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3. Note on the Cost Shift tab, please add your 2018 Environmental Surcharge power budget in column titled the same and also add your Base Rate 2018 Budget number in the column titled the same. This will allow you to see the cost impact on your cooperative for all three cases discussed above.

Witness: Mark Stallons

Please add your cooperative data and reply to all of us. Please review and vet the model from an accuracy stand point. I welcome your gentle corrections. I suggest we share this or a similar tool with EKPC to aide our discussions at EKPC next week.

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)



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**Missy Moore**

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Monday, February 5, 2018 2:13 PM  
**To:** Mark Stallons  
**Cc:** Elaine Johns; Missy Moore  
**Subject:** FW: Revised Confidentiality Agreements  
**Attachments:** AEP CAs\_Revised.zip; Calpine CAs\_Revised.zip

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Mark,

I attempted to send the email below with the revised Confidentiality Agreements attached – but it was returned as undeliverable since the files exceeded the size allowed by your email server. I will split and attach them to smaller emails. Will you please confirm if they come through?

Thank you,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
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**From:** Mary Ellen Cole  
**Sent:** Monday, February 5, 2018 2:07 PM  
**To:** Carol Wright (carolwright@jacksonenergy.com) <carolwright@jacksonenergy.com>; mikew@bgenenergy.com; Mark Stallons (mstallons@owenelectric.com) <mstallons@owenelectric.com>; tjsharp@srelectric.com  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** Revised Confidentiality Agreements

Good afternoon all,

Attached are the revised, executed Confidentiality Agreements for your records. Since the files are large, I'll follow up with the rest in a separate email.

Thanks,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant

Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
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**Missy Moore**

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Monday, February 5, 2018 2:14 PM  
**To:** Mark Stallons  
**Cc:** Elaine Johns; Missy Moore  
**Subject:** RE: Revised Confidentiality Agreements  
**Attachments:** Constellation CAs\_Revised.zip

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

Mark – this is email #2 for you, with one more to come shortly.

**Mary Ellen Cole** Lead Consultant

Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840

[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Mary Ellen Cole  
**Sent:** Monday, February 5, 2018 2:12 PM  
**To:** Mark Stallons (mstallons@owenelectric.com) <mstallons@owenelectric.com>  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>; 'Missy Moore' <mmoore@owenelectric.com>  
**Subject:** FW: Revised Confidentiality Agreements

Mark,

I attempted to send the email below with the revised Confidentiality Agreements attached – but it was returned as undeliverable since the files exceeded the size allowed by your email server. I will split and attach them to smaller emails. Will you please confirm if they come through?

Thank you,  
Mary Ellen

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**Sent:** Monday, February 5, 2018 2:07 PM

**To:** Carol Wright ([carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)) <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; [mikew@bgenergy.com](mailto:mikew@bgenergy.com); Mark Stallons ([mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)) <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>; [tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)

**Cc:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>

**Subject:** Revised Confidentiality Agreements

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Mary Ellen

**Mary Ellen Cole** Lead Consultant

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**Missy Moore**

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**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Monday, February 5, 2018 2:17 PM  
**To:** Carol Wright (carolwright@jacksonenergy.com); tjsharp@srelectric.com; mikew@bgenenergy.com; Mark Stallons  
**Cc:** Elaine Johns; Missy Moore  
**Subject:** Revised CAs, remainder  
**Attachments:** Morgan Stanley CAs\_Revised.zip; Sky Global CAs\_Revised.zip

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

And as mentioned, the rest of the CAs are attached here for your records.

If you would, please send me a short note confirming that you are able to open and save the files. If not, I will resend in a different format.

Thanks very much,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (866) 454-0548 | Alt. (866) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Tim Sharp <tjsharp@srelectric.com>  
**Sent:** Friday, February 2, 2018 8:12 AM  
**To:** bsexton@bigsandyrecc.com; Mike Williams (mikew@bgenergy.com); CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com); ted.hampton@cumberlandvalley.coop; bprather@farmersrecc.com; jhazelrigg@fme.coop; carol.fraley@graysonrecc.com; jerry@intercountyenergy.net; carolwright@jacksonenergy.com; kkhoward@lvrecc.com; mmiller@nolinrecc.com; Mark Stallons; 'Dennis Holt' (dholt@skrecc.com); debbiem@shelbyenergy.com; bmyers@trecc.com  
**Cc:** tony.campbell@ekpc.coop  
**Subject:** EKPC Amendment Three Notification

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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

**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Friday, February 2, 2018 7:55 AM  
**To:** cbrewer@clarkenergy.com; debbiem@shelbyenergy.com; jhazelrigg@fme.coop  
**Cc:** Mary Ellen Cole; Mark Stallons; Tim Sharp; Carol Wright; Mike Williams  
**Subject:** Next Steps

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

(Sorry to miss you yesterday, Chris!)

The next steps:

We are communicating to the marketers today to start Round 2 pricing (sharpen the pencils), potential 70 MW and inquire/introduce a subscription process (in the event some may not execute). At that time, we will communicate your coop names and proceed with NDAs for you - this will probably entail all 7 of you to execute NDAs with each marketer to allow you to share information.

Round 2 pricing will be due Feb. 14.

Our admin staff will be working next week to even out all expenses to this project through January among the 7 of you. Please send me your executed EnerVision Professional Services Agreement if you haven't already.

Please send me your contact information (like your cell) as things can move quickly this month.

Hoping the Groundhog has a great day! Please let us know if you have any questions.

Elaine

**Elaine Johns President/CEO**

T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840

[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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Sent from my iPad

**Missy Moore**

---

**From:** Tim Sharp <tjsharp@srelectric.com>  
**Sent:** Thursday, February 1, 2018 4:20 PM  
**To:** carolwright@jacksonenergy.com; Mark Stallons; Mike Williams (mikew@bgenergy.com)  
**Cc:** Elaine Johns  
**Subject:** FW: Salt River notification  
**Attachments:** Notification to EKPC 02-01-18.pdf

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FYI. See attached. I also spoke briefly with Tony & he understood our position.

Please call if you have questions.

**From:** Tim Sharp  
**Sent:** Thursday, February 1, 2018 4:11 PM  
**To:** 'tony.campbell@ekpc.coop' <tony.campbell@ekpc.coop>  
**Subject:** Salt River notification

Tony,

Please see attached.



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

**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Friday, February 2, 2018 7:20 AM  
**To:** Mary Ellen Cole  
**Cc:** Mark Stallons; Tim Sharp; Carol Wright; mikew@bgenergy.com; Barry Birkett  
**Subject:** Re: EKPC Notice Template

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Update and to answer questions from yesterday:

While there is a provision in the **MOU (5(E)(i))** under which EKPC would purchase market power to replace energy from an Alternate Source that does not deliver as anticipated, all provisions point to the obligation of EKPC to serve Members' load under the full requirements rate as long as any notice is cancelled within six month of being submitted to EKPC.

It is clear load is anticipated to be served under the full requirements rate until the date in the notice. Under **Section 4(E) of the MOU**, the member has until six months beyond the date provided in the notice to bring the Alternate Source online. That section clearly states the load will continue to be served by EKPC under the Wholesale Power Contract for that six month period.

**Section 4(D) of the MOU** provides the ability for the member to cancel or modify the Alternate Source election by providing EKPC 18 months' notice.

Taken together, these sections give the member six months from the date the initial notice is submitted to EKPC to cancel the notice without risk of the load being taken out from under the EKPC tariff.

In looking at Amendment 3 (not the MOU), there is a section to note. Pursuant to **Section I.1.b. of Amendment 3**, if a notice is given and cancelled, such that the loads go back to the EKPC full requirements obligation, "such loads" may not thereafter be switched to another supplier. We have a simple interpretation to that language: in the event you desire to cancel your notice, the MWs associated with your Feb. 2018 go back to the EKPC pot and cannot be used again. You can still notice later - say, in May 2018, those are not the same MWs.

Witness: Mark Stallons

As you know, this week Clark, Shelby and Fleming Mason received the nods from their boards to join the RFP. We are communicating with the marketers today for sharpened pricing and a potential 70 MW block.

Please let us know if you have questions/comments. Thanks,  
Elaine

Sent from my iPad

On Feb 1, 2018, at 3:12 PM, Mary Ellen Cole <[Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)> wrote:

Good afternoon all,

After a question from Tim, we feel that your notice could say 20 years instead of 5-20 years for the term. You're reserving your right to extend your term for the full 20 years while leaving the option open to a shorter term should you so choose. If you provide notice now, and choose later to not follow through with an Alternate Source, your load will stay within the full requirements rate. This is per the MOU.

If you have any questions, please feel free to email or call. Thanks,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (866) 484-0548 | Alt. (866) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Elaine Johns  
**Sent:** Tuesday, January 30, 2018 4:23 PM  
**To:** [mstallons@owenelectric.com](mailto:mstallons@owenelectric.com); Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; [mikew@bgenergy.com](mailto:mikew@bgenergy.com)  
**Cc:** Barry Birkett <[Barry.Birkett@enervision-inc.com](mailto:Barry.Birkett@enervision-inc.com)>; Mary Ellen Cole <[Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)>  
**Subject:** EKPC Notice Template

Hi, all – attached is a template for the EKPC notice – the letter contains all requirements of the notice as outlined in the MOU.

Please let us know if you have any questions. See you at 8am!  
Elaine

**Elaine Johns** President/CEO  
T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840

[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Thursday, February 1, 2018 3:12 PM  
**To:** Mark Stallons; Tim Sharp; Carol Wright; mikew@bgenergy.com  
**Cc:** Barry Birkett; Elaine Johns  
**Subject:** RE: EKPC Notice Template

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Good afternoon all,

After a question from Tim, we feel that your notice could say 20 years instead of 5-20 years for the term. You're reserving your right to extend your term for the full 20 years while leaving the option open to a shorter term should you so choose. If you provide notice now, and choose later to not follow through with an Alternate Source, your load will stay within the full requirements rate. This is per the MOU.

If you have any questions, please feel free to email or call. Thanks,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
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**From:** Elaine Johns  
**Sent:** Tuesday, January 30, 2018 4:23 PM  
**To:** mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; mikew@bgenergy.com  
**Cc:** Barry Birkett <Barry.Birkett@enervision-inc.com>; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Subject:** EKPC Notice Template

Hi, all – attached is a template for the EKPC notice – the letter contains all requirements of the notice as outlined in the MOU.

Please let us know if you have any questions. See you at 8am!  
Elaine

**Elaine Johns** President/CEO  
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[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Joni Hazelrigg <jhazelrigg@fme.coop>  
**Sent:** Thursday, February 1, 2018 2:58 PM  
**To:** Mark Stallons; Debbie Martin; Chris Brewer  
**Cc:** Missy Moore; Mary Ellen Cole; Elaine.Johns@enervision-inc.com; Jim Crawford  
**Subject:** RE: Power Supply RFP Process  
**Attachments:** Resolution.pdf

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To All,

Attached is Fleming-Mason's executed Board Resolution. We truly appreciate the opportunity to join in this group effort.

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:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Monday, January 29, 2018 11:25 AM  
**To:** Debbie Martin <debbiem@shelbyenergy.com>; Joni Hazelrigg <jhazelrigg@fme.coop>  
**Cc:** Missy Moore <mmoore@owenelectric.com>; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>; Elaine.Johns@enervision-inc.com; Jim Crawford <JCrawford@cbkylaw.com>  
**Subject:** Power Supply RFP Process

Debbie & Joni,

For your information and consideration, Bluegrass Energy, Jackson Energy, Owen Electric and Salt River Electric have entered into Non-Disclosure Agreements (NDA's) with five (5) power suppliers, one of which is presently contacting multiple cooperatives and marketing their services. We have received power supply RFP's and intend to make a decision on or before the end of the February. If you would like to join the group, please reply to this email notice and we will be

Witness: Mark Stallons

glad to include you into the RFP process if timing and availability are favorable or if timing and availability are not favorable we will assist in facilitating a second RFP.

The requirement to participate includes a Board Resolution authorizing the cooperative CEO to sign an agreement with our consulting firm, sign the necessary Confidentiality Agreements, and agree to financially contribute to the cost of the process. The timeline required to participate is as follows:

Timeline:

1. Board commitment to the RFP process on or before Monday February 5, 2018.
2. Decision to provide notice to EKPC on or before Friday February 23, 2018.

Should you need any information, please feel free to contact Elaine Johns, President/CEO, EnerVision, at 678.910.1122 or [Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com).

Sincerely,

Mike Williams, Bluegrass Energy President/CEO  
Carol Wright, Jackson Energy President & CEO  
Mark Stallons, Owen Electric President & CEO  
Tim Sharp, Salt River Electric President & CEO

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**FLEMING-MASON ENERGY COOPERATIVE, INC.**

**RESOLUTION**

**APPROVAL OF POWER SUPPLY REQUEST FOR PROPOSALS**

**FEBRUARY 1, 2018**

**WHEREAS**, East Kentucky Power Cooperative ("EKPC") has implemented Amendment 3 and the corresponding Memorandum of Understanding ("MOU") to allow the EKPC members flexibility in pursuing wholesale power supply options; and

**WHEREAS**, South Kentucky RECC ("SKRECC") has already noticed EKPC of their intent to implement its 15% flexibility allotment as defined by Amendment 3 and the MOU which results in \$1,200,000 in cost shifting to Fleming-Mason Energy Cooperative, Inc.;

**WHEREAS**, Owen Electric Cooperative, Salt River Electric, Jackson Energy Cooperative and Blue Grass Energy have an informal alliance ("the Kentucky Group") and issued a Request for Proposals ("RFP") for power supply following Amendment 3 and the MOU; and further, have invited Fleming-Mason Energy Cooperative, Inc. ("FME") to participate in their existing RFP that could possibly dilute SKRECC cost shifting; and

**WHEREAS**, with SKRECC's notice, the remaining EKPC members are only allowed 5% flexibility allotment as defined by Amendment 3 and the MOU until EKPC's total allotment pool is taken (at which time, no other allotments will be allowed); and

**WHEREAS**, the President/CEO has recommended to the Board of Directors of FME that in order for FME to receive any flexibility allotment, FME be allowed to participate with the Kentucky Group, contract with the Kentucky Group's consultant (EnerVision), and share in the transactional costs of the RFP and subsequent contractual negotiations, if any; and

**WHEREAS**, the Board of Directors has determined that it is in the best interest of the Fleming-Mason Energy Cooperative, Inc. to participate with the Kentucky Group.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors hereby authorizes and approves this recommendation by staff to participate with the Kentucky Group in its power supply RFP.

**RESOLVED FURTHER** that the President/CEO of Fleming-Mason Energy Cooperative, Inc. is hereby authorized, empowered and directed for and on behalf of FME to negotiate any resulting agreements as she determines is in the best interest of FME.

**CERTIFICATE**

I, Dina Gooding, Secretary/Treasurer of Fleming-Mason Energy Cooperative, Inc., do hereby certify that the above is a true and correct copy of a certain resolution of the Board of Directors of Fleming-Mason Energy Cooperative, Inc., duly adopted at a regular meeting of said Board after due and proper notice held on the 1<sup>st</sup> day of February 2018.

This 1<sup>st</sup> day of February, 2018.

Dina Gooding  
Dina Gooding, Secretary/Treasurer

**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Wednesday, January 31, 2018 3:13 PM  
**To:** Mark Stallons; Tim Sharp; Carol Wright; mikew@bgenergy.com  
**Cc:** Mary Ellen Cole; Barry Birkett  
**Subject:** Scorecard

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From today, we are creating a scorecard based on our discussion:

<u>Wants</u>	<u>Weights</u>
Short Term Economics	10
Credit	7
Creditworthiness	
Contract terms	
Price Stability	5
Spread between Yr 1 and End	
Long Term Economics	1
Steel in the ground	
Reliability	
Fixed pricing	

- Risks
1. Commission exposure
  2. EKPC actions

Please let us know if you have any questions! Thanks,  
Elaine

**Elaine Johns** President/CEO  
T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840  
[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Friday, February 2, 2018 10:26 AM  
**To:** Mark Stallons; Tim Sharp; Carol Wright; Mike Williams; cbrewer@clarkenergy.com; debbiem@shelbyenergy.com; jhazelrigg@fme.coop  
**Cc:** Mary Ellen Cole; Barry Birkett  
**Subject:** SKRECC filing

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Posted on the PUC website: [https://psc.ky.gov/PSC\\_WebNet/ViewCaseFilings.aspx?Case=2018-00050](https://psc.ky.gov/PSC_WebNet/ViewCaseFilings.aspx?Case=2018-00050)

**Elaine Johns President/CEO**

T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840

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Sent from my iPad



**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Wednesday, January 31, 2018 8:13 AM  
**To:** Mark Stallons  
**Subject:** Are you coming? I think we may start. Not sure what to do?

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

**Elaine Johns** President/CEO

T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840

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**Missy Moore**

---

**From:** Mike Williams <mikew@bgenergy.com>  
**Sent:** Tuesday, January 30, 2018 9:25 AM  
**To:** Mark Stallons; Tim Sharp; Carol Wright  
**Cc:** Elaine Johns  
**Subject:** Clark Energy

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Chris contacted me this morning asking about Sky Global. He inquired about a group pursuing an RFP and asked how he could participate. I confirmed there was a group and there were certain timeframes that need to be complied with in order to participate. I gave him the timeline that was in the email. He said he could meet those timelines. He has a Board meeting today at noon. Are you all okay with Clark participating?

Sincerely,

Michael I. Williams  
President/CEO  
Blue Grass Energy

**Missy Moore**

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Tuesday, January 30, 2018 9:52 AM  
**To:** Mike Williams  
**Cc:** Carol Wright (carolwright@jacksonenergy.com); tjsharp@srelectric.com; Mark Stallons; Elaine Johns  
**Subject:** FW: KY Summary notes - Confidential

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Good morning Mike,

Please see the summary note below regarding the proposals received. Talk with you all tomorrow at 8.

Thanks,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (866) 464-0548 | Alt. (866) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Mary Ellen Cole  
**Sent:** Friday, January 26, 2018 3:06 PM  
**To:** Carol Wright (carolwright@jacksonenergy.com) <carolwright@jacksonenergy.com>; tjsharp@srelectric.com; Mark Stallons (mstallons@owenelectric.com) <mstallons@owenelectric.com>  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** KY Summary notes - Confidential

Good afternoon Mark, Tim, and Carol (and Mike after we get the Confidentiality Agreements finalized),

Here we go! The table below outlines the summary comparison from the initial analysis. I've broken the table out by the different term options (5, 10, 15, and 20 years) and ordered by lowest price to highest. I have included some notes about the table below it. As a friendly reminder, this information is Confidential and should not be shared.

I am preparing additional charts and materials for a more detailed look at the individual proposals to be used in our group discussion on Wednesday.

Let me know if you have any questions, and I look forward to talking with you on Wednesday.

**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Monday, January 29, 2018 5:42 PM  
**To:** Mark Stallons; Tim Sharp; Carol Wright; mikew@bgenergy.com  
**Cc:** Mary Ellen Cole  
**Subject:** FW: Sample Board Resolution and EnerVision Services Agreement  
**Attachments:** Sample resolution.docx

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

FYI – I have spoken with both Joni and Debbie today and we are getting them prepared for their board meetings (Debbie is shooting for a special board meeting 1/31 and Joni's is 2/1).

They both requested a sample resolution (see attached). We are also preparing a slide deck for their board meetings which I will copy you in the distribution. We plan to send that out tomorrow (night, probably).

Please let me know if you have any questions! Thanks,  
Elaine

**From:** Elaine Johns  
**Sent:** Monday, January 29, 2018 5:36 PM  
**To:** Joni Hazelrigg <jhazelrigg@fme.coop>; Debbie Martin <debbiem@shelbyenergy.com>  
**Cc:** Mary\_Ellen.Cole@enervision-inc.com  
**Subject:** Sample Board Resolution and EnerVision Services Agreement

Joni and Debbie – for your board meetings this week, attached is a sample board resolution that allows you to participate in the Kentucky Group RFP and negotiate any agreements on behalf of the Cooperative.

Also attached is our Professional Services Agreement, one for Shelby and one for Fleming Mason.

Please let me know if you have any questions. We will be sending tomorrow the slide deck for your board meetings. The best way to reach me tomorrow is via cell below – I've also attached my v-card.

Look forward to working with you! Thanks,  
Elaine

**Elaine Johns** President/CEO  
T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840  
[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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sender immediately by telephone (678-510-2900) or by electronic mail ([info@enervision-inc.com](mailto:info@enervision-inc.com)), and delete this message and all copies and backups thereof. Thank you.

Witness: Mark Stallons

## Missy Moore

---

**From:** Chris Brewer <[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>  
**Sent:** Tuesday, January 30, 2018 10:20 AM  
**To:** Mark Stallons  
**Cc:** Tim Sharp; Carol Wright; [mikew@bgenenergy.com](mailto:mikew@bgenenergy.com); Joni Hazelrigg; Debbie Martin  
**Subject:** RE: Amendment 3 RFP Process

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

Mark,

Thank you for the information. I have talked to Elaine this morning and she is in the process of sending me a resolution on authorizing the RFP process. I have a board meeting to day nad will be discussing it with them. Also, my next regular board meeting is scheduled before Feb. 23<sup>rd</sup> so that time frame should not be a problem. Thanks.

Chris Brewer, PE  
[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)  
859-901-9207  
President & CEO  
Clark Energy

**From:** Mark Stallons [<mailto:mstallons@owenelectric.com>]  
**Sent:** Tuesday, January 30, 2018 10:01 AM  
**To:** Chris Brewer <[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>  
**Cc:** Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; [mikew@bgenenergy.com](mailto:mikew@bgenenergy.com); Joni Hazelrigg <[jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop)>; Debbie Martin <[debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com)>  
**Subject:** Amendment 3 RFP Process

Chris,

Based upon your recent discussions with Mike Williams and for your information and consideration, Bluegrass Energy, Jackson Energy, Owen Electric and Salt River Electric have entered into Non-Disclosure Agreements (NDA's) with five (5) power suppliers, one of which is presently contacting multiple cooperatives and marketing their services. We have received power supply RFP's and intend to make a decision on or before the end of the February. If you would like to join the group, please reply to this email notice, contact Elaine Johns, and we will be glad to include you into the RFP process if timing and availability are favorable or if timing and availability are not favorable we will assist in facilitating a second RFP. Shelby Energy and Fleming Mason Energy have expressed interest in joining the group and are also discussing the opportunity with their Board of Directors.

The requirement to participate includes a Board Resolution authorizing the cooperative CEO to sign an agreement with our consulting firm, sign the necessary Confidentiality Agreements, and agree to financially contribute to the cost of the process. The timeline required to participate is as follows:

**Timeline:**

1. Board commitment to the RFP process on or before Monday February 5, 2018.
2. Decision to provide notice to EKPC on or before Friday February 23, 2018.

Should you need any information, please feel free to contact Elaine Johns, President/CEO, EnerVision, at 678.910.1122 or [Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com).

Sincerely,

Mike Williams, Bluegrass Energy President/CEO

Carol Wright, Jackson Energy President & CEO

Mark Stallons, Owen Electric President & CEO

Tim Sharp, Salt River Electric President & CEO

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## Missy Moore

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Tuesday, January 30, 2018 9:41 AM  
**To:** Carol Wright  
**Cc:** Mike Williams; Mark Stallons; Tim Sharp  
**Subject:** Re: Clark Energy

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I'm good. The pot is gone now!

Sent from my iPhone

On Jan 30, 2018, at 9:32 AM, Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)> wrote:

I am fine if Elaine feels like the 75.5 block (that includes Shelby, Fleming Mason, and Clark) can be honored by the existing RFP bidders.

I don't think it is wise to go back out to bid this late for the larger block.

Elaine: How will this work?

**Carol Wright**

President & CEO

606-364-9213

<image003.jpg>

**From:** Mike Williams [<mailto:mikew@bgenergy.com>]  
**Sent:** Tuesday, January 30, 2018 9:25 AM  
**To:** [mstallons@owenelectric.com](mailto:mstallons@owenelectric.com); Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>  
**Cc:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**Subject:** Clark Energy

Chris contacted me this morning asking about Sky Global. He inquired about a group pursuing an RFP and asked how he could participate. I confirmed there was a group and there were certain timeframes that need to be complied with in order to participate. I gave him the timeline that was in the email. He said he could meet those timelines. He has a Board meeting today at noon. Are you all okay with Clark participating?

Sincerely,

Michael I. Williams  
President/CEO  
Blue Grass Energy



Spam | Not spam  
Forget previous vote

**Missy Moore**

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Tuesday, January 30, 2018 9:46 AM  
**To:** Mark Stallons; Mike Williams; Tim Sharp  
**Cc:** Elaine Johns  
**Subject:** RE: Clark Energy

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Good with me. Will the bidders honor their existing bids for the 75 MW block?

Carol Wright  
President & CEO  
606-364-9213



**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Tuesday, January 30, 2018 9:42 AM  
**To:** Mike Williams <mikew@bgenenergy.com>; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** RE: Clark Energy

All,

I just finished talking with Elaine, she suggests that I send Chris the email and that the group is now maxed out at roughly 75MW. Her suggestion is that we close accepting members and begin a waiting list for any future callers. Future callers would basically be on hold and would have an opportunity if someone backs out. Not sure how else to do it.

Elaine is also drafting an EKPC notice for us to consider.

Mark

**From:** Mike Williams [mailto:mikew@bgenenergy.com]  
**Sent:** Tuesday, January 30, 2018 9:25 AM  
**To:** Mark Stallons <mstallons@owenelectric.com>; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** Clark Energy

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Michael I. Williams  
President/CEO  
Blue Grass Energy

## Missy Moore

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**Sent:** Tuesday, January 30, 2018 9:32 AM  
**To:** Mike Williams; Mark Stallons; Tim Sharp  
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**Subject:** RE: Clark Energy

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I don't think it is wise to go back out to bid this late for the larger block.

Elaine: How will this work?

Carol Wright  
President & CEO  
606-364-9213



**From:** Mike Williams [mailto:mikew@bgenenergy.com]  
**Sent:** Tuesday, January 30, 2018 9:25 AM  
**To:** mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** Clark Energy

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Sincerely,

Michael I. Williams  
President/CEO  
Blue Grass Energy

## Missy Moore

---

**From:** Debbie Martin <debbiem@shelbyenergy.com>  
**Sent:** Tuesday, January 30, 2018 11:23 AM  
**To:** Mark Stallons; Joni Hazelrigg  
**Cc:** Missy Moore; Mary Ellen Cole; Elaine.Johns@enervision-inc.com; Jim Crawford  
**Subject:** RE: Power Supply RFP Process

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Mark :

Thank you for the opportunity to join the group. We have a special board meeting scheduled for tomorrow, and Elaine has provided the necessary documents. She will be giving a presentation to our directors, so we should have a decision by the end of the work day.

I appreciate it.  
Debbie

**Debra J. Martin**  
**President & CEO**

620 Old Finchville Road  
Shelbyville, KY 40065

Office: (502)633-4163  
Fax: (502)633-2387



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**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Monday, January 29, 2018 11:25 AM  
**To:** Debbie Martin <debbiem@shelbyenergy.com>; Joni Hazelrigg <jhazelrigg@fme.coop>  
**Cc:** Missy Moore <mmoore@owenelectric.com>; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>; Elaine.Johns@enervision-inc.com; Jim Crawford <JCrawford@cbkylaw.com>  
**Subject:** Power Supply RFP Process

Debbie & Joni,

For your information and consideration, Bluegrass Energy, Jackson Energy, Owen Electric and Salt River Electric have entered into Non-Disclosure Agreements (NDA's) with five (5) power suppliers, one of which is presently contacting multiple cooperatives and marketing their services. We have received power supply RFP's and intend to make a decision on or before the end of the February. If you would like to join the group, please reply to this email notice and we will be glad to include you into the RFP process if timing and availability are favorable or if timing and availability are not favorable we will assist in facilitating a second RFP.

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Carol Wright, Jackson Energy President & CEO  
Mark Stallons, Owen Electric President & CEO  
Tim Sharp, Salt River Electric President & CEO

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**Missy Moore**

---

**From:** Joni Hazelrigg <jhazelrigg@fme.coop>  
**Sent:** Monday, January 29, 2018 1:56 PM  
**To:** Mark Stallons; Debbie Martin  
**Cc:** Missy Moore; Mary Ellen Cole; Elaine.Johns@enervision-inc.com; Jim Crawford  
**Subject:** RE: Power Supply RFP Process

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Mark & Debbie,

Fleming-Mason has definite interest in joining this group if possible. I have spoken with Elaine and she is sending information to me to share with our Board. We have a board meeting scheduled for Thursday, February 1, and it is my intent to have a definite answer for this group well within the proposed time line.

I appreciate the opportunity - and hopefully our members will reap the benefit for some time to come.  
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:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Monday, January 29, 2018 11:25 AM  
**To:** Debbie Martin <debbiem@shelbyenergy.com>; Joni Hazelrigg <jhazelrigg@fme.coop>  
**Cc:** Missy Moore <m Moore@owenelectric.com>; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>; Elaine.Johns@enervision-inc.com; Jim Crawford <JCrawford@cbkylaw.com>  
**Subject:** Power Supply RFP Process

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Witness: Mark Stallons

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Sincerely,

Mike Williams, Bluegrass Energy President/CEO  
Carol Wright, Jackson Energy President & CEO  
Mark Stallons, Owen Electric President & CEO  
Tim Sharp, Salt River Electric President & CEO

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**Missy Moore**

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Tuesday, January 30, 2018 9:28 AM  
**To:** Mark Stallons; Elaine Johns  
**Cc:** Tim Sharp; mikew@bgenergy.com; Mary Ellen Cole  
**Subject:** RE: Sample Board Resolution and EnerVision Services Agreement

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I will have to wait until Wednesday to provide notice after my Board approves the 8 MW purchase. Should we all provide notice at the same time or jointly?

Carol Wright  
President & CEO  
606-364-9213



**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Tuesday, January 30, 2018 9:18 AM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Cc:** Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; mikew@bgenergy.com; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Subject:** RE: Sample Board Resolution and EnerVision Services Agreement

All,

I just talked to Sally Witt. She will have new load numbers for all coops on Monday and should be able to get the updated Amendment 3 load data to us by Tuesday of Wednesday. So far the January 2 peak is holding up. It seems that providing notice would have to wait for those updated numbers.

Your thoughts?

Mark

**From:** Mark Stallons  
**Sent:** Monday, January 29, 2018 6:08 PM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Cc:** Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; mikew@bgenergy.com; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Subject:** Re: Sample Board Resolution and EnerVision Services Agreement

Well done!

Thanks,

Mark

Mark Stallons  
Sent from my iPhone

On Jan 29, 2018, at 5:41 PM, Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)> wrote:

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FYI – I have spoken with both Joni and Debbie today and we are getting them prepared for their board meetings (Debbie is shooting for a special board meeting 1/31 and Joni's is 2/1).

They both requested a sample resolution (see attached). We are also preparing a slide deck for their board meetings which I will copy you in the distribution. We plan to send that out tomorrow (night, probably).

Please let me know if you have any questions! Thanks,  
Elaine

**From:** Elaine Johns  
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**To:** Joni Hazelrigg <[jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop)>; Debbie Martin <[debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com)>  
**Cc:** [Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)  
**Subject:** Sample Board Resolution and EnerVision Services Agreement

Joni and Debbie – for your board meetings this week, attached is a sample board resolution that allows you to participate in the Kentucky Group RFP and negotiate any agreements on behalf of the Cooperative.

Also attached is our Professional Services Agreement, one for Shelby and one for Fleming Mason.

Please let me know if you have any questions. We will be sending tomorrow the slide deck for your board meetings. The best way to reach me tomorrow is via cell below – I've also attached my v-card.

Look forward to working with you! Thanks,  
Elaine

**Elaine Johns** President/CEO  
T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840  
[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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Witness: Mark Stallons

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<Sample resolution.docx>

## Missy Moore

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Monday, January 29, 2018 10:50 PM  
**To:** Mark Stallons  
**Subject:** Re: Sample Board Resolution and EnerVision Services Agreement

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Sent from my iPad

On Jan 29, 2018, at 6:07 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Well done!

Thanks,

Mark

Mark Stallons  
Sent from my iPhone

On Jan 29, 2018, at 5:41 PM, Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)> wrote:

**\*\*\* Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email! \*\*\***  
FYI – I have spoken with both Joni and Debbie today and we are getting them prepared for their board meetings (Debbie is shooting for a special board meeting 1/31 and Joni's is 2/1).

They both requested a sample resolution (see attached). We are also preparing a slide deck for their board meetings which I will copy you in the distribution. We plan to send that out tomorrow (night, probably).

Please let me know if you have any questions! Thanks,  
Elaine

**From:** Elaine Johns  
**Sent:** Monday, January 29, 2018 5:36 PM  
**To:** Joni Hazelrigg <[jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop)>; Debbie Martin <[debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com)>  
**Cc:** [Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)  
**Subject:** Sample Board Resolution and EnerVision Services Agreement

Joni and Debbie – for your board meetings this week, attached is a sample board resolution that allows you to participate in the Kentucky Group RFP and negotiate any agreements on behalf of the Cooperative.

Also attached is our Professional Services Agreement, one for Shelby and one for Fleming Mason.

Please let me know if you have any questions. We will be sending tomorrow the slide deck for your board meetings. The best way to reach me tomorrow is via cell below – I've also attached my v-card.

Look forward to working with you! Thanks,  
Elaine

**Elaine Johns** President/CEO  
T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840  
[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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<Sample resolution.docx>

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## Missy Moore

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Wednesday, January 31, 2018 7:25 AM  
**To:** Mark Stallons; Tim Sharp; Carol Wright; mikew@bgenergy.com  
**Cc:** Barry Birkett; Elaine Johns  
**Subject:** REVISED FOR 8AM, RE: Slide Deck for Tomorrow  
**Attachments:** RFP Results 01 31 2018\_Revised.pptx

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

Good morning everyone,

We caught an error in the calculations for AEP and Calpine, and updated the slides to show the corrected information. Please use attached Revised slides for the call at 8am.

Talk with you soon,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (866) 454-0648 | Alt. (866) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Elaine Johns  
**Sent:** Tuesday, January 30, 2018 7:36 PM  
**To:** mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; mikew@bgenergy.com  
**Cc:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>; Barry Birkett <Barry.Birkett@enervision-inc.com>  
**Subject:** Slide Deck for Tomorrow

Hi ! Please see the attached slide deck that we will use tomorrow. We ask you to print this out and bring with you to the meeting as you may want to go back to previous slides as the meeting goes on.

See you at 8:00! Thanks,  
Elaine

**Elaine Johns** President/CEO  
T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840  
[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Monday, January 29, 2018 8:48 AM  
**To:** Mark Stallons; Tim Sharp  
**Subject:** Conference Call

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

Mike and I are on the phone.....

Carol Wright  
President & CEO  
606-364-9213





**Missy Moore**

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Monday, January 29, 2018 8:13 AM  
**To:** Mark Stallons; MIKE WILLIAMS; Tim Sharp  
**Subject:** FW: Sky Global

**Importance:** High

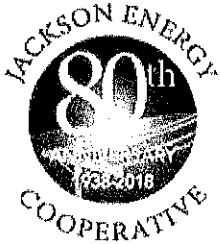
**\*\*\* Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email! \*\*\***

This is the second coop that has approached me about Sky Global. Looks like Sky Global is making a major push to the other coops not participating in the RFP.

If we are going to allow others to participate, we need to make that decision today and send an email to the other CEO's.

Do you all want to have a conference call to discuss this morning?

Carol Wright  
President & CEO  
606-364-9213



**From:** Gregory Lee [mailto:glee@nolinrecc.com]  
**Sent:** Sunday, January 28, 2018 5:51 PM  
**To:** Carol Wright <carolwright@jacksonenergy.com>  
**Subject:** Sky Global

Mrs. Wright,

Have you been approached by Sky Global about purchasing power? They have requested meeting with us. Claim to sell at a fixed rate of 4 cents/kWh for 20 years. I understand they hope to build a 75 MW plant in Powell County. Didn't know if this had crossed your desk yet, sounds like they have employed some former EKP folks and rate analyst from Kentucky, perhaps in a bid to boost credibility.

Thanks,  
Greg Lee

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Witness: Mark Stallons

contractors, subcontractors, suppliers and any others under their supervision doing work for Nolin RECC, to commit to the Cooperative's ethical and legal standards and operate accordingly.

**Missy Moore**

---

**From:** Mike Williams <mikew@bgenenergy.com>  
**Sent:** Monday, January 29, 2018 8:45 AM  
**To:** Elaine Johns  
**Cc:** Mark Stallons; Carol Wright; Mary Ellen Cole; Tim Sharpe  
**Subject:** Re: Revised CA

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I'm fine with opening up the RFP to Shelby and other coops. I agree with Mark's comments.

Can we discuss the optimal way to open up the process during our call on Wednesday or I'm available tomorrow for a conference call.

Thanks,  
Mike Williams

On Jan 28, 2018, at 12:40 PM, Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)> wrote:

We will do whatever you want. But, of course, I have a couple of thoughts:

- Reminder of your NDAs with the marketers, please do not provide any bid information.
- Carol and I discussed that Shelby is ~5MWs, which is not a complicated adjustment for the marketers. If others come in and increase the block such that the process becomes more complicated, thus endangering the Feb. notice timeframe, we may recommend a next RFP for the "newcomers."

For your consideration. Thanks,  
Elaine

**From:** Mark Stallons [<mailto:mstallons@owenelectric.com>]  
**Sent:** Saturday, January 27, 2018 6:26 PM  
**To:** Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>  
**Cc:** Mary Ellen Cole <[Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)>; Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>; Tim Sharpe <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Mike Williams <[mikew@bgenenergy.com](mailto:mikew@bgenenergy.com)>  
**Subject:** Re: Revised CA

All,

I am fine with opening up the RFP process to Shelby and any other EKPC member. They would need to sign the CA's and an EnerVision agreement. This is a good way to mitigate any negative blowback. If agreeable I am happy to send an email to all CEO's informing them of the RFP process, timeline, and how they can participate. We could meet with those who respond before the legislative rally this week.

Your thoughts,

Mark

Mark Stallons

Sent from my iPhone

On Jan 27, 2018, at 12:18 PM, Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)> wrote:

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Elaine and Mary Ellen:

The CEO with Shelby Energy, Debbie Martin, contacted me regarding the group RFP and wanted to know what they could do to be a part of the group.

Debbie also felt other coops may want to join if asked.

I told her I would let everyone know and someone would get back to her. She understands that turn around time is an issue but is willing to do whatever necessary to make that work.

So, at this point, what can be done if Shelby (and other coops) want to join in our group?

Carol  
Sent from my iPad

On Jan 26, 2018, at 3:06 PM, Mary Ellen Cole <[Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)> wrote:

Good afternoon all,

With the addition of Blue Grass to the Kentucky Group, we need to re-execute the Confidentiality Agreements with each of the marketers in order to keep the data sharing clean. I've attached four revised versions (AEP, Constellation, Morgan Stanley, SkyGlobal) for your review and signature. For AEP, Morgan Stanley, and SkyGlobal, the only changes are the insertion of Blue Grass as part of the Kentucky Group and an additional signature block at the bottom. In addition to those insertions, Constellation has added a new paragraph indicating that this new CA supersedes the prior CA, essentially indicating that this is the latest version to go by.

I am still waiting for one more CA from Calpine, and I will send that to you as soon as it is available.

Since we have revised the original CAs, we will need all four of you to execute these new versions in order to share information amongst you all. Please review, sign, and return the CA at your earliest convenience.

Thank you,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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<KY coop nda.pdf>

<Kentucky Group Confidentiality Agreement\_Constellation (FINAL) 1-26-18.pdf>

<Kentucky Group Confidentiality Agreement\_2018\_SkyGlobal.pdf>

<MSCG\_NDA\_Signed\_26Jan18.pdf>

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**Missy Moore**

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Monday, January 29, 2018 9:57 AM  
**To:** Mark Stallons; Tim Sharp; mikew@bgenergy.com  
**Cc:** Elaine.Johns@enervision-inc.com  
**Subject:** RE: RFP letter to fellow EKPC Member CEO's

**Importance:** High

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Wanted to share:

Just got a call from Joni at Fleming Mason. Sky Global is calling coops and letting them know a group is following suit like SKRECC with an RFP and using the same consultant (no other info) and providing them with an offer for their consideration.

Joni is very interested and said if there is no room in the existing RFP group, that they would be interested in starting a new group and going for an RFP as well.

Carol Wright

President & CEO

606-364-9213



**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Monday, January 29, 2018 8:46 AM  
**To:** Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; mikew@bgenergy.com  
**Cc:** Elaine.Johns@enervision-inc.com  
**Subject:** RFP letter to fellow EKPC Member CEO's

Fellow CEO's,

For your information and consideration, Bluegrass Energy, Jackson Energy, Owen Electric and Salt River Electric have entered into Non Disclosure Agreements (NDA's) with five (5) power suppliers, one of which is presently contacting multiple cooperatives and marketing their services. We have received power supply RFP's and intend to make a decision by the end of the February. If you would like to join the group, please reply to this notice and we will be glad to include you into the RFP process.

Witness: Mark Stallons

The requirement to participate includes a Board Resolution authorizing the cooperative CEO to sign an agreement with our consulting firm, sign the necessary Confidentiality Agreements, and agree to financially contribute to the cost of the process. Our timeline is as follows:

Timeline:  
??????

Sincerely,

Mike Williams, Bluegrass Energy President/CEO  
Carol Wright, Jackson Energy President & CEO  
Mark Stallons, Owen Electric President & CEO  
Tim Sharp, Salt River Electric President & CEO

**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)



***"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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**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Monday, January 29, 2018 10:58 AM  
**To:** Carol Wright; Mark Stallons; Tim Sharp; mikew@bgenergy.com  
**Subject:** RE: RFP letter to fellow EKPC Member CEO's

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Carol – just making sure I understand, “providing them with an offer for their consideration” Is the ‘them’ the current group of you guys, or is it to the outside coops? If it’s the former, I don’t see an issue. If it’s the latter, they’re providing confidential information outside the NDA which would be a breach of your NDA. If they’re just providing a proposal (that is not the Kentucky Group proposal), then there’s no breach.

**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Monday, January 29, 2018 9:57 AM  
**To:** Mark Stallons <mstallons@owenelectric.com>; Tim Sharp <tjsharp@srelectric.com>; mikew@bgenergy.com  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** RE: RFP letter to fellow EKPC Member CEO's  
**Importance:** High

Wanted to share:

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Joni is very interested and said if there is no room in the existing RFP group, that they would be interested in starting a new group and going for an RFP as well.

Carol Wright  
President & CEO  
606-364-9213



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**Sent:** Monday, January 29, 2018 8:46 AM  
**To:** Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; mikew@bgenergy.com  
**Cc:** Elaine.Johns@enervision-inc.com  
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Witness: Mark Stallons

Fellow CEO's,

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The requirement to participate includes a Board Resolution authorizing the cooperative CEO to sign an agreement with our consulting firm, sign the necessary Confidentiality Agreements, and agree to financially contribute to the cost of the process. Our timeline is as follows:

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Sincerely,

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Mark Stallons, Owen Electric President & CEO  
Tim Sharp, Salt River Electric President & CEO

Mark A. Stallons  
President & CEO

Owen Electric Cooperative  
8205 Hwy 127N; PO Box 400  
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☎ Mobile: 502-514-1650  
✉ Email: [mstallons@owenelectric.com](mailto: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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## Missy Moore

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Monday, January 29, 2018 11:08 AM  
**To:** Elaine Johns; Mark Stallons; Tim Sharp; mikew@bgenergy.com  
**Subject:** RE: RFP letter to fellow EKPC Member CEO's

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Sky Global is offering "4cents for 20 years" per Joni at Fleming Mason.

I did not tell her that is what was in our KY Group RFP from Sky Global.

I don't know if Sky Global has told the coops (not in the KY Group RFP) that is what they bid to the KY Group RFP, so I am not sure about a breach of the NDA.

Carol Wright  
President & CEO  
606-364-9213



**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Monday, January 29, 2018 10:58 AM  
**To:** Carol Wright <carolwright@jacksonenergy.com>; Mark Stallons <mstallons@owenelectric.com>; Tim Sharp <tjsharp@srelectric.com>; mikew@bgenergy.com  
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**Importance:** High

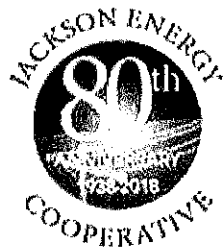
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Carol Wright  
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606-364-9213



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**Sent:** Monday, January 29, 2018 8:46 AM  
**To:** Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; [mikew@bgenenergy.com](mailto:mikew@bgenenergy.com)  
**Cc:** [Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)  
**Subject:** RFP letter to fellow EKPC Member CEO's

Fellow CEO's,

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Sincerely,

Mike Williams, Bluegrass Energy President/CEO  
Carol Wright, Jackson Energy President & CEO  
Mark Stallons, Owen Electric President & CEO  
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Mark A. Stallons  
President & CEO

Owen Electric Cooperative

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

☎ Direct Line: 502-563-3500

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✉ Email: [mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)



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## Missy Moore

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Monday, January 29, 2018 11:55 AM  
**To:** Mark Stallons; Carol Wright; Tim Sharp; mikew@bgenergy.com  
**Subject:** RE: RFP letter to fellow EKPC Member CEO's

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Do you wait to make sure Joni's in? Debbie confirmed her board is.

**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Monday, January 29, 2018 11:49 AM  
**To:** Carol Wright <carolwright@jacksonenergy.com>; Elaine Johns <Elaine.Johns@enervision-inc.com>; Tim Sharp <tjsharp@srelectric.com>; mikew@bgenergy.com  
**Subject:** RE: RFP letter to fellow EKPC Member CEO's

All,

I just talked to Joni, she will be surprised if her board doesn't join the process. Her board meeting is this week. Elaine, Joni and Debbie will most likely call you today. Joni agrees with sending the email to all other CEO's late this afternoon.

Mark

**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Monday, January 29, 2018 11:08 AM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>; Mark Stallons <mstallons@owenelectric.com>; Tim Sharp <tjsharp@srelectric.com>; mikew@bgenergy.com  
**Subject:** RE: RFP letter to fellow EKPC Member CEO's

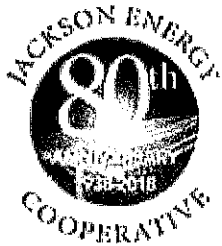
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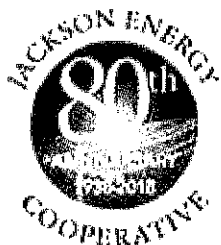
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Witness: Mark Stallons

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Carol Wright, Jackson Energy President & CEO  
Mark Stallons, Owen Electric President & CEO  
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**Mark A. Stallons**  
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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)



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**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Monday, January 29, 2018 12:48 PM  
**To:** Mark Stallons; Carol Wright; Tim Sharp; mikew@bgenergy.com  
**Subject:** RE: RFP letter to fellow EKPC Member CEO's

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Joni just called while I was grabbing lunch, will call her back and send an update.

**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
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**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>; Carol Wright <carolwright@jacksonenergy.com>; Tim Sharp <tjsharp@srelectric.com>; mikew@bgenergy.com  
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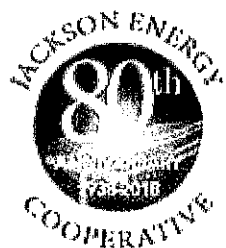
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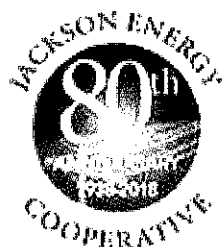
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I think we need to re-consider the email you were planning on sending out this afternoon. There isn't enough left in EKPC's 5% for more than one other to join.

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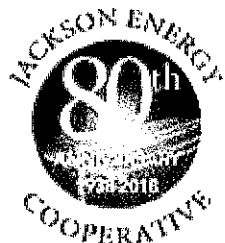
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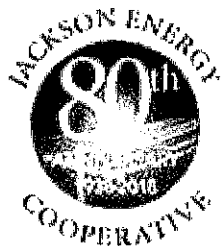
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## Missy Moore

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Not sure if this works - because there is a limited number of MWs left!

Sent from my iPhone

On Jan 29, 2018, at 8:45 AM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

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**Sent:** Monday, January 29, 2018 10:51 AM  
**To:** Mark Stallons; Carol Wright; mikew@bgenergy.com  
**Cc:** Elaine.Johns@enervision-inc.com; Mary Ellen Cole  
**Subject:** RE: RFP Process

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I'm good with it.

Tim

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**Sent:** Monday, January 29, 2018 10:42 AM  
**To:** Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; mikew@bgenergy.com  
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Tim, Carol, Mike;

I just finished talking with Elaine. We revised the email as shown below. I will call Joni and Debbie this morning inviting them to join the group and will send this email out this afternoon. If you want to talk let me know.

Thanks,

Mark

Fellow CEO's,

For your information and consideration, Bluegrass Energy, Jackson Energy, Owen Electric and Salt River Electric have entered into Non-Disclosure Agreements (NDA's) with five (5) power suppliers, one of which is presently contacting multiple cooperatives and marketing their services. We have received power supply RFP's and intend to make a decision on or before the end of the February. If you would like to join the group, please reply to this email notice and we will be glad to include you into the RFP process if timing and availability are favorable or if timing and availability are not favorable we will assist in facilitating a second RFP.

The requirement to participate includes a Board Resolution authorizing the cooperative CEO to sign an agreement with our consulting firm, sign the necessary Confidentiality Agreements, and agree to financially contribute to the cost of the process. The timeline required to participate is as follows:

Timeline:

1. Board commitment to the RFP process on or before Monday February 5, 2018.
2. Decision to provide notice to EKPC on or before Friday February 23, 2018.

Witness: Mark Stallons

Should you need any information, please feel free to contact Elaine Johns, President/CEO, EnerVision, at 678.510.2910.

Sincerely,

Mike Williams, Bluegrass Energy President/CEO  
Carol Wright, Jackson Energy President & CEO  
Mark Stallons, Owen Electric President & CEO  
Tim Sharp, Salt River Electric President & CEO

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## Missy Moore

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Monday, January 29, 2018 10:52 AM  
**To:** Mark Stallons; Tim Sharp; Carol Wright; mikew@bgenergy.com  
**Cc:** Mary Ellen Cole  
**Subject:** RE: RFP Process

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Mark, could you please give them my cell 678-910-1122 and email, too? Those would be faster ways to reach me – I'm in a meeting tomorrow and can duck out pretty easily.

Thanks,  
Elaine

**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Monday, January 29, 2018 10:42 AM  
**To:** Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; mikew@bgenergy.com  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Subject:** RFP Process

Tim, Carol, Mike;

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## Missy Moore

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Monday, January 29, 2018 10:47 AM  
**To:** Mark Stallons; Tim Sharp; mikew@bgenergy.com  
**Cc:** Elaine.Johns@enervision-inc.com; Mary Ellen Cole  
**Subject:** RE: RFP Process

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

Looks fair to me. Thanks.

Carol Wright  
President & CEO  
606-364-9213



**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Monday, January 29, 2018 10:42 AM  
**To:** Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; mikew@bgenergy.com  
**Cc:** Elaine.Johns@enervision-inc.com; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Subject:** RFP Process

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**Missy Moore**

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Monday, January 29, 2018 8:34 AM  
**To:** Mark Stallons; Tim Sharp; mikew@bgenergy.com  
**Subject:** RE: Sky Global

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

Good with me. Mike: Can you join us?

Conference Call info below:

1-877-783-2009  
Passcode: 724705

Carol Wright  
President & CEO  
606-364-9213



**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Monday, January 29, 2018 8:32 AM  
**To:** Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; mikew@bgenergy.com  
**Subject:** RE: Sky Global

Yes, I am available any time. How about 8:45am?

Mark

**From:** Tim Sharp [mailto:tjsharp@srelectric.com]  
**Sent:** Monday, January 29, 2018 8:13 AM  
**To:** Carol Wright <carolwright@jacksonenergy.com>; Mark Stallons <mstallons@owenelectric.com>; MIKE WILLIAMS <mikew@bgenergy.com>  
**Subject:** RE: Sky Global

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I'm available all day today. Just let me know.

**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Monday, January 29, 2018 8:13 AM

Witness: Mark Stallons

To: 'mstallons@owenelectric.com' <mstallons@owenelectric.com>; MIKE WILLIAMS <mikew@bgenergy.com>; Tim Sharp <tjsharp@srelectric.com>  
Subject: FW: Sky Global  
Importance: High

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This is the second coop that has approached me about Sky Global. Looks like Sky Global is making a major push to the other coops not participating in the RFP.

If we are going to allow others to participate, we need to make that decision today and send an email to the other CEO's.

Do you all want to have a conference call to discuss this morning?

Carol Wright  
President & CEO  
606-364-9213



From: Gregory Lee [mailto:glee@nolinrecc.com]  
Sent: Sunday, January 28, 2018 5:51 PM  
To: Carol Wright <carolwright@jacksonenergy.com>  
Subject: Sky Global

Mrs. Wright,

Have you been approached by Sky Global about purchasing power? They have requested meeting with us. Claim to sell at a fixed rate of 4 cents/kWh for 20 years. I understand they hope to build a 75 MW plant in Powell County. Didn't know if this had crossed your desk yet, sounds like they have employed some former EKP folks and rate analyst from Kentucky, perhaps in a bid to boost credibility.

Thanks,  
Greg Lee

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**Missy Moore**

---

**From:** Tim Sharp <tjsharp@srelectric.com>  
**Sent:** Monday, January 29, 2018 8:13 AM  
**To:** Carol Wright; Mark Stallons; MIKE WILLIAMS  
**Subject:** RE: Sky Global

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I'm available all day today. Just let me know.

**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Monday, January 29, 2018 8:13 AM  
**To:** 'mstallons@owenelectric.com' <mstallons@owenelectric.com>; MIKE WILLIAMS <mikew@bgenergy.com>; Tim Sharp <tjsharp@srelectric.com>  
**Subject:** FW: Sky Global  
**Importance:** High

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Carol Wright  
President & CEO  
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**Missy Moore**

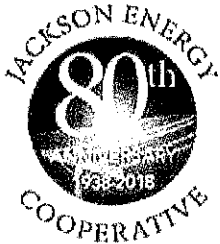
---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Thursday, January 25, 2018 11:06 AM  
**To:** Elaine Johns; Mike Williams  
**Cc:** Mark Stallons; Tim Sharp; Mary Ellen Cole  
**Subject:** RE: Here We Go!

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

I am available Monday all day as well.

Carol Wright  
President & CEO  
606-364-9213



**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Thursday, January 25, 2018 10:58 AM  
**To:** Mike Williams <mikew@bgenenergy.com>  
**Cc:** mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Subject:** Here We Go!

Mike, I have discussed with AEP and Morgan Stanley the group's desire to add BGE to the RFP. No problems and bid prices do not change. So, we need you to start executing NDAs with the marketers and start gathering financials for their credit review:

- 3 years of audited financial statements,
- 2017 financial statement (unaudited if audited is not available), and
- 3 years of Form 7s.

In addition, for our analysis, we need:

- 2-3 years of historical hourly load data, and
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Also, Mary Ellen will be sending you the NDAs from the marketers for you to execute. With that is in progress, we will forward the initial comparisons of the bids that we sent everyone on Monday.

All, we will send out our analysis on Friday and would like to schedule a call for Monday. Please let us know when you are open on Monday, January 29. Thanks,

Elaine

**Elaine Johns** President/CEO

T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840

[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Mike Williams <mikew@bgenergy.com>  
**Sent:** Thursday, January 25, 2018 11:09 AM  
**To:** Elaine Johns  
**Cc:** Mark Stallons; Tim Sharp; Carol Wright; Mary Ellen Cole  
**Subject:** RE: Here We Go!

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Unfortunately, I'm unavailable Monday. However, my schedule is very flexible the rest of the week.

Sincerely,

Michael I. Williams  
President/CEO  
Blue Grass Energy

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Thursday, January 25, 2018 10:58 AM  
**To:** Mike Williams <mikew@bgenergy.com>  
**Cc:** mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Subject:** Here We Go!

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**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Thursday, January 25, 2018 2:39 PM  
**To:** Carol Wright; Mike Williams  
**Cc:** Mark Stallons; Tim Sharp; Mary Ellen Cole  
**Subject:** RE: Here We Go!

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With Mike not being available on Monday due to hanging out with his doctor, I have a couple of suggestions:

- Go ahead with a call on Monday 10:30-11:30am so you can prepare for board discussions, and we'll catch up Mike on Weds., or
- We can have a group call on Weds. if that still provides enough time for board prep.

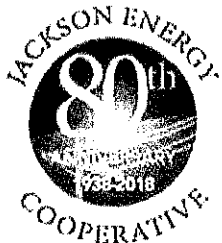
Of course, the first bullet is not optimal as I think you all will benefit from group discussion, but I also recall board discussions are happening next week. Please let me know your preference.

Regardless, we will be sending you the summary of our analysis tomorrow. Thanks,  
Elaine

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**Sent:** Thursday, January 25, 2018 11:06 AM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>; Mike Williams <mikew@bgenenergy.com>  
**Cc:** mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Subject:** RE: Here We Go!

I am available Monday all day as well.

Carol Wright  
President & CEO  
606-364-9213



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**To:** Mike Williams <mikew@bgenenergy.com>  
**Cc:** mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
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---

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## Missy Moore

---

**From:** Tim Sharp <tjsharp@srelectric.com>  
**Sent:** Thursday, January 25, 2018 2:44 PM  
**To:** Elaine Johns; Carol Wright; Mike Williams  
**Cc:** Mark Stallons; Mary Ellen Cole  
**Subject:** RE: Here We Go!

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I'm fine either way. My Board meeting is on Thursday, so I can make it work.

Tim

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Thursday, January 25, 2018 2:39 PM  
**To:** Carol Wright <carolwright@jacksonenergy.com>; Mike Williams <mikew@bgenenergy.com>  
**Cc:** mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
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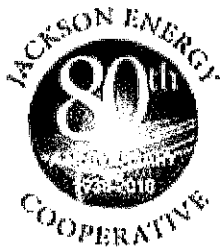
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**Subject:** RE: Here We Go!

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Carol Wright  
President & CEO  
606-364-9213



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**Sent:** Thursday, January 25, 2018 10:58 AM  
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**Cc:** mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
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**Elaine Johns** President/CEO

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Forget previous vote

## Missy Moore

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**Cc:** Mike Williams; Mark Stallons; Tim Sharp; Mary Ellen Cole  
**Subject:** Re: Here We Go!

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I am fine either day.

Carol

Sent from my iPhone

On Jan 25, 2018, at 2:38 PM, Elaine Johns <Elaine.Johns@enervision-inc.com> wrote:

With Mike not being available on Monday due to hanging out with his doctor, I have a couple of suggestions:

- Go ahead with a call on Monday 10:30-11:30am so you can prepare for board discussions, and we'll catch up Mike on Weds., or
- We can have a group call on Weds. if that still provides enough time for board prep.

Of course, the first bullet is not optimal as I think you all will benefit from group discussion, but I also recall board discussions are happening next week. Please let me know your preference.

Regardless, we will be sending you the summary of our analysis tomorrow. Thanks,  
Elaine

**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Thursday, January 25, 2018 11:06 AM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>; Mike Williams <mikew@bgenergy.com>  
**Cc:** mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Subject:** RE: Here We Go!

I am available Monday all day as well.

Carol Wright  
President & CEO  
606-364-9213  
<image001.jpg>

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Thursday, January 25, 2018 10:58 AM  
**To:** Mike Williams <mikew@bgenergy.com>  
**Cc:** mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>; Carol Wright



<carolwright@jacksonenergy.com>; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>

**Subject:** Here We Go!

Mike, I have discussed with AEP and Morgan Stanley the group's desire to add BGE to the RFP. No problems and bid prices do not change. So, we need you to start executing NDAs with the marketers and start gathering financials for their credit review:

- 3 years of audited financial statements,
- 2017 financial statement (unaudited if audited is not available), and
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In addition, for our analysis, we need:

- 2-3 years of historical hourly load data, and
- Dec. 2017 EKPC wholesale power invoice.

Also, Mary Ellen will be sending you the NDAs from the marketers for you to execute. With that in progress, we will forward the initial comparisons of the bids that we sent everyone on Monday.

All, we will send out our analysis on Friday and would like to schedule a call for Monday. Please let us know when you are open on Monday, January 29. Thanks,  
Elaine

**Elaine Johns** President/CEO

T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840

[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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## Missy Moore

---

**From:** Mike Williams <mikew@bgenergy.com>  
**Sent:** Thursday, January 25, 2018 3:16 PM  
**To:** Mark Stallons  
**Cc:** Carol Wright; Elaine Johns; Tim Sharp; Mary Ellen Cole; Missy Moore  
**Subject:** Re: Here We Go!

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I'm fine either way.

Thanks,  
Mike Williams

On Jan 25, 2018, at 3:08 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

All,

Wednesday works for me also.

Mark

**From:** Carol Wright [<mailto:carolwright@jacksonenergy.com>]  
**Sent:** Thursday, January 25, 2018 2:53 PM  
**To:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**Cc:** Mike Williams <[mikew@bgenergy.com](mailto:mikew@bgenergy.com)>; Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>; Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Mary Ellen Cole <[Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)>  
**Subject:** Re: Here We Go!

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I am fine either day.

Carol

Sent from my iPhone

On Jan 25, 2018, at 2:38 PM, Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)> wrote:

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**Sent:** Thursday, January 25, 2018 11:06 AM  
**To:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>; Mike Williams <[mikew@bgenergy.com](mailto:mikew@bgenergy.com)>  
**Cc:** [mstallons@owenelectric.com](mailto:mstallons@owenelectric.com); Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Mary Ellen Cole <[Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)>  
**Subject:** RE: Here We Go!

I am available Monday all day as well.

**Carol Wright**  
President & CEO  
606-364-9213  
<[image001.jpg](#)>

**From:** Elaine Johns [<mailto:Elaine.Johns@enervision-inc.com>]  
**Sent:** Thursday, January 25, 2018 10:58 AM  
**To:** Mike Williams <[mikew@bgenergy.com](mailto:mikew@bgenergy.com)>  
**Cc:** [mstallons@owenelectric.com](mailto:mstallons@owenelectric.com); Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Mary Ellen Cole <[Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)>  
**Subject:** Here We Go!

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## Missy Moore

---

**From:** Tim Sharp <tjsharp@srelectric.com>  
**Sent:** Thursday, January 25, 2018 11:03 AM  
**To:** Elaine Johns; Mike Williams  
**Cc:** Mark Stallons; Carol Wright; Mary Ellen Cole  
**Subject:** RE: Here We Go!

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Anytime Monday will work for me.

Tim

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Thursday, January 25, 2018 10:58 AM  
**To:** Mike Williams <mikew@bgenenergy.com>  
**Cc:** mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Subject:** Here We Go!

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Mike, I have discussed with AEP and Morgan Stanley the group's desire to add BGE to the RFP. No problems and bid prices do not change. So, we need you to start executing NDAs with the marketers and start gathering financials for their credit review:

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Elaine

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Witness: Mark Stallons

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**Missy Moore**

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Monday, January 22, 2018 4:57 PM  
**To:** Carol Wright (carolwright@jacksonenergy.com); tjsharp@srelectric.com; Mark Stallons  
**Cc:** Elaine Johns  
**Subject:** RE: Proposals, quick summary - Confidential

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To clarify, the pricing provided is the same for both the 35MW and 50MW options. All the marketers are open to either size option.

Thanks,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (866) 484-0548 | Alt. (866) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Mary Ellen Cole  
**Sent:** Monday, January 22, 2018 4:36 PM  
**To:** Carol Wright (carolwright@jacksonenergy.com) <carolwright@jacksonenergy.com>; tjsharp@srelectric.com; Mark Stallons (mstallons@owenelectric.com) <mstallons@owenelectric.com>  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** Proposals, quick summary - Confidential

Good afternoon everyone,

On Friday, we received proposals from five marketers - AEP, Calpine, Constellation/Exelon, Morgan Stanley, and SkyGlobal. Below is a table summarizing the proposal pricing at a high level. There are differences in the proposals beyond pricing, and you will see that pointed out in the final analysis. Please note that we have translated all the pricing into \$/MWh for ease of review. Where there are blanks in the table, the marketer did not provide a proposal.

And just a reminder that this information and the information contained in the attached proposals must remain **Confidential** per the signed Confidentiality Agreements.

Please call or email me should you have any questions. Thank you,  
Mary Ellen Cole

**Missy Moore**

---

**Subject:** RFP results  
**Location:** 866-906-7447, passcode=6357537  
**Start:** Wed 1/31/2018 10:00 AM  
**End:** Wed 1/31/2018 12:00 PM  
**Show Time As:** Tentative  
**Recurrence:** (none)  
**Organizer:** Elaine Johns

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**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Friday, January 19, 2018 9:34 AM  
**To:** Mark Stallons; Tim Sharp; Carol Wright  
**Cc:** Mary Ellen Cole  
**Subject:** Some Market Intel

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FYI – just heard that EKPC is out in the market for 150 MWs. You may already know that, but we just learned from a couple of the marketers.

Happy Friday!  
Elaine

**Elaine Johns** President/CEO  
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## Missy Moore

---

**From:** Sally Witt <sally.witt@ekpc.coop>  
**Sent:** Thursday, January 18, 2018 11:29 AM  
**To:** Mark Stallons  
**Cc:** Teresa Hamilton; Julie Tucker  
**Subject:** Amendment 3

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

Good Morning!

These are the preliminary results (January has not been verified as the month is only half over):

Base		Average	5%
	Jan notice	414.3	20.7
	Feb notice	418.7	20.9
	Mar notice	411.6	20.6
Already Allocated	Owen	Owen Office	2.0
Remaining			
	Jan notice		18.7
	Feb notice		18.9
	Mar notice		18.6

As I mentioned on the phone, you are not currently receiving reports that show all of the data. I am working with Pam Harris in our Metering Department to set up monthly reports to be sent the first week of each month.

There are 2 peaks used for Amendment 3 analyses:

- 1) Owen's peak at the time of the EKPC system peak and
- 2) Owen's peak (including Gallatin).

Currently you receive #1 EXCEPT Gallatin's peak at the time of EKPC's system peak on your monthly billing statement. This is due to the way Gallatin is billed. You are not receiving #2. For Amendment 3, Gallatin is included when determining your peak. For your bill, Gallatin is EXCLUDED from your peaks. We will calculate Owen's system peak based on a totalized file that includes Gallatin.

I am sending a call invitation, however, if we don't need a call, decline.

Thank you all!  
Sally

**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Tuesday, January 16, 2018 6:42 PM  
**To:** Tim Sharp; Carol Wright  
**Cc:** Mark Stallons; Mary Ellen Cole  
**Subject:** Data to be Sent

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Mark and I discussed what data needs to be sent to marketers. To be easier and consistent, we identified what SKRECC sent:

- 2015 EKPC Financial Forecast
- EKPC Section E Tariff
- One month EKPC Invoice

**Elaine Johns** President/CEO

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**Missy Moore**

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Thursday, January 18, 2018 2:46 PM  
**To:** Carol Wright (carolwright@jacksonenergy.com); Tim Sharp (tjsharp@srelectric.com); Mark Stallons  
**Cc:** Missy Moore; Elaine Johns  
**Subject:** financial data request

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

Good afternoon everyone,

I've gotten a follow-up request from the marketers regarding the financial data. They will need the full audited financials, not just the Form 7s, for the credit review that is integral to setting the proposed prices. I know we're coming close to the deadline tomorrow. Can you please provide the full audited financials for the last 3 years available as soon as able?

Thank you,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (866) 454-0548 | Alt. (866) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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## Missy Moore

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Wednesday, January 17, 2018 5:34 PM  
**To:** Carol Wright (carolwright@jacksonenergy.com); Tim Sharp (tjsharp@srelectric.com); Mark Stallons  
**Cc:** Missy Moore; Elaine Johns  
**Subject:** Financials confirmation

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

Good afternoon all,

I've been asked by the marketers to confirm what you have provided to me is your full audited financial files for the last available 3 years. Please let me know as soon as able.

Thank you, and have a great evening,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
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[mary\\_ellen.coie@enervision-inc.com](mailto:mary_ellen.coie@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Missy Moore  
**Sent:** Wednesday, January 17, 2018 4:24 PM  
**To:** Mary Ellen Cole  
**Cc:** Mark Stallons  
**Subject:** Financials  
**Attachments:** 2015 Owen Electric Financials.pdf; 2016 Owen Electric Financials.pdf; 2017 January-November Owen Electric Financials.pdf

Mary Ellen,

I have attached financials for 2015, 2016 and thru November of 2017 for your review. We haven't closed December yet. Historical load data is expected in the morning from EKPC, and I will forward upon receipt.

Thanks,  
Missy

**From:** Mary Ellen Cole [mailto:Mary\_Ellen.Cole@enervision-inc.com]  
**Sent:** Wednesday, January 17, 2018 2:09 PM  
**To:** Missy Moore <mmoore@owenelectric.com>  
**Cc:** Mark Stallons <mstallons@owenelectric.com>; Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** RE: Nucor Steel Gallatin Billing

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Thank you Missy!

Do you know when the rest of the financial data and other items will be available? Those were:

- 3 years of financial statements
- 2017 financial statement information if available (an unaudited annual or quarterly statement would work as well)
- Historical load data (2-3 years)

Thanks again,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
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[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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Witness: Mark Stallons

**From:** Missy Moore [<mailto:mmoore@owenelectric.com>]  
**Sent:** Wednesday, January 17, 2018 8:33 AM  
**To:** Mary Ellen Cole <[Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)>  
**Cc:** Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Subject:** FW: Nucor Steel Gallatin Billing

Mary Ellen,

Attached is the billing information for Nucor, in case you might need it also.

*Thank you,*  
*Missy K. Moore*  
*Executive Assistant*

*Owen Electric Cooperative*  
*PO Box 400*  
*Owenton, KY 40359*  
*Direct: 502-563-3501*  
*Email: [mnoore@owenelectric.com](mailto:mnoore@owenelectric.com)*

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**From:** Yewande Otekeiwebia [<mailto:Yewande.Otekeiwebia@ekpc.coop>]  
**Sent:** Tuesday, January 2, 2018 3:36 PM  
**To:** Mike Cobb <[mcobb@owenelectric.com](mailto:mcobb@owenelectric.com)>  
**Cc:** Ann Wood <[awood@owenelectric.com](mailto:awood@owenelectric.com)>; Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>; Chuck Gill <[cgill@owenelectric.com](mailto:cgill@owenelectric.com)>; Judy Osborne <[josborne@owenelectric.com](mailto:josborne@owenelectric.com)>; Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>; Shawn West <[swest@owenelectric.com](mailto:swest@owenelectric.com)>; Teresa Hamilton <[thamilton@owenelectric.com](mailto:thamilton@owenelectric.com)>; Jennifer Taylor <[jktaylor@owenelectric.com](mailto:jktaylor@owenelectric.com)>; Laura Wilson <[laura.wilson@ekpc.coop](mailto:laura.wilson@ekpc.coop)>  
**Subject:** Nucor Steel Gallatin Billing

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Good afternoon Mike,

Attached is the Nucor Steel billing for December 2017. Please let us know if you have any questions.

Thank you,  
Yewande

**Yewande Otekeiwebia, CPA**  
East Kentucky Power Cooperative  
Senior Revenue Accountant  
(859) 745-9263  
[Yewande.Otekeiwebia@ekpc.coop](mailto:Yewande.Otekeiwebia@ekpc.coop)



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PART A. STATEMENT OF OPERATIONS

LINE NO		YEAR TO DATE			THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
		LAST YEAR A	THIS YEAR B	BUDGET C			
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	183,628,185.93	162,985,353.45	178,833,137.56	14,568,090.78	8.9-	11.2-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	146,111,508.00-	124,320,035.00-	138,865,933.36-	11,038,906.00-	10.5-	14.9-
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	5,046,058.55-	4,712,885.22-	4,612,560.82-	400,578.86-	2.2	6.6-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	3,690,648.66-	4,097,957.66-	4,174,583.87-	509,819.34-	1.8-	11.0
8.0	CONSUMER ACCOUNTS EXPENSE.....	3,903,122.98-	3,887,881.65-	4,054,152.36-	251,203.90-	4.1-	.4-
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.....	749,139.87-	627,855.24-	704,793.36-	46,231.04-	10.9-	16.2-
10.0	SALES EXPENSE.....	.00	.00	.00	.00	.0	.0
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	4,058,709.83-	4,638,385.43-	4,931,233.36-	305,461.21-	5.9-	14.0
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	153,569,187.89-	142,285,000.20-	157,343,256.93-	12,552,200.55-	9.6-	13.0-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	11,286,160.01-	11,614,013.74-	11,924,387.00-	946,257.31-	2.6-	2.9
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
15.0	TAX EXPENSE - OTHER.....	12,468.65-	13,575.65-	.00	8,565.65-	100.0-	8.9
16.0	INTEREST ON LONG TERM DEBT.....	4,580,204.07-	4,378,557.71-	5,092,948.52-	365,532.24-	14.0-	4.4-
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	78,804.39-	63,222.44-	165,000.00-	5,687.74-	61.7-	19.8-
19.0	OTHER DEDUCTIONS.....	269,909.87-	104,059.33-	99,000.00-	12,430.07-	5.1	61.4-
20.0	TOTAL COST OF ELECTRIC SERVICE.....	179,796,734.88-	158,456,429.07-	174,524,592.45-	13,890,673.56-	9.3-	11.9-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	3,831,451.05	4,526,924.38	4,208,545.11	677,417.22	7.6	18.2
22.0	NON OPERATING MARGINS - INTEREST.....	603,812.62	553,874.85	522,168.48	128,381.73	6.1	8.3-
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	13,039.56-	77,640.80-	.00	86,318.03-	100.0-	495.4
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	7,985,928.86	6,668,257.36	6,250,000.00	6,123,832.72	7.0	16.2-
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	466,203.05	251,841.65	170,000.00	47,514.90	48.1	46.0-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	12,874,356.00	11,943,257.44	11,150,713.59	6,890,828.54	7.1	7.2-
RATIOS							
	TIER	3.811	3.728	3.189	19.851		
	MARGINS TO REVENUE	.070	.073	.062	.473		
	POWER COST TO REVENUE	.796	.763	.777	.758		
	INTEREST EXPENSE TO REVENUE	.025	.027	.028	.025		
	CURRENT ASSETS : CURRENT LIABILITIES	1.2105					
	MARGINS & EQUITIES AS % OF ASSETS	.4518					
	LONG TERM DEBT AS % OF PLANT	.3482					
	GENERAL FUNDS TO TOTAL PLANT	4.1669					
	QUICK ASSET RATIO	1.1738					

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 253,571,332.09	30.0 MEMBERSHIPS 1,168,000.00-
2.0	CONSTRUCTION WORK IN PROGRESS 1,786,247.67	31.0 PATRONAGE CAPITAL 98,171,326.87-
3.0	TOTAL UTILITY PLANT 255,357,579.76	32.0 OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 119,911,566.84-	33.0 OPERATING MARGINS-CURRENT YEAR .00
5.0	NET UTILITY PLANT 135,446,012.92	34.0 NON-OPERATING MARGINS 9,042,990.21-
6.0	NON-UTILITY PROPERTY (NET) .00	35.0 OTHER MARGINS & EQUITIES 1,148,284.35
7.0	INVEST IN SUBSIDIARY COMPANIES .00	36.0 TOTAL MARGINS & EQUITIES 107,234,032.73-
8.0	INV IN ASSOC ORG - PAT CAPITAL 67,419,589.29	37.0 LONG TERM DEBT - RUS (NET) 70,901,237.92-
9.0	INV IN ASSOC ORG OTHER GEN FND .00	(PAYMENTS-UNAPPLIED .00 )
10.0	INV IN ASSOC ORG - NON GEN FND 3,323,687.63	38.0 LNG-TERM DEBT-FFB-RUS GUAR .00
11.0	INV IN ECON DEVEL PROJECTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 70,333.17	40.0 LONG TERM DEBT - OTHER (NET) 18,012,992.82-
13.0	SPECIAL FUNDS 30,016.76	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 70,843,626.85	42.0 PAYMENTS - UNAPPLIED .00
15.0	CASH - GENERAL FUNDS 10,570,062.62	43.0 TOTAL LONG TERM DEBT 88,914,230.74-
16.0	CASH - CONSTRUCTION FUND TRUST .00	44.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS 1,450.00	45.0 ACCUM OPERATING PROVISIONS 14,997,770.33-
18.0	TEMPORARY INVESTMENTS .00	46.0 TOTAL OTHER NONCURR LIABILITY 14,997,770.33-
19.0	NOTES RECEIVABLE (NET) .00	47.0 NOTES PAYABLE 4,937,452.00-
20.0	ACCTS RECV - SALES ENERGY(NET) 14,081,927.44	48.0 ACCOUNTS PAYABLE 11,844,934.55-
21.0	ACCTS RECV - OTHER (NET) 283,847.04	49.0 CONSUMER DEPOSITS 2,369,875.65-
22.0	RENEWABLE ENERGY CREDITS .00	50.0 CURR MATURITIES LONG-TERM DEBT .00
23.0	MATERIAL & SUPPLIES-ELEC & OTH 803,794.42	51.0 CURR MATURIT LT DEBT ECON DEV .00
24.0	PREPAYMENTS 288,934.88	52.0 CURR MATURITIES CAPITAL LEASES .00
25.0	OTHER CURRENT & ACCR ASSETS 505,036.83	53.0 OTHER CURRENT & ACCRUED LIAB 2,768,680.32-
26.0	TOTAL CURRENT & ACCR ASSETS 26,535,053.23	54.0 TOTAL CURRENT & ACCRUED LIAB 21,920,942.52-
27.0	REGULATORY ASSETS .00	55.0 REGULATORY LIABILITIES 3,435,361.39-
28.0	OTHER DEFERRED DEBITS 4,511,158.67	56.0 OTHER DEFERRED CREDITS 833,513.96-
29.0	TOTAL ASSETS & OTHER DEBITS 237,335,851.67	57.0 TOTAL LIABILITIES & OTH CREDIT 237,335,851.67-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
58.0 BALANCE BEGINNING OF YEAR	.00
59.0 AMOUNT RECEIVED THIS YEAR (NET)	313,118.43
60.0 TOTAL CONTRIBUTIONS IN AID OF CONST	313,118.43

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

*Ana Wood*

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

3-1-16

DATE

*[Signature]*

SIGNATURE OF MANAGER

3-2-16

DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C				
1.0	150,108,792.94	150,058,367.28	155,823,475.03		13,220,690.39	3.7-	.0
2.0	282,060.09-	550,701.80-	639,370.47-		58,700.99-	13.9-	95.2
3.0	115,892,934.00-	114,909,144.00-	120,712,949.52-		10,044,569.00-	4.8-	.8-
4.0	.00	.00	.00		.00	.0	.0
5.0	.00	.00	.00		.00	.0	.0
6.0	4,360,653.29-	4,428,471.03-	4,407,412.54-		435,702.44-	.5	1.6
7.0	3,513,462.57-	3,724,871.13-	3,154,704.86-		182,251.85-	18.1	6.0
8.0	3,615,086.98-	3,639,181.97-	3,587,280.44-		335,499.12-	1.4	.7
9.0	628,378.47-	677,159.16-	657,810.99-		88,063.80-	2.9	7.8
10.0	.00	.00	.00		.00	.0	.0
11.0	4,625,367.11-	4,951,575.91-	5,195,807.26-		468,745.34-	4.7-	7.1
12.0	132,917,942.51-	132,881,105.00-	138,355,336.08-		11,613,532.54-	4.0-	.0
13.0	10,983,054.85-	11,564,240.11-	11,295,500.00-		1,066,989.37-	2.4	5.3
14.0	.00	.00	.00		.00	.0	.0
15.0	10.00-	10.00-	.00		.00	100.0-	.0
16.0	3,856,599.99-	3,604,725.96-	3,966,500.00-		318,292.21-	9.1-	6.5-
17.0	.00	.00	.00		.00	.0	.0
18.0	87,745.10-	157,231.32-	87,500.00-		13,737.50-	79.7	79.2
19.0	64,915.41-	44,146.87-	63,389.56-		1,051.70-	30.4-	32.0-
20.0	147,910,267.86-	148,251,459.26-	153,768,225.64-		13,013,603.32-	3.6-	.2
21.0	2,198,525.08	1,806,908.02	2,055,249.39		207,087.07	12.1-	17.8-
22.0	577,010.55	595,298.91	510,000.00		50,652.03	16.7	3.2
23.0	.00	.00	.00		.00	.0	.0
24.0	.00	.00	.00		.00	.0	.0
25.0	64,617.49	29,799.20	.00		16,061.64	100.0	53.9-
26.0	4,932.24-	.00	.00		.00	.0	100.0
27.0	202,695.38	236,376.26	170,000.00		.00	39.0	16.6
28.0	.00	.00	.00		.00	.0	.0
29.0	3,037,916.26	2,668,382.39	2,735,249.39		273,800.74	2.4-	12.2-
RATIOS							
TIER	1.788	1.740	1.690		1.860		
MARGINS TO REVENUE	.020	.018	.018		.021		
POWER COST TO REVENUE	.772	.766	.775		.760		
INTEREST EXPENSE TO REVENUE	.026	.024	.025		.024		
CURRENT ASSETS : CURRENT LIABILITIES	.8373						
MARGINS & EQUITIES AS % OF ASSETS	.5017						
LONG TERM DEBT AS % OF PLANT	.2907						
GENERAL FUNDS TO TOTAL PLANT	1.5224						
QUICK ASSET RATIO	.7991						

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS			
1.0	TOTAL UTILITY PLANT IN SERVICE	272,940,740.61	30.0	MEMBERSHIPS	1,204,185.00-
2.0	CONSTRUCTION WORK IN PROGRESS	1,568,427.79	31.0	PATRONAGE CAPITAL	117,439,214.89-
3.0	TOTAL UTILITY PLANT	274,509,168.40	32.0	OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	135,328,820.24-	33.0	OPERATING MARGINS-CURRENT YEAR	.00
5.0	NET UTILITY PLANT	139,180,348.16	34.0	NON-OPERATING MARGINS	2,043,284.28-
6.0	NON-UTILITY PROPERTY (NET)	.00	35.0	OTHER MARGINS & EQUITIES	69,494.07
7.0	INVEST IN SUBSIDIARY COMPANIES	.00	36.0	TOTAL MARGINS & EQUITIES	120,617,190.10-
8.0	INV IN ASSOC ORG - PAT CAPITAL	76,428,276.17	37.0	LONG TERM DEBT - RUS (NET)	37,271,579.17-
9.0	INV IN ASSOC ORG OTHER GEN FND	.00		(PAYMENTS-UNAPPLIED	.00 )
10.0	INV IN ASSOC ORG - NON GEN FND	1,512,600.62	38.0	LNG-TERM DEBT-FFB-RUS GUAR	.00
11.0	INV IN ECON DEVEL PROJECTS	.00	39.0	LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	71,650.69	40.0	LONG TERM DEBT - OTHER (NET)	42,533,674.82-
13.0	SPECIAL FUNDS	29,905.25	41.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	78,042,432.73	42.0	PAYMENTS - UNAPPLIED	.00
15.0	CASH - GENERAL FUNDS	4,107,579.10	43.0	TOTAL LONG TERM DEBT	79,805,253.99-
16.0	CASH - CONSTRUCTION FUND TRUST	.00	44.0	OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	1,450.00	45.0	ACCUM OPERATING PROVISIONS	15,790,193.88-
18.0	TEMPORARY INVESTMENTS	.00	46.0	TOTAL OTHER NONCURR LIABILITY	15,790,193.88-
19.0	NOTES RECEIVABLE (NET)	.00	47.0	NOTES PAYABLE	5,838,710.00-
20.0	ACCTS RECV - SALES ENERGY (NET)	12,626,001.02	48.0	ACCOUNTS PAYABLE	10,968,579.71-
21.0	ACCTS RECV - OTHER (NET)	275,376.78	49.0	CONSUMER DEPOSITS	2,270,848.49-
22.0	RENEWABLE ENERGY CREDITS	.00	50.0	CURR MATURITIES LONG-TERM DEBT	.00
23.0	MATERIAL & SUPPLIES-ELEC & OTH	866,843.77	51.0	CURR MATURIT LT DEBT ECON DEV	.00
24.0	PREPAYMENTS	550,713.66	52.0	CURR MATURITIES CAPITAL LEASES	.00
25.0	OTHER CURRENT & ACCR ASSETS	561,877.73	53.0	OTHER CURRENT & ACCRUED LIAB	3,601,814.11-
26.0	TOTAL CURRENT & ACCR ASSETS	18,989,842.06	54.0	TOTAL CURRENT & ACCRUED LIAB	22,679,952.31-
27.0	REGULATORY ASSETS	.00	55.0	REGULATORY LIABILITIES	597,172.66-
28.0	OTHER DEFERRED DEBITS	4,200,117.14	56.0	OTHER DEFERRED CREDITS	922,977.15-
29.0	TOTAL ASSETS & OTHER DEBITS	240,412,740.09	57.0	TOTAL LIABILITIES & OTH CREDIT	240,412,740.09-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	275,268.01
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	275,268.01

CERTIFICATION

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF. ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

Asil Brown  
 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

[Signature]  
 SIGNATURE OF MANAGER

12-18-17  
 DATE

12-18-17  
 DATE

PART A. STATEMENT OF OPERATIONS

LINE NO		YEAR TO DATE			THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
		LAST YEAR	THIS YEAR	BUDGET			
		A	B	C	D		
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	162,985,353.45	166,981,370.82	167,896,444.08	16,872,577.88	.5-	2.5
2.0	POWER PRODUCTION EXPENSE.....	.00	355,190.08-	439,856.87-	73,129.99-	19.2-	100.0-
3.0	COST OF PURCHASED POWER.....	124,320,035.00-	128,136,426.00-	129,006,630.96-	12,243,492.00-	.7-	3.1
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	4,712,885.22-	4,702,814.30-	4,845,477.86-	342,161.01-	2.9-	.2-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	4,097,957.66-	3,854,468.54-	3,874,022.25-	341,002.97-	.5-	5.9-
8.0	CONSUMER ACCOUNTS EXPENSE.....	3,887,881.65-	3,899,714.25-	3,988,212.32-	284,627.27-	2.2-	.3
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.....	627,855.24-	704,112.15-	690,348.08-	75,733.68-	2.0	12.1
10.0	SALES EXPENSE.....	.00	.00	.00	.00	.0	.0
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	4,638,385.43-	5,097,976.24-	5,142,536.91-	472,609.13-	.9-	9.9
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	142,285,000.20-	146,750,698.56-	147,987,085.25-	13,832,756.05-	.8-	3.1
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	11,614,013.74-	12,014,641.71-	12,277,000.00-	1,031,586.86-	2.1-	3.4
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
15.0	TAX EXPENSE - OTHER.....	13,975.65-	10.00-	.00	.00	100.0-	99.9-
16.0	INTEREST ON LONG TERM DEBT.....	4,378,557.71-	4,212,992.25-	4,710,000.00-	356,392.26-	10.6-	3.8-
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	63,222.44-	99,410.06-	110,000.00-	11,664.96-	9.6-	57.2
19.0	OTHER DEDUCTIONS.....	104,059.33-	65,626.15-	121,233.83-	710.74-	45.9-	36.9-
20.0	TOTAL COST OF ELECTRIC SERVICE.....	158,458,429.07-	163,143,378.73-	165,205,319.08-	15,233,110.87-	1.2-	3.0
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	4,526,924.38	3,837,992.09	2,691,125.00	1,639,467.01	42.6	15.2-
22.0	NON OPERATING MARGINS - INTEREST.....	553,974.35	582,534.13	528,000.00	5,523.58	10.3	5.2
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	77,640.80-	65,639.59	.00	1,022.10	100.0	184.5-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	6,688,257.36	7,043,083.51	5,500,000.00	7,048,015.75	28.1	5.3
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	251,841.65	202,695.38	177,000.00	.00	14.5	19.5-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	11,943,257.44	11,731,944.70	8,896,125.00	8,694,028.44	31.9	1.8-
RATIOS							
TIER		3.728	3.785	2.889	25.395		
MARGINS TO REVENUE		.073	.070	.053	.515		
POWER COST TO REVENUE		.763	.767	.768	.726		
INTEREST EXPENSE TO REVENUE		.027	.025	.028	.021		
CURRENT ASSETS : CURRENT LIABILITIES		.9613					
MARGINS & EQUITIES AS % OF ASSETS		.4753					
LONG TERM DEBT AS % OF PLANT		.3189					
GENERAL FUNDS TO TOTAL PLANT		3.8365					
QUICK ASSET RATIO		.9309					

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 263,482,867.41	30.0 MEMBERSHIPS 1,189,060.00-
2.0	CONSTRUCTION WORK IN PROGRESS 1,859,214.21	31.0 PATRONAGE CAPITAL 109,358,701.18-
3.0	TOTAL UTILITY PLANT 265,342,081.62	32.0 OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 126,619,831.45-	33.0 OPERATING MARGINS-CURRENT YEAR .00
5.0	NET UTILITY PLANT 138,722,250.17	34.0 NON-OPERATING MARGINS 7,653,794.56-
		35.0 OTHER MARGINS & EQUITIES 102,237.38
6.0	NON-UTILITY PROPERTY (NET) .00	36.0 TOTAL MARGINS & EQUITIES 118,099,318.36-
7.0	INVEST IN SUBSIDIARY COMPANIES .00	
8.0	INV IN ASSOC ORG - PAT CAPITAL 74,497,806.31	37.0 LONG TERM DEBT - RUS (NET) 68,543,391.23-
9.0	INV IN ASSOC ORG OTHER GEN FND .00	{PAYMENTS-UNAPPLIED .00 }
10.0	INV IN ASSOC ORG - NON GEN FND 3,335,277.14	38.0 LNG-TERM DEBT-FFB-RUS GUAR .00
11.0	INV IN ECON DEVEL PROJECTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 71,650.69	40.0 LONG TERM DEBT - OTHER (NET) 16,081,308.51-
13.0	SPECIAL FUNDS 29,905.25	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 77,934,639.39	42.0 PAYMENTS - UNAPPLIED .00
		43.0 TOTAL LONG TERM DEBT 84,624,699.74-
15.0	CASH - GENERAL FUNDS 10,108,222.21	
16.0	CASH - CONSTRUCTION FUND TRUST .00	44.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS 1,450.00	45.0 ACCUM OPERATING PROVISIONS 15,101,191.84-
18.0	TEMPORARY INVESTMENTS .00	46.0 TOTAL OTHER NONCURR LIABILITY 15,101,191.84-
19.0	NOTES RECEIVABLE (NET) .00	
20.0	ACCTS RECV - SALES ENERGY(NET) 15,370,845.61	47.0 NOTES PAYABLE 9,479,060.00-
21.0	ACCTS RECV - OTHER (NET) 318,794.28	48.0 ACCOUNTS PAYABLE 13,016,882.47-
22.0	RENEWABLE ENERGY CREDITS .00	49.0 CONSUMER DEPOSITS 2,317,532.62-
23.0	MATERIAL & SUPPLIES-ELEC & OTH 869,832.36	50.0 CURR MATURITIES LONG-TERM DEBT .00
24.0	PREPAYMENTS 248,286.03	51.0 CURR MATURIT LT DEBT ECON DEV .00
25.0	OTHER CURRENT & ACCR ASSETS 591,745.97	52.0 CURR MATURITIES CAPITAL LEASES .00
26.0	TOTAL CURRENT & ACCR ASSETS 27,509,176.46	53.0 OTHER CURRENT & ACCRUED LIAB 3,801,835.37-
		54.0 TOTAL CURRENT & ACCRUED LIAB 28,615,310.46-
27.0	REGULATORY ASSETS .00	
28.0	OTHER DEFERRED DEBITS 4,287,570.81	55.0 REGULATORY LIABILITIES 1,062,633.97-
		56.0 OTHER DEFERRED CREDITS 950,482.46-
29.0	TOTAL ASSETS & OTHER DEBITS 248,453,636.83	57.0 TOTAL LIABILITIES & OTH CREDIT 248,453,636.83-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
58.0	BALANCE BEGINNING OF YEAR .00
59.0	AMOUNT RECEIVED THIS YEAR (NET) 433,742.35
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST 433,742.35

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF.  
 ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

Ann Wood  
 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

3-27-17  
 DATE

[Signature]  
 SIGNATURE OF MANAGER

3-28-17  
 DATE

**Missy Moore**

---

**From:** Sally Witt <sally.witt@ekpc.coop>  
**Sent:** Thursday, January 18, 2018 1:40 PM  
**To:** Mark Stallons; Teresa Hamilton  
**Subject:** Owen Jan 2018.xlsx  
**Attachments:** Owen Jan 2018.xlsx

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

Sorry I didn't include the first time.

Mar notice		Feb notice		Jan notice			
1	Feb-18						
2	Jan-18	1	Jan-18			Jan-18	
3	Dec-17	2	Dec-17	1	Dec-17	Dec-17	
4	Nov-17	3	Nov-17	2	Nov-17	11/20/2017	7:00
5	Oct-17	4	Oct-17	3	Oct-17	10/4/2017	16:45
6	Sep-17	5	Sep-17	4	Sep-17	9/21/2017	17:00
7	Aug-17	6	Aug-17	5	Aug-17	8/16/2017	16:45
8	Jul-17	7	Jul-17	6	Jul-17	7/20/2017	19:15
9	Jun-17	8	Jun-17	7	Jun-17	6/12/2017	17:00
10	May-17	9	May-17	8	May-17	5/17/2017	19:15
11	Apr-17	10	Apr-17	9	Apr-17	4/30/2017	19:00
12	Mar-17	11	Mar-17	10	Mar-17	3/16/2017	6:30
1	Feb-17	12	Feb-17	11	Feb-17	2/4/2017	8:15
2	Jan-17	1	Jan-17	12	Jan-17	1/7/2017	8:15
3	Dec-16	2	Dec-16	1	Dec-16	12/15/2016	21:45
4	Nov-16	3	Nov-16	2	Nov-16	11/22/2016	7:30
5	Oct-16	4	Oct-16	3	Oct-16	10/7/2016	17:00
6	Sep-16	5	Sep-16	4	Sep-16	9/6/2016	18:15
7	Aug-16	6	Aug-16	5	Aug-16	8/25/2016	18:00
8	Jul-16	7	Jul-16	6	Jul-16	7/24/2016	18:45
9	Jun-16	8	Jun-16	7	Jun-16	6/26/2016	19:15
10	May-16	9	May-16	8	May-16	5/31/2016	14:45
11	Apr-16	10	Apr-16	9	Apr-16	4/8/2016	6:30
12	Mar-16	11	Mar-16	10	Mar-16	3/3/2016	20:30
1	Feb-16	12	Feb-16	11	Feb-16	2/14/2016	19:15
2	Jan-16	1	Jan-16	12	Jan-16	1/19/2016	6:45
3	Dec-15	2	Dec-15	1	Dec-15	12/19/2015	20:00
4	Nov-15	3	Nov-15	2	Nov-15	11/23/2015	6:45
5	Oct-15	4	Oct-15	3	Oct-15	10/23/2015	15:30
6	Sep-15	5	Sep-15	4	Sep-15	9/4/2015	16:45
7	Aug-15	6	Aug-15	5	Aug-15	8/16/2015	17:45
8	Jul-15	7	Jul-15	6	Jul-15	7/18/2015	17:15
9	Jun-15	8	Jun-15	7	Jun-15	6/23/2015	17:30
10	May-15	9	May-15	8	May-15	5/30/2015	17:30
11	Apr-15	10	Apr-15	9	Apr-15	4/24/2015	6:45
12	Mar-15	11	Mar-15	10	Mar-15	3/6/2015	6:00
	Feb-15	12	Feb-15	11	Feb-15	2/20/2015	5:15
				12		1/7/2015	21:45



Jan notice	Feb notice	Mar notice	Jan notice	Feb notice	Mar notice	Base	
						423.844	Jan notice
423.844	423.844	423.844		423.844			Feb notice
402.7	402.7	402.7	402.7				Mar notice
353.23	353.23	353.23					
336.80	336.80	336.80				Already Allocated	Owen
374.23	374.23	374.23					
395.16	395.16	395.16				Remaining	
398.23	398.23	398.23					Jan notice
382.19	382.19	382.19					Feb notice
348.20	348.20	348.20					Mar notice
324.12	324.12	324.12					
365.65	365.65	365.65					
374.56	374.56	374.56				401.5014	
393.99	393.99	393.99		401.5014			
401.50	401.50	401.50	409.3237				
332.24	332.24	332.24					
328.52	328.52	328.52					
389.43	389.43	389.43					
394.14	394.14	394.14					
394.83	394.83	394.83					
382.23	382.23	382.23					
347.68	347.68	347.68					
321.39	321.39	321.39					
337.79	337.79	337.79					
399.56	399.56	399.56				409.3237	
409.32	409.32	409.32		430.8577			
343.74	343.74	343.74	430.8577				
346.54	346.54	346.54					
297.25	297.25	297.25					
384.64	384.64	384.64					
376.50	376.50	376.50					
383.17	383.17	383.17					
373.68	373.68	373.68					
349.15	349.15	349.15					
309.20	309.20	309.20					
406.95	406.95	406.95					
430.86	430.86	430.86					
404.36	404.36	404.36					

Average	5%
414.3	20.7
418.7	20.9
411.6	20.6

Owen Office 2.0 2016

- 18.7
- 18.9
- 18.6

**Missy Moore**

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Tuesday, January 16, 2018 6:52 PM  
**To:** Elaine Johns  
**Cc:** Tim Sharp; Mark Stallons; Mary Ellen Cole  
**Subject:** Re: Data to be Sent

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

Also, what is our timeframe to evaluate the bids?

I am also wondering how the notice to EKPC will work since Owen may need to notice on Jan. 31 while Salt River and Jackson's date is the end of Feb. Any thoughts on this?

Carol

Sent from my iPad

On Jan 16, 2018, at 6:41 PM, Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)> wrote:

Mark and I discussed what data needs to be sent to marketers. To be easier and consistent, we identified what SKRECC sent:

- 2015 EKPC Financial Forecast
- EKPC Section E Tariff
- One month EKPC Invoice

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## Missy Moore

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Tuesday, January 16, 2018 7:23 PM  
**To:** Carol Wright; Elaine Johns  
**Cc:** Tim Sharp; Mark Stallons  
**Subject:** RE: Data to be Sent

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Carol,

For Jackson – yes. The only item I’m missing is the one month EKPC invoice from Owen, but I have the rest of the data already.

Thanks,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (866) 454-0548 | Alt. (866) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Tuesday, January 16, 2018 6:51 PM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Cc:** Tim Sharp <tjsharp@srelectric.com>; mstallons@owenelectric.com; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Subject:** Re: Data to be Sent

Am I correct that you have all these things and do not need any further data from us?

Carol

Sent from my iPad

On Jan 16, 2018, at 6:41 PM, Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)> wrote:

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---

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**Missy Moore**

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Tuesday, January 16, 2018 7:36 PM  
**To:** Carol Wright; Elaine Johns  
**Cc:** Tim Sharp; Mark Stallons  
**Subject:** RE: Data to be Sent

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Our timeframe to evaluate is fairly quick – I expect to have preliminary analysis to you by Wednesday of this next week. The Shortlist Decision Date (as listed on the RFP) is February 1, so we have up until then to make the shortlist.

As far as the different notice dates – a likely solution would be to give notice when necessary (January and February), but identify the same delivery commencement date despite the different notice dates. So if Owen provides notice in January, Mark would actually give 19 months' notice; Jackson and Salt River would provide notice in February, and give 18 months' notice. This would satisfy the notice requirements and keep you all in line with the same commencement date. I will confirm this as a possible option in the Amendment and MOU language for further discussion.

Let me know if this answers your questions. Thanks,  
Mary Ellen

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**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Tuesday, January 16, 2018 6:52 PM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Cc:** Tim Sharp <tjsharp@srelectric.com>; mstallons@owenelectric.com; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Subject:** Re: Data to be Sent

Also, what is our timeframe to evaluate the bids?

I am also wondering how the notice to EKPC will work since Owen may need to notice on Jan. 31 while Salt River and Jackson's date is the end of Feb. Any thoughts on this?

Carol

Sent from my iPad

On Jan 16, 2018, at 6:41 PM, Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)> wrote:

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---

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**Missy Moore**

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Tuesday, January 16, 2018 7:48 PM  
**To:** Mary Ellen Cole  
**Cc:** Elaine Johns; Tim Sharp; Mark Stallons  
**Subject:** Re: Data to be Sent

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Yes, that makes sense.

Thank you,

Carol

Sent from my iPhone

On Jan 16, 2018, at 7:35 PM, Mary Ellen Cole <[Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)> wrote:

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**From:** Carol Wright [<mailto:carolwright@jacksonenergy.com>]  
**Sent:** Tuesday, January 16, 2018 6:52 PM



Witness: Mark Stallons

**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Cc:** Tim Sharp <tjsharp@srelectric.com>; mstallons@owenelectric.com; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Subject:** Re: Data to be Sent

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**Missy Moore**

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Tuesday, January 16, 2018 6:51 PM  
**To:** Elaine Johns  
**Cc:** Tim Sharp; Mark Stallons; Mary Ellen Cole  
**Subject:** Re: Data to be Sent

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Carol

Sent from my iPad

On Jan 16, 2018, at 6:41 PM, Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)> wrote:

Mark and I discussed what data needs to be sent to marketers. To be easier and consistent, we identified what SKRECC sent:

- 2015 EKPC Financial Forecast
- EKPC Section E Tariff
- One month EKPC Invoice

**Elaine Johns** President/CEO

T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840

[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Tuesday, January 16, 2018 2:16 PM  
**To:** Carol Wright (carolwright@jacksonenergy.com); Tim Sharp (tjsharp@srelectric.com); Mark Stallons; Missy Moore  
**Cc:** Elaine Johns  
**Subject:** RE: Executed Confidentiality Agreements  
**Attachments:** Calpine\_CAs.zip

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

Good afternoon,

Attached in the zipped file are the executed CAs for Calpine. Please save these for your records.

Thank you,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (865) 454-0648 | Alt. (865) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Mary Ellen Cole  
**Sent:** Tuesday, January 16, 2018 9:55 AM  
**To:** Carol Wright (carolwright@jacksonenergy.com) <carolwright@jacksonenergy.com>; Tim Sharp (tjsharp@srelectric.com) <tjsharp@srelectric.com>; Mark Stallons (mstallons@owenelectric.com) <mstallons@owenelectric.com>; 'Missy Moore' <mmoore@owenelectric.com>  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** RE: Executed Confidentiality Agreements

Good morning,

Attached is a zipped file containing all the signed Confidentiality Agreements for AEP for your records. I will follow shortly with a second email with the CAs for Morgan Stanley. I will keep you in the loop as we approach the RFP deadline this week. Please let me know if you have any questions.

Thanks,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant

Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840

[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Mary Ellen Cole

**Sent:** Thursday, January 11, 2018 2:22 PM

**To:** Carol Wright ([carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)) <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Tim Sharp ([tisharp@srelectric.com](mailto:tisharp@srelectric.com)) <[tisharp@srelectric.com](mailto:tisharp@srelectric.com)>; Mark Stallons ([mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)) <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>

**Cc:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>

**Subject:** Executed Confidentiality Agreements

Carol, Tim, and Mark,

I've attached two zip files containing all the fully executed Confidentiality Agreements thus far. This includes those for Exelon and for SkyGlobal. I still need a couple signatures to complete the packages for Calpine and Morgan Stanley, but will send those over as soon as ready.

Please save these for your records, and let me know if you have any questions.

Thanks,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant

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[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Thursday, January 18, 2018 6:17 PM  
**To:** Carol Wright (carolwright@jacksonenergy.com); tjsharp@srelectric.com; Mark Stallons  
**Cc:** Missy Moore; Elaine Johns  
**Subject:** RE: financial data request

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One more (and hopefully last for now) data request. You have provided me your historical peak data for the last several years – thank you! Could you also provide 12 months of hourly load data? I'll use this to better evaluate the proposals for your on/off peak load. It won't be provided to the marketers.

Thank you, and do please call me if you have any questions,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Mary Ellen Cole  
**Sent:** Thursday, January 18, 2018 2:46 PM  
**To:** Carol Wright (carolwright@jacksonenergy.com) <carolwright@jacksonenergy.com>; Tim Sharp (tjsharp@srelectric.com) <tjsharp@srelectric.com>; Mark Stallons (mstallons@owenelectric.com) <mstallons@owenelectric.com>  
**Cc:** Missy Moore <mmoore@owenelectric.com>; Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** financial data request

Good afternoon everyone,

I've gotten a follow-up request from the marketers regarding the financial data. They will need the full audited financials, not just the Form 7s, for the credit review that is integral to setting the proposed prices. I know we're coming close to the deadline tomorrow. Can you please provide the full audited financials for the last 3 years available as soon as able?

Thank you,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant

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## Missy Moore

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Thursday, January 18, 2018 2:54 PM  
**To:** Mark Stallons; Carol Wright (carolwright@jacksonenergy.com); Tim Sharp (tjsharp@srelectric.com)  
**Cc:** Missy Moore; Elaine Johns; April Brown; Teresa Hamilton  
**Subject:** RE: financial data request

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

Mark,

Yes – 2014, 2015, and 2016 full financial audit reports. I'm assuming that 2017 is incomplete at this point.

Thank you,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (866) 454-0548 | Alt. (866) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Mark Stallons [<mailto:mstallons@owenelectric.com>]  
**Sent:** Thursday, January 18, 2018 2:52 PM  
**To:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>; Carol Wright (carolwright@jacksonenergy.com) <carolwright@jacksonenergy.com>; Tim Sharp (tjsharp@srelectric.com) <tjsharp@srelectric.com>  
**Cc:** Missy Moore <mmoore@owenelectric.com>; Elaine Johns <Elaine.Johns@enervision-inc.com>; April Brown <abrown@owenelectric.com>; Teresa Hamilton <thamilton@owenelectric.com>  
**Subject:** RE: financial data request

Mary Ellen,

Just to clarify, are they asking for the 2014, 2015 and 2016 financial audit report?

Thanks,

Mark

**From:** Mary Ellen Cole [[mailto:Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)]  
**Sent:** Thursday, January 18, 2018 2:46 PM

Witness: Mark Stallons

**To:** Carol Wright ([carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)) <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Tim Sharp ([tisharp@srelectric.com](mailto:tisharp@srelectric.com)) <[tisharp@srelectric.com](mailto:tisharp@srelectric.com)>; Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Cc:** Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>; Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**Subject:** financial data request

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Good afternoon everyone,

I've gotten a follow-up request from the marketers regarding the financial data. They will need the full audited financials, not just the Form 7s, for the credit review that is integral to setting the proposed prices. I know we're coming close to the deadline tomorrow. Can you please provide the full audited financials for the last 3 years available as soon as able?

Thank you,  
Mary Ellen

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[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Thursday, January 18, 2018 3:12 PM  
**To:** Mark Stallons  
**Subject:** RE: Financials confirmation

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Thank you Mark!

**Mary Ellen Cole** Lead Consultant  
Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Mark Stallons [mailto:[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)]  
**Sent:** Thursday, January 18, 2018 2:49 PM  
**To:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>; Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>  
**Cc:** Carol Wright ([carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)) <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Tim Sharp ([tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)) <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**Subject:** RE: Financials confirmation

Mary Ellen,

Attached please find Owen's RFP load data. Please forward to the bidders. I believe this fulfills the last data request.

In addition please find Owen's 5% election options as calculated by Sally Witt. The question of Owen giving notice in either January, February or March is moot. From this data and based on our January 2<sup>nd</sup> peak we are indifferent. Our election will be 18.5MW if notice is given in any of the three months. Please call should you have any questions.

Thanks,

Mark

**From:** Mary Ellen Cole [mailto:[Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)]  
**Sent:** Thursday, January 18, 2018 8:48 AM  
**To:** Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>  
**Cc:** Carol Wright ([carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)) <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Tim Sharp ([tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)) <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>; Elaine Johns

<Elaine.Johns@enervision-inc.com>

**Subject:** RE: Financials confirmation

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Missy,

Since 2017 was unaudited, could you provide your 2014 audited data? That way the marketers have 3 years of audited data, plus the unaudited 2017.

Thank you,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant

Main (865) 484-0548 | Alt. (865) 803-6037 | (888) 999-8840

[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Missy Moore [<mailto:mmoore@owenelectric.com>]

**Sent:** Thursday, January 18, 2018 8:35 AM

**To:** Mary Ellen Cole <[Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)>

**Cc:** Carol Wright ([carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)) <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Tim Sharp ([tisharp@srelectric.com](mailto:tisharp@srelectric.com)) <[tisharp@srelectric.com](mailto:tisharp@srelectric.com)>; Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>; Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>

**Subject:** Re: Financials confirmation

Mary Ellen,

Ours is the same as Carol's. 2015 and 2016 have been audited. 2017, is only they November as we haven't closed for the year yet, and is unaudited.

Thank You,  
Missy

On Jan 17, 2018, at 5:34 PM, Mary Ellen Cole <[Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)> wrote:

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Good afternoon all,

I've been asked by the marketers to confirm what you have provided to me is your full audited financial files for the last available 3 years. Please let me know as soon as able.

Witness: Mark Stallons

Thank you, and have a great evening,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
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## Missy Moore

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**Sent:** Thursday, January 18, 2018 8:48 AM  
**To:** Missy Moore  
**Cc:** Carol Wright (carolwright@jacksonenergy.com); Tim Sharp (tjsharp@srelectric.com); Mark Stallons; Elaine Johns  
**Subject:** RE: Financials confirmation

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Missy,

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Mary Ellen

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**Sent:** Thursday, January 18, 2018 8:35 AM  
**To:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Cc:** Carol Wright (carolwright@jacksonenergy.com) <carolwright@jacksonenergy.com>; Tim Sharp (tjsharp@srelectric.com) <tjsharp@srelectric.com>; Mark Stallons <mstallons@owenelectric.com>; Elaine Johns <Elaine.Johns@enervision-inc.com>  
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Thank You,  
Missy

On Jan 17, 2018, at 5:34 PM, Mary Ellen Cole <[Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)> wrote:

Witness: Mark Stallons

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Good afternoon all,

I've been asked by the marketers to confirm what you have provided to me is your full audited financial files for the last available 3 years. Please let me know as soon as able.

Thank you, and have a great evening,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Wednesday, January 17, 2018 2:09 PM  
**To:** Missy Moore  
**Cc:** Mark Stallons; Elaine Johns  
**Subject:** RE: Nucor Steel Gallatin Billing

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Thank you Missy!

Do you know when the rest of the financial data and other items will be available? Those were:

- 3 years of financial statements
- 2017 financial statement information if available (an unaudited annual or quarterly statement would work as well)
- Historical load data (2-3 years)

Thanks again,

Mary Ellen

**Mary Ellen Cole** Lead Consultant

Main (865) 484-0548 | Alt. (865) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Missy Moore [mailto:mmoore@owenelectric.com]  
**Sent:** Wednesday, January 17, 2018 8:33 AM  
**To:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Cc:** Mark Stallons <mstallons@owenelectric.com>  
**Subject:** FW: Nucor Steel Gallatin Billing

Mary Ellen,

Attached is the billing information for Nucor, in case you might need it also.

*Thank you,*  
*Missy K. Moore*  
*Executive Assistant*

Owen Electric Cooperative  
PO Box 400  
Owenton, KY 40359  
Direct: 502-563-3501  
Email: [mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)

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**From:** Yewande Otekeiwebia [<mailto:Yewande.Otekeiwebia@ekpc.coop>]  
**Sent:** Tuesday, January 2, 2018 3:36 PM  
**To:** Mike Cobb <[mcobb@owenelectric.com](mailto:mcobb@owenelectric.com)>  
**Cc:** Ann Wood <[awood@owenelectric.com](mailto:awood@owenelectric.com)>; Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>; Chuck Gill <[cggill@owenelectric.com](mailto:cggill@owenelectric.com)>; Judy Osborne <[josborne@owenelectric.com](mailto:josborne@owenelectric.com)>; Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>; Shawn West <[swest@owenelectric.com](mailto:swest@owenelectric.com)>; Teresa Hamilton <[thamilton@owenelectric.com](mailto:thamilton@owenelectric.com)>; Jennifer Taylor <[jktaylor@owenelectric.com](mailto:jktaylor@owenelectric.com)>; Laura Wilson <[laura.wilson@ekpc.coop](mailto:laura.wilson@ekpc.coop)>  
**Subject:** Nucor Steel Gallatin Billing

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Good afternoon Mike,

Attached is the Nucor Steel billing for December 2017. Please let us know if you have any questions.

Thank you,  
Yewande

**Yewande Otekeiwebia, CPA**  
East Kentucky Power Cooperative  
Senior Revenue Accountant  
(859) 745-9263  
[Yewande.Otekeiwebia@ekpc.coop](mailto:Yewande.Otekeiwebia@ekpc.coop)



---

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[Forget previous vote](#)

**Missy Moore**

---

**From:** Kathy Brown <kathyb@srelectric.com>  
**Sent:** Tuesday, January 16, 2018 8:49 AM  
**To:** Mary\_Ellen.Cole@enervision-inc.com; Carol Wright JACKSON ENERGY; Mark Stallons; Elaine.Johns@enervision-inc.com  
**Subject:** AEP Confidentiality Agreement signed by SRECC  
**Attachments:** AEP Confidentiality Agreement signed by SRECC.pdf

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**From:** Tim Sharp  
**Sent:** Tuesday, January 16, 2018 8:42 AM  
**To:** Kathy Brown  
**Subject:** Fwd: AEP - Confidentiality Agreement

Sent from my iPhone

Begin forwarded message:

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Date:** January 12, 2018 at 10:18:36 AM EST  
**To:** "Carol Wright ([carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com))" <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>, "Tim Sharp ([tsharp@srelectric.com](mailto:tsharp@srelectric.com))" <[tsharp@srelectric.com](mailto:tsharp@srelectric.com)>, "Mark Stallons ([mstallons@owenelectric.com](mailto:mstallons@owenelectric.com))" <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Cc:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**Subject:** RE: AEP - Confidentiality Agreement

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AEP CA attached here.

Thank you,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (866) 454-0548 | Alt. (866) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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Witness: Mark Stallons

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**From:** Mary Ellen Cole  
**Sent:** Friday, January 12, 2018 10:18 AM  
**To:** Carol Wright ([carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)) <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Tim Sharp ([tisharp@srelectric.com](mailto:tisharp@srelectric.com)) <[tisharp@srelectric.com](mailto:tisharp@srelectric.com)>; Mark Stallons ([mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)) <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Cc:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**Subject:** AEP - Confidentiality Agreement

Good morning all,

I have just received the Confidentiality Agreement signed by AEP. Please review, sign, and return a copy to me at your earliest convenience.

Additionally, we have received a request for 2017 financial statement information if available – even in the form of an unaudited annual or quarterly statement if possible. Tim, I have your 2017 Form 7 that you provided previously, which should suffice. Carol and Mark – if you have 2017 information available, please forward a copy to me at your earliest convenience.

Let me know if you have any questions – thank you, and happy Friday!  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
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[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Missy Moore  
**Sent:** Tuesday, January 16, 2018 9:37 AM  
**To:** Mary\_Ellen.Cole@enervision-inc.com  
**Cc:** Mark Stallons  
**Subject:** Morgan Stanley Agreement  
**Attachments:** doc00279520180116092856.pdf

Mary Ellen,

The updated Morgan Stanley agreement attached.

Thanks,  
Missy

-----Original Message-----

**From:** CEOKyocera@owenelectric.com [mailto:CEOKyocera@owenelectric.com]  
**Sent:** Tuesday, January 16, 2018 9:29 AM  
**To:** Missy Moore <mmoore@owenelectric.com>  
**Subject:**

-----  
ECOSYS M6535cidn  
[00:17:c8:01:c8:b8]  
-----

## Missy Moore

---

**From:** Missy Moore  
**Sent:** Tuesday, January 16, 2018 9:45 AM  
**To:** Mary Ellen Cole  
**Cc:** Mark Stallons  
**Subject:** RE: AEP Confidentiality Agreement

Mary Ellen,

I will get the Calpine agreement signed as soon as Mark gets back to the office.

We are in process of gathering all of the information requested below, and I expect to have to you this afternoon.

Thanks,  
Missy

-----Original Message-----

**From:** Mary Ellen Cole [mailto:Mary\_Ellen.Cole@enervision-inc.com]  
**Sent:** Tuesday, January 16, 2018 9:43 AM  
**To:** Missy Moore <mmoore@owenelectric.com>  
**Cc:** Mark Stallons <mstallons@owenelectric.com>  
**Subject:** RE: AEP Confidentiality Agreement

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Missy,

Thanks for sending those two over. There is one more for Calpine still needed. I've attached a fresh copy here for reference.

Also, I'm still missing a data set for Owen. Could you provide the following at your earliest convenience?  
~3 years of financial statements  
~2017 financial statement information if available (an unaudited annual or quarterly statement would work as well)  
~EKPC power cost information, including projections and current rate schedule ~Historical load data (2-3 years)

The financial information will be provided to marketers with signed CAs to help form their bids, so that is the most urgent need as the proposals are due this week. Please let me know if you have any questions or concerns.

Thanks,  
Mary Ellen

Mary Ellen Cole Lead Consultant  
Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
mary\_ellen.cole@enervision-inc.com | www.enervision-inc.com

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-----Original Message-----

From: Missy Moore [<mailto:mmoore@owenelectric.com>]  
Sent: Tuesday, January 16, 2018 9:36 AM  
To: Mary Ellen Cole <[Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)>  
Cc: Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
Subject: AEP Confidentiality Agreement

Hi Mary Ellen,

Attached you will find the executed confidentiality agreement with Owen Electric Cooperative and AEP. I believe this is the only one we were missing with the exception of the updated Morgan Stanley, which I will send in just a moment. Let me know if you find you need additional information from us.

Also, Mark has asked that I ask you to copy me on the information you send to him, so that we don't miss anything. Please let me know if you have any questions.

Thank you,  
Missy K. Moore  
Executive Assistant

Owen Electric Cooperative  
PO Box 400  
Owenton, KY 40359  
Direct: 502-563-3501  
Email: [mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)

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Witness: Mark Stallons

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END-ANTISPAM-VOTING-LINKS

## Missy Moore

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Tuesday, January 16, 2018 9:46 AM  
**To:** Missy Moore  
**Cc:** Mark Stallons  
**Subject:** RE: AEP Confidentiality Agreement

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Thanks Missy and Mark!

And Missy, yes I'll be sure to copy you on any correspondence going forward. I'll look for a note from you later today.

Thank you,  
Mary Ellen

Mary Ellen Cole Lead Consultant  
Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
mary\_ellen.cole@enervision-inc.com | www.enervision-inc.com

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-----Original Message-----

**From:** Missy Moore [<mailto:mmoore@owenelectric.com>]  
**Sent:** Tuesday, January 16, 2018 9:45 AM  
**To:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Cc:** Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Subject:** RE: AEP Confidentiality Agreement

Mary Ellen,

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Thanks,  
Missy

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From: Mary Ellen Cole [mailto:Mary\_Ellen.Cole@enervision-inc.com]  
Sent: Tuesday, January 16, 2018 9:43 AM  
To: Missy Moore <mmoore@owenelectric.com>  
Cc: Mark Stallons <mstallons@owenelectric.com>  
Subject: RE: AEP Confidentiality Agreement

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~2017 financial statement information if available (an unaudited annual or quarterly statement would work as well)

~EKPC power cost information, including projections and current rate schedule ~Historical load data (2-3 years)

The financial information will be provided to marketers with signed CAs to help form their bids, so that is the most urgent need as the proposals are due this week. Please let me know if you have any questions or concerns.

Thanks,  
Mary Ellen

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mary\_ellen.cole@enervision-inc.com | www.enervision-inc.com

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-----Original Message-----

From: Missy Moore [mailto:mmoore@owenelectric.com]  
Sent: Tuesday, January 16, 2018 9:36 AM  
To: Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
Cc: Mark Stallons <mstallons@owenelectric.com>  
Subject: AEP Confidentiality Agreement

Witness: Mark Stallons

Hi Mary Ellen,

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Also, Mark has asked that I ask you to copy me on the information you send to him, so that we don't miss anything. Please let me know if you have any questions.

Thank you,  
Missy K. Moore  
Executive Assistant

Owen Electric Cooperative  
PO Box 400  
Owenton, KY 40359  
Direct: 502-563-3501  
Email: mmoore@owenelectric.com

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END-ANTISPAM-VOTING-LINKS



**Missy Moore**

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Tuesday, January 16, 2018 9:43 AM  
**To:** Missy Moore  
**Cc:** Mark Stallons  
**Subject:** RE: AEP Confidentiality Agreement  
**Attachments:** Kentucky Group\_Owen Electric\_Salt River Electric\_Jackson Energy partially xcopy 1.10.18.pdf

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Thanks,  
Mary Ellen

Mary Ellen Cole Lead Consultant  
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-----Original Message-----

From: Missy Moore [<mailto:mmoore@owenelectric.com>]  
Sent: Tuesday, January 16, 2018 9:36 AM

Witness: Mark Stallons

To: Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
Cc: Mark Stallons <mstallons@owenelectric.com>  
Subject: AEP Confidentiality Agreement

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Thank you,  
Missy K. Moore  
Executive Assistant

Owen Electric Cooperative  
PO Box 400  
Owenton, KY 40359  
Direct: 502-563-3501  
Email: mmoore@owenelectric.com

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-----  
END-ANTISPAM-VOTING-LINKS

**Missy Moore**

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Tuesday, January 16, 2018 9:55 AM  
**To:** Carol Wright (carolwright@jacksonenergy.com); Tim Sharp (tjsharp@srelectric.com); Mark Stallons; Missy Moore  
**Cc:** Elaine Johns  
**Subject:** RE: Executed Confidentiality Agreements  
**Attachments:** Morgan Stanley\_CA.zip

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

As mentioned, attached are the executed CAs for Morgan Stanley.

Thank you,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (866) 454-0548 | Alt. (866) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Mary Ellen Cole  
**Sent:** Thursday, January 11, 2018 2:22 PM  
**To:** Carol Wright (carolwright@jacksonenergy.com) <carolwright@jacksonenergy.com>; Tim Sharp (tjsharp@srelectric.com) <tjsharp@srelectric.com>; Mark Stallons (mstallons@owenelectric.com) <mstallons@owenelectric.com>  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** Executed Confidentiality Agreements

Carol, Tim, and Mark,

I've attached two zip files containing all the fully executed Confidentiality Agreements thus far. This includes those for Exelon and for SkyGlobal. I still need a couple signatures to complete the packages for Calpine and Morgan Stanley, but will send those over as soon as ready.

Please save these for your records, and let me know if you have any questions.

Thanks,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant

Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840

[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

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**Sent:** Tuesday, January 16, 2018 9:55 AM  
**To:** Carol Wright (carolwright@jacksonenergy.com); Tim Sharp (tjsharp@srelectric.com); Mark Stallons; Missy Moore  
**Cc:** Elaine Johns  
**Subject:** RE: Executed Confidentiality Agreements  
**Attachments:** AEP CA.zip

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

Good morning,

Attached is a zipped file containing all the signed Confidentiality Agreements for AEP for your records. I will follow shortly with a second email with the CAs for Morgan Stanley. I will keep you in the loop as we approach the RFP deadline this week. Please let me know if you have any questions.

Thanks,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (866) 454-0548 | Alt. (866) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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Thanks,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant

Main (866) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840

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**Missy Moore**

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Friday, January 12, 2018 10:18 AM  
**To:** Carol Wright (carolwright@jacksonenergy.com); Tim Sharp (tjsharp@srelectric.com); Mark Stallons  
**Cc:** Elaine Johns  
**Subject:** AEP - Confidentiality Agreement

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

Good morning all,

I have just received the Confidentiality Agreement signed by AEP. Please review, sign, and return a copy to me at your earliest convenience.

Additionally, we have received a request for 2017 financial statement information if available – even in the form of an unaudited annual or quarterly statement if possible. Tim, I have your 2017 Form 7 that you provided previously, which should suffice. Carol and Mark – if you have 2017 information available, please forward a copy to me at your earliest convenience.

Let me know if you have any questions – thank you, and happy Friday!  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (866) 484-0848 | Alt. (866) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Wednesday, January 10, 2018 4:17 PM  
**To:** Carol Wright (carolwright@jacksonenergy.com); Tim Sharp (tjsharp@srelectric.com); Mark Stallons  
**Cc:** Elaine Johns  
**Subject:** Calpine, Confidentiality Agreement  
**Attachments:** Kentucky Group\_Owen Electric\_Salt River Electric\_Jackson Energy partially xcopy 1.10.18.pdf

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

Good afternoon all,

As anticipated, we have received a Confidentiality Agreement from Calpine - attached here. At your earliest convenience, please review, sign, and return a copy to me.

Thank you,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Kathy Brown <kathyb@srelectric.com>  
**Sent:** Wednesday, January 10, 2018 4:26 PM  
**To:** Mary\_Ellen.Cole@enervision-inc.com; Carol Wright JACKSON ENERGY; Mark Stallons; Elaine.Johns@enervision-inc.com  
**Cc:** Tim Sharp  
**Subject:** Calpine Confidentiality Agreement signed by SRECC  
**Attachments:** Calpine Confidentiality Agreement signed by Salt River.pdf

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

---

**From:** Tim Sharp  
**Sent:** Wednesday, January 10, 2018 4:22 PM  
**To:** Kathy Brown  
**Subject:** FW: Calpine, Confidentiality Agreement

**From:** Mary Ellen Cole [[mailto:Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)]  
**Sent:** Wednesday, January 10, 2018 4:17 PM  
**To:** Carol Wright ([carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)) <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Mark Stallons ([mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)) <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Cc:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**Subject:** Calpine, Confidentiality Agreement

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Good afternoon all,

As anticipated, we have received a Confidentiality Agreement from Calpine - attached here. At your earliest convenience, please review, sign, and return a copy to me.

Thank you,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (866) 454-0548 | Alt. (866) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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Witness: Mark Stallons

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**Missy Moore**

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Thursday, January 11, 2018 2:27 PM  
**To:** Mark Stallons  
**Subject:** FW: Executed Confidentiality Agreements  
**Attachments:** Sky Global\_CAs.zip

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

Email 2/2.

Thank you,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Sent:** Thursday, January 11, 2018 2:22 PM  
**To:** Carol Wright ([carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)) <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Tim Sharp ([tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)) <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Mark Stallons ([mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)) <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Cc:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**Subject:** Executed Confidentiality Agreements

Carol, Tim, and Mark,

I've attached two zip files containing all the fully executed Confidentiality Agreements thus far. This includes those for Exelon and for SkyGlobal. I still need a couple signatures to complete the packages for Calpine and Morgan Stanley, but will send those over as soon as ready.

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Thanks,  
Mary Ellen

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**Missy Moore**

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**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Thursday, January 11, 2018 2:26 PM  
**To:** Mark Stallons  
**Cc:** Elaine Johns  
**Subject:** FW: Executed Confidentiality Agreements  
**Attachments:** Exelon\_CA.zip

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Mark,

My email below was returned undeliverable because of the size of the attachments. Please see my note below, and I will send the attachments in two emails for your record and reference.

Thank you,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (866) 454-0548 | Alt. (866) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Sent:** Thursday, January 11, 2018 2:22 PM  
**To:** Carol Wright ([carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)) <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Tim Sharp ([tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)) <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Mark Stallons ([mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)) <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Cc:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**Subject:** Executed Confidentiality Agreements

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## Missy Moore

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Thursday, January 11, 2018 10:18 AM  
**To:** Mark Stallons  
**Cc:** Elaine Johns  
**Subject:** Kentucky Group info needed  
**Attachments:** Kentucky Group\_Owen Electric\_Salt River Electric\_Jackson Energy partially xcopy 1.10.18.pdf; KentuckyGroup.NDA.ExecutionVersion.January2018.doc

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

Mark,

I am still looking for data and a couple CA signatures from you. At your earliest convenience could you please sign the attached Confidentiality Agreements and provide info for this data request, particularly the first bulleted item?

- 3 years of financial statements
- EKPC power cost information, including projections and current rate schedule
- Historical load data (2-3 years)

Let me know if I can do anything to support you. Thanks,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
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[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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## Missy Moore

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**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Friday, January 12, 2018 10:19 AM  
**To:** Carol Wright (carolwright@jacksonenergy.com); Tim Sharp (tjsharp@srelectric.com); Mark Stallons  
**Cc:** Elaine Johns  
**Subject:** RE: AEP - Confidentiality Agreement  
**Attachments:** Kentucky Group CA\_AEPEP\_01.12.2018.pdf

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

AEP CA attached here.

Thank you,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** AEP - Confidentiality Agreement

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Additionally, we have received a request for 2017 financial statement information if available – even in the form of an unaudited annual or quarterly statement if possible. Tim, I have your 2017 Form 7 that you provided previously, which should suffice. Carol and Mark – if you have 2017 information available, please forward a copy to me at your earliest convenience.

Let me know if you have any questions – thank you, and happy Friday!  
Mary Ellen



**Mary Ellen Cole** Lead Consultant

Main (865) 454-0548 | Alt. (865) 803-8037 | (888) 999-8840

[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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## Missy Moore

---

**From:** Missy Moore  
**Sent:** Thursday, January 11, 2018 10:56 AM  
**To:** Mark Stallons  
**Subject:** RE: Kentucky Group info needed

Hi Mark,

Teresa and I spoke Tuesday, and she was hoping to have everything together today. I will go and double check with her to ensure that I can get this to Mary Ellen sometime today.

Thanks,  
Missy

**From:** Mark Stallons  
**Sent:** Thursday, January 11, 2018 10:55 AM  
**To:** Missy Moore <mmoore@owenelectric.com>  
**Subject:** Fwd: Kentucky Group info needed

Missy,

What is the status of getting this data together?

Thanks,

Mark

Sent from my iPad

Begin forwarded message:

**From:** "Mary Ellen Cole" <Mary\_Ellen.Cole@enervision-inc.com>  
**To:** "Mark Stallons" <mstallons@owenelectric.com>  
**Cc:** "Elaine Johns" <Elaine.Johns@enervision-inc.com>  
**Subject:** Kentucky Group info needed

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Mark,

I am still looking for data and a couple CA signatures from you. At your earliest convenience could you please sign the attached Confidentiality Agreements and provide info for this data request, particularly the first bulleted item?

- 3 years of financial statements
- EKPC power cost information, including projections and current rate schedule
- Historical load data (2-3 years)

Let me know if I can do anything to support you. Thanks,

Mary Ellen

**Mary Ellen Cole** Lead Consultant

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**Missy Moore**

---

**From:** Kathy Brown <kathyb@srelectric.com>  
**Sent:** Monday, January 8, 2018 10:45 AM  
**To:** Mark Stallons  
**Subject:** Exelon confidentiality agreement  
**Attachments:** Exelon Confidentiality Agreement signed by Salt River.pdf

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**Missy Moore**

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Monday, January 8, 2018 9:30 AM  
**To:** Mark Stallons; Tim Sharp (tjsharp@srelectric.com); Carol Wright (carolwright@jacksonenergy.com)  
**Cc:** Elaine Johns  
**Subject:** RE: Kentucky Group Confidentiality Agreements

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Good morning all,

I have received a request for data from the marketers so they can perform a credit review as part of their bid. There is some additional information that EnerVision will need to properly evaluate the bids once they come in. At your earliest convenience, could you please provide the following data for your respective cooperative?

- 3 years of financial statements
- EKPC power cost information, including projections and current rate schedule
- Historical load data (2-3 years)

At this point, only the financial statement information has been requested by the marketers – and I will not provide that to the marketer without your permission and not before the Confidentiality Agreements are fully executed and dispersed.

Please let me know if you have any questions or concerns.

Have a great week,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
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[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**From:** Mary Ellen Cole  
**Sent:** Thursday, January 4, 2018 10:20 AM  
**To:** Mark Stallons (mstallons@owenelectric.com) <mstallons@owenelectric.com>; Tim Sharp (tjsharp@srelectric.com) <tjsharp@srelectric.com>; Carol Wright (carolwright@jacksonenergy.com) <carolwright@jacksonenergy.com>  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** Kentucky Group Confidentiality Agreements

Good morning all,

My name is Mary Ellen Cole and I'm working with Elaine to facilitate your RFP for new power supply options. You may have seen me copied on previous emails or in the RFP document itself. It's nice to meet you, at least virtually for now!

We are starting to get the Confidentiality Agreements returned from marketers who plan to submit proposals to the RFP. You will need to review, sign, and return these to me so I can distribute back to the respective marketer prior to their bid submission. I've attached a few that are ready now, and I will send others individually as they are prepared for you.

The first attachment is the CA from SkyGlobal. They have signed the provided CA with no adjustments.

The second and third attachments are the CA from Morgan Stanley (redline and clean versions). They included adjustments to the form CA we provided, which you can see in the redline document. While the final say comes from you, we do not see any issues with the changes made and recommend executing the document with the changes included. The third attachment is a clean version of the document for you to review, sign, and return.

The fourth and fifth attachments are the CA from Exelon (redline and clean). Similar to the above, Exelon has included adjustments to the form CA we provided, which you can see in the redline document. We do not see any issues with the changes made and recommend executing the document with the changes included. The fifth attachment is a clean version of the document for you to review, sign, and return.

Please let me know if you have any questions. I will be in touch again soon with more CAs and information as the RFP process continues.

Thanks,  
Mary Ellen

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**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Tuesday, January 2, 2018 9:07 AM  
**To:** Mark Stallons; tjsharp@srelectric.com; Carol Wright; Mike Williams  
**Subject:** A3 Allocation Change Due to This Week's Weather

**Importance:** High

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From looking at EKPC zone this morning, we are watching to see if this week will knock off the January 2016 from the A3 Allocation if you notice February 1. We should verify our interpretation of the MOU with EKPC – to get January 2018 (which is higher than January 2016) in the A3 Allocation, your notice needs to be submitted on Feb. 1 instead of Jan 31.

Thanks,  
Elaine

**Elaine Johns** President/CEO  
T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840  
[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Thursday, December 21, 2017 9:44 AM  
**To:** Mark Stallons; MIKE WILLIAMS; tjsharp@srelectric.com  
**Cc:** Elaine Johns  
**Subject:** Board Approval

**Importance:** High

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All:

I have Board approval to move forward with the RFP.

Elaine: I will touch base later this afternoon regarding the PSA.

I will be out of the office until 3pm but can be reached on my cell in the meantime.

Thanks,

**Carol Wright**  
President & CEO  
606-364-9213





## Missy Moore

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Tuesday, January 2, 2018 10:39 AM  
**To:** Mike Williams; Mark Stallons; tsharp@srelectric.com; Carol Wright  
**Subject:** Contract Provisions  
**Attachments:** KY Cooperatives Contract Protections Slides 01 02 2018.pptx

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Happy New Year !! I hope you all had a great holiday! (maybe you're still on it...lucky you!) Per Mike's request, attached is a short slide deck that explains contract protections, provisions for credit, early terminations and PJM historical market prices.

Please let me know if you'd like to discuss or have any questions. Thanks,  
Elaine

**Elaine Johns** President/CEO  
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[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Thursday, January 4, 2018 8:47 PM  
**To:** Mark Stallons; Tim Sharp; Carol Wright; Mike Williams  
**Cc:** Mary Ellen Cole  
**Subject:** EnerVision Housekeeping for KY Group

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Hi, all - I spoke to Mark today our several items that came up over the holidays:

. We are tracking our costs via 2 buckets: one for the RFP and the other for Amendment 3 and MOU process and transacting in PJM. Mark indicated that he and Mike have agreed to the following approach: The RFP Bucket will be split evenly among Owen, Salt River and Jackson. When/If Blue Grass participates, we will take the total and have Blue Grass true you up. The other Bucket will be split evenly among the 4 coops. Tim and Carol, do you concur?

. This week's weather is being labeled as the 2nd Polar Vortex. If that is true, we expect EKPC will be peaking this week, thus, per my earlier email, if you all provide notice on Feb. 1, you will probably have an increased allocation that you can take to the market. Please refer to that email as I would like to have EKPC's concurrence to our conclusion.

. Mary Ellen Cole (from EnerVision) is facilitating the RFP with the marketers. Today she sent over NDAs from 3 marketers that need to be executed by Owen, Salt River and Jackson. We need to have your John Hancocks before the marketers submit their bids on Jan. 19.

Please let me know if you have any questions! Thanks,  
Elaine

**Elaine Johns President/CEO**

T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840  
[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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Sent from my iPad

**Missy Moore**

---

**From:** Terri Combs <terri.combs@ekpc.coop>  
**Sent:** Friday, December 29, 2017 3:32 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; Jim Jacobus -- Inter-County; 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; 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:** Tony Campbell; Mike McNalley; Don Mosier; David Smart  
**Subject:** From Tony Campbell re: Amendment 3 Memo  
**Attachments:** A3 Load Loss Mitigation Discussion Final.docx

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**Sending on behalf of Tony Campbell**

All:

Since South Kentucky gave us notice to exercise their rights under the MOU, we have had a number of CEO's contact us. Many have asked questions about the financial impacts to the remaining Owner Members. Mike McNalley and his team have been working on the potential cost implications of losing this 58 MW baseload block of power. Please remember this was done somewhat quickly, and we will continue to refine the data. In addition, please note that we will do everything possible to totally mitigate this loss of load, and will protect our Owner Members should it return at an inopportune time.

Regards,  
**Anthony "Tony" Campbell**

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



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**R.I.G.H.T.**

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Witness: Mark Stallons

delete it from your system without copying or forwarding it, and notify the sender of the error by replying via email or by calling East Kentucky Power Cooperative, Inc. at 859-744-4812 (collect), so that our address record can be corrected.

East Kentucky Power Cooperative  
Mitigation of Amendment 3 Load Loss  
December 27, 2017

For this analysis I am using the SK Amendment 3 notice and their actual billings for the 12 months ending November 2017. The notice was for 58MW of load to be removed from the EKPC system, at an effective load factor of 100%.

#### South Kentucky Billing

EKPC billing differential to SK for the 12 months would have been a reduction of 508,000 MWh and \$30.4 million over the 12 months. This includes a reduction of \$28.5 million from Base Rates, an increase of \$2.5 million from the FAC, and a reduction of \$4.4 million in the ES. The base rate and FAC impacts should be taken together, for a net billing reduction of \$26.0 million.

For SK, we calculate a reduced load factor on the EKPC system because they are removing 100% load factor MWs. SK's load factor in the 12 months of 2017 would have dropped from the actual 56.3% to only 43.5%; this would have resulted in an increased cost per MWh billed by EKPC of \$6.07/MWh (from \$68.95/MWh to \$75.02/MWh). Because we do not have their new contract details it is impossible for us to calculate the net impact of their new contract on SK members.

#### Cost Shift and Mitigation

The load loss as a result of an Amendment 3 election will shift costs. EKPC will act promptly to mitigate that cost shift.

The cost shift consists of the fixed costs EKPC would no longer recover in base rates from SK, and the ES which would be "automatically" reallocated based on revenue to all members (including SK).

We estimate that the ES amount that would remain with SK is about \$0.3 million, so approximately \$4.1million would be reallocated to the other 15 owner-members.

EKPC's system is approximately half fixed cost and half variable cost (fuel, purchased power, etc). So of the base revenue loss (\$26.0 million), about \$13 million would be fixed and need to be recovered.

Thus, the total cost shift, without any mitigation, is approximately \$17.1 million to the 15 owner members for the 12 month period ending November 2017.

Amendment3 (and SK) provides for a long notice period, which is necessary for EKPC to achieve the best mitigation of the load loss for its owner-members. This is important because it gives EKPC the time to develop and execute numerous options. Without the time to act, EKPC would have only two options: sales of the energy into PJM in the day-ahead and real-time market, and a base rate increase. For 2017,

the energy market would have provided approximately \$5/MWh of margin, or \$2.3 million, leaving an unmitigated balance of \$14.8 million. Given EKPC's low margins this year, this might be large enough to tip us into a base rate increase, especially if we had no further mitigation options.

However, with time, more options unfold. These include participating in the PJM Intermediate Capacity Auctions (IA), the PJM Base (May) Capacity Auction (BRA), natural load growth, economic development, and special contracted loads. In the IA we might expect from \$800k to \$1.6 million of revenue in the first year, growing as the market firms and better prices are realized (three years out) in the BRA.

Load growth in our budget for 2018, which includes a bounce back to weather-normal as well as some real load growth, is projected at 1,388 MW and 974,217 MWh. If this is achieved, it is sufficient to absorb the loss of the SK load, although our EKPC results would be lower than projected (because we have their entire load in our budget). Because the notice period extends beyond the 2018 budget year, it is reasonable to conclude that EKPC can grow load sufficiently to offset the SK loss by the time their load actually leaves. Any load growth on SK's system also will directly benefit the EKPC system and all owner-members because their notice is for a fixed block of power which cannot grow – thus all load growth must be served under the wholesale power agreement.

A significant new load developed through economic development efforts could further mitigate the SK load loss. However to be valuable in this context that new load should be at tariffed rates and not heavily discounted so that it makes a full contribution to the fixed costs. A load such as the expansion of Gallatin, which is interruptible and does not contribute substantially to fixed costs, will not provide a material benefit in this context (it is obviously valuable in other ways).

Special load contracts (bi-lateral agreements) could possibly be negotiated. However the MW size (58) is odd, and it is likely we would have difficulty finding a good match at the size needed.

Finally, the SK notice is for a 20 year contract. We will mitigate the load loss for that period, and this strictly means that we will not have those resources immediately available to serve SK should they desire to return early – again a key reason for the long notice periods in Amendment 3.

#### Additional Load Loss (more Amendment 3 Notices)

Under Amendment 3, after SK's election, there are approximately 69.2 MW of potential load to be noticed across all owner-members. If some or all of these MWs are noticed soon, EKPC will follow similar mitigation plans. However, our "natural" load growth scenario will be insufficient to absorb all of the load loss by the time the notices are effective, so there likely would be some margin depression for a year or so. Other mitigation efforts might make up some of the shortfall, but we should expect some cost shifting in base rates, at least for a year or two.

All figures are estimates and we are continuing to refine these analyses.

**Missy Moore**

---

**From:** Tim Sharp <tjsharp@srelectric.com>  
**Sent:** Friday, December 22, 2017 12:21 PM  
**To:** Elaine Johns  
**Cc:** carolwright@jacksonenergy.com; Mark Stallons; Mike Williams (mikew@bgenergy.com)  
**Subject:** FW: EnerVision Professional Services Agreement  
**Attachments:** EnerVison-Salt River PSA.docx

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Elaine,

Our attorney reviewed the agreement and had a specific concern before we sign it.

He would like it to spell out how the cost will be divided among the cooperatives (straight split, % of contract, etc.) and also how we would handle someone deciding not to participate or someone else deciding to participate in the future. In general terms, we said we would share the cost, but he does bring up a valid concern we need to address.

Carol, Mark, or Mike.....Do you have any thoughts on how you want to handle this? I do not have any strong feelings, but feel we do need to decide before we get too far along.

Have a great Christmas!

Tim

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Thursday, December 14, 2017 11:29 AM  
**To:** Tim Sharp <tjsharp@srelectric.com>  
**Subject:** EnerVision Professional Services Agreement

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Hi, Tim -- I hope the information I sent yesterday will be helpful for your discussions with your board. Please let me know if you need anything else.

Attached is our Professional Services Agreement. Please let me know if you have any comments. You will see in the description dollar estimates for each Phase of the project, these dollars are for the entire group. Usually, the cooperatives will determine together how they will divide up our fees and expenses.

We can execute via scans if that's ok with you. Merry Christmas! Thanks,  
Elaine

**Elaine Johns** President/CEO  
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**Missy Moore**

---

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Sent:** Thursday, January 4, 2018 10:20 AM  
**To:** Mark Stallons; Tim Sharp (tjsharp@srelectric.com); Carol Wright (carolwright@jacksonenergy.com)  
**Cc:** Elaine Johns  
**Subject:** Kentucky Group Confidentiality Agreements  
**Attachments:** Kentucky Group Confidentiality Agreement\_2017.pdf; KentuckyGroup.NDA.MSCGRedline.Jan.2.2018\_Edited.doc; KentuckyGroup.NDA.MSCGClean.Jan.2.2018\_Edited.doc; Kentucky Group Confidentiality Agreement\_(FINAL) 1-4-18\_redline.doc; Kentucky Group Confidentiality Agreement\_(FINAL) 1-4-18.doc

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Good morning all,

My name is Mary Ellen Cole and I'm working with Elaine to facilitate your RFP for new power supply options. You may have seen me copied on previous emails or in the RFP document itself. It's nice to meet you, at least virtually for now!

We are starting to get the Confidentiality Agreements returned from marketers who plan to submit proposals to the RFP. You will need to review, sign, and return these to me so I can distribute back to the respective marketer prior to their bid submission. I've attached a few that are ready now, and I will send others individually as they are prepared for you.

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Please let me know if you have any questions. I will be in touch again soon with more CAs and information as the RFP process continues.

Thanks,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (865) 484-0548 | Alt. (865) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Thursday, December 21, 2017 10:11 AM  
**To:** Mark Stallons  
**Subject:** Moving Forward Now

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

Hi, Mark – with Carol's note of her board approval, I see 3 of you moving forward together. Currently, I'll bill all 4 of you equally for the work performed so far.

Yesterday Mike said that when the RFP is being finalized, for me to exclude him from costs and when/if he joins later, he should be added and will pay for a share of the costs while he was out. He did ask for 2 more items for his board – a couple of slides on addressing protections in the contract with the marketer in the event they want to back out or fail to deliver. He would also like a graph showing historical PJM market price fluctuations. We are preparing those now and I thought you all would want these, too?

Let me know when you can discuss. Thanks,  
Elaine

**Elaine Johns** President/CEO  
T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840  
[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Missy Moore  
**Sent:** Friday, January 5, 2018 1:27 PM  
**To:** Mary\_Ellen.Cole@enervision-inc.com  
**Cc:** tjsharp@srelectric.com; carolwright@jacksonenergy.com; Elaine.Johns@enervision-inc.com; Mark Stallons; Mike Williams  
**Subject:** Owen Electric Cooperative Confidentiality Agreements  
**Attachments:** Confidentiality Agreement - Exelon.pdf; Confidentiality Agreement - Morgan Stanley.pdf; Confidentiality Agreement - Sky Global Partners.pdf

Mary Ellen,

Please find the executed agreements attached.

Let me know if you have any questions or concerns.

*Thank you,  
Missy K. Moore  
Executive Assistant*

*Owen Electric Cooperative  
PO Box 400  
Owenton, KY 40359  
Direct: 502-563-3501  
Email: [mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)*

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**Missy Moore**

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Tuesday, January 2, 2018 3:34 PM  
**To:** Mark Stallons; tjsharp@srelectric.com; Carol Wright; Mike Williams  
**Cc:** Barry Birkett  
**Subject:** RE: A3 Allocation Change Due to This Week's Weather

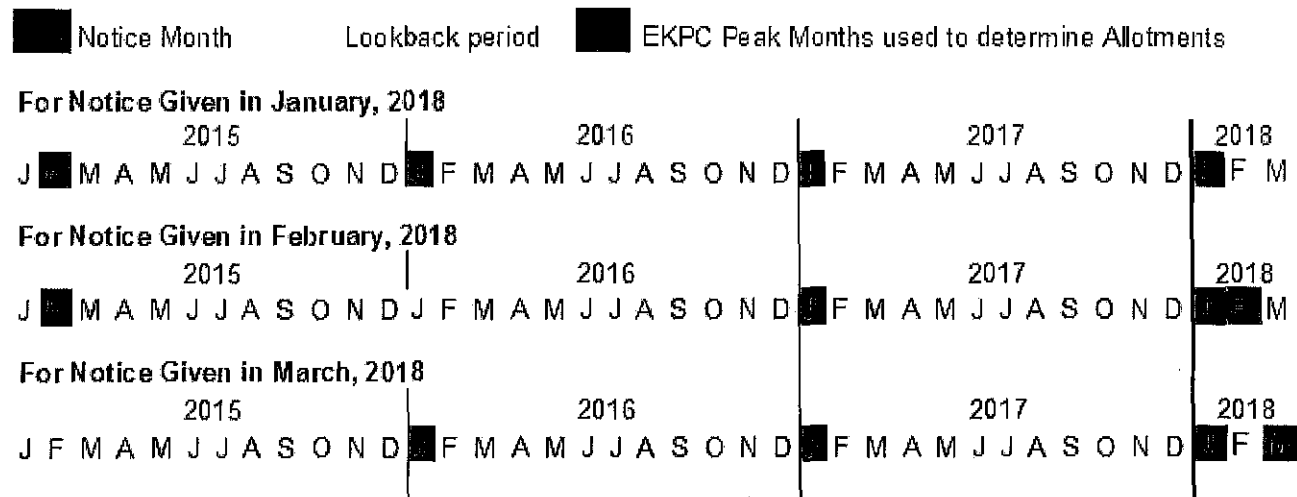
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Here's a visual that may help to explain how the MOU calculations work.

. The first line shows the 3 rolling 12-month CPs, if you give notice in January.

. The second line, if you notice in February. Notice that Jan 2018 comes into play if you wait to notice in Feb. That's what I'd like to verify with EKPC – assuming that Jan. 2018 will set an EKPC peak.

. And the third line, if March. Notice you lose the polar vortex (Jan. 2015) if you wait until March to provide notice.



**From:** Elaine Johns  
**Sent:** Tuesday, January 2, 2018 9:07 AM  
**To:** mstallons@owenelectric.com; 'tjsharp@srelectric.com' <tjsharp@srelectric.com>; 'Carol Wright' <carolwright@jacksonenergy.com>; 'Mike Williams' <mikew@bgenenergy.com>  
**Subject:** A3 Allocation Change Due to This Week's Weather  
**Importance:** High

From looking at EKPC zone this morning, we are watching to see if this week will knock off the January 2016 from the A3 Allocation if you notice February 1. We should verify our interpretation of the MOU with EKPC – to get January 2018 (which is higher than January 2016) in the A3 Allocation, your notice needs to be submitted on Feb. 1 instead of Jan 31.

Thanks,  
Elaine

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[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Tim Sharp <tjsharp@srelectric.com>  
**Sent:** Thursday, December 21, 2017 4:50 PM  
**To:** Carol Wright; Mark Stallons; MIKE WILLIAMS  
**Subject:** RE: Board Approval

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

After talking with all of my board members, they are in agreement to proceed also.

Merry Christmas

**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Thursday, December 21, 2017 9:44 AM  
**To:** 'mstallons@owenelectric.com' <mstallons@owenelectric.com>; MIKE WILLIAMS <mikew@bgenenergy.com>; Tim Sharp <tjsharp@srelectric.com>  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** Board Approval  
**Importance:** High

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All:

I have Board approval to move forward with the RFP.

Elaine: I will touch base later this afternoon regarding the PSA.

I will be out of the office until 3pm but can be reached on my cell in the meantime.

Thanks,

Carol Wright  
President & CEO  
606-364-9213

 Working for You

## Missy Moore

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Wednesday, December 27, 2017 4:03 PM  
**To:** Tim Sharp  
**Cc:** Elaine Johns; Mark Stallons; Mike Williams (mikew@bgenergy.com)  
**Subject:** Re: EnerVision Professional Services Agreement

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

I would like to know the same.

How will the cost be split going forward?

Carol

Sent from my iPhone

On Dec 22, 2017, at 12:22 PM, Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)> wrote:

Elaine,

Our attorney reviewed the agreement and had a specific concern before we sign it.

He would like it to spell out how the cost will be divided among the cooperatives (straight split, % of contract, etc.) and also how we would handle someone deciding not to participate or someone else deciding to participate in the future.

In general terms, we said we would share the cost, but he does bring up a valid concern we need to address.

Carol, Mark, or Mike.....Do you have any thoughts on how you want to handle this? I do not have any strong feelings, but feel we do need to decide before we get too far along.

Have a great Christmas!

Tim

**From:** Elaine Johns [<mailto:Elaine.Johns@enervision-inc.com>]  
**Sent:** Thursday, December 14, 2017 11:29 AM  
**To:** Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>  
**Subject:** EnerVision Professional Services Agreement

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

Hi, Tim -- I hope the information I sent yesterday will be helpful for your discussions with your board. Please let me know if you need anything else.



Witness: Mark Stallons

Attached is our Professional Services Agreement. Please let me know if you have any comments. You will see in the description dollar estimates for each Phase of the project, these dollars are for the entire group. Usually, the cooperatives will determine together how they will divide up our fees and expenses.

We can execute via scans if that's ok with you. Merry Christmas! Thanks,  
Elaine

**Elaine Johns** President/CEO  
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[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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<EnerVison-Salt River PSA.docx>

## Missy Moore

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Wednesday, December 27, 2017 5:02 PM  
**To:** Carol Wright  
**Cc:** Tim Sharp; Mark Stallons; Mike Williams (mikew@bgenergy.com)  
**Subject:** Re: EnerVision Professional Services Agreement

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

We have clients who share transaction costs (ie, consultant and attorney fees) different ways - from even split to load ratio share. It's really the group's preference. Be glad to help you talk through this if you'd like.

Thanks,  
Elaine

Sent from my iPad

On Dec 27, 2017, at 4:03 PM, Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)> wrote:

I would like to know the same.

How will the cost be split going forward?

Carol

Sent from my iPhone

On Dec 22, 2017, at 12:22 PM, Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)> wrote:

Elaine,

Our attorney reviewed the agreement and had a specific concern before we sign it.

He would like it to spell out how the cost will be divided among the cooperatives(straight split, % of contract, etc.) and also how we would handle someone deciding not to participate or someone else deciding to participate in the future. In general terms, we said we would share the cost, but he does bring up a valid concern we need to address.

Carol, Mark, or Mike.....Do you have any thoughts on how you want to handle this? I do not have any strong feelings, but feel we do need to decide before we get too far along.

Have a great Christmas!

Tim

**From:** Elaine Johns [<mailto:Elaine.Johns@enervision-inc.com>]  
**Sent:** Thursday, December 14, 2017 11:29 AM

**To:** Tim Sharp <tisharp@srelectric.com>  
**Subject:** EnerVision Professional Services Agreement

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

Hi, Tim -- I hope the information I sent yesterday will be helpful for your discussions with your board. Please let me know if you need anything else.

Attached is our Professional Services Agreement. Please let me know if you have any comments. You will see in the description dollar estimates for each Phase of the project, these dollars are for the entire group. Usually, the cooperatives will determine together how they will divide up our fees and expenses.

We can execute via scans if that's ok with you. Merry Christmas! Thanks,  
Elaine

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<EnerVison-Salt River PSA.docx>

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[Forget previous vote](#)

**Missy Moore**

---

**From:** Sally Witt <sally.witt@ekpc.coop>  
**Sent:** Thursday, December 14, 2017 11:50 AM  
**To:** Mark Stallons  
**Cc:** David Crews; Julie Tucker  
**Subject:** Amendment 3 Allotment Oct 2017 for distribution.xlsx  
**Attachments:** Amendment 3 Allotment Oct 2017 for distribution.xlsx

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

Hi Mark!

Attached is the Amendment 3 allotment back-up data you requested.

Please let us know if you have questions.

Sally P. Witt  
859-745-9641

**A3 Allotments, Based on Data Through November 2017**

Owner-Member Cooperative	EKPC CP (MW) for Month of			Average	Load Ratio Share	15% Election
	Feb. 2015	Jan. 2016	Jan. 2017			
Big Sandy	89.5	64.8	56.9	70.4	3.5	10.6
Blue Grass	410.9	315.9	324.4	350.4	17.5	53.4
Clark	154.0	114.8	113.6	127.5	6.4	19.1
Cumberland Valley	158.3	120.7	109.6	129.6	6.5	19.5
Farmers	136.4	120.5	115.9	124.2	6.2	18.8
Fleming Mason	196.9	179.2	166.9	181.0	9.0	27.4
Grayson	85.2	62.8	57.6	68.5	3.4	10.3
Inter-County	171.1	126.1	134.1	143.8	7.2	21.8
Jackson	325.6	241.4	230.2	265.7	13.3	40.1
Licking Valley	88.6	62.7	58.7	70.0	3.5	10.6
Nolin	211.1	188.1	199.1	199.4	10.0	31.1
Owen	347.4	313.0	350.7	337.0	16.9	61.7
Salt River	314.4	248.7	262.0	275.0	13.8	41.8
Shelby	120.5	102.0	99.6	107.4	5.4	16.3
South Kentucky	458.9	352.2	353.4	388.2	19.4	58.5
Taylor	159.4	126.6	139.1	141.7	7.1	21.4
<b>Total</b>	<b>3,428.1</b>	<b>2,739.5</b>	<b>2,771.8</b>	<b>2,979.8</b>	<b>149.0</b>	<b>462.3</b>

**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Wednesday, December 13, 2017 2:07 PM  
**To:** Mark Stallons; Mike Williams; tsharp@srelectric.com; carolwright@jacksonenergy.com  
**Subject:** Amendment 3 Market Assessment

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

All, we have prepared the information below for your consideration of Amendment 3. I think we captured everything you requested. Please let me know if you have any questions. My contact information is at the bottom of this email.

Thanks,  
Elaine

**Current Market Estimates**

Estimated EKPC range (including NITS and Ancillaries)	\$64.45 - \$94.11
Estimated EKPC range (excluding NITS and Ancillaries)	\$62.71 - \$91.36
<b>Equivalent market estimates (\$/MWh)</b>	
5 year range	\$38.00 - \$43.00
10 year range	\$38.00 - \$44.00
15 year range	\$40.00 - \$45.00
20 year range	\$41.00 - \$49.00

**Pros**

- Net savings by purchasing energy at a lower rate from the market rather than from EKPC
- Purchase less energy at the EKPC rate, which is likely to increase as other members make Amendment 3 purchases
- Avoid taking on share of EKPC expenses no longer paid by other members making Amendment 3 purchases (if not participating)

**Cons**

- New expenses associated with administering contract for Amendment 3 purchase (could be shared with other participating cooperatives)
- New skill/knowledge for coop staff to learn
- PSC Exposure: Need for PSC approval of Amendment 3 purchase (RUS approval also needed but expected to be no issue)
- Breaking "agreement" with other EKPC members regarding use of Amendment 3 purchases

**Anticipated Billing Changes**

With the implementation of Amendment 3, anticipated changes to the cooperatives' month billings are listed below. The bulk of this information is located in the MOU, Section 5(E). EKPC is currently producing a mock bill for SKRECC.

- Section 5E(i) outline's EKPC's role to provide replacement capacity and energy should the Alternate Source not deliver sufficient capacity or energy to serve the Owner Member's actual load intended to be served by the Alternate Source. In this situation, EKPC will purchase replacement capacity and energy and charge the Owner Member, and not at rates under the Wholesale Power Contract. This

Witness: Mark Stallons

means an Alternate Source contract should address failure to deliver, as EKPC may purchase capacity and energy at then-current PJM prices, which may be higher than the prices from the Alternate Source.

- Section 5E(iv) describes how EKPC will pass through all revenues, credits, and charges from PJM associated with the Alternate Source. This includes day-ahead and real-time energy market, PJM capacity market, PJM operating reserve, and PJM operating services necessary to serve the load served by the Alternative Source.
- Section 5E(vi) states that the Owner Member will pay an administrative fee to EKPC to cover the increased operation and administrative costs. This fee has not been finalized, but we anticipate this to be small relative to the overall savings.
- Section 5E(vii) outlines how EKPC or EKPC's agent will manage the PJM market participant activities for the Alternate Source and related load. This includes a non-discriminatory, cost-based fee that Owner Member shall pay to EKPC for these market services.
- New PJM membership will be necessary. This includes filing a one-time Application with a fee of \$1,500 and providing an Annual Membership Fee of \$5,000.

**Proposed Schedule**

Notice:	ASAP (to ensure place in queue with little risk because market is lower than EKPC) or by end of January 2018
RFP release:	January 1
Bids due:	February 1
Short list:	March 15
Contract negotiations & Board approvals:	May 15
Approvals (RUS, PSC):	November 1
Commencement:	June 2019

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**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Tuesday, December 19, 2017 5:17 PM  
**To:** Mark Stallons; tjsharp@srelectric.com; carolwright@jacksonenergy.com  
**Cc:** Mike Williams  
**Subject:** Discussion Follow-Up

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Guys – I just wanted to put a tickler in your ear:

- Please send me your 5-minute elevator speech on your coop (who you are, where you're located, how many member and meters, miles of line, etc.)
- Did you happen to get the latest Amendment 3 Allocators through November 2017?

Draft RFP (after I drop in your elevator speeches!) and Power Supply Market slide deck coming in the morning – Thanks, Elaine

**Elaine Johns** President/CEO

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**Missy Moore**

---

**From:** Terri Combs <terri.combs@ekpc.coop>  
**Sent:** Monday, December 18, 2017 11:49 AM  
**To:** Mike Williams (mikew@bgenergy.com); Mark Stallons; Tim Sharp; Carol Wright  
**Cc:** Tony Campbell; Don Mosier; Mike McNalley; David Crews; Kelli Gibson; Kim Fyffe  
**Subject:** meeting after KAEC meeting

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Tony would like you to meet with him immediately following the KAEC Board meeting tomorrow to continue the Amendment 3 discussion. EKPC staff members (Mike McNalley, Don Mosier and David Crews) will be participating via a conference call.

The conference call information is as follows:

Toll-Free Dial-In: 1-877-597-2663  
Conference ID: 2213450  
Moderator PIN: 4689 (Tony will moderate)

Please let me know if you will be able to meet with him to participate on this call. Thank you so much.

Regards,

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](mailto:Terri.combs@ekpc.coop)



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## Missy Moore

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Tuesday, December 19, 2017 6:18 PM  
**To:** Mark Stallons; tjsharp@srelectric.com; carolwright@jacksonenergy.com  
**Cc:** Mike Williams  
**Subject:** Power Supply Attorneys

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Don Howell  
Andrews Kurth  
281-798-3833 (cell)  
713-220-3892 (office)  
[dhowell@andrewskurth.com](mailto:dhowell@andrewskurth.com)

Bill DeGrandis  
Paul Hastings  
703-819-1379 (cell)  
202-551-1720 (office)  
[billdegrandis@paulhastings.com](mailto:billdegrandis@paulhastings.com)

Charles Autry  
Autry, Hall & Cook  
678-232-3203 (cell)  
770-270-7945 (office)  
[autry@ahclaw.com](mailto:autry@ahclaw.com)

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**Missy Moore**

---

**From:** David Crews <David.Crews@ekpc.coop>  
**Sent:** Monday, December 11, 2017 5:43 PM  
**To:** Mark Stallons  
**Subject:** Re: Amendment 3 load calculations

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

Thanks.

Will do.

Sent from my iPhone

On Dec 11, 2017, at 3:33 PM, Mark Stallons <mstallons@owenelectric.com<mailto:mstallons@owenelectric.com>> wrote:

David,

Thanks for the handout and presentation at Strategic Issues this afternoon. Hope you are feeling better soon.

As Owen moves forward with our due diligence, please forward Owen's detail load spreadsheet used to calculate the 61.7MW 15% threshold and the 16.9MW 5% load share shown in the handout distributed at the SI Committee Meeting this afternoon.

Thanks,

Mark

Mark Stallons  
Sent from my iPhone

**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Thursday, December 14, 2017 4:51 PM  
**To:** Mark Stallons; Mike Williams; tjsharp@srelectric.com; carolwright@jacksonenergy.com  
**Subject:** RE: Amendment 3 Market Assessment

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

I received a clarifying question from Blue Grass today and realized that I left out some details – sorry!

The ranges below for the market estimates: The low end is the price estimate at the start of the contract (2020). The high end is the price at the end of the contract (includes cost escalations).

The market estimates include NITS and ancillaries, thus are comparable to the EKPC range of \$64.45 - \$94.11.

Approximate breakouts of capacity, energy and NITS & ancillaries within the prices:

- Energy 75-78%
- Capacity 11-13%
- NITS & Anc. 10-13%

Please let me know if you have any questions! Thanks,  
Elaine

**From:** Elaine Johns  
**Sent:** Wednesday, December 13, 2017 2:07 PM  
**To:** mstallons@owenelectric.com; 'Mike Williams' <mikew@bgenenergy.com>; 'tjsharp@srelectric.com' <tjsharp@srelectric.com>; 'carolwright@jacksonenergy.com' <carolwright@jacksonenergy.com>  
**Subject:** Amendment 3 Market Assessment

All, we have prepared the information below for your consideration of Amendment 3. I think we captured everything you requested. Please let me know if you have any questions. My contact information is at the bottom of this email.

Thanks,  
Elaine

**Current Market Estimates**

Estimated EKPC range (including NITS and Ancillaries)	\$64.45 - \$94.11
Estimated EKPC range (excluding NITS and Ancillaries)	\$62.71 - \$91.36
Equivalent market estimates (\$/MWh)	
5 year range	\$38.00 - \$43.00
10 year range	\$38.00 - \$44.00
15 year range	\$40.00 - \$45.00
20 year range	\$41.00 - \$49.00

**Pros**

- Net savings by purchasing energy at a lower rate from the market rather than from EKPC

Witness: Mark Stallons

- Purchase less energy at the EKPC rate, which is likely to increase as other members make Amendment 3 purchases
- Avoid taking on share of EKPC expenses no longer paid by other members making Amendment 3 purchases (if not participating)

**Cons**

- New expenses associated with administering contract for Amendment 3 purchase (could be shared with other participating cooperatives)
- New skill/knowledge for coop staff to learn
- PSC Exposure: Need for PSC approval of Amendment 3 purchase (RUS approval also needed but expected to be no issue)
- Breaking "agreement" with other EKPC members regarding use of Amendment 3 purchases

**Anticipated Billing Changes**

With the implementation of Amendment 3, anticipated changes to the cooperatives' month billings are listed below. The bulk of this information is located in the MOU, Section 5(E). EKPC is currently producing a mock bill for SKRECC.

- Section 5E(i) outline's EKPC's role to provide replacement capacity and energy should the Alternate Source not deliver sufficient capacity or energy to serve the Owner Member's actual load intended to be served by the Alternate Source. In this situation, EKPC will purchase replacement capacity and energy and charge the Owner Member, and not at rates under the Wholesale Power Contract. This means an Alternate Source contract should address failure to deliver, as EKPC may purchase capacity and energy at then-current PJM prices, which may be higher than the prices from the Alternate Source.
- Section 5E(iv) describes how EKPC will pass through all revenues, credits, and charges from PJM associated with the Alternate Source. This includes day-ahead and real-time energy market, PJM capacity market, PJM operating reserve, and PJM operating services necessary to serve the load served by the Alternative Source.
- Section 5E(vi) states that the Owner Member will pay an administrative fee to EKPC to cover the increased operation and administrative costs. This fee has not been finalized, but we anticipate this to be small relative to the overall savings.
- Section 5E(vii) outlines how EKPC or EKPC's agent will manage the PJM market participant activities for the Alternate Source and related load. This includes a non-discriminatory, cost-based fee that Owner Member shall pay to EKPC for these market services.
- New PJM membership will be necessary. This includes filing a one-time Application with a fee of \$1,500 and providing an Annual Membership Fee of \$5,000.

**Proposed Schedule**

Notice:	ASAP (to ensure place in queue with little risk because market is lower than EKPC) or by end of January 2018
RFP release:	January 1
Bids due:	February 1
Short list:	March 15
Contract negotiations & Board approvals:	May 15
Approvals (RUS, PSC):	November 1
Commencement:	June 2019

**Elaine Johns** President/CEO

T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840

[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Monday, December 11, 2017 6:00 PM  
**To:** Mike Williams  
**Cc:** Mark Stallons; Tim Sharp  
**Subject:** Re: EnerVision KY Group Call

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

Will do the same....

Sent from my iPhone

On Dec 11, 2017, at 5:37 PM, Mike Williams <[mikew@bgenergy.com](mailto:mikew@bgenergy.com)> wrote:

I will call from cell as well.

Thanks,  
Mike Williams

On Dec 11, 2017, at 5:11 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Carol,

I will probably call from my cell phone on the way in to EKPC and then meet in an open conference room.

Mark

Mark Stallons  
Sent from my iPhone

On Dec 11, 2017, at 5:05 PM, Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)> wrote:

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Yes. Are we calling from Ek?

Sent from my iPhone

On Dec 11, 2017, at 4:54 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Tim, Carol & Mike,

Are you available for a call with Elaine Johns tomorrow morning at 8:45am before EKPC?

Thanks,

Mark

Mark Stallons  
Sent from my iPhone

Begin forwarded message:

**From:** "Elaine Johns"  
<[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**To:** "Mark Stallons"  
<[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>, "[mikew@bgenenergy.com](mailto:mikew@bgenenergy.com)"  
<[mikew@bgenenergy.com](mailto:mikew@bgenenergy.com)>  
**Subject: EnerVision KY Group Call**

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## Missy Moore

---

**From:** Terri Combs <terri.combs@ekpc.coop>  
**Sent:** Monday, December 18, 2017 12:36 PM  
**To:** 'Carol Wright'  
**Cc:** Mike Williams (mikew@bgenergy.com); Mark Stallons; Tim Sharp; Tony Campbell; Don Mosier; Mike McNalley; David Crews; Kelli Gibson; Kim Fyffe  
**Subject:** RE: meeting after KAEC meeting

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

Yes, sorry Carol. Tony said it will be after the statewide safety goals meeting.

Thanks,  
T.

**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Monday, December 18, 2017 12:18 PM  
**To:** Terri Combs <terri.combs@ekpc.coop>  
**Cc:** Mike Williams (mikew@bgenergy.com) <mikew@bgenergy.com>; mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>; Tony Campbell <tony.campbell@ekpc.coop>; Don Mosier <Don.Mosier@ekpc.coop>; Mike McNalley <Michael.McNalley@ekpc.coop>; David Crews <David.Crews@ekpc.coop>; Kelli Gibson <KGibson@kaec.org>; Kim Fyffe <Kim.Fyffe@ekpc.coop>  
**Subject:** Re: meeting after KAEC meeting

All CEO's were suppose to meet regarding setting statewide safety goals immediately following the KAEC meeting during lunch.

Could we participate after that meeting?

Carol

Sent from my iPhone

On Dec 18, 2017, at 11:49 AM, Terri Combs <[terri.combs@ekpc.coop](mailto:terri.combs@ekpc.coop)> wrote:

Tony would like you to meet with him immediately following the KAEC Board meeting tomorrow to continue the Amendment 3 discussion. EKPC staff members (Mike McNalley, Don Mosier and David Crews) will be participating via a conference call.

The conference call information is as follows:

Toll-Free Dial-In:	1-877-597-2663
Conference ID:	2213450
Moderator PIN:	4689 (Tony will moderate)

Please let me know if you will be able to meet with him to participate on this call. Thank you so much.

Regards,  
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](mailto:Terri.combs@ekpc.coop)



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**Missy Moore**

---

**From:** Terri Combs <terri.combs@ekpc.coop>  
**Sent:** Monday, December 18, 2017 2:06 PM  
**To:** 'Carol Wright'  
**Cc:** Mike Williams (mikew@bgenergy.com); Mark Stallons; Tim Sharp; Tony Campbell; Don Mosier; Mike McNalley; David Crews; Kelli Gibson; Kim Fyffe  
**Subject:** RE: meeting after KAEC meeting

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Tomorrow's meeting will be held in the Rockbridge room.

**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Monday, December 18, 2017 2:05 PM  
**To:** Terri Combs <terri.combs@ekpc.coop>  
**Cc:** Mike Williams (mikew@bgenergy.com) <mikew@bgenergy.com>; mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>; Tony Campbell <tony.campbell@ekpc.coop>; Don Mosier <Don.Mosier@ekpc.coop>; Mike McNalley <Michael.McNalley@ekpc.coop>; David Crews <David.Crews@ekpc.coop>; Kelli Gibson <KGibson@kaec.org>; Kim Fyffe <Kim.Fyffe@ekpc.coop>  
**Subject:** Re: meeting after KAEC meeting

Thank you, I will attend.

Carol

Sent from my iPhone

On Dec 18, 2017, at 12:35 PM, Terri Combs <terri.combs@ekpc.coop> wrote:

Yes, sorry Carol. Tony said it will be after the statewide safety goals meeting.

Thanks,  
T.

**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Monday, December 18, 2017 12:18 PM  
**To:** Terri Combs <terri.combs@ekpc.coop>  
**Cc:** Mike Williams (mikew@bgenergy.com) <mikew@bgenergy.com>; mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>; Tony Campbell <tony.campbell@ekpc.coop>; Don Mosier <Don.Mosier@ekpc.coop>; Mike McNalley <Michael.McNalley@ekpc.coop>; David Crews <David.Crews@ekpc.coop>; Kelli Gibson <KGibson@kaec.org>; Kim Fyffe <Kim.Fyffe@ekpc.coop>  
**Subject:** Re: meeting after KAEC meeting

All CEO's were suppose to meet regarding setting statewide safety goals immediately following the KAEC meeting during lunch.

Could we participate after that meeting?

Carol

Sent from my iPhone

On Dec 18, 2017, at 11:49 AM, Terri Combs <[terri.combs@ekpc.coop](mailto:terri.combs@ekpc.coop)> wrote:

Tony would like you to meet with him immediately following the KAEC Board meeting tomorrow to continue the Amendment 3 discussion. EKPC staff members (Mike McNalley, Don Mosier and David Crews) will be participating via a conference call.

The conference call information is as follows:

Toll-Free Dial-In:	1-877-597-2663
Conference ID:	2213450
Moderator PIN:	4689 (Tony will moderate)

Please let me know if you will be able to meet with him to participate on this call. Thank you so much.

Regards,  
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](mailto:Terri.combs@ekpc.coop)

<image001.jpg>

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**Missy Moore**

---

**From:** Elaine Johns <ElaineJohns@enervision-inc.com>  
**Sent:** Wednesday, December 20, 2017 4:27 PM  
**To:** Mark Stallons; tjsharp@srelectric.com; carolwright@jacksonenergy.com  
**Cc:** Mike Williams  
**Subject:** RE: Power Supply Attorneys

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I wanted to add one more for your consideration. He is my go-to person on power supply contracting issues, but he is not a practicing attorney. He is very deadly though, an attorney and CPA, both. Extremely knowledgeable to coop accounting, too. Our NC clients use him for legalise and contract development, even though he is not a practicing attorney.

J.W. Rayder  
Ashby Consulting  
501-951-4196 (cell)  
301-656-2468 (office)  
[jwrayder@aol.com](mailto:jwrayder@aol.com)

**From:** Elaine Johns  
**Sent:** Tuesday, December 19, 2017 6:18 PM  
**To:** mstallons@owenelectric.com; 'tjsharp@srelectric.com' <tjsharp@srelectric.com>; 'carolwright@jacksonenergy.com' <carolwright@jacksonenergy.com>  
**Cc:** 'Mike Williams' <mikew@bgenergy.com>  
**Subject:** Power Supply Attorneys

Don Howell  
Andrews Kurth  
281-798-3833 (cell)  
713-220-3892 (office)  
[dhowell@andrewskurth.com](mailto:dhowell@andrewskurth.com)

Bill DeGrandis  
Paul Hastings  
703-819-1379 (cell)  
202-551-1720 (office)  
[billdegrandis@paulhastings.com](mailto:billdegrandis@paulhastings.com)

Charles Autry  
Autry, Hall & Cook  
678-232-3203 (cell)  
770-270-7945 (office)  
[autry@ahclaw.com](mailto:autry@ahclaw.com)

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**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Wednesday, December 20, 2017 7:39 AM  
**To:** Mark Stallons  
**Cc:** tjsharp@srelectric.com; carolwright@jacksonenergy.com; Mike Williams; Mary Ellen Cole  
**Subject:** Re: Stuff

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

FYI - SKREC execute their 15% contract last night.

Sent from my iPad

On Dec 19, 2017, at 10:23 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Thanks, I will get back with you tomorrow.

Mark

Mark Stallons  
Sent from my iPhone

On Dec 19, 2017, at 8:50 PM, Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)> wrote:

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

All, I have attached 2 items:

1. A PowerPoint slide deck to introduce you and your board to power supply market concepts and our RFP process. There is a lot here, as we have outlined most steps involved in the RFP process. Please let me know if you'd like to discuss.
2. A draft of the RFP document. You will see at the end of the document is where your 5-minute elevator speech is inserted. For illustrative purposes, we have inserted a partial example of Owen's information. Note: we have defined the RFP release date as this **Friday, Dec. 22**.

Please feel free to call me to discuss. Thanks,  
Elaine

**Elaine Johns** President/CEO  
T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840  
[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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Witness: Mark Stallons

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<EVI Power Supply Intro.pptx>

<Kentucky Group RFP 12 2017 Draft.docx>

---

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[Forget previous vote](#)



**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Tuesday, December 19, 2017 8:50 PM  
**To:** Mark Stallons; tjsharp@srelectric.com; carolwright@jacksonenergy.com  
**Cc:** Mike Williams; Mary Ellen Cole  
**Subject:** Stuff  
**Attachments:** EVI Power Supply Intro.pptx; Kentucky Group RFP 12 2017 Draft.docx

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

All, I have attached 2 items:

1. A PowerPoint slide deck to introduce you and your board to power supply market concepts and our RFP process. There is a lot here, as we have outlined most steps involved in the RFP process. Please let me know if you'd like to discuss.
2. A draft of the RFP document. You will see at the end of the document is where your 5-minute elevator speech is inserted. For illustrative purposes, we have inserted a partial example of Owen's information. Note: we have defined the RFP release date as this **Friday, Dec. 22**.

Please feel free to call me to discuss. Thanks,  
Elaine

**Elaine Johns** President/CEO  
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**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Friday, December 8, 2017 8:33 AM  
**To:** Mark Stallons  
**Subject:** Checking in

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

Checking in, have you heard from EKPC? If you haven't talked with her yet, could you ask how they treated Nucor when they interrupted? Per the MOU (and as you recall), EKPC should add back the interrupted capacity if Nucor interrupted at the CP. I don't know how much verification you want to do, but since you don't have that data, you may want to ask them for the interruption data to the CP.

Happy Friday!  
Elaine

**Elaine Johns President/CEO**

T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840  
[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Mike Cobb  
**Sent:** Wednesday, December 6, 2017 4:08 PM  
**To:** Elaine Johns; Mark Stallons; Missy Moore  
**Cc:** April Brown; Rusty Williams; James M Crawford (jcrawford@cbkylaw.com)  
**Subject:** RE: Amendment 3 - Owen Electric Cooperative

Elaine,  
 Nucor has 15,000 KW of firm load, the balance is interruptible.  
 Mike

-----Original Message-----

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Wednesday, December 06, 2017 4:04 PM  
**To:** Mark Stallons; Missy Moore  
**Cc:** April Brown; Mike Cobb; Rusty Williams; James M Crawford (jcrawford@cbkylaw.com)  
**Subject:** RE: Amendment 3 - Owen Electric Cooperative

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One question with regards to Nucor - is it 100% interruptible?

-----Original Message-----

**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Wednesday, December 6, 2017 11:58 AM  
**To:** Missy Moore <mmoore@owenelectric.com>; Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Cc:** April Brown <abrown@owenelectric.com>; Mike Cobb <mcobb@owenelectric.com>; Rusty Williams <rwilliams@owenelectric.com>; James M Crawford (jcrawford@cbkylaw.com) <jcrawford@cbkylaw.com>  
**Subject:** RE: Amendment 3 - Owen Electric Cooperative

Elaine,

Please take a look at section 3.(A)(iii) of the MOU. The key phrase in determining if we are constrained to 5% is in parenthesis "(including the load proposed to be served by the Owner Member's new Alternate Source). My conclusion from reading the language of section 3.(A)(iii) and section 3.(A)(iv) is as follows:

1. We must add the aggregate Alternate Load presently served plus loads with notice given plus our proposed load.
2. If the total of step 1 exceeds that 2.5% threshold, then we are constrained to 5%.
3. According to David Crews' email the total Amendment 3 load presently served is as follows:
  - a. Jackson Irvine LFGTE 1.6 MW
  - b. Jackson Dupree Energy 1.0 MW
  - c. Farmers Federal Mogul DG 3.6 MW
  - d. Glasgow LFGTE 1.0 MW
  - e. Salt River Lock 7 2.0 MW
  - f. Owen DG 2.0 MW

Total 11.2 MW

4. Notice Alternate Source load is as follows:

a. S KY PPA 58 MW

5. Owen's proposed at 5% 20 MW

The total of the three existing, noticed plus Owen's proposed equals 89.2 MW while the 2.5% threshold based on David Crews email is approximately 74.5 MW. As a result we and all others that follow will be limited to 5%.

I can discuss at your convenience.

Thanks,

Mark

-----Original Message-----

From: Missy Moore

Sent: Wednesday, December 06, 2017 9:47 AM

To: Elaine.Johns@enervision-inc.com

Cc: Mark Stallons <mstallons@owenelectric.com>

Subject: Amendment 3 - Owen Electric Cooperative

Elaine,

Amendment 3 agreement attached.

Thank you,

Missy K. Moore

Executive Assistant

Owen Electric Cooperative

PO Box 400

Owenton, KY 40359

Direct: 502-563-3501

Email: mmoore@owenelectric.com

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-----Original Message-----

From: CEOKyocera@owenelectric.com [mailto:CEOKyocera@owenelectric.com]

Sent: Wednesday, December 6, 2017 9:41 AM

To: Missy Moore <mmoore@owenelectric.com>

Subject:

-----  
ECOSYS M6535cidn  
[00:17:c8:01:c8:b8]  
-----

--  
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Fraud/Phish:

<https://antispam.roaringpenguin.com/canit/b.php?c=p&i=0bUGEWt4N&m=72d5df422858&rlm=enervision-inc-com&t=20171206>

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-----  
END-ANTISPAM-VOTING-LINKS

**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Wednesday, December 6, 2017 4:21 PM  
**To:** Mike Cobb  
**Cc:** Mark Stallons; Missy Moore; April Brown; Rusty Williams; James M Crawford (jcrawford@cbkylaw.com)  
**Subject:** Re: Amendment 3 - Owen Electric Cooperative

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

Did EKPC add the interruptible load back in?

Sent from my iPhone

On Dec 6, 2017, at 4:07 PM, Mike Cobb <[mcobb@owenelectric.com](mailto:mcobb@owenelectric.com)> wrote:

Elaine,  
Nucor has 15,000 KW of firm load, the balance is interruptible.  
Mike

-----Original Message-----

From: Elaine Johns [<mailto:Elaine.Johns@enervision-inc.com>]  
Sent: Wednesday, December 06, 2017 4:04 PM  
To: Mark Stallons; Missy Moore  
Cc: April Brown; Mike Cobb; Rusty Williams; James M Crawford ([jcrawford@cbkylaw.com](mailto:jcrawford@cbkylaw.com))  
Subject: RE: Amendment 3 - Owen Electric Cooperative

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

One question with regards to Nucor - is it 100% interruptible?

-----Original Message-----

From: Mark Stallons [<mailto:mstallons@owenelectric.com>]  
Sent: Wednesday, December 6, 2017 11:58 AM  
To: Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>; Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
Cc: April Brown <[abrown@owenelectric.com](mailto:abrown@owenelectric.com)>; Mike Cobb <[mcobb@owenelectric.com](mailto:mcobb@owenelectric.com)>; Rusty Williams <[rwilliams@owenelectric.com](mailto:rwilliams@owenelectric.com)>; James M Crawford ([jcrawford@cbkylaw.com](mailto:jcrawford@cbkylaw.com)) <[jcrawford@cbkylaw.com](mailto:jcrawford@cbkylaw.com)>  
Subject: RE: Amendment 3 - Owen Electric Cooperative

Elaine,

Please take a look at section 3.(A)(iii) of the MOU. The key phrase in determining if we are constrained to 5% is in parenthesis "(including the load proposed to be served by the Owner Member's new Alternate Source). My conclusion from reading the language of section 3.(A)(iii) and section 3.(A)(iv) is as follows:

1. We must add the aggregate Alternate Load presently served plus loads with notice given plus our proposed load.
2. If the total of step 1 exceeds that 2.5% threshold, then we are constrained to 5%.
3. According to David Crews' email the total Amendment 3 load presently served is as follows:

a.	Jackson Irvine LFGTE	1.6 MW
b.	Jackson Dupree Energy	1.0 MW
c.	Farmers Federal Mogul DG	3.6 MW
d.	Glasgow LFGTE	1.0 MW
e.	Salt River Lock 7	2.0 MW
f.	Owen DG	2.0 MW
-----		
	Total	11.2 MW

4. Notice Alternate Source load is as follows:
  - a. S KY PPA 58 MW
5. Owen's proposed at 5% 20 MW

The total of the three existing, noticed plus Owen's proposed equals 89.2 MW while the 2.5% threshold based on David Crews email is approximately 74.5 MW. As a result we and all others that follow will be limited to 5%.

I can discuss at your convenience.

Thanks,

Mark

-----Original Message-----

From: Missy Moore  
 Sent: Wednesday, December 06, 2017 9:47 AM  
 To: [Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)  
 Cc: Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
 Subject: Amendment 3 - Owen Electric Cooperative

Elaine,

Amendment 3 agreement attached.

Thank you,  
 Missy K. Moore  
 Exectutive Assistant

Owen Electric Cooperative  
 PO Box 400  
 Owenton, KY 40359

Direct: 502-563-3501

Email: [mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)

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-----Original Message-----

From: [CEOKyocera@owenelectric.com](mailto:CEOKyocera@owenelectric.com) [<mailto:CEOKyocera@owenelectric.com>]

Sent: Wednesday, December 6, 2017 9:41 AM

To: Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>

Subject:

-----  
ECOSYS M6535cidn

[00:17:c8:01:c8:b8]  
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BEGIN-ANTISPAM-VOTING-LINKS  
-----

Teach CanIt if this mail (ID 0bUGJ7zBi) is spam:

Spam: <https://antispam.roaringpenguin.com/canit/b.php?c=s&i=0bUGJ7zBi&m=84734ae0c969&rlm=enervision-inc-com&t=20171206>

Fraud/Phish:

<https://antispam.roaringpenguin.com/canit/b.php?c=p&i=0bUGJ7zBi&m=84734ae0c969&rlm=enervision-inc-com&t=20171206>

Not

spam: <https://antispam.roaringpenguin.com/canit/b.php?c=n&i=0bUGJ7zBi&m=84734ae0c969&rlm=enervision-inc-com&t=20171206>

Forget vote:

<https://antispam.roaringpenguin.com/canit/b.php?c=f&i=0bUGJ7zBi&m=84734ae0c969&rlm=enervision-inc-com&t=20171206>

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END-ANTISPAM-VOTING-LINKS



**Missy Moore**

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**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Wednesday, December 6, 2017 4:32 PM  
**To:** Mark Stallons  
**Cc:** Mike Cobb; Missy Moore; April Brown; Rusty Williams; James M Crawford (jcrowford@cbkylaw.com)  
**Subject:** Re: Amendment 3 - Owen Electric Cooperative

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Did Nucor interrupt during EKPC peak hours? Those should be added back.

Sent from my iPhone

On Dec 6, 2017, at 4:28 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Elaine,

When we negotiated the MOU, EKPC wanted to exclude interruptible loads such as NUCOR. I told them that NUCOR had to be included for us to sign the agreement.

Mark

Mark Stallons  
Sent from my iPhone

On Dec 6, 2017, at 4:20 PM, Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)> wrote:

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

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Subject: RE: Amendment 3 - Owen Electric Cooperative

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One question with regards to Nucor - is it 100% interruptible?

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Sent: Wednesday, December 6, 2017 11:58 AM  
To: Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>; Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
Cc: April Brown <[abrown@owenelectric.com](mailto:abrown@owenelectric.com)>; Mike Cobb <[mcobb@owenelectric.com](mailto:mcobb@owenelectric.com)>; Rusty Williams <[rwilliams@owenelectric.com](mailto:rwilliams@owenelectric.com)>; James M Crawford ([jcrawford@cbkylaw.com](mailto:jcrawford@cbkylaw.com)) <[jcrawford@cbkylaw.com](mailto:jcrawford@cbkylaw.com)>  
Subject: RE: Amendment 3 - Owen Electric Cooperative

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Total 11.2 MW

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The total of the three existing, noticed plus Owen's proposed equals 89.2 MW while the 2.5% threshold based on David Crews email is approximately 74.5 MW. As a result we and all others that follow will be limited to 5%.

I can discuss at your convenience.

Thanks,

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From: Missy Moore

Sent: Wednesday, December 06, 2017 9:47 AM

To: [Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)

Cc: Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>

Subject: Amendment 3 - Owen Electric Cooperative

Elaine,

Amendment 3 agreement attached.

Thank you,  
Missy K. Moore  
Executive Assistant

Owen Electric Cooperative  
PO Box 400  
Owenton, KY 40359  
Direct: 502-563-3501  
Email: [mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)

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-----Original Message-----

From: [CEOKyocera@owenelectric.com](mailto:CEOKyocera@owenelectric.com)

[<mailto:CEOKyocera@owenelectric.com>]

Sent: Wednesday, December 6, 2017 9:41 AM

To: Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>

Subject:

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ECOSYS M6535cidn  
[00:17:c8:01:c8:b8]  
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BEGIN-ANTISPAM-VOTING-LINKS

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Teach CanIt if this mail (ID 0bUGJ7zBi) is spam:

Spam:

Fraud/Phish:

Not spam:

Forget vote:

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END-ANTISPAM-VOTING-LINKS

---

Spam | Not spam

Forget previous vote

**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Wednesday, December 6, 2017 4:04 PM  
**To:** Mark Stallons; Missy Moore  
**Cc:** April Brown; Mike Cobb; Rusty Williams; James M Crawford (jcrawford@cbkylaw.com)  
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One question with regards to Nucor - is it 100% interruptible?

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**Sent:** Wednesday, December 6, 2017 11:58 AM  
**To:** Missy Moore <mmoore@owenelectric.com>; Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Cc:** April Brown <abrown@owenelectric.com>; Mike Cobb <mcobb@owenelectric.com>; Rusty Williams <rwilliams@owenelectric.com>; James M Crawford (jcrawford@cbkylaw.com) <jcrawford@cbkylaw.com>  
**Subject:** RE: Amendment 3 - Owen Electric Cooperative

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d.	Glasgow LFGTE	1.0 MW
e.	Salt River Lock 7	2.0 MW
f.	Owen DG	2.0 MW

---

Total	11.2 MW
-------	---------

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a.	S KY PPA	58 MW
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I can discuss at your convenience.

Thanks,

Mark

-----Original Message-----

From: Missy Moore  
Sent: Wednesday, December 06, 2017 9:47 AM  
To: Elaine.Johns@enervision-inc.com  
Cc: Mark Stallons <mstallons@owenelectric.com>  
Subject: Amendment 3 - Owen Electric Cooperative

Elaine,

Amendment 3 agreement attached.

Thank you,  
Missy K. Moore  
Executive Assistant

Owen Electric Cooperative  
PO Box 400  
Owenton, KY 40359  
Direct: 502-563-3501  
Email: mmoore@owenelectric.com

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-----Original Message-----

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Sent: Wednesday, December 6, 2017 9:41 AM  
To: Missy Moore <mmoore@owenelectric.com>  
Subject:

-----  
ECOSYS M6535cidn  
[00:17:c8:01:c8:b8]  
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BEGIN-ANTISPAM-VOTING-LINKS  
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Teach CanIt if this mail (ID 0bUGEWt4N) is spam:

Spam: <https://antispam.roaringpenguin.com/canit/b.php?c=s&i=0bUGEWt4N&m=72d5df422858&rlm=enervision-inc-com&t=20171206>

Fraud/Phish:

<https://antispam.roaringpenguin.com/canit/b.php?c=p&i=0bUGEWt4N&m=72d5df422858&rlm=enervision-inc-com&t=20171206>

Not spam: <https://antispam.roaringpenguin.com/canit/b.php?c=n&i=0bUGEWt4N&m=72d5df422858&rlm=enervision-inc-com&t=20171206>

Forget vote: <https://antispam.roaringpenguin.com/canit/b.php?c=f&i=0bUGEWt4N&m=72d5df422858&rlm=enervision-inc-com&t=20171206>

---

END-ANTISPAM-VOTING-LINKS

**Missy Moore**

---

**From:** Sally Witt <sally.witt@ekpc.coop>  
**Sent:** Friday, December 8, 2017 9:52 AM  
**To:** Mark Stallons  
**Cc:** David Crews; Julie Tucker; Laura Wilson; Yewande Otekeiwebia; Mike Cobb; Jacob Watson  
**Subject:** RE: Amendment 3 load Calculations

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

Hi!

Great morning for chasing rabbits! Lol Here are the differences. In addition to the billed versus actual difference, when I referenced 'Gallatin' in the original email, it was the 345 substation which includes Air Liquide in addition to Gallatin's load. If I move that load to the CP and remove from Gallatin:

Owen Load at EKPC CP	= 236,321 + 7,075	= 243,397	which matches your billing statement for
CP TOD Demand			
Gallatin Actual Demand at EKPC's CP		= 107,286	
Total:		= 350,683	

The other issue is how Gallatin is billed. The statement is Gallatin's peak regardless of EKPC's peak. Amendment 3 calculation is based on EKPC's CP.

I have checked with Accounting and we don't believe you are receiving any reports with Gallatin's peak load coincident with EKPC's peak. The other data is on your bill. We can send you Gallatin's peak every month if you'd like. Just let us know who needs to receive it and we will send an e-mail. And I will account for Air Liquide as shown on the bill in the future.

Let me know if you have any other questions.

Have a great day!  
Sally

-----Original Message-----

**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Thursday, December 07, 2017 3:36 PM  
**To:** Sally Witt <sally.witt@ekpc.coop>  
**Cc:** David Crews <David.Crews@ekpc.coop>  
**Subject:** RE: Amendment 3 load Calculations

Sally,

Is there any billing correspondence that Owen receives each month that shows us our actual demand numbers for the month? Mike Stafford receives a Schedule B Statistics Report that shows Billing demand and CP TOD Demand for each contract schedule B load. It appears that the CP TOD demand may be the actual demand you use in the Amendment 3 calculations. In regards to Nucor, I do not find any reference on the bill to actual demand for the month. Please clarify?



Thanks,

Mark

-----Original Message-----

From: David Crews [mailto:David.Crews@ekpc.coop]  
Sent: Wednesday, December 06, 2017 5:39 PM  
To: Mark Stallons <mstallons@owenelectric.com>  
Subject: Fwd: Amendment 3 load Calculations

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

See the explanation below. Sally included the correspondence from the previous discussion as well.

Sent from my iPad

Begin forwarded message:

From: Sally Witt <sally.witt@ekpc.coop<mailto:sally.witt@ekpc.coop>>  
Date: December 6, 2017 at 3:34:29 PM EST  
To: David Crews <David.Crews@ekpc.coop<mailto:David.Crews@ekpc.coop>>  
Cc: Julie Tucker <julie.tucker@ekpc.coop<mailto:julie.tucker@ekpc.coop>>  
Subject: RE: Amendment 3 load Calculations

Hi!

The difference is billed demand, which includes demand based on contract, versus actual demand at the time of the peak. Mark is using billed demand (see labels in his spreadsheet) and we are using actual demand. For example, see the attached 2 pages from January 2017 Billing Statement to Owen. The 2 orangish highlights equal what Mark has:

Page 1: Grand Total Billing Demand	=	249,016
Page 2: Gallatin Billing Demand	=	148,667
Total:	=	397,883 = Mark's sheet

The Updated Allotment spreadsheet has:

Owen CP	=	236,321
Gallatin Actual Demand	=	114,362
Total:	=	350,683

Owen has other customers on special rates that have contract demands also. All of the contract demand compared to actual demand accounts for the deviation from Mark's calculation to EKPC's values.

This issue was discussed in August 2015 too. See email excerpts below, read from the bottom up.  
Let me know if you need anything else.

Sally

From: David Crews  
Sent: Wednesday, December 06, 2017 10:56 AM  
To: Sally Witt <sally.witt@ekpc.coop<mailto:sally.witt@ekpc.coop>>  
Subject: FW: Amendment 3 load Calculations

From: Mark Stallons [mailto:mstallons@owenelectric.com]  
Sent: Wednesday, December 6, 2017 10:43 AM  
To: David Crews <David.Crews@ekpc.coop<mailto:David.Crews@ekpc.coop>>  
Cc: Mike Cobb <mcobb@owenelectric.com<mailto:mcobb@owenelectric.com>>; April Brown  
<abrown@owenelectric.com<mailto:abrown@owenelectric.com>>  
Subject: Amendment 3 load Calculations

David,

Attached please find our support for our Amendment #3 load calculations. Please have Sally review and let's discuss.

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>

**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Friday, December 8, 2017 2:38 PM  
**To:** Mark Stallons  
**Subject:** RE: Amendment 3 load Calculations

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

So, if you want to verify Sally's calculation that would mean receiving the EKPC CP and the hour for the 3 years and get the Nucor readings for the same CP hours and add their interruption MWs back in.

Interesting that Nucor's billing is Nucor peak not EKPC CPI

Call me when you can --  
Elaine

-----Original Message-----

From: Mark Stallons [mailto:mstallons@owenelectric.com]  
Sent: Friday, December 8, 2017 11:47 AM  
To: Elaine Johns <Elaine.Johns@enervision-inc.com>  
Subject: FW: Amendment 3 load Calculations

FYI

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To: Mark Stallons <mstallons@owenelectric.com>  
Cc: David Crews <David.Crews@ekpc.coop>; Julie Tucker <julie.tucker@ekpc.coop>; Laura Wilson <laura.wilson@ekpc.coop>; Yewande Otekeiwebia <Yewande.Otekeiwebia@ekpc.coop>; Mike Cobb <mcobb@owenelectric.com>; Jacob Watson <Jacob.Watson@ekpc.coop>  
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Sent: Wednesday, December 6, 2017 10:43 AM  
To: David Crews <David.Crews@ekpc.coop<mailto:David.Crews@ekpc.coop>>  
Cc: Mike Cobb <mcobb@owenelectric.com<mailto:mcobb@owenelectric.com>>; April Brown <abrown@owenelectric.com<mailto:abrown@owenelectric.com>>  
Subject: Amendment 3 load Calculations

David,

Attached please find our support for our Amendment #3 load calculations. Please have Sally review and let's discuss.

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>

--

BEGIN-ANTISPAM-VOTING-LINKS

-----  
Teach CanIt if this mail (ID 0bUHsLDc9) is spam:

Spam: <https://emailfilteringservice.net/canit/b.php?c=s&i=0bUHsLDc9&m=e9a46266d915&rlm=enervision-inc-com&t=20171208>

Fraud/Phish: <https://emailfilteringservice.net/canit/b.php?c=p&i=0bUHsLDc9&m=e9a46266d915&rlm=enervision-inc-com&t=20171208>

Not spam: <https://emailfilteringservice.net/canit/b.php?c=n&i=0bUHsLDc9&m=e9a46266d915&rlm=enervision-inc-com&t=20171208>

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-----  
END-ANTISPAM-VOTING-LINKS

**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Friday, December 8, 2017 3:26 PM  
**To:** Mark Stallons; Mike Cobb  
**Subject:** RE: Amendment 3 load Calculations

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

Questions:

1. In her example below, was there an interruption actually called? If it was, why didn't they add back the Nucor interrupted demand?
2. Per the entire EKPC load, the same question #1 applies to all interruptible loads.
3. If EKPC has not accounted for all interruptible loads, the entire Amendment 3 spreadsheet is incorrect.

Let's discuss pursuing questions with EKPC, they could give you more MWs.  
Elaine

-----Original Message-----

From: Mark Stallons [mailto:mstallons@owenelectric.com]  
Sent: Friday, December 8, 2017 11:47 AM  
To: Elaine Johns <Elaine.Johns@enervision-inc.com>  
Subject: FW: Amendment 3 load Calculations

FYI

-----Original Message-----

From: Sally Witt [mailto:sally.witt@ekpc.coop]  
Sent: Friday, December 08, 2017 9:52 AM  
To: Mark Stallons <mstallons@owenelectric.com>  
Cc: David Crews <David.Crews@ekpc.coop>; Julie Tucker <julie.tucker@ekpc.coop>; Laura Wilson <laura.wilson@ekpc.coop>; Yewande Otekeiwebia <Yewande.Otekeiwebia@ekpc.coop>; Mike Cobb <mcobb@owenelectric.com>; Jacob Watson <Jacob.Watson@ekpc.coop>  
Subject: RE: Amendment 3 load Calculations

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

Hi!!

Great morning for chasing rabbits! Lol Here are the differences. In addition to the billed versus actual difference, when I referenced 'Gallatin' in the original email, it was the 345 substation which includes Air Liquide in addition to Gallatin's load. If I move that load to the CP and remove from Gallatin:

Owen Load at EKPC CP	= 236,321 + 7,075 = 243,397	which matches your billing statement for
CP TOD Demand		
Gallatin Actual Demand at EKPC's CP	= 107,286	
Total:	= 350,683	

The other issue is how Gallatin is billed. The statement is Gallatin's peak regardless of EKPC's peak. Amendment 3 calculation is based on EKPC's CP.

I have checked with Accounting and we don't believe you are receiving any reports with Gallatin's peak load coincident with EKPC's peak. The other data is on your bill. We can send you Gallatin's peak every month if you'd like. Just let us know who needs to receive it and we will send an e-mail. And I will account for Air Liquide as shown on the bill in the future.

Let me know if you have any other questions.

Have a great day!  
Sally

-----Original Message-----

From: Mark Stallons [mailto:mstallons@owenelectric.com]  
Sent: Thursday, December 07, 2017 3:36 PM  
To: Sally Witt <sally.witt@ekpc.coop>  
Cc: David Crews <David.Crews@ekpc.coop>  
Subject: RE: Amendment 3 load Calculations

Sally,

Is there any billing correspondence that Owen receives each month that shows us our actual demand numbers for the month? Mike Stafford receives a Schedule B Statistics Report that shows Billing demand and CP TOD Demand for each contract schedule B load. It appears that the CP TOD demand may be the actual demand you use in the Amendment 3 calculations. In regards to Nucor, I do not find any reference on the bill to actual demand for the month. Please clarify?

Thanks,

Mark

-----Original Message-----

From: David Crews [mailto:David.Crews@ekpc.coop]  
Sent: Wednesday, December 06, 2017 5:39 PM  
To: Mark Stallons <mstallons@owenelectric.com>  
Subject: Fwd: Amendment 3 load Calculations

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

See the explanation below. Sally included the correspondence from the previous discussion as well.

Sent from my iPad

Begin forwarded message:

From: Sally Witt <sally.witt@ekpc.coop<mailto:sally.witt@ekpc.coop>>  
Date: December 6, 2017 at 3:34:29 PM EST  
To: David Crews <David.Crews@ekpc.coop<mailto:David.Crews@ekpc.coop>>  
Cc: Julie Tucker <julie.tucker@ekpc.coop<mailto:julie.tucker@ekpc.coop>>



Subject: RE: Amendment 3 load Calculations

Hi!

The difference is billed demand, which includes demand based on contract, versus actual demand at the time of the peak. Mark is using billed demand (see labels in his spreadsheet) and we are using actual demand. For example, see the attached 2 pages from January 2017 Billing Statement to Owen. The 2 orangish highlights equal what Mark has:

Page 1: Grand Total Billing Demand	=	249,016
Page 2: Gallatin Billing Demand	=	148,667
Total:	=	397,883 = Mark's sheet

The Updated Allotment spreadsheet has:

Owen CP	=	236,321
Gallatin Actual Demand	=	114,362
Total:	=	350,683

Owen has other customers on special rates that have contract demands also. All of the contract demand compared to actual demand accounts for the deviation from Mark's calculation to EKPC's values.

This issue was discussed in August 2015 too. See email excerpts below, read from the bottom up.  
Let me know if you need anything else.

Sally

From: David Crews  
Sent: Wednesday, December 06, 2017 10:56 AM  
To: Sally Witt <sally.witt@ekpc.coop<mailto:sally.witt@ekpc.coop>>  
Subject: FW: Amendment 3 load Calculations

From: Mark Stallons [mailto:mstallons@owenelectric.com]  
Sent: Wednesday, December 6, 2017 10:43 AM  
To: David Crews <David.Crews@ekpc.coop<mailto:David.Crews@ekpc.coop>>  
Cc: Mike Cobb <mcobb@owenelectric.com<mailto:mcobb@owenelectric.com>>; April Brown <abrown@owenelectric.com<mailto:abrown@owenelectric.com>>  
Subject: Amendment 3 load Calculations

David,

Attached please find our support for our Amendment #3 load calculations. Please have Sally review and let's discuss.

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>

--  
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Fraud/Phish: <https://emailfilteringservice.net/canit/b.php?c=p&i=0bUHsLDc9&m=e9a46266d915&rlm=enervision-inc-com&t=20171208>

Not spam: <https://emailfilteringservice.net/canit/b.php?c=n&i=0bUHsLDc9&m=e9a46266d915&rlm=enervision-inc-com&t=20171208>

Forget vote: <https://emailfilteringservice.net/canit/b.php?c=f&i=0bUHsLDc9&m=e9a46266d915&rlm=enervision-inc-com&t=20171208>

-----  
END-ANTISPAM-VOTING-LINKS

**Missy Moore**

---

**From:** Sally Witt <sally.witt@ekpc.coop>  
**Sent:** Thursday, December 7, 2017 4:19 PM  
**To:** Mark Stallons  
**Cc:** David Crews; Julie Tucker  
**Subject:** RE: Amendment 3 load Calculations

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

Hi!

I have asked Accounting / Billing to check if that is included anywhere in the billing packet you receive. I will get back to you in the morning.

Hope all is well with you!

Sally

-----Original Message-----

**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Thursday, December 07, 2017 3:36 PM  
**To:** Sally Witt <sally.witt@ekpc.coop>  
**Cc:** David Crews <David.Crews@ekpc.coop>  
**Subject:** RE: Amendment 3 load Calculations

Sally,

Is there any billing correspondence that Owen receives each month that shows us our actual demand numbers for the month? Mike Stafford receives a Schedule B Statistics Report that shows Billing demand and CP TOD Demand for each contract schedule B load. It appears that the CP TOD demand may be the actual demand you use in the Amendment 3 calculations. In regards to Nucor, I do not find any reference on the bill to actual demand for the month. Please clarify?

Thanks,

Mark

-----Original Message-----

**From:** David Crews [mailto:David.Crews@ekpc.coop]  
**Sent:** Wednesday, December 06, 2017 5:39 PM  
**To:** Mark Stallons <mstallons@owenelectric.com>  
**Subject:** Fwd: Amendment 3 load Calculations

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See the explanation below. Sally included the correspondence from the previous discussion as well.

Sent from my iPad

Begin forwarded message:

From: Sally Witt <sally.witt@ekpc.coop<mailto:sally.witt@ekpc.coop>>  
 Date: December 6, 2017 at 3:34:29 PM EST  
 To: David Crews <David.Crews@ekpc.coop<mailto:David.Crews@ekpc.coop>>  
 Cc: Julie Tucker <julie.tucker@ekpc.coop<mailto:julie.tucker@ekpc.coop>>  
 Subject: RE: Amendment 3 load Calculations

Hi!

The difference is billed demand, which includes demand based on contract, versus actual demand at the time of the peak. Mark is using billed demand (see labels in his spreadsheet) and we are using actual demand. For example, see the attached 2 pages from January 2017 Billing Statement to Owen. The 2 orangish highlights equal what Mark has:

Page 1: Grand Total Billing Demand	=	249,016
Page 2: Gallatin Billing Demand	=	148,667
Total:	=	397,883 = Mark's sheet

The Updated Allotment spreadsheet has:

Owen CP	=	236,321
Gallatin Actual Demand	=	114,362
Total:	=	350,683

Owen has other customers on special rates that have contract demands also. All of the contract demand compared to actual demand accounts for the deviation from Mark's calculation to EKPC's values.

This issue was discussed in August 2015 too. See email excerpts below, read from the bottom up.  
 Let me know if you need anything else.

Sally

From: David Crews  
 Sent: Wednesday, December 06, 2017 10:56 AM  
 To: Sally Witt <sally.witt@ekpc.coop<mailto:sally.witt@ekpc.coop>>  
 Subject: FW: Amendment 3 load Calculations

From: Mark Stallons [mailto:mstallons@owenelectric.com]  
 Sent: Wednesday, December 6, 2017 10:43 AM  
 To: David Crews <David.Crews@ekpc.coop<mailto:David.Crews@ekpc.coop>>  
 Cc: Mike Cobb <mcobb@owenelectric.com<mailto:mcobb@owenelectric.com>>; April Brown  
 <abrown@owenelectric.com<mailto:abrown@owenelectric.com>>  
 Subject: Amendment 3 load Calculations

David,

Attached please find our support for our Amendment #3 load calculations. Please have Sally review and let's discuss.

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)<mailto:mstallons@owenelectric.com>

## Missy Moore

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Monday, December 11, 2017 5:05 PM  
**To:** Mark Stallons  
**Cc:** Tim Sharp; Mike Williams  
**Subject:** Re: EnerVision KY Group Call

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

Yes. Are we calling from Ek?

Sent from my iPhone

On Dec 11, 2017, at 4:54 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Tim, Carol & Mike,

Are you available for a call with Elaine Johns tomorrow morning at 8:45am before EKPC?

Thanks,

Mark

Mark Stallons  
Sent from my iPhone

Begin forwarded message:

**From:** "Elaine Johns" <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**To:** "Mark Stallons" <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>, "[mikew@bgenergy.com](mailto:mikew@bgenergy.com)" <[mikew@bgenergy.com](mailto:mikew@bgenergy.com)>  
**Subject:** EnerVision KY Group Call

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

**Missy Moore**

---

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Sent:** Monday, December 11, 2017 5:09 PM  
**To:** Mark Stallons  
**Cc:** Tim Sharp; Mike Williams  
**Subject:** Re: EnerVision KY Group Call

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

Never mind...got your text about call in number

Sent from my iPhone

On Dec 11, 2017, at 4:54 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Tim, Carol & Mike,

Are you available for a call with Elaine Johns tomorrow morning at 8:45am before EKPC?

Thanks,

Mark

Mark Stallons  
Sent from my iPhone

Begin forwarded message:

**From:** "Elaine Johns" <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**To:** "Mark Stallons" <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>, "[mikew@bgenergy.com](mailto:mikew@bgenergy.com)" <[mikew@bgenergy.com](mailto:mikew@bgenergy.com)>  
**Subject:** EnerVision KY Group Call

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

**Missy Moore**

---

**From:** Mike Williams <mikew@bgenergy.com>  
**Sent:** Monday, December 11, 2017 5:37 PM  
**To:** Mark Stallons  
**Cc:** Carol Wright; Tim Sharp  
**Subject:** Re: EnerVision KY Group Call

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

I will call from cell as well.

Thanks,  
Mike Williams

On Dec 11, 2017, at 5:11 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Carol,

I will probably call from my cell phone on the way in to EKPC and then meet in an open conference room.

Mark

Mark Stallons  
Sent from my iPhone

On Dec 11, 2017, at 5:05 PM, Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)> wrote:

**\*\*\* Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email! \*\*\***  
Yes. Are we calling from Ek?

Sent from my iPhone

On Dec 11, 2017, at 4:54 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Tim, Carol & Mike,

Are you available for a call with Elaine Johns tomorrow morning at 8:45am before EKPC?

Thanks,

Mark

Mark Stallons  
Sent from my iPhone



Begin forwarded message:

**From:** "Elaine Johns" <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**To:** "Mark Stallons"  
<[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>,  
"mikew@bgenergy.com" <[mikew@bgenergy.com](mailto:mikew@bgenergy.com)>  
**Subject:** EnerVision KY Group Call

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**Missy Moore**

---

**From:** Tim Sharp <tjsharp@srelectric.com>  
**Sent:** Monday, December 11, 2017 4:56 PM  
**To:** Mark Stallons  
**Cc:** Carol Wright; Mike Williams  
**Subject:** Re: EnerVision KY Group Call

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

Yes

Sent from my iPhone

On Dec 11, 2017, at 4:54 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

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Tim, Carol & Mike,

Are you available for a call with Elaine Johns tomorrow morning at 8:45am before EKPC?

Thanks,

Mark

Mark Stallons  
Sent from my iPhone

Begin forwarded message:

**From:** "Elaine Johns" <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**To:** "Mark Stallons" <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>, "[mikew@bgenergy.com](mailto:mikew@bgenergy.com)" <[mikew@bgenergy.com](mailto:mikew@bgenergy.com)>  
**Subject:** EnerVision KY Group Call

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

**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Friday, December 8, 2017 2:12 PM  
**To:** Mark Stallons  
**Subject:** RE: PPA project

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

Hey, that looks like my sheet that I did yesterday afternoon! I did include Fleming Mason and Nolin. My question is the more you have, the more herding you may have to do. You know the personalities better, how does your thinking line up with the others potentially in the group? Will the level of commitment be similar (and thus the sense of urgency)?

**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Friday, December 8, 2017 11:57 AM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Cc:** Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>  
**Subject:** PPA project

Elaine,

Tim Sharp and Carol Wright at Salt River and Jackson are agreeable to discussing working with Owen and EnerVision on a joint RFP. I am going to call Mike Williams this afternoon. I am also thinking about calling Joni Hazelrigg at Fleming Mason & Mickey Miller at Nolin. Four of us gets us to 50 plus while all six would get us to a 70 plus MW RFP. Please see attached spreadsheet. Elaine, your thoughts? Tim & Carol, please feel free to chime in as well.

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)



*"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.

Witness: Mark Stallons

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**Missy Moore**

---

**From:** Missy Moore  
**Sent:** Wednesday, December 6, 2017 9:46 AM  
**To:** Elaine.Johns@enervision-inc.com  
**Cc:** Mark Stallons  
**Subject:** Signed Agreement - Owen Electric Cooperative  
**Attachments:** doc00255120171206093940.pdf

Good Moring Elaine,

Please find the agreement for services, signed by Mark. Once signed on your side, could you forward me a copy of the final agreement for our files?

I will also send the copy of the Amendment 3 agreement, signed by our Board Chair. Once we receive the copy signed by all of the EKPC Coops, I will forward as well.

Let me know if you have any questions, or require any additional information.

Thank you,  
Missy K. Moore  
Exectutive Assistant

Owen Electric Cooperative  
PO Box 400  
Owenton, KY 40359  
Direct: 502-563-3501  
Email: mmoore@owenelectric.com

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-----Original Message-----

**From:** CEOKyocera@owenelectric.com [mailto:CEOKyocera@owenelectric.com]  
**Sent:** Wednesday, December 6, 2017 9:40 AM  
**To:** Missy Moore <mmoore@owenelectric.com>  
**Subject:**

-----  
ECOSYS M6535cidn  
[00:17:c8:01:c8:b8]  
-----

**Missy Moore**

---

**From:** Dennis Holt <dholt@skrecc.com>  
**Sent:** Tuesday, November 28, 2017 7:19 PM  
**To:** Bobby Sexton; mikew@bgenergy.com; cbrewer@clarkenergy.com; ted.hampton@cumberlandvalley.coop; bprather@farmersrecc.com; jhazelrigg@fme.coop; Carol Fraley (carol.fraley@graysonrecc.com); Jim Jacobus; Carol Wright; 'Kerry Howard'; Mickey Miller (mmiller@nolinrecc.com); Mark Stallons; sharp@srelectric.com; Debbie Martin; Barry Myers (tcrecc.com)  
**Cc:** Tony Campbell; Don Mosier; Mike McNalley; David Crews  
**Subject:** EKPC Amendment Three Notification

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

First I want to thank everyone for their assistance and insights during my short time as an Interim Manager at South Kentucky. You have all been helpful and it is greatly appreciated.

As a common courtesy I feel I need to make you aware that South Kentucky has given East Kentucky Power notification today of our intention to exercise our Amendment Three right.

As you all are aware East Kentucky Power has an Amendment Three clause in their all power requirements contract that allows distribution cooperatives to utilize an "alternate source" for a percentage of their power purchases. The original wholesale power contract with East Kentucky Power was executed in 1964 and was effective until January 1, 2010. Amendment One was executed in 1976 and extended the length of the contract until January 1, 2018. Amendment Two was executed in 1980 and extended the contract until January 1, 2025. The original contract and the first two amendments required the distribution cooperatives to purchase 100% of our power from East Kentucky Power (All Power Requirements Contract).

Amendment Three was adopted by the cooperatives in 2003 and extended the contract to January 1, 2041. Amendment Three allowed for up to 5% of East Kentucky's Peak Load (based on a three year rolling average) to be acquired from an alternate source. Amendment Three was ambiguous as to the limits of each distribution cooperative and was not workable until all 16 cooperatives signed the Memorandum of Understanding that allows for an individual cooperative to acquire up to 15% of their rolling three year average peak from an alternate source until East Kentucky utilized 2.5% of their system peak. There is a maximum allowable contract length on these alternate source purchase of 20 years and also a requirement of an 18 month notice to East Kentucky Power.

Today, South Kentucky has given East Kentucky notice of our intent to acquire 15% of our rolling three year average peak from an alternate source. This alternate source is scheduled to begin on June 1, 2019 (18 months from now). The total amount to be purchased from an alternate source is 58 Megawatts and the terms are for 20 years.

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

Dennis Holt  
Interim CEO  
South Kentucky RECC  
Somerset, Kentucky 42503  
Phone 606-678-4121  
Cell 606-872-3555

**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Monday, December 4, 2017 8:38 PM  
**To:** Mark Stallons  
**Cc:** Carter Babbit  
**Subject:** EnerVision Professional Services Agreement  
**Attachments:** EnerViison-Owen Electric PSA.pdf

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

Hey, Mark – attached is our Professional Services Agreement. It should reflect our conversation today. Please let me know if you have any questions. We are good to execute via scans, if you are.

We look forward to working with you. Regards,  
Elaine

**Elaine Johns** President/CEO  
T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840  
[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Friday, December 1, 2017 11:58 AM  
**To:** Mark Stallons  
**Subject:** Hi!

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

Hey, just left you a vm. Good to hear from you. I'm in Philly visiting our daughter. Do you have time to talk on Monday?

Happy Holidays!  
Elaine

Sent from my iPhone



## Missy Moore

---

**From:** David Crews <David.Crews@ekpc.coop>  
**Sent:** Tuesday, December 5, 2017 5:07 PM  
**To:** Mark Stallons  
**Cc:** Tony Campbell; Don Mosier; Mike McNalley; Alan Ahrman  
**Subject:** RE: Amend 3 Rolling 36 month load data  
**Attachments:** Amendment 3 Updated Limits thru Nov 2017.xlsx

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

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 <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:** 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:

1. 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 aggregate 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

✉ **Email:** [mstallons@owenelectric.com](mailto: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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### A3 Allotments, Based on Data Through October 2017

Owner-Member Cooperative	EKPC CP (MW) for Month of			Average	Load Ratio Share	15% Election
	Feb. 2015	Jan. 2016	Jan. 2017			
Big Sandy	89.5	64.8	56.9	70.4	3.5	10.6
Blue Grass	410.9	315.9	324.4	350.4	17.5	53.4
Clark	154.0	114.8	113.6	127.5	6.4	19.1
Cumberland Valley	158.3	120.7	109.6	129.6	6.5	19.5
Farmers	136.4	120.5	115.9	124.2	6.2	18.8
Fleming Mason	196.9	179.2	166.9	181.0	9.0	27.4
Grayson	85.2	62.8	57.6	68.5	3.4	10.3
Inter-County	171.1	126.1	134.1	143.8	7.2	21.8
Jackson	325.6	241.4	230.2	265.7	13.3	40.1
Licking Valley	88.6	62.7	58.7	70.0	3.5	10.6
Nolin	211.1	188.1	199.1	199.4	10.0	31.1
Owen	347.4	313.0	350.7	337.0	16.9	61.7
Salt River	314.4	248.7	262.0	275.0	13.8	41.8
Shelby	120.5	102.0	99.6	107.4	5.4	16.3
South Kentucky	458.9	352.2	353.4	388.2	19.4	58.5
Taylor	159.4	126.6	139.1	141.7	7.1	21.4
<b>Total</b>	<b>3,428.1</b>	<b>2,739.5</b>	<b>2,771.8</b>	<b>2,979.8</b>	<b>149.0</b>	<b>462.3</b>

### Noticed Projects

Owner-Member	Project	MW	Delivery Date
Jackson	Irvine LFGTE	1.6	10/2013
Jackson	Dupree Energy Sys	1.0	3/2015
Farmers	Federal Mogul DG	3.6	2005
Farmers	Glasgow LFGTE	1.0	11/2015
Salt River	Lock 7	2.0	2013
Owen	Owen Office	2.0	2016
South Kentucky	PPA	58.0	6/2019
Jackson	Hydro	2.64	1/2019 Not yet Noticed
<b>Total Projects</b>		<b>71.8</b>	

## Missy Moore

---

**From:** David Crews <David.Crews@ekpc.coop>  
**Sent:** Tuesday, December 5, 2017 11:36 AM  
**To:** Mark Stallons  
**Cc:** Tony Campbell; Don Mosier; Mike McNalley; Alan Ahrman  
**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:

1. 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 aggregate 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

✉ **Email:** [mstallons@owenelectric.com](mailto: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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**Missy Moore**

---

**From:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Sent:** Friday, December 1, 2017 6:01 PM  
**To:** Mark Stallons  
**Subject:** Re: Hi!

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

How about 8:30-9:30? Let me know at which number to call you.

Have a great weekend -  
Elaine

Sent from my iPhone

On Dec 1, 2017, at 3:13 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Elaine,

Anytime Monday morning between 8am and 11am Eastern Time would work well.

Mark

**From:** Elaine Johns [<mailto:Elaine.Johns@enervision-inc.com>]  
**Sent:** Friday, December 01, 2017 11:58 AM  
**To:** Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Subject:** Hi!

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

Hey, just left you a vm. Good to hear from you. I'm in Philly visiting our daughter. Do you have time to talk on Monday?

Happy Holidays!  
Elaine

Sent from my iPhone

---

[Spam](#) | [Not spam](#)  
[Forget previous vote](#)

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Monday, February 5, 2018 5:31 PM  
**To:** Mike McNalley  
**Subject:** A3 Cost Shift Spreadsheet  
**Attachments:** Cost Shift 020318.xlsx

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

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✉ **Email:** [mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)

**OWEN Electric**

The logo for Owen Electric features the company name in a bold, sans-serif font. To the right of the text is a stylized graphic consisting of a dark, curved shape that resembles a swoosh or a stylized 'O', with a lighter, curved shape underneath it, creating a sense of motion or energy.

*"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."*

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**EKPC A3 Allotments, Based on Data Through October 2017 (per Sally Witt)**

Owner-Member Cooperative	EKPC CP (MW) for Month of			Average	Load Ratio Share of the 5% Cap	15% Election	5% Election	Existing Projects	Noticed Projects	Remaining MW Share	All In	RFP Election	Percent
	Feb. 2015	Jan. 2016	Jan. 2017										
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	19.41	58.46	19.50	0.00	58.00	0.46	0.00	0.00	
<b>Total</b>	<b>3430.15</b>	<b>2739.47</b>	<b>2771.82</b>	<b>2980.48</b>	<b>149.02</b>	<b>462.32</b>	<b>154.10</b>	<b>11.20</b>	<b>60.64</b>	<b>121.22</b>	<b>76.88</b>	<b>76.30</b>	
<b>Remaining Notice Amount</b>										<b>77.18</b>			

**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
<b>Total Projects</b>		<b>71.84</b>		

Savings Based on Number that gives Notice			7	Discount Rate			4.00%
Cooperative	MW Load Oct 31, 2017	Savings per MW	Savings per Year	NPV 5 Years	NPV 10 Years	NPV 15 Years	NPV 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	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ -	\$ -	\$ -	\$ -	\$ -
Licking Valley	0.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -
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

### Amendment 3 Impact on EKPC (DRAFT)

<u>Notice</u>	<u>MW</u>	<u>MWh/Year</u>	<u>ES \$ Shift</u>	<u>ES %</u>	<u>Base \$ Shift</u>	<u>Total \$ Shift</u>
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	-	\$ -	0.00%	\$ -	\$ -
Cumberland Valley	0.0	-	\$ -	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%	\$ -	\$ -
<b>Member Owner Total</b>	<b>135.4</b>	<b>1,185,754</b>	<b>\$ 9,568,551.72</b>		<b>\$ 30,339,310.34</b>	<b>\$ 39,907,862.07</b>
<b>EKPC 2018 Budget</b>	<b>29,194</b>	<b>13,534,101</b>	<b>EKPC Pass Thru</b>		<b>EKPC Rate Increase</b>	

### Cost Shift Percentages

<u>EKPC Base Rate Impact</u>	<u>EKPC 2018 Budget (pgA2)</u>	<u>Base Shift</u>	<u>Percent Increase</u>	<u>SKY 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

		8.73%		3.90%			
<i>Member Owner</i>	<u><i>Member Owner ES Power Bill</i></u>	<u><i>ES Cost Increase</i></u>	<u><i>Member Owner Base Rate Power Bill</i></u>	<u><i>Base Rate Increase</i></u>	<u><i>Base Rate Savings</i></u>	<u><i>Net Base Rate Savings (Loss)</i></u>	<u><i>Net Member Savings (Loss)</i></u>
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							
Cfark							
Shelby							
Big Sandy							
Licking Valley							
Grayson							
Farmers							
South Kentucky							
<b>Total</b>	<b>\$ 10,178,329.52</b>	<b>\$ 766,479.58</b>	<b>\$ 79,426,899.01</b>	<b>\$ 3,097,605.45</b>	<b>\$ 3,258,720.00</b>	<b>\$ 161,114.55</b>	

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Wednesday, February 21, 2018 4:47 PM  
**To:** Mike McNalley  
**Subject:** A3 impact model  
**Attachments:** A3 Cost Shift 020818.xlsx

Mike,

This is my latest version. Feel free to call as needed. I emailed this to all CEO's and asked them to input their own numbers in lieu of the capital credit assumptions I made on the last sheet. Yes, I have the word "draft" all over this to indicate a work in progress not perfection...

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)

The logo for OWEN Electric features the company name in a bold, sans-serif font. The word "OWEN" is in all caps and "Electric" is in title case. To the right of the text is a stylized graphic consisting of several curved, overlapping lines that suggest motion or a signal, possibly representing an electrical plug or a wave.

*"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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Owner-Member Cooperative	EKPC 5% Limit			Average	5% Limit
	EKPC CP (MW) for Month of				
	Feb 2015-	Feb 2016-	Feb 2017-		
	Jan 2016	Jan 2017	Jan 2018		
Big Sandy	89.5	56.9	74.3	73.6	3.7
Blue Grass	410.9	324.4	382.2	372.5	18.6
Clark	154.0	113.6	139.4	135.7	6.8
Cumberland Valley	158.3	109.6	141.3	136.4	6.8
Farmers	136.4	115.9	138.4	130.2	6.5
Fleming Mason	196.9	166.9	189.1	184.3	9.2
Grayson	85.2	57.6	72.7	71.9	3.6
Inter-County	171.1	134.1	158.6	154.6	7.7
Jackson	325.6	230.2	293.6	283.2	14.2
Licking Valley	88.6	58.7	75.0	74.1	3.7
Nolin	211.1	199.1	215.5	208.6	10.4
Owen	347.4	350.7	423.8	374.0	18.7
Salt River	314.4	262.0	306.4	294.3	14.7
Shelby	120.5	95.6	113.9	111.3	5.6
South Kentucky	458.9	353.4	426.2	412.9	20.6
Taylor	159.4	139.1	157.0	151.8	7.6
<b>Total</b>	<b>3,428.1</b>	<b>2,771.8</b>	<b>3,307.4</b>	<b>3,169.1</b>	<b>158.5</b>

Owner-Member Cooperative	A3 Allotments, Based on Data Through January 2018					
	Owner-Member Peak (MW)			Average	5% Election	15% Election
	Feb 2015-	Feb 2016-	Feb 2017-			
	Jan 2016	Jan 2017	Jan 2018			
Big Sandy	89.5	58.8	74.3			
Blue Grass	410.9	324.4	383.2	372.8	18.642	55.9
Clark	154.0	113.6	140.1	135.9	6.796	20.4
Cumberland Valley	158.3	110.0	141.3	136.5	6.826	20.5
Farmers	136.8	115.9	138.4	130.3	6.517	19.6
Fleming Mason	198.0	179.7	189.1	188.9	9.445	28.3
Grayson	85.2	58.3	72.7	72.1	3.603	10.8
Inter-County	171.1	134.4	158.6	154.7	7.736	23.2
Jackson	327.7	232.2	293.6	284.5	14.226	42.7
Licking Valley	88.6	60.6	76.6	75.3	3.763	11.3
Nolin	230.4	199.1	216.1	215.2	10.760	32.3
Owen	430.9	401.5	447.5	426.6	21.330	64.0
Salt River	316.1	262.0	306.4	294.8	14.742	44.2
Shelby	120.5	101.6	113.9	112.0	5.599	16.8
South Kentucky	458.9	353.4	426.2	412.9	20.643	61.9
Taylor	160.2	139.1	157.0	152.1	7.604	22.8
<b>Total</b>	<b>3,537.0</b>	<b>2,844.5</b>	<b>3,335.0</b>	<b>3,238.8</b>	<b>161.9</b>	

Owner-Member Cooperative	A3 Balances as of January 2018							
	Allocation		Notice Before 2018 & 2018 Non PJM Notices	PJM Notice For N	Please choose your 2018 PJM Notice	5% Balance	Live Pro-rata Share of Balance	Feb 8 2018 Pro-Rata Share of Balance
	%	MW						
						MW	MW	MW
Big Sandy	5%	3.7	0.0	N	0.0	3.7	1.9	1.9
Blue Grass	5%	18.6	0.0	N	0.0	18.6	9.5	9.5
Clark	5%	6.8	0.0	N	0.0	6.8	3.5	3.5
Cumberland Valley	5%	6.8	0.0	N	0.0	6.8	3.5	3.5
Farmers*	5%	6.5	4.6	Y	1.9	0.0	0.0	0.0
Fleming Mason*	5%	9.4	1.4	N	0.0	8.0	4.1	4.1
Grayson	5%	3.6	0.0	N	0.0	3.6	1.8	1.8
Inter-County	5%	7.7	0.0	N	0.0	7.7	4.0	4.0
Jackson*	5%	14.2	6.0	Y	8.0	0.0	0.0	0.0
Licking Valley	5%	3.8	0.0	N	0.0	3.8	1.9	1.9
Nolin	5%	10.8	0.0	N	0.0	10.8	5.5	5.5
Owen*	5%	21.3	2.0	Y	19.3	0.0	0.0	0.0
Salt River*	5%	14.7	2.0	Y	12.7	0.0	0.0	0.0
Shelby	5%	5.6	0.0	N	0.0	5.6	2.9	2.9
South Kentucky*	15%	61.9	58.0	N	0.0	0.0	0.0	0.0
Taylor	5%	7.6	0.0	N	0.0	7.6	3.9	3.9
<b>Total</b>		<b>203.2</b>	<b>74.0</b>		<b>41.9</b>	<b>83.2</b>	<b>42.6</b>	<b>42.5</b>

\* indicates project in place or in process.

Total projects MW cannot exceed 5% of the 3 year average of EKPC CP, which is currently 158.5 MW.

Feb 2015-Jan 2016 Peak Occurred Feb 2015  
 Feb 2016-Jan 2017 Peak Occurred Jan 2017  
 Feb 2017-Jan 2018 Peak Occurred Jan 2018

Noticed Projects						
Owner-Member	Project	Notice Given			MW	Delivery Date
Jackson	Irvine LFGTE				1.6	10/2013
Jackson	Dupree Energy Sys				1.0	3/2015
Farmers	Federal Mogul DG				3.6	2005
Farmers	Glasgow LFGTE				1.0	11/2015
Salt River	Lock 7				2.0	2013
Owen	Owen Office				2.0	2016
South Kentucky	PJM/Market	12/2018			58.0	6/2019
Salt River	PJM/Market	2/2018			12.7	9/2019
Owen	PJM/Market	2/2018			19.3	9/2019
Fleming-Mason	LFG PPA	2/2018			1.4	10/2018
Jackson	PJM Market	2/2019			8.0	
Jackson	Hydro	2/2020			3.4	
<b>Total Projects</b>					<b>114.0</b>	
<b>Not to Exceed 158.5 MW</b>						
<b>Remaining Balance of 5% Amendment 3 Pool Feb 8, 2018</b>						<b>44.46</b>
<b>Noticed February 8, 2019 not in above</b>						<b>1.9</b>

## Assumed Savings per Year (DRAFT)

Cooperative	MW Load Noticed 2018	Savings per MW	Savings per Year
Big Sandy	0.00	\$ 20.00	\$ -
Blue Grass	0.00	\$ 20.00	\$ -
Clark	0.00	\$ 20.00	\$ -
Cumberland Valley	0.00	\$ 20.00	\$ -
Farmers	1.90	\$ 20.00	\$ 332,880
Fleming Mason	0.00	\$ 20.00	\$ -
Grayson	0.00	\$ 20.00	\$ -
Inter-County	0.00	\$ 20.00	\$ -
Jackson	8.00	\$ 20.00	\$ 1,401,600
Licking Valley	0.00	\$ 20.00	\$ -
Nolin	0.00	\$ 20.00	\$ -
Owen	19.30	\$ 20.00	\$ 3,381,360
Salt River	12.70	\$ 20.00	\$ 2,225,040
Shelby	0.00	\$ 20.00	\$ -
South Kentucky	\$ 58.00	\$ 20.00	\$ 10,161,600
Taylor	0.00	\$ 20.00	\$ -
<b>Totals</b>	<b>99.90</b>		<b>17,502,480</b>

### Amendment 3 Impact on EKPC (DRAFT)

<u>Notice</u>	<u>MW</u>	<u>MWh/Year</u>	<u>ES \$ Shift</u>	<u>ES %</u>	<u>Base \$ Shift</u>	<u>Total \$ Shift</u>
Big Sandy	0.0	-	\$ -	0.00%	\$ -	\$ -
Blue Grass	0.0	-	\$ -	0.00%	\$ -	\$ -
Clark	0.0	-	\$ -	0.00%	\$ -	\$ -
Cumberland Valley	0.0	-	\$ -	0.00%	\$ -	\$ -
Farmers	1.9	16,644	\$ 134,310.34	1.90%	\$ 425,862.07	\$ 560,172.41
Fleming Mason	0.0	-	\$ -	0.00%	\$ -	\$ -
Grayson	0.0	-	\$ -	0.00%	\$ -	\$ -
Inter-County	0.0	-	\$ -	0.00%	\$ -	\$ -
Jackson	8.0	70,080	\$ 565,517.24	8.01%	\$ 1,793,103.45	\$ 2,358,620.69
Licking Valley	0.0	-	\$ -	0.00%	\$ -	\$ -
Nolin	0.0	-	\$ -	0.00%	\$ -	\$ -
Owen	19.3	169,068	\$ 1,364,310.34	19.32%	\$ 4,325,862.07	\$ 5,690,172.41
Salt River	12.7	111,252	\$ 897,758.62	12.71%	\$ 2,846,551.72	\$ 3,744,310.34
Shelby	0.0	-	\$ -	0.00%	\$ -	\$ -
South Kentucky	58.0	508,080	\$ 4,100,000.00	58.06%	\$ 13,000,000.00	\$ 17,100,000.00
Taylor	0.0	-	\$ -	0.00%	\$ -	\$ -
<b>Member Owner Total</b>	<b>99.9</b>	<b>875,124</b>	<b>\$ 7,061,896.55</b>		<b>\$ 22,391,379.31</b>	<b>\$ 29,453,275.86</b>
<b>EKPC 2018 Budget</b>	<b>29,194</b>	<b>13,534,101</b>	<b>EKPC Pass Thru</b>		<b>EKPC Rate Increase</b>	

### Cost Shift Percentages

<u>EKPC Base Rate Impact</u>	<u>EKPC 2018 Budget (pgA2)</u>	<u>Base Shift</u>	<u>Percent Increase</u>
Base Rate	\$ 777,941,988.00	\$ 22,391,379.31	2.88%
EKPC ES Revenue	\$ 109,603,865.00	\$ 7,061,896.55	6.44%



**A3 Cost Shift Draft (2017 Actuals)**

			6.44%		2.88%			
<u>Member Owner</u>	<u>2017 Capital Credits</u>	<u>Est. 2017 Member Owner ES Power Bill</u>	<u>ES Cost Increase</u>	<u>Est. 2017 Member Owner Base Rate Power Bill</u>	<u>Base Rate Increase</u>	<u>Base Rate Savings</u>	<u>Net Base Rate Savings (Loss)</u>	<u>Net Member Savings (Loss)</u>
Big Sandy	\$ 456,552.84	\$ 2,332,135.41	\$ 150,262.03	\$ 15,242,430.52	\$ 438,720.43	\$ -	\$ (438,720.43)	\$ (588,982.46)
Blue Grass	\$ 2,544,829.40	\$ 12,999,342.52	\$ 837,561.82	\$ 84,961,436.94	\$ 2,445,431.40	\$ -	\$ (2,445,431.40)	\$ (3,282,993.21)
Clark	\$ 902,424.95	\$ 4,609,712.16	\$ 297,008.78	\$ 30,128,275.19	\$ 867,177.31	\$ -	\$ (867,177.31)	\$ (1,164,186.09)
Cumberland Valley	\$ 891,226.76	\$ 4,552,510.25	\$ 293,323.20	\$ 29,754,413.47	\$ 856,416.50	\$ -	\$ (856,416.50)	\$ (1,149,739.70)
Farmers	\$ 978,324.48	\$ 4,997,417.51	\$ 315,865.14	\$ 32,662,249.82	\$ 940,112.29	\$ 332,880.00	\$ (607,232.29)	\$ (923,097.44)
Fleming Mason	\$ 1,594,149.10	\$ 8,143,135.32	\$ 524,671.09	\$ 53,222,113.14	\$ 1,531,883.54	\$ -	\$ (1,531,883.54)	\$ (2,056,554.62)
Grayson	\$ 504,925.70	\$ 2,579,230.70	\$ 166,182.65	\$ 16,857,402.32	\$ 485,203.90	\$ -	\$ (485,203.90)	\$ (651,386.55)
Inter-County	\$ 952,243.55	\$ 4,864,192.50	\$ 313,405.23	\$ 31,791,514.33	\$ 915,050.05	\$ -	\$ (915,050.05)	\$ (1,228,455.28)
Jackson	\$ 1,789,997.81	\$ 9,143,557.77	\$ 541,951.87	\$ 59,760,699.90	\$ 1,720,082.63	\$ 1,401,600.00	\$ (318,482.63)	\$ (860,434.50)
Licking Valley	\$ 502,348.35	\$ 2,566,065.24	\$ 165,334.38	\$ 16,771,355.15	\$ 482,727.22	\$ -	\$ (482,727.22)	\$ (648,061.60)
Nolin	\$ 1,438,700.80	\$ 7,349,083.79	\$ 473,509.48	\$ 48,032,330.69	\$ 1,382,506.86	\$ -	\$ (1,382,506.86)	\$ (1,856,016.34)
Owen	\$ 2,870,788.29	\$ 14,664,385.87	\$ 762,305.26	\$ 95,843,870.04	\$ 2,758,658.72	\$ 3,381,360.00	\$ 622,701.28	\$ (139,603.98)
Salt River	\$ 2,281,982.31	\$ 11,656,683.03	\$ 655,573.62	\$ 76,186,048.52	\$ 2,192,850.80	\$ 2,225,040.00	\$ 32,189.20	\$ (623,384.41)
Shelby	\$ 901,620.69	\$ 4,605,603.89	\$ 296,744.08	\$ 30,101,424.24	\$ 866,404.46	\$ -	\$ (866,404.46)	\$ (1,163,148.54)
South Kentucky	\$ 2,592,576.90	\$ 13,243,243.39	\$ 357,880.78	\$ 86,555,530.52	\$ 2,491,313.94	\$ 10,161,600.00	\$ 7,670,286.06	\$ 7,312,405.28
Taylor	\$ 939,573.41	\$ 4,799,471.66	\$ 309,235.19	\$ 31,368,510.21	\$ 902,874.79	\$ -	\$ (902,874.79)	\$ (1,212,109.99)
<b>Total</b>	<b>\$ 22,142,265.34</b>	<b>\$ 113,105,771.00</b>	<b>\$ 6,460,814.60</b>	<b>\$ 739,239,605.00</b>	<b>\$ 21,277,414.84</b>	<b>\$ 17,502,480.00</b>	<b>\$ (3,774,934.84)</b>	<b>\$ (10,235,749.43)</b>

## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Tuesday, February 6, 2018 12:44 PM  
**To:** david.crews@ekpc.coop  
**Cc:** 'Sally Witt'  
**Subject:** A3 Load Allocations  
**Attachments:** Letter of Notice -Final draft.docx

David,

Attached please find a draft of the latest updated letter of notice. Please ask Sally Witt to forward the A3 Allotment spreadsheet supporting the 18.9MW number for my records.

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)



**OWEN Electric**

*"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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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 18.9 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 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 18,900 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 18,900 kW of energy all hours of each year of the 5-20 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.**

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

**Missy Moore**

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**From:** Mark Stallons  
**Sent:** Thursday, January 18, 2018 1:16 PM  
**To:** Sally Witt  
**Subject:** Accepted: Amendment 3

**Missy Moore**

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**From:** Mark Stallons  
**Sent:** Monday, February 19, 2018 10:41 AM  
**To:** Terri Combs  
**Subject:** Accepted: Conference Call: MOU Committee discussion

**Missy Moore**

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**From:** Mark Stallons  
**Sent:** Monday, December 11, 2017 4:52 PM  
**To:** Elaine Johns  
**Subject:** Accepted: EnerVision KY Group Call

**Missy Moore**

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**From:** Mark Stallons  
**Sent:** Wednesday, February 21, 2018 1:47 PM  
**To:** Terri Combs  
**Subject:** Accepted: Update re: today's phone call with Dennis Holt



**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Monday, December 4, 2017 11:27 AM  
**To:** david.crews@ekpc.coop  
**Cc:** tony.campbell@ekpc.coop; Don Mosier; Mike McNalley; Alan Ahrman  
**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:

1. 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.
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.
3. The current aggregate and individual amount of all owner member's Amendment 3 alternate source loads.

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

✉ **Email:** [mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)



**OWEN Electric**

*"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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**Missy Moore**

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**From:** Mark Stallons  
**Sent:** Thursday, December 14, 2017 4:47 PM  
**To:** Elaine.Johns@enervision-inc.com; mikew@bgenenergy.com; Carol Wright; 'Tim Sharp'  
**Subject:** Amendment #3 Notice  
**Attachments:** Amendment 3 Limits Nov 2017 121317.xlsx

All,

Owen Electric's Board of Director's approved our RFP effort with EnerVision today and authorized me to give notice to EKPC at my discretion. I presented Elaine's Market Assessment as well as the attached spreadsheet information. Should you have any questions, please do not hesitate to call.

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)

The logo for OWEN Electric features the word "OWEN" in a bold, sans-serif font, followed by "Electric" in a smaller, italicized sans-serif font. The text is positioned above a stylized, dark, swoosh-like graphic that curves from the left towards the right, resembling a power line or a dynamic motion line.

***"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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### EKPC A3 Allotments, Based on Data Through October 2017 (per Sally Witt)

Owner-Member Cooperative	EKPC CP (MW) for Month of			Average	Load Ratio Share of the 5% Cap	15% Election	5% Election	Existing Projects	Noticed Projects	Remaining MW Share
	Feb. 2015	Jan. 2016	Jan. 2017							
Blue Grass	410.92	315.86	324.44	350.40	17.52	53.37	17.79	0.00	0.00	17.79
Owen	347.37	313.05	350.69	337.03	16.85	61.71	20.57	2.00	0.00	18.57
Salt River	314.39	248.65	262.00	275.01	13.75	41.79	13.93	2.00	0.00	11.93
Jackson	325.61	241.36	230.23	265.73	13.29	40.06	13.35	2.60	2.64	8.11
Nolin	211.10	188.12	199.11	199.44	9.97	31.08	10.36	0.00	0.00	10.36
Fleming Mason	196.87	179.19	166.89	180.98	9.05	27.41	9.14	0.00	0.00	9.14
Inter-County	171.14	126.10	134.05	143.76	7.19	21.83	7.28	0.00	0.00	7.28
Taylor	159.42	126.55	139.07	141.68	7.08	21.36	7.12	0.00	0.00	7.12
Cumberland Valley	158.27	120.75	109.65	129.55	6.48	19.45	6.48	0.00	0.00	6.48
Clark	153.99	114.84	113.62	127.48	6.37	19.14	6.38	0.00	0.00	6.38
Shelby	120.51	102.00	99.56	107.35	5.37	16.27	5.42	0.00	0.00	5.42
Big Sandy	89.48	64.77	56.94	70.40	3.52	10.65	3.55	0.00	0.00	3.55
Licking Valley	88.57	62.72	58.66	69.98	3.50	10.64	3.55	0.00	0.00	3.55
Grayson	85.17	62.79	57.65	68.53	3.43	10.30	3.43	0.00	0.00	3.43
Farmers	136.36	120.49	115.85	124.23	6.21	18.81	6.27	4.60	0.00	1.67
South Kentucky	<u>458.91</u>	<u>352.24</u>	<u>353.44</u>	<u>388.20</u>	<u>19.41</u>	<u>58.46</u>	<u>19.49</u>	<u>0.00</u>	<u>58.00</u>	<u>0.46</u>
<b>Total</b>	3428.06	2739.47	2771.82	2979.79	148.99	462.32	154.11	11.20	60.64	121.24
<b>Remaining Notice Amount</b>										<b>77.15</b>

Noticed Projects					
Owner-Member	Project	MW	Delivery Date		
Jackson	Irvine LFGTE	1.6	10/2013		
Jackson	Dupree Energy Sys	1.0	3/2015		
Farmers	Federal Mogul DG	3.6	2005		
Farmers	Glasgow LFGTE	1.0	11/2015		
Salt River	Lock 7	2.0	2013		
Owen	Owen Office	2.0	2016		
South Kentucky	PPA	58.0	6/2019		
Jackson	Hydro	<u>2.64</u>	<u>1/2019</u>	<u>Not yet Noticed</u>	
<b>Total Projects</b>		<b>71.8</b>			

Election Proposal		
Cooperative	MW	Notice Amount
Blue Grass	17.50	17.50
Owen	18.50	36.00
Salt River	11.50	47.50
Jackson	8.00	55.50

Billing Demand (KW) (error - number needs to Actual Demand not billed)

	Month of	Owen Reg.	Nucor	Total	12 Month	Max	3-12 Month	15% KW	5% KW
					Rolling KW	Coincident	KW	Threshold	Threshold
					Average	Peak	Average		
2012	January	232,505	159,375	391,880					
	February	215,389	159,901	375,290					
	March	194,175	160,132	354,307					
	April	155,245	159,908	315,153					
	May	228,595	159,964	388,559					
	June	264,696	159,413	424,109					
	July	261,923	159,691	421,614					
	August	252,603	159,888	412,491					
	September	223,878	159,564	383,442					
	October	180,007	159,194	339,201					
	November	198,823	159,845	358,668					
	December	205,226	159,562	364,788					
2013	January	249,698	159,686	409,384					
	February	243,929	159,664	403,593					
	March	222,488	160,926	383,414					
	April	189,281	159,132	348,413					
	May	207,091	161,620	368,711					
	June	223,156	159,724	382,880					
	July	250,177	160,253	410,430					
	August	250,417	159,849	410,266					
	September	244,790	159,852	404,642					
	October	175,850	159,829	335,679	410,430	Jul-13			
	November	207,330	159,816	367,146					
	December	235,890	159,230	395,120					
2014	January	299,272	155,032	454,304					
	February	271,878	152,908	424,786					
	March	250,041	152,817	402,858					
	April	193,611	151,957	345,568					
	May	197,593	152,167	349,760					
	June	238,433	152,084	390,517					
	July	248,466	152,242	400,708					
	August	243,836	151,893	395,729					
	September	242,108	151,800	393,908					
	October	186,583	151,837	338,420	454,304	Jan-14			
	November	232,780	151,915	384,695					
	December	212,448	151,804	364,252					
2015	January	293,469	151,797	445,266					
	February	307,796	130,125	437,921					
	March	268,480	130,020	398,500					
	April	159,797	130,454	290,251					
	May	197,795	134,781	332,576					
	June	239,470	134,798	374,268					
	July	237,169	134,968	372,137					
	August	233,640	137,989	371,629					
	September	247,226	137,975	385,201					
	October	159,949	137,979	297,928	445,266	Jan-15	436,667	65,500.00	21,833.33
	November	194,023	138,183	332,206					
	December	204,721	138,004	342,725					
2016	January	261,223	138,064	399,307					
	February	234,026	138,116	372,142					
	March	205,472	138,063	343,535					
	April	174,688	139,883	314,571					
	May	219,030	144,718	363,748					
	June	227,626	144,534	372,160					
	July	261,582	142,323	403,905					
	August	255,401	142,613	398,014					
	September	251,771	143,374	395,145					
	October	180,763	141,923	322,686	403,905	Jul-16	434,492	65,173.75	21,724.58
	November	188,211	146,759	334,970					
	December	249,289	147,870	397,159					
2017	January	249,016	148,867	397,883					
	February	231,939	148,382	380,321					
	March	225,489	149,829	375,318					
	April	180,160	149,086	329,246					
	May	209,137	149,611	358,748					
	June	229,259	149,344	378,603					
	July	248,706	149,276	397,982					
	August	245,405	150,023	395,428					
	September	232,373	149,611	381,984					
	October	183,206	149,978	333,184	397,982	Jul-17	415,718	62,357.65	20,786
	November	188,000	148,000	336,000					
	December	204,000	148,000	352,000					
2018	January	249,000	148,000	397,000					
	February	232,000	148,000	380,000					

Estimate

Notice Given	Rolling 36 Through	2017	2016	2015	Average	15% KW Threshold	5% KW Threshold	Less DG Unit	Notice Amount
December	November	397,982	403,905	445,266	415,718	62,358	20,786	18,786	18,500
January	December	397,982	403,905	445,266	415,718	62,358	20,786	18,786	18,500
February	January	397,982	403,905	437,921	413,269	61,990	20,663	18,663	18,500
March	February	397,982	403,905	399,307	400,398	60,060	20,020	18,020	18,000

Savings				Discount Rate			4.00%
Cooperative	MW Load	Savings per MW	Savings per Year	NPV 5 Years	NPV 10 Years	NPV 15 Years	NPV 20 Years
Blue Grass	17.50	\$ 20.00	\$ 3,066,000	\$ 13,649,287	\$ 24,868,006	\$ 34,088,976	\$ 41,667,941
Owen	18.50	\$ 20.00	\$ 3,241,200	\$ 14,429,247	\$ 26,289,035	\$ 36,036,917	\$ 44,048,966
Salt River	11.50	\$ 20.00	\$ 2,014,800	\$ 8,969,532	\$ 16,341,833	\$ 22,401,327	\$ 27,381,790
Jackson	8.00	\$ 20.00	\$ 1,401,600	\$ 6,239,674	\$ 11,368,232	\$ 15,583,532	\$ 19,048,201
	55.50	\$ 20.00	\$ 9,723,600	\$ 43,287,740	\$ 78,867,106	\$ 108,110,752	\$ 132,146,897

Input field

## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Monday, February 5, 2018 10:59 AM  
**To:** mikew@bgenergy.com; Tim Sharp; 'Carol Wright'; 'Joni Hazelrigg'; 'Debbie Martin'; CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com)  
**Cc:** Mark Stallons; Rusty Williams; April Brown (abrown@owenelectric.com); Judy Osborne  
**Subject:** Amendment 3 Cost Impact  
**Attachments:** Cost Shift All IN 020318.xlsx

Kentucky Group,

Attached please find an excel model to understand the cost impacts and shifts associated with giving Amendment 3 notice. To use the model please complete the following:

1. Note that on the A3 Savings tab cell E2 it has a zero (0) entered to date meaning that no coops other than SKY have exercised their Amendment 3 option. You can change the number to 7 to see the impact of the Kentucky Group or you can change the number to 15 and see the impact of all the cooperatives using the remaining allotment.
2. Note that the Allotment tab includes Sally Witt's load data up through October 31, 2017. When January 2018 numbers are available this week I will update this tab.
3. Note on the Cost Shift tab, please add your 2018 Environmental Surcharge power budget in column titled the same and also add your Base Rate 2018 Budget number in the column titled the same. This will allow you to see the cost impact on your cooperative for all three cases discussed above.

Please add your cooperative data and reply to all of us. Please review and vet the model from an accuracy stand point. I welcome your gentle corrections. I suggest we share this or a similar tool with EKPC to aide our discussions at EKPC next week.

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)



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**EKPC A3 Allotments, Based on Data Through October 2017 (per Sally Witt)**

Owner-Member Cooperative	EKPC CP (MW) for Month of			Average	Load Ratio	15% Election	5% Election	Existing Projects	Noticed Projects	Remaining MW Share	All In	RFP Election	Percent
	Feb. 2015	Jan. 2016	Jan. 2017		Share of the 5% Cap								
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	7.57	7.60	63.87%
Jackson	325.61	241.36	230.23	265.73	13.29	40.06	13.40	2.60	2.64	8.16	5.19	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	19.41	58.46	19.50	0.00	58.00	0.46	0.00	0.00	
<b>Total</b>	<b>3428.06</b>	<b>2739.47</b>	<b>2771.82</b>	<b>2979.79</b>	<b>148.99</b>	<b>462.32</b>	<b>154.10</b>	<b>11.20</b>	<b>60.64</b>	<b>121.22</b>	<b>76.86</b>	<b>76.30</b>	
<b>Remaining Notice Amount</b>										<b>77.15</b>			

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
<b>Total Projects</b>		<b>71.84</b>	





### Amendment 3 Impact on EKPC (DRAFT)

<u>Notice</u>	<u>MW</u>	<u>MWh/Year</u>	<u>ES \$ Shift</u>	<u>ES %</u>	<u>Base \$ Shift</u>	<u>Total \$ Shift</u>
South Kentucky	58.0	508,080	\$ 4,100,000.00	100.00%	\$ 13,000,000.00	\$ 17,100,000.00
Blue Grass	0.0	-	\$ -	0.00%	\$ -	\$ -
Owen	0.0	-	\$ -	0.00%	\$ -	\$ -
Salt River	0.0	-	\$ -	0.00%	\$ -	\$ -
Jackson	0.0	-	\$ -	0.00%	\$ -	\$ -
Nolin	0.0	-	\$ -	0.00%	\$ -	\$ -
Fleming Mason	0.0	-	\$ -	0.00%	\$ -	\$ -
Inter-County	0.0	-	\$ -	0.00%	\$ -	\$ -
Taylor	0.0	-	\$ -	0.00%	\$ -	\$ -
Cumberland Valley	0.0	-	\$ -	0.00%	\$ -	\$ -
Clark	0.0	-	\$ -	0.00%	\$ -	\$ -
Shelby	0.0	-	\$ -	0.00%	\$ -	\$ -
Big Sandy	0.0	-	\$ -	0.00%	\$ -	\$ -
Licking Valley	0.0	-	\$ -	0.00%	\$ -	\$ -
Grayson	0.0	-	\$ -	0.00%	\$ -	\$ -
Farmers	0.0	-	\$ -	0.00%	\$ -	\$ -
<b>Member Owner Total</b>	<b>58.0</b>	<b>508,080</b>	<b>\$ 4,100,000.00</b>		<b>\$ 13,000,000.00</b>	<b>\$ 17,100,000.00</b>
<b>EKPC 2018 Budget</b>	<b>29,194</b>	<b>13,534,101</b>	<b>EKPC Pass Thru</b>		<b>EKPC Rate Increase</b>	

### Cost Shift Percentages

<u>EKPC Base Rate Impact</u>	<u>EKPC 2018 Budget (pgA2)</u>	<u>Base Shift</u>	<u>Percent Increase</u>	<u>SKY Alone</u>
Base Rate	\$ 777,941,988.00	\$ 13,000,000.00	1.67%	1.67%
EKPC ES Revenue	\$ 109,603,865.00	\$ 4,100,000.00	3.74%	3.74%

### A3 Cost Shift

<u>Member Owner</u>	<u>Member Owner ES Power Bill</u>	3.74%	<u>Member Owner Base Rate Power Bill</u>	1.67%	<u>Base Rate Savings</u>	<u>Net Base Rate Savings (Loss)</u>	<u>Net Member Savings (Loss)</u>
		<u>ES Cost Increase</u>		<u>Base Rate Increase</u>			
Blue Grass							
Owen	\$ 10,178,329.52	\$ 380,745.25	\$ 79,426,899.01	\$ 1,327,283.66	\$ -	\$ (1,327,283.66)	\$ (1,708,028.91)
Salt River							
Jackson							
Nolin							
Fleming Mason							
Inter-County							
Taylor							
Cumberland Valley							
Clark							
Shelby							
Big Sandy							
Licking Valley							
Grayson							
Farmers							
South Kentucky							
<b>Total</b>	<b>\$ 10,178,329.52</b>	<b>\$ 380,745.25</b>	<b>\$ 79,426,899.01</b>	<b>\$ 1,327,283.66</b>	<b>\$ -</b>	<b>\$ (1,327,283.66)</b>	

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Wednesday, December 6, 2017 10:43 AM  
**To:** david.crews@ekpc.coop  
**Cc:** Mike Cobb; April Brown (abrown@owenelectric.com)  
**Subject:** Amendment 3 load Calculations  
**Attachments:** Amendment 3 Limits Nov 2017 Owen.xlsx

David,

Attached please find our support for our Amendment #3 load calculations. Please have Sally review and let's discuss.

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)

**OWEN Electric**

***"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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### A3 Allotments, Based on Data Through October 2017

Owner-Member Cooperative	EKPC CP (MW) for Month of			Average	Load Ratio Share of the 5%	15% Election
	Feb. 2015	Jan. 2016	Jan. 2017			
Big Sandy	89.5	64.8	56.9	70.4	3.5	10.6
Blue Grass	410.9	315.9	324.4	350.4	17.5	53.4
Clark	154.0	114.8	113.6	127.5	6.4	19.1
Cumberland Valley	158.3	120.7	109.6	129.6	6.5	19.5
Farmers	136.4	120.5	115.9	124.2	6.2	18.8
Fleming Mason	196.9	179.2	166.9	181.0	9.0	27.4
Grayson	85.2	62.8	57.6	68.5	3.4	10.3
Inter-County	171.1	126.1	134.1	143.8	7.2	21.8
Jackson	325.6	241.4	230.2	265.7	13.3	40.1
Licking Valley	88.6	62.7	58.7	70.0	3.5	10.6
Nolin	211.1	188.1	199.1	199.4	10.0	31.1
Owen	347.4	313.0	350.7	337.0	16.9	61.7
Salt River	314.4	248.7	262.0	275.0	13.8	41.8
Shelby	120.5	102.0	99.6	107.4	5.4	16.3
South Kentucky	458.9	352.2	353.4	388.2	19.4	58.5
Taylor	159.4	126.6	139.1	141.7	7.1	21.4
<b>Total</b>	<b>3,428.1</b>	<b>2,739.5</b>	<b>2,771.8</b>	<b>2,979.8</b>	<b>149.0</b>	<b>462.3</b>

### Noticed Projects

Owner-Member	Project	MW	Delivery Date
Jackson	Irvine LFGTE	1.6	10/2013
Jackson	Dupree Energy Sys	1.0	3/2015
Farmers	Federal Mogul DG	3.6	2005
Farmers	Glasgow LFGTE	1.0	11/2015
Salt River	Lock 7	2.0	2013
Owen	Owen Office	2.0	2016
South Kentucky	PPA	58.0	6/2019
<i>Jackson</i>	<i>Hydro</i>	<i>2.64</i>	<i>1/2019 Not yet Noticed</i>
<b>Total Projects</b>		<b>71.8</b>	

<b>Billing Demand (KW)</b>
----------------------------

		Owen Reg.	Nucor	Total	12 Month Rolling KW Average	Month of Max Coincident Peak
<b>2012</b>	January	232,505	159,375	391,880		
	February	215,389	159,901	375,290		
	March	194,175	160,132	354,307		
	April	155,245	159,908	315,153		
	May	228,595	159,964	388,559		
	June	264,696	159,413	424,109		
	July	261,923	159,691	421,614		
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	October	180,007	159,194	339,201		
	November	198,823	159,845	358,668		
	December	205,226	159,562	364,788		
<b>2013</b>	January	249,698	159,686	409,384		
	February	243,929	159,664	403,593		
	March	222,488	160,926	383,414		
	April	189,281	159,132	348,413		
	May	207,091	161,620	368,711		
	June	223,156	159,724	382,880		
	July	250,177	160,253	<b>410,430</b>		
	August	250,417	159,849	410,266		
	September	244,730	159,852	404,582		
	October	175,850	159,829	335,679	<b>410,430</b>	<b>Jul-13</b>
	November	207,330	159,816	367,146		
	December	235,890	159,230	395,120		
<b>2014</b>	January	299,272	155,032	<b>454,304</b>		
	February	271,878	152,908	424,786		
	March	250,041	152,817	402,858		
	April	193,611	151,957	345,568		
	May	197,593	152,167	349,760		
	June	238,433	152,084	390,517		
	July	248,466	152,242	400,708		
	August	243,836	151,893	395,729		
	September	242,108	151,800	393,908		
	October	186,583	151,837	338,420	<b>454,304</b>	<b>Jan-14</b>
	November	232,780	151,915	384,695		
	December	212,448	151,804	364,252		
<b>2015</b>	January	293,469	151,797	<b>445,266</b>		
	February	307,796	130,125	437,921		
	March	268,480	130,020	398,500		
	April	159,797	130,454	290,251		
	May	197,795	134,781	332,576		
	June	239,470	134,798	374,268		
	July	237,169	134,968	372,137		

	August	233,640	137,989	371,629		
	September	247,226	137,975	385,201		
	October	159,949	137,979	297,928	<b>445,266</b>	<b>Jan-15</b>
	November	194,023	138,183	332,206		
	December	204,721	138,004	342,725		
<b>2016</b>	January	261,223	138,084	399,307		
	February	234,026	138,116	372,142		
	March	205,472	138,063	343,535		
	April	174,688	139,883	314,571		
	May	219,030	144,718	363,748		
	June	227,626	144,534	372,160		
	July	261,582	142,323	<b>403,905</b>		
	August	255,401	142,613	398,014		
	September	251,771	143,374	395,145		
	October	180,763	141,923	322,686	<b>403,905</b>	<b>Jul-16</b>
	November	188,211	146,759	334,970		
	December	249,269	147,870	397,139		
<b>2017</b>	January	249,016	148,867	397,883		
	February	231,939	148,382	380,321		
	March	225,489	149,829	375,318		
	April	180,160	149,086	329,246		
	May	209,137	149,611	358,748		
	June	229,259	149,344	378,603		
	<b>July</b>	<b>248,706</b>	<b>149,276</b>	<b>397,982</b>		
	August	245,405	150,023	395,428		
	September	232,373	149,611	381,984		
	October	183,206	149,978	333,184	<b>397,982</b>	<b>Jul-17</b>

**3-12 Month**

<b>KW Average</b>	<b>15% KW Threshold</b>	<b>5% KW Threshold</b>
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436,667 65,500.00 21,833.33

434,492 65,173.75 21,724.58

415,718 62,357.65 20,785.88

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Monday, December 11, 2017 3:34 PM  
**To:** David Crews  
**Subject:** Amendment 3 load calculations

David,

Thanks for the handout and presentation at Strategic Issues this afternoon. Hope you are feeling better soon.

As Owen moves forward with our due diligence, please forward Owen's detail load spreadsheet used to calculate the 61.7MW 15% threshold and the 16.9MW 5% load share shown in the handout distributed at the SI Committee Meeting this afternoon.

Thanks,

Mark

Mark Stallons  
Sent from my iPhone

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Friday, February 2, 2018 4:51 PM  
**To:** tony.campbell@ekpc.coop  
**Cc:** James M Crawford (jcrawford@cbkylaw.com)  
**Subject:** Amendment 3 Notice  
**Attachments:** 2018 A3 Notice.pdf

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](mailto: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 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:*

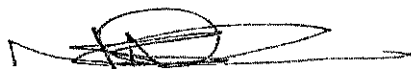
- (a) *interconnected to the Owner Member's distribution system (and not to any transmission system) and will not produce energy in any hour in excess of the Owner Member's load at the Related EKPC Point of Delivery. Such Alternate Sources are referred to in in the MOU&A as "Behind the Meter Sources". 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

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Tuesday, January 30, 2018 10:01 AM  
**To:** CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com)  
**Cc:** Tim Sharp; 'Carol Wright'; mikew@bgenergy.com; 'Joni Hazelrigg'; 'Debbie Martin'  
**Subject:** Amendment 3 RFP Process

Chris,

Based upon your recent discussions with Mike Williams and for your information and consideration, Bluegrass Energy, Jackson Energy, Owen Electric and Salt River Electric have entered into Non-Disclosure Agreements (NDA's) with five (5) power suppliers, one of which is presently contacting multiple cooperatives and marketing their services. We have received power supply RFP's and intend to make a decision on or before the end of the February. If you would like to join the group, please reply to this email notice, contact Elaine Johns, and we will be glad to include you into the RFP process if timing and availability are favorable or if timing and availability are not favorable we will assist in facilitating a second RFP. Shelby Energy and Fleming Mason Energy have expressed interest in joining the group and are also discussing the opportunity with their Board of Directors.

The requirement to participate includes a Board Resolution authorizing the cooperative CEO to sign an agreement with our consulting firm, sign the necessary Confidentiality Agreements, and agree to financially contribute to the cost of the process. The timeline required to participate is as follows:

Timeline:

1. Board commitment to the RFP process on or before Monday February 5, 2018.
2. Decision to provide notice to EKPC on or before Friday February 23, 2018.

Should you need any information, please feel free to contact Elaine Johns, President/CEO, EnerVision, at 678.910.1122 or [Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com).

Sincerely,

Mike Williams, Bluegrass Energy President/CEO  
Carol Wright, Jackson Energy President & CEO  
Mark Stallons, Owen Electric President & CEO  
Tim Sharp, Salt River Electric President & CEO

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**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Thursday, January 4, 2018 5:17 PM  
**To:** Alan Ahrman; Eddie McCord; Hope Kinman; John Grant; Rick Messingschlager; Robert True; Charlie Richardson  
**Cc:** James M Crawford (jcrawford@cbkylaw.com); James M Crawford - Crawford & Baxter, P.S.C. (mimi@cbkylaw.com)  
**Subject:** Amendment 3 RFP

Board of Directors,

I pray that you had a wonderful Christmas and New Year celebration! Below please find a quick update concerning the Amendment #3 RFP.

- Request For Proposal (RFP) was mailed on December 22<sup>nd</sup>
- We requested two bid options, the first without Bluegrass at 35MW and the second with Bluegrass at 50MW.
- To date we have received 3 responses and expect 2 more.
- RFP's are due on or before January 19, 2018.
- Owen, Salt River and Jackson are sharing the costs of the RFP.
- Bluegrass is continuing to investigate participating in the RFP.
- We plan to determine the bidder's short list and begin negotiations by Feb 1<sup>st</sup>.
- We expect to execute an agreement by March 31, 2018.
- We are requesting delivery of energy on Aug 1, 2019.

I will provide additional updates as more information becomes available. Should you have any questions, please do not hesitate to call.

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)



**OWEN Electric**

*"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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## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Wednesday, December 6, 2017 8:09 AM  
**To:** Missy Moore  
**Subject:** Amendment 3

Missy,

Please check our files and the vault for a copy of the signed final MOU.

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)

**OWEN Electric**

*"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."*

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**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Tuesday, February 6, 2018 12:09 PM  
**To:** Elaine.Johns@enervision-inc.com  
**Cc:** mikew@bgenergy.com; Tim Sharp; 'Carol Wright'; 'Joni Hazelrigg'; 'Debbie Martin'; CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com); James M Crawford (jcrawford@cbkylaw.com); Missy Moore  
**Subject:** EKPC A3 Notice  
**Attachments:** Letter of Notice -Final.docx

Elaine,

I have revised my notice after confirming with David Crews that Owen's 5% maximum 36 month rolling coincident peak has moved from 18.5MW to 18.9MW as a result of the January 2018 load levels. Please review and advise. I would like to send this update later today.

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)



**OWEN Electric**

*"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."*

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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 18.9 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 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 18,900 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 18,900 kW of energy all hours of each year of the 5-20 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.**

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

## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Friday, February 9, 2018 5:17 PM  
**To:** Tim Sharp; carolwright@jacksonenergy.com; mikew@bgenergy.com  
**Cc:** Alan Ahrman  
**Subject:** FW: A3 Path Forward

All,

Below please find an email string between Mike McNalley and me earlier in the week. Mike & I have had several phone calls as well. Based on conversations with all of you this week and EKPC staff, I suggest the following as a possible path forward:

1. We approve S Kentucky's notice - to not approve would invite and basically guarantee a lawsuit battle much worse than Grayson
2. We form a special committee comprised of interested CEO's/Manager's; EKPC staff including Tony, Mike, Don & David; and the Board Representation to accomplish the following:
  - a. Agree to identify possible pathways to move our portfolio away from carbon risk assets by a defined time and present to the EKPC Board for further discussion and hopefully an agreement.
  - b. Provide a pathway for Member Owners to move to more market based power supply without shifting costs.
    1. Based on January 2018 Amendment 3 (A3) load Allocation, EKPC assigns 161.9 MW of market based power available to any Member Owner who request access to A3 market power.
    2. Member Owner's agree that no one can exceed 5% of their cooperative's rolling 36 month coincident peak as identified in the MOU.
  - c. S KY assigns Morgan Stanley agreement to EKPC as an A3 noticed project.
  - d. Member Owner's have a defined x day window to join the S KY Morgan Stanley Agreement or the Kentucky Group and purchase up to their full 5% allocation as defined above.

Can we discuss either in person or by phone sometime Monday, before, in between or after Committee Meetings, your thoughts,

Mark

-----Original Message-----

**From:** Mark Stallons  
**Sent:** Wednesday, February 07, 2018 6:11 AM  
**To:** Mike McNalley <Michael.McNalley@ekpc.coop>  
**Subject:** Re: A3 Cost Shift Spreadsheet

Mike,

Thanks for taking a look. Your comments 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.

Witness: Mark Stallons

In regards to a twenty year NPV I have that in a different model with Owen alone. To improve accuracy, I need a more recent or adjusted EKPC financial forecast. I have the 2015 in my files. However, it is obviously dated.

The ES and base rate 2018 EKPC budget numbers by Cooperative is necessary to finish the model. Without that I can not accurately show the impact on a Cooperative basis.

Would also like to see present capacity and energy costs by generating unit for all of EKPC's units compared to market. In addition a range of expected market selling price and revenue, the remaining depreciation and resulting annual regulatory asset cost for each of EKPC's generating assets.

In other words what is the cost of our steel hedge compared to market and what if any possible pathways do we have to lessen our stranded costs. What is our enterprise risk associated with Dems regaining control of the EPA, house and or Senate? What is our risk mitigation plan if Bevin and the Republicans deregulate Kentucky?

The S KY Amendment 3 move highlights a handful of questions that I am sure the EKPC staff understand, have thought about, and have concluded that staying with a steel hedge is our best response. In the last few weeks I have found that most board of directors and CEO's can not explain the value or risk of a steel hedge at \$15 to \$25 per MWh above the PJM market.

I found this simple spreadsheet to be a useful tool to educate my board concerning the impact of SKY's actions as well as a means to explain the possible outcomes associated with a variety of mitigation strategies. If we work together, I believe we can develop a more accurate model to educate all stakeholders including the PSC.

I can talk about the above anytime this morning.

Thanks,

Mark

Mark Stallons  
Sent from my iPhone

- > 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@owelectric.com<mailto:mstallons@owelectric.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@owelectric.com<mailto:mstallons@owelectric.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.  
>  
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message.  
>  
>  
> <Cost Shift 020318.xlsx>

## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Tuesday, January 16, 2018 9:29 AM  
**To:** Missy Moore  
**Subject:** FW: AEP Confidentiality Agreement signed by SRECC  
**Attachments:** AEP Confidentiality Agreement signed by SRECC.pdf

**From:** Kathy Brown [mailto:kathyb@srelectric.com]  
**Sent:** Tuesday, January 16, 2018 8:49 AM  
**To:** Mary\_Ellen.Cole@enervision-inc.com; Carol Wright JACKSON ENERGY <carolwright@jacksonenergy.com>; Mark Stallons <mstallons@owenelectric.com>; Elaine.Johns@enervision-inc.com  
**Subject:** AEP Confidentiality Agreement signed by SRECC

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

**From:** Tim Sharp  
**Sent:** Tuesday, January 16, 2018 8:42 AM  
**To:** Kathy Brown  
**Subject:** Fwd: AEP - Confidentiality Agreement

Sent from my iPhone

Begin forwarded message:

**From:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Date:** January 12, 2018 at 10:18:36 AM EST  
**To:** "Carol Wright (carolwright@jacksonenergy.com)" <carolwright@jacksonenergy.com>, "Tim Sharp (tjsharp@srelectric.com)" <tjsharp@srelectric.com>, "Mark Stallons (mstallons@owenelectric.com)" <mstallons@owenelectric.com>  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** RE: AEP - Confidentiality Agreement

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

AEP CA attached here.

Thank you,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (866) 454-0548 | Alt. (866) 803-6037 | (888) 999-8840  
mary\_ellen.cole@enervision-inc.com | www.enervision-inc.com



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**From:** Mary Ellen Cole  
**Sent:** Friday, January 12, 2018 10:18 AM  
**To:** Carol Wright ([carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)) <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Tim Sharp ([tisharp@srelectric.com](mailto:tisharp@srelectric.com)) <[tisharp@srelectric.com](mailto:tisharp@srelectric.com)>; Mark Stallons ([mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)) <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Cc:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**Subject:** AEP - Confidentiality Agreement

Good morning all,

I have just received the Confidentiality Agreement signed by AEP. Please review, sign, and return a copy to me at your earliest convenience.

Additionally, we have received a request for 2017 financial statement information if available – even in the form of an unaudited annual or quarterly statement if possible. Tim, I have your 2017 Form 7 that you provided previously, which should suffice. Carol and Mark – if you have 2017 information available, please forward a copy to me at your earliest convenience.

Let me know if you have any questions – thank you, and happy Friday!  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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## CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT ("Agreement"), entered into and made effective as of the 10th day of January 2018, is by and between Owen Electric Cooperative, Salt River Electric, and Jackson Energy Cooperative ("Kentucky Group") and AEP Energy Partners, Inc. ("AEPEP") (collectively the "Parties").

### W I T N E S S E T H:

WHEREAS, the Parties intend to conduct confidential discussions and negotiations concerning the possibility of entering into a power supply transaction (the "Project"); and

WHEREAS, the Parties have entered into this Agreement in order to assure the confidentiality of all such information and the confidentiality of the discussions between the Parties to prevent the disclosure of same to third parties except as permitted herein;

NOW, THEREFORE, in consideration of the mutual promises and covenants made herein, and with the intent to be legally bound hereby, the Parties agree as follows:

1. Confidential Information. The term "Confidential Information" as used in this Agreement shall mean the discussions between the Parties concerning the Project, any and all written, printed or other materials provided by either Party to any Party to this Agreement and the substance and content thereof, and all information ascertained through the discussions between employees or Representatives of the Parties concerning the Project. Confidential Information shall not include the following:
  - (a) information which at the time of disclosure by a Party (the "Disclosing Party") is publicly available, or information which later becomes publicly available through no act or omission of the recipient (the "Receiving Party");
  - (b) information which the Receiving Party can demonstrate was in its possession prior to disclosure by the Disclosing Party;
  - (c) information received by the Receiving Party from a third party who, to the best of the Receiving Party's knowledge, did not acquire such information on a confidential basis either directly or indirectly from the Disclosing Party; and
  - (d) information which the Receiving Party can demonstrate was independently developed by it or for it and which was not obtained, in whole or in part, from the Disclosing Party.
  
2. Disclosure and Use of Confidential Information. The Parties agree to keep confidential all Confidential Information and shall not, without the other Party's prior written consent, disclose to any third party, firm, corporation or entity such Confidential Information. The Parties shall limit the disclosure of the Confidential Information to only those officers, employees, agents and Representatives (including attorneys, accountants, bankers and consultants) of the Party reasonably necessary to evaluate the Project. Each Party shall use the Confidential Information only for the purpose of its internal evaluation of the Project. Neither Party shall make any other use, in whole or in part, of any such Confidential Information without the prior written consent of the other. The Parties agree to be responsible for any breach of this Agreement by their respective Representatives. As used in this Agreement, (a) the term "Representative" means, as to any person, such person's Affiliates (as defined below) and their directors, officers, employees, agents, advisors (including, without limitation, financial advisors, legal counsel and accountants) and


controlling persons, and (b) "Affiliates" shall mean all entities which are controlling, controlled by or under common control with the Party.

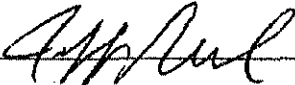
3. Required Disclosure. A Party shall be permitted to disclose Confidential Information required to be disclosed by it by applicable law or regulation, pursuant to a subpoena or order of a court or for evidentiary purposes in any relevant action, proceeding or arbitration to which a Party or any of its partners, officers, directors or shareholders is a party. In the event that a Party receives a request to disclose any Confidential Information under such subpoena, order or otherwise, that Party will (a) promptly notify the other party thereof, (b) consult with the other party on the advisability of taking steps to resist or narrow such request, and (c) if disclosure is required or deemed advisable, reasonably cooperate with the other Party in any attempt that it may make to obtain an order or other reliable assurance that confidential treatment will be accorded to designated portions of the Confidential Information; provided, however, that such reasonable cooperation does not cause the Party to be in violation of any law, regulation, subpoena or order. The Parties agree to reimburse the other Party for its reasonable expenses, including the reasonable fees and expenses of its counsel, in connection with action taken at the Party's request pursuant to this paragraph. Further, a Party shall be permitted to disclose Confidential Information that it (i) deems necessary to be in compliance with any applicable law and/or (ii) is requested to disclose to any regulatory, self-regulatory or legislative body of competent jurisdiction in connection with any regulatory or legislative report, audit or other request for information. In the event that a Party receives such a request, they will promptly notify the other Party thereof, provided that such notification does not violate the terms of such request.
4. Return of Documents. Either Party may elect at any time to terminate further access to the Confidential Information. The Parties further agree to return any and all Confidential Information as well as any other information disclosed to it by the other Party upon written request from the other Party therefore, including all originals, copies, translations, notes, or any other form of said material, without retaining any copy or duplicate thereof, and shall promptly destroy any and all written, printed or other material or information derived from the Confidential Information. Notwithstanding the foregoing, a Party may retain (i) that portion of the Confidential Information that is required to be retained pursuant to law and/or regulation and/or (ii) Confidential Information stored on automatic computer back-up archiving systems; provided, however, that any Confidential Information retained by a Party shall be maintained by such Party subject to confidentiality pursuant to the terms of this Agreement for so long as such Confidential Information is retained.
5. Survival of Obligations. Regardless of any termination of any business relationship between the Parties, the obligations and commitments established by this Agreement shall remain in full force and effect for three (3) years from the day and year first hereinabove written or until such time as the Parties have entered into an agreement providing otherwise.
6. Nature of Information. The Parties each hereby accept the representations of the other Party that the Confidential Information of the other Party is of a special, unique, unusual, extraordinary, and intellectual character and that money damages would not be a sufficient remedy for any breach of this Agreement by it or its Representatives and that specific performance and injunctive or other equitable remedies for any such breach shall be available to it. The Parties also acknowledge that the interests of the other Party in such Confidential Information may be irreparably injured by disclosure of such Confidential Information. The remedy stated above may be pursued in addition to any other remedies applicable at law or equity for breach of this Agreement. Notwithstanding anything to the

contrary in this Agreement, neither party shall be liable to the other party for any indirect, incidental, special or consequential damages.

- 7. Governing Law. The validity and interpretation of this Agreement and the legal relations of the Parties to it shall be governed by the laws of the Commonwealth of Kentucky.
- 8. No Representation or Warranties. With respect to any Confidential Information which either Party furnished or otherwise discloses to the other Party for the purpose of evaluating the Project, it is understood and agreed that the Party disclosing such information does not make any representations or warranties as to the accuracy, completeness or fitness for a particular purpose thereof. It is further understood and agreed that neither Party nor its Representatives shall have any liability or responsibility to the other Party (except as pursuant to this Agreement) or to any other person or entity resulting from the use of any Confidential Information so furnished or otherwise provided.

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement on the day and year first herein above written.

**“AEPEP”**  
AEP Energy Partners, Inc. 

By: 

Name: ~~Greg B. Hall~~ Jeff Merzel

Title: Vice President

Date: January 12, 2018

**“Kentucky Group”**  
**Owen Electric Cooperative**

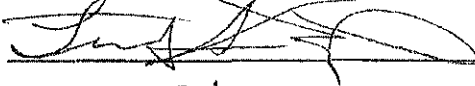
By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Salt River Electric**

By: 

Name: Tim Sharp

Title: President and CEO

Date: 01/16/18

**Jackson Energy Cooperative**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Wednesday, December 6, 2017 8:08 AM  
**To:** Mike Cobb  
**Cc:** April Brown (abrown@owenelectric.com); Rusty Williams; James M Crawford (jcrawford@cbkylaw.com)  
**Subject:** FW: Amend 3 Rolling 36 month load data  
**Attachments:** Amendment 3 Updated Limits thru Nov 2017.xlsx

Mike,

Please verify EKPC's summary of Owen Electric's coincident peaks with our billing data for the past 3 rolling 12 month periods, verify their calculations, place your analysis on a separate tab within the attached spreadsheet and return to me as soon as possible.

Thanks,

Mark

**From:** David Crews [mailto:David.Crews@ekpc.coop]  
**Sent:** Tuesday, December 05, 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

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

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 <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:** 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

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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:

1. 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 aggregate 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

✉ **Email:** [mstallons@owenelectric.com](mailto: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.

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.

### A3 Allotments, Based on Data Through October 2017

Owner-Member Cooperative	EKPC CP (MW) for Month of			Average	Load Ratio Share	15% Election
	Feb. 2015	Jan. 2016	Jan. 2017			
Big Sandy	89.5	64.8	56.9	70.4	3.5	10.6
Blue Grass	410.9	315.9	324.4	350.4	17.5	53.4
Clark	154.0	114.8	113.6	127.5	6.4	19.1
Cumberland Valley	158.3	120.7	109.6	129.6	6.5	19.5
Farmers	136.4	120.5	115.9	124.2	6.2	18.8
Fleming Mason	196.9	179.2	166.9	181.0	9.0	27.4
Grayson	85.2	62.8	57.6	68.5	3.4	10.3
Inter-County	171.1	126.1	134.1	143.8	7.2	21.8
Jackson	325.6	241.4	230.2	265.7	13.3	40.1
Licking Valley	88.6	62.7	58.7	70.0	3.5	10.6
Nolin	211.1	188.1	199.1	199.4	10.0	31.1
Owen	347.4	313.0	350.7	337.0	16.9	61.7
Salt River	314.4	248.7	262.0	275.0	13.8	41.8
Shelby	120.5	102.0	99.6	107.4	5.4	16.3
South Kentucky	458.9	352.2	353.4	388.2	19.4	58.5
Taylor	159.4	126.6	139.1	141.7	7.1	21.4
<b>Total</b>	<b>3,428.1</b>	<b>2,739.5</b>	<b>2,771.8</b>	<b>2,979.8</b>	<b>149.0</b>	<b>462.3</b>

### Noticed Projects

Owner-Member	Project	MW	Delivery Date
Jackson	Irvine LFGTE	1.6	10/2013
Jackson	Dupree Energy Sys	1.0	3/2015
Farmers	Federal Mogul DG	3.6	2005
Farmers	Glasgow LFGTE	1.0	11/2015
Salt River	Lock 7	2.0	2013
Owen	Owen Office	2.0	2016
South Kentucky	PPA	58.0	6/2019
Jackson	Hydro	2.64	1/2019 Not yet Noticed
<b>Total Projects</b>		<b>71.8</b>	



**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Wednesday, February 7, 2018 10:01 AM  
**To:** Elaine.Johns@enervision-inc.com; Tim Sharp; Carol Wright; mikew@bgenergy.com  
**Subject:** FW: Amendment 3 Allotment Jan 2018 for distribution.xlsx  
**Attachments:** Amendment 3 Allotment Jan 2018 for distribution.xlsx

Carol, Tim & Mike;

Here is the latest A3 load allocations including January.

Mark

**From:** Mike McNalley [mailto:Michael.McNalley@ekpc.coop]  
**Sent:** Wednesday, February 07, 2018 9:33 AM  
**To:** Mark Stallons <mstallons@owenelectric.com>  
**Subject:** FW: Amendment 3 Allotment Jan 2018 for distribution.xlsx

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

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

**From:** Sally Witt  
**Sent:** Tuesday, February 6, 2018 4:51 PM  
**To:** David Crews <[David.Crews@ekpc.coop](mailto:David.Crews@ekpc.coop)>; Don Mosier <[Don.Mosier@ekpc.coop](mailto:Don.Mosier@ekpc.coop)>; Mike McNalley <[Michael.McNalley@ekpc.coop](mailto:Michael.McNalley@ekpc.coop)>  
**Cc:** Julie Tucker <[julie.tucker@ekpc.coop](mailto: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

### A3 Allotments, Based on Data Through January 2018

Owner-Member Cooperative	Owner-Member Peak (MW)			Average	5% Election	15% Election
	Feb 2015-	Feb 2016-	Feb 2017-			
	Jan 2016	Jan 2017	Jan 2018			
Big Sandy	89.5	58.8	74.3	74.2	3.7	11.1
Blue Grass	410.9	324.4	383.2	372.8	18.6	55.9
Clark	154.0	113.6	140.1	135.9	6.8	20.4
Cumberland Valley	158.3	110.0	141.3	136.5	6.8	20.5
Farmers	136.8	115.9	138.4	130.3	6.5	19.6
Fleming Mason	198.0	179.7	189.1	188.9	9.4	28.3
Grayson	85.2	58.3	72.7	72.1	3.6	10.8
Inter-County	171.1	134.4	158.6	154.7	7.7	23.2
Jackson	327.7	232.2	293.6	284.5	14.2	42.7
Licking Valley	88.6	60.6	76.6	75.3	3.8	11.3
Nolin	230.4	199.1	216.1	215.2	10.8	32.3
Owen	430.9	401.5	447.5	426.6	21.3	64.0
Salt River	316.1	262.0	306.4	294.8	14.7	44.2
Shelby	120.5	101.6	113.9	112.0	5.6	16.8
South Kentucky	458.9	353.4	426.2	412.9	20.6	61.9
Taylor	160.2	139.1	157.0	152.1	7.6	22.8
<b>Total</b>	<b>3,537.0</b>	<b>2,844.5</b>	<b>3,335.0</b>	<b>3,238.8</b>	<b>161.9</b>	

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Thursday, December 7, 2017 2:47 PM  
**To:** Mike Cobb  
**Subject:** FW: Amendment 3 load Calculations  
**Attachments:** image001.jpg; ATT00001.htm; image003.png; ATT00002.htm; 2017 01 Owen Billing.pdf; ATT00003.htm

Mike,

Let's discuss before the end of the day at your convenience.

Thanks,

Mark

-----Original Message-----

**From:** David Crews [mailto:David.Crews@ekpc.coop]  
**Sent:** Wednesday, December 06, 2017 5:39 PM  
**To:** Mark Stallons <mstallons@owenelectric.com>  
**Subject:** Fwd: Amendment 3 load Calculations

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See the explanation below. Sally included the correspondence from the previous discussion as well.

Sent from my iPad

Begin forwarded message:

**From:** Sally Witt <sally.witt@ekpc.coop<mailto:sally.witt@ekpc.coop>>  
**Date:** December 6, 2017 at 3:34:29 PM EST  
**To:** David Crews <David.Crews@ekpc.coop<mailto:David.Crews@ekpc.coop>>  
**Cc:** Julie Tucker <julie.tucker@ekpc.coop<mailto:julie.tucker@ekpc.coop>>  
**Subject:** RE: Amendment 3 load Calculations

Hi!

The difference is billed demand, which includes demand based on contract, versus actual demand at the time of the peak. Mark is using billed demand (see labels in his spreadsheet) and we are using actual demand. For example, see the attached 2 pages from January 2017 Billing Statement to Owen. The 2 orangish highlights equal what Mark has:

Page 1: Grand Total Billing Demand = 249,016  
Page 2: Gallatin Billing Demand = 148,667  
Total: = 397,883 = Mark's sheet

The Updated Allotment spreadsheet has:

Owen CP	= 236,321
Gallatin Actual Demand	= 114,362
Total:	= 350,683

Owen has other customers on special rates that have contract demands also. All of the contract demand compared to actual demand accounts for the deviation from Mark's calculation to EKPC's values.

This issue was discussed in August 2015 too. See email excerpts below, read from the bottom up.

Let me know if you need anything else.

Sally

From: David Crews  
Sent: Wednesday, December 06, 2017 10:56 AM  
To: Sally Witt <sally.witt@ekpc.coop<mailto:sally.witt@ekpc.coop>>  
Subject: FW: Amendment 3 load Calculations

From: Mark Stallons [mailto:mstallons@owenelectric.com]  
Sent: Wednesday, December 6, 2017 10:43 AM  
To: David Crews <David.Crews@ekpc.coop<mailto:David.Crews@ekpc.coop>>  
Cc: Mike Cobb <mcobb@owenelectric.com<mailto:mcobb@owenelectric.com>>; April Brown <abrown@owenelectric.com<mailto:abrown@owenelectric.com>>  
Subject: Amendment 3 load Calculations

David,

Attached please find our support for our Amendment #3 load calculations. Please have Sally review and let's discuss.

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>

KW-Sch. B Contract	7.17
Excess B Contract	9.98
KW-Sch. C	7.17
KW-Sch. DB	3.59
Excess DB	4.99
KW-Sch. E	7.99
KW-Sch. E2	6.02
KW-Sch. GM	6.98
KVA 1000- 2999	1088.00
KVA 3000- 7499	2737.00
KVA 7500- 14999	3292.00
KVA 15000- 99999	5310.00

**EAST KENTUCKY POWER COOPERATIVE INC.**  
**P.O. Box 707 Winchester, Kentucky 40391**  
**Statistics For Month of January 2017**

KWH-Sch. B/C	.042882
KWH-Sch. E On-Peak	.045132
KWH-Sch. E Off-Peak	.044554
KWH-Sch. E2 On-Peak	.053279
KWH-Sch. E2 Off-Peak	.044554
Fuel Rate	-.003230
Surcharge Rate	.169200

**OWEN EC**

Substation	KVA Rating	Constant KW/KWH	Rate Sch	NON-CP P.F.	KW				KWH		
					Billing Demand	CP TOD Demand	NON-CP Demand	Contract Demand	Billing KWH	Actual KWH	Minimum KWH
--Substation Share	12000	3600	E2		3,288	3,288	4,135	0	1,827,724	1,827,724	0
Total Substation				.92	5,072	5,072	6,084	1,450	3,111,404	3,111,404	580,000
Turkey Foot											
--Mubea		2400	B		1,800	1,711	2,612	1,800	1,258,728	1,258,728	720,000
--Substation Share	14000	7200	E2		11,578	11,578	11,719	0	4,711,436	4,711,436	0
Total Substation				.98	13,378	13,289	14,331	1,800	5,970,164	5,970,164	720,000
Williamstown	14000	4800	E2	1.00	12,007	12,007	12,388	0	5,373,406	5,373,406	0
WM Smith											
--Toyota Motor Office		300	B		800	659	747	800	521,770	521,770	320,000
--Toyota Lab		0	B		550	502	666	550	379,900	379,900	220,000
--U S Playing Card		2400	B		1,500	464	1,735	1,500	781,777	781,777	600,000
--Mauer USA		1440	B		1,200	864	930	1,200	692,581	692,581	480,000
--Substation Share	25200	10800	E2		6,639	6,639	8,806	0	4,666,600	4,666,600	0
Total Substation				.99	10,689	9,128	12,884	4,050	7,042,628	7,042,628	1,620,000
W R Smoot	28000	10800	E2	1.00	13,486	13,486	14,293	0	5,810,263	5,810,263	0
<b>Schedule A Statistic Totals</b>											
<b>Schedule B Statistic Totals</b>					34,865	29,246	37,986	24,000	23,814,654	23,814,654	9,600,000
<b>Schedule C Statistic Totals</b>											
<b>Schedule DB Statistic Totals</b>											
<b>Schedule E Statistic Totals ON PEAK</b>					214,151	214,151	233,880		45,215,676	45,215,676	
<b>Schedule E Statistic Totals OFF PEAK</b>									54,745,476	54,745,476	
<b>Schedule G Statistic Totals</b>											
<b>Schedule X Statistic Totals</b>											
<b>Grand Totals</b>					<b>249,016</b>	243,397	271,866	24,000	123,775,806	123,775,806	9,600,000

CP T-O-D Occurred 01/08/17 at 08:30

Questions Regarding this invoice should be directed to Laura Wilson (859) 744-4812 ext 752.

OWEN-GALLATIN  
P O BOX 402  
8205 HWY 127N  
OWENTON, KY 40359

**EAST KENTUCKY POWER COOPERATIVE INC.**  
P.O. Box 707 Winchester, Kentucky 40391  
**Wholesale Power Invoice**  
**Substation Detail Charges**

Invoice Date 02/02/17

EKPC Interrupt Hours: 0

	On-Peak Kw	Off-Peak Kw	Energy Kwh
M1 - 345 kV	132,923	137,259	71,836,241
M2 - 345 kV	104,689	108,334	55,920,264
M4 - 138 kV	22,991	22,402	16,484,477

January 2017

Air Liquide		
On Peak KW	Off Peak KW	Energy KWH
7,047	7,426	5,288,958

FAC : -.003230  
Surcharge : .169200  
CPS1: 0  
12 Mo : 0

Substation	Rate Sch	Billing Demand	KWH	Demand Charge	Energy Charge	Load Forecast True-Up	Fuel Adjustment	Surcharge	Total Charges
Gallatin	GA								
On-Peak .042805		148,867	22,273,467		953,416	4,186	-268,193	559,613	3,867,019
Off-Peak .039377			60,758,293		2,392,479				
Interruptible:									
Firm: 15,000 kw @ \$6.920				103,800					
10 Minute Int : 120,000 kw @ \$.700				84,000					
90 Minute Int : 13,867 kw @ \$2.720				37,718					
<b>CO-OP Sub Totals</b>		148,867	83,031,760	225,518	3,345,895	4,186	-268,193	559,613	3,867,019
PJM Capacity Performance Auction Credit				-47,670					-47,670
Case No. 2015-00358 Credit -Smith Solution				-24,839					-24,839

Normally due in usable funds by the 21st of the month, subject to the provisions in EKPC Board Policy No. 204, related to weekends and holidays.  
Questions Regarding this invoice should be directed to Laura Wilson (859) 745-9752 or ext 752.

**CO-OP Amount Due \$3,794,510**

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Friday, December 8, 2017 11:47 AM  
**To:** Elaine.Johns@enervision-inc.com  
**Subject:** FW: Amendment 3 load Calculations

FYI

-----Original Message-----

From: Sally Witt [mailto:sally.witt@ekpc.coop]  
Sent: Friday, December 08, 2017 9:52 AM  
To: Mark Stallons <mstallons@owenelectric.com>  
Cc: David Crews <David.Crews@ekpc.coop>; Julie Tucker <julie.tucker@ekpc.coop>; Laura Wilson <laura.wilson@ekpc.coop>; Yewande Otekeiwebia <Yewande.Otekeiwebia@ekpc.coop>; Mike Cobb <mcobb@owenelectric.com>; Jacob Watson <Jacob.Watson@ekpc.coop>  
Subject: RE: Amendment 3 load Calculations

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Hi!!

Great morning for chasing rabbits! Lol Here are the differences. In addition to the billed versus actual difference, when I referenced 'Gallatin' in the original email, it was the 345 substation which includes Air Liquide in addition to Gallatin's load. If I move that load to the CP and remove from Gallatin:

Owen Load at EKPC CP	= 236,321 + 7,075	= 243,397 which matches your billing statement for
CP TOD Demand		
Gallatin Actual Demand at EKPC's CP	= 107,286	
Total:	= 350,683	

The other issue is how Gallatin is billed. The statement is Gallatin's peak regardless of EKPC's peak. Amendment 3 calculation is based on EKPC's CP.

I have checked with Accounting and we don't believe you are receiving any reports with Gallatin's peak load coincident with EKPC's peak. The other data is on your bill. We can send you Gallatin's peak every month if you'd like. Just let us know who needs to receive it and we will send an e-mail. And I will account for Air Liquide as shown on the bill in the future.

Let me know if you have any other questions.

Have a great day!  
Sally

-----Original Message-----

From: Mark Stallons [mailto:mstallons@owenelectric.com]  
Sent: Thursday, December 07, 2017 3:36 PM  
To: Sally Witt <sally.witt@ekpc.coop>

Cc: David Crews <David.Crews@ekpc.coop>  
Subject: RE: Amendment 3 load Calculations

Sally,

Is there any billing correspondence that Owen receives each month that shows us our actual demand numbers for the month? Mike Stafford receives a Schedule B Statistics Report that shows Billing demand and CP TOD Demand for each contract schedule B load. It appears that the CP TOD demand may be the actual demand you use in the Amendment 3 calculations. In regards to Nucor, I do not find any reference on the bill to actual demand for the month. Please clarify?

Thanks,

Mark

-----Original Message-----

From: David Crews [mailto:David.Crews@ekpc.coop]  
Sent: Wednesday, December 06, 2017 5:39 PM  
To: Mark Stallons <mstallons@owenelectric.com>  
Subject: Fwd: Amendment 3 load Calculations

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See the explanation below. Sally included the correspondence from the previous discussion as well.

Sent from my iPad

Begin forwarded message:

From: Sally Witt <sally.witt@ekpc.coop<mailto:sally.witt@ekpc.coop>>  
Date: December 6, 2017 at 3:34:29 PM EST  
To: David Crews <David.Crews@ekpc.coop<mailto:David.Crews@ekpc.coop>>  
Cc: Julie Tucker <julie.tucker@ekpc.coop<mailto:julie.tucker@ekpc.coop>>  
Subject: RE: Amendment 3 load Calculations

Hi!

The difference is billed demand, which includes demand based on contract, versus actual demand at the time of the peak. Mark is using billed demand (see labels in his spreadsheet) and we are using actual demand. For example, see the attached 2 pages from January 2017 Billing Statement to Owen. The 2 orangish highlights equal what Mark has:

Page 1: Grand Total Billing Demand	=	249,016
Page 2: Gallatin Billing Demand	=	148,667
Total:	=	397,883 = Mark's sheet

The Updated Allotment spreadsheet has:

Owen CP	=	236,321
Gallatin Actual Demand	=	114,362
Total:	=	350,683



Witness: Mark Stallons

Owen has other customers on special rates that have contract demands also. All of the contract demand compared to actual demand accounts for the deviation from Mark's calculation to EKPC's values.

This issue was discussed in August 2015 too. See email excerpts below, read from the bottom up.  
Let me know if you need anything else.

Sally

From: David Crews  
Sent: Wednesday, December 06, 2017 10:56 AM  
To: Sally Witt <sally.witt@ekpc.coop<mailto:sally.witt@ekpc.coop>>  
Subject: FW: Amendment 3 load Calculations

From: Mark Stallons [mailto:mstallons@owenelectric.com]  
Sent: Wednesday, December 6, 2017 10:43 AM  
To: David Crews <David.Crews@ekpc.coop<mailto:David.Crews@ekpc.coop>>  
Cc: Mike Cobb <mcobb@owenelectric.com<mailto:mcobb@owenelectric.com>>; April Brown <abrown@owenelectric.com<mailto:abrown@owenelectric.com>>  
Subject: Amendment 3 load Calculations

David,

Attached please find our support for our Amendment #3 load calculations. Please have Sally review and let's discuss.

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>

## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Friday, February 2, 2018 5:22 PM  
**To:** Tim Sharp; 'Carol Wright'; mikew@bgenergy.com; 'Joni Hazelrigg'; 'Debbie Martin'; CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com)  
**Cc:** James M Crawford (jcrawford@cbkylaw.com); Rusty Williams; April Brown (abrown@owenelectric.com); Judy Osborne; Missy Moore; Mary Ellen Cole; Elaine.Johns@enervision-inc.com  
**Subject:** FW: Amendment 3 Notice  
**Attachments:** 2018 A3 Notice.pdf

All,

We finished our board meeting this afternoon at 2pm and my board passed a motion requesting that I provide notice to EKPC as soon as possible. Please see the attached notice that I emailed to Tony at 4:50pm this afternoon. Owen's notice is a blend of South Kentucky and Salt River's recent notices.

I then left a message on Tony's mobile and work phone explaining that Owen views this as a defensive strategy and desires to work with EKPC and our fellow Member Owners. Please call if you would like to discuss in more depth.

Thanks,

Mark

**From:** Mark Stallons  
**Sent:** Friday, February 02, 2018 4:51 PM  
**To:** tony.campbell@ekpc.coop  
**Cc:** James M Crawford (jcrawford@cbkylaw.com) <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](mailto: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 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:*

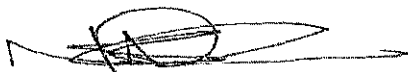
- (a) *interconnected to the Owner Member's distribution system (and not to any transmission system) and will not produce energy in any hour in excess of the Owner Member's load at the Related EKPC Point of Delivery. Such Alternate Sources are referred to in in the MOU&A as "Behind the Meter Sources". 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

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Friday, February 2, 2018 5:25 PM  
**To:** Alan Ahrman; Charles E; Eddie McCord; Hope Kinman; John Grant; Rick Messingschlager; Robert True  
**Cc:** Alan Ahrman; Eddie McCord; Rick Messingschlager; Charlie Richardson; John Grant  
**Subject:** FW: Amendment 3 Notice  
**Attachments:** 2018 A3 Notice.pdf

Directors,

Attached please find the Amendment 3 notice sent to Tony Campbell this afternoon. Have a great Super Bowl weekend.

Thanks,

Mark

**From:** Mark Stallons  
**Sent:** Friday, February 02, 2018 4:51 PM  
**To:** tony.campbell@ekpc.coop  
**Cc:** James M Crawford (jcrawford@cbkylaw.com) <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](mailto: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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**Missy Moore**

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**From:** Mark Stallons  
**Sent:** Friday, February 9, 2018 1:53 PM  
**To:** James M Crawford (jcrawford@cbkylaw.com); Alan Ahrman; Alan Ahrman  
**Subject:** FW: EKPC Amendment Three Notification  
**Attachments:** A3 Cost Shift 020818.xlsx

Alan,

I have forwarded this to all the EKPC CEO's, Tony, Don, Mike & David. I have not forwarded it to any directors. Let's discuss at your convenience.

Mark

**From:** Mark Stallons  
**Sent:** Friday, February 09, 2018 1:44 PM  
**To:** 'Bill Prather' <bprather@farmersrecc.net>; Tim Sharp <tjsharp@srelectric.com>  
**Cc:** bsexton@big sandyrecc.com; Mike Williams (mikew@bgenenergy.com) <mikew@bgenenergy.com>; CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com) <cbrewer@clarkenergy.com>; ted.hampton@cumberlandvalley.coop; jhazelrigg@fme.coop; carol.fraley@graysonrecc.com; jerry@intercountyenergy.net; carolwright@jacksonenergy.com; kkhoward@lvrecc.com; mmiller@nolinrecc.com; 'Dennis Holt' (dholt@skrecc.com) <dholt@skrecc.com>; debbiem@shelbyenergy.com; bmyers@tcrecc.com; tony.campbell@ekpc.coop; Don Mosier <Don.Mosier@ekpc.coop>; Mike McNalley <Michael.McNalley@ekpc.coop>; david.crews@ekpc.coop  
**Subject:** RE: EKPC Amendment Three Notification

Fellow Manager's,

Owen has likewise given EKPC notification on the remaining balance of our Amendment 3 rights. As Tim and Bill have expressed, Owen is also hopeful that we can work together to find common ground and determine a pathway that meets all of our 500,000 plus members desire for affordable and reliable energy. As developed in 2003, Amendment 3's differential between an individual coops ability to go to market for 15% while EKPC's allotment is simply 5%, has always been recognized and is a serious problem that creates major inequities. When we negotiated the MOU, unfortunately we were unable to mitigate this risk and agree on a common percentage that applied to both EKPC and the Member Owners.

In Owen's board room discussions, we used the attached excel spreadsheet to understand the Amendment 3 impacts to EKPC and all 16 member owners. You are welcome to modify and use this model to see what your Cooperative's impacts are under a variety of scenarios. Please understand that some data is not readily available and as a result I have made assumptions that affect the outcome. For example in the last tab entitled "Cost shift", I used the 2017 capital credit allocations to estimate each cooperatives power bill. To receive a more accurate estimated impact, please input your actual 2017 Environmental Surcharge power expense in column D (highlighted green) and your Base Rate power bill in column F also highlighted green.

The first tab, tiled "Jan 2018 Allotment", is a historical summary of Amendment 3 notices and the balances by cooperative as of February 8, 2018. I have included Farmer's recent notice, however, I simply applied the notice to the remaining balance. If a prior notice has been rescinded then my assumption is not accurate. If you want to see the impact of your Cooperative's decision to give notice or to not give notice please update column X and Y highlighted in green and entitled 2018 PJM Notices with either your remaining balance in column Z, the pro-rata share in column AA,



Witness: Mark Stallons

or leave as zero. Please note that column AE, titled "Net Member Savings(Loss)" identifies the resulting cost impact. As you change your notice and as others change their notice the impacts shift.

The second tab, titled "A3 Savings" takes the noticed amount from tab 1 "Jan 2018 Allotment" and calculates the annual savings that your individual cooperative could expect in year 1 if the price spread was \$20. You can change the price spread highlighted in green to any number you choose.

The third tab, titled "EKPC Impact" shows the impact on the Environmental Surcharge and on the Base Rates charged to each member owner based upon the number of cooperatives who have given notice. Please note that the cost shifts are proportional to the cost shifts identified in EKPC's letter dated December 27, 2017 which discusses said cost shifts and mitigation. Please also note that the notices provided since November 2017 are estimated to result in roughly a \$7 Million dollar reduction (6.44%) in EKPC's environmental surcharge revenue and roughly a \$22 Million reduction (2.88%) in base rate revenue. As you change your notice choice on tab 1, the impact is updated.

The fourth tab, entitled "Cost Shift", displays the savings if you exercise Amendment 3, the resulting cost shifts, and the net impact on all 16 cooperatives. Unfortunately, the bottom line is that exercising your Amendment 3 option will not completely mitigate the negative cost impacts or totally reduce the cost shifts. The only successful way forward is for all of us is to sit down and develop a new path that is beneficial to all concerned.

I do not claim the attached spreadsheet to be perfect, however, I do believe it is directionally correct and a good start. I am also very willing to work with interested parties to modify and improve the model. Should you have any questions, please do not hesitate to call.

Sincerely,

Mark

**From:** Bill Prather [<mailto:bprather@farmersrecc.net>]

**Sent:** Thursday, February 08, 2018 3:53 PM

**To:** Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>

**Cc:** [bsexton@bigsandyrecc.com](mailto:bsexton@bigsandyrecc.com); Mike Williams ([mikew@bgenergy.com](mailto:mikew@bgenergy.com)) <[mikew@bgenergy.com](mailto:mikew@bgenergy.com)>; CHRIS BREWER ([cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)) ([cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)) <[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>;

[ted.hampton@cumberlandvalley.coop](mailto:ted.hampton@cumberlandvalley.coop); [jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop); [carol.fraley@graysonrecc.com](mailto:carol.fraley@graysonrecc.com);

[jerry@intercountyenergy.net](mailto:jerry@intercountyenergy.net); [carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com); [kkhoward@lvrecc.com](mailto:kkhoward@lvrecc.com); [mmiller@nolinrecc.com](mailto:mmiller@nolinrecc.com); Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>; 'Dennis Holt' ([dholt@skrecc.com](mailto:dholt@skrecc.com)) <[dholt@skrecc.com](mailto:dholt@skrecc.com)>;

[debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com); [bmyers@trecc.com](mailto:bmyers@trecc.com); [tony.campbell@ekpc.coop](mailto:tony.campbell@ekpc.coop)

**Subject:** Re: EKPC Amendment Three Notification

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Folks,

Like Tim at Salt River, I wanted to give you a heads up that Farmers has likewise given EKPC notification on the remaining balance of our Amendment 3 rights. Farmers too, is hopeful that we can all determine a path forward that will be beneficial to all sixteen member-owners. We look forward to working together to find common ground that is fair to all. We do not philosophically support where Amendment 3 is currently taking us all, and hope we can find a better way for our sixteen members.

Bill Prather  
Farmers RECC

On Fri, Feb 2, 2018 at 7:11 AM, Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)> wrote:

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

--  
**William T. Prather**  
President/CEO  
Farmers Rural Electric Cooperative Corporation  
504 South Broadway  
Glasgow, Kentucky 42141  
270-651-2191, ext. 8300  
[bprather@farmersrecc.com](mailto:bprather@farmersrecc.com)



Owner-Member Cooperative	EKPC 5% Limit			Average	5% Limit
	EKPC CP (MW) for Month of				
	Feb 2015- Jan 2016	Feb 2016- Jan 2017	Feb 2017- Jan 2018		
	Jan 2016	Jan 2017	Jan 2018		
Big Sandy	89.5	56.9	74.3	73.6	3.7
Blue Grass	410.9	324.4	382.2	372.5	18.6
Clark	154.0	113.6	139.4	135.7	6.8
Cumberland Valley	158.3	109.6	141.3	136.4	6.8
Farmers	136.4	115.9	138.4	130.2	6.5
Fleming Mason	196.9	166.9	189.1	184.3	9.2
Grayson	85.2	57.6	72.7	71.9	3.6
Inter-County	171.1	134.1	158.6	154.6	7.7
Jackson	325.6	230.2	293.6	283.2	14.2
Licking Valley	88.6	58.7	75.0	74.1	3.7
Nolin	211.1	199.1	215.5	208.6	10.4
Owen	347.4	350.7	423.8	374.0	18.7
Salt River	314.4	262.0	306.4	294.3	14.7
Shelby	120.5	99.6	113.9	111.3	5.6
South Kentucky	458.9	353.4	426.2	412.9	20.6
Taylor	159.4	139.1	157.0	151.8	7.6
<b>Total</b>	<b>3,428.1</b>	<b>2,771.8</b>	<b>3,307.4</b>	<b>3,169.1</b>	<b>158.5</b>

Owner-Member Cooperative	A3 Allotments, Based on Data Through January 2018					
	Owner-Member Peak (MW)			Average	5% Election	15% Election
	Feb 2015- Jan 2016	Feb 2016- Jan 2017	Feb 2017- Jan 2018			
	Jan 2016	Jan 2017	Jan 2018			
Big Sandy	89.5	58.8	74.3			
Blue Grass	410.9	324.4	383.2	372.8	18.642	55.9
Clark	154.0	113.6	140.1	135.9	6.796	20.4
Cumberland Valley	158.3	110.0	141.3	136.5	6.826	20.5
Farmers	136.8	115.9	138.4	130.3	6.517	19.6
Fleming Mason	198.0	179.7	189.1	188.9	9.445	28.3
Grayson	85.2	58.3	72.7	72.1	3.603	10.8
Inter-County	171.1	134.4	158.6	154.7	7.736	23.2
Jackson	327.7	232.2	293.6	284.5	14.226	42.7
Licking Valley	88.6	60.6	76.6	75.3	3.763	11.3
Nolin	230.4	199.1	216.1	215.2	10.760	32.3
Owen	490.9	401.5	447.5	426.6	21.330	64.0
Salt River	316.1	262.0	306.4	294.8	14.742	44.2
Shelby	120.5	101.6	113.9	112.0	5.599	16.8
South Kentucky	458.9	353.4	426.2	412.9	20.643	61.9
Taylor	160.2	139.1	157.0	152.1	7.604	22.8
<b>Total</b>	<b>3,537.0</b>	<b>2,844.5</b>	<b>3,335.0</b>	<b>3,238.8</b>	<b>161.9</b>	

Owner-Member Cooperative	A3 Balances as of January 2018							
	Allocation		Notice Before 2018 & 2018 Non PJM Notices	PJM Notice Y or N	Please choose your 2018 PJM Notice	5% Balance	Live Pro-rata Share of Balance	Feb 8 2018 Pro-Rata Share of Balance
	%	MW						
	MW	MW	MW	MW	MW	MW	MW	
Big Sandy	5%	3.7	0.0	N	0.0	3.7	1.9	1.9
Blue Grass	5%	18.6	0.0	N	0.0	18.6	9.5	9.5
Clark	5%	6.8	0.0	N	0.0	6.8	3.5	3.5
Cumberland Valley	5%	6.8	0.0	N	0.0	6.8	3.5	3.5
Farmers*	5%	6.5	4.6	Y	1.9	0.0	0.0	0.0
Fleming Mason*	5%	9.4	1.4	N	0.0	8.0	4.1	4.1
Grayson	5%	3.6	0.0	N	0.0	3.6	1.8	1.8
Inter-County	5%	7.7	0.0	N	0.0	7.7	4.0	4.0
Jackson*	5%	14.2	6.0	Y	8.0	0.0	0.0	0.0
Licking Valley	5%	3.8	0.0	N	0.0	3.8	1.9	1.9
Nolin	5%	10.8	0.0	N	0.0	10.8	5.5	5.5
Owen*	5%	21.3	2.0	Y	19.3	0.0	0.0	0.0
Salt River*	5%	14.7	2.0	Y	12.7	0.0	0.0	0.0
Shelby	5%	5.6	0.0	N	0.0	5.6	2.9	2.9
South Kentucky*	15%	61.9	58.0	N	0.0	0.0	0.0	0.0
Taylor	5%	7.6	0.0	N	0.0	7.6	3.9	3.9
<b>Total</b>		<b>203.2</b>	<b>74.0</b>		<b>41.9</b>	<b>83.2</b>	<b>42.6</b>	<b>42.5</b>

Total projects MW cannot exceed 5% of the 3 year average of EKPC CP, which is currently 158.5 MW.

Feb 2015-Jan 2016 Peak Occurred Feb 2015  
 Feb 2016-Jan 2017 Peak Occurred Jan 2017  
 Feb 2017-Jan 2018 Peak Occurred Jan 2018

Noticed Projects						
Owner-Member	Project	Notice Given	MW	Delivery Date		
Jackson	Irvine LFGTE		1.6	10/2013		
Jackson	Dupree Energy Sys		1.0	3/2015		
Farmers	Federal Mogul DG		3.5	2005		
Farmers	Glasgow LFGTE		1.0	11/2015		
Salt River	Lock 7		2.0	2013		
Owen	Owen Office		2.0	2016		
South Kentucky	PJM/Market	12/2018	58.0	6/2019		
Salt River	PJM/Market	2/2018	12.7	9/2019		
Owen	PJM/Market	2/2018	19.3	9/2019		
Fleming-Mason	LFG PPA	2/2018	1.4	10/2018		
Jackson	PJM Market	2/2019	8.0			
Jackson	Hydro	2/2020	3.4			
<b>Total Projects</b>			<b>114.0</b>			
Not to Exceed 158.5 MW						
Remaining Balance of 5% Amendment 3 Pool Feb 8, 2018						<b>44.46</b>
Noticed February 8, 2019 not in above						<b>1.9</b>

Attachment #1  
Page #699 of 877  
Witness: Mark Stallions

## Assumed Savings per Year (DRAFT)

Cooperative	MW Load Noticed 2018	Savings per MW	Savings per Year
Big Sandy	0.00	\$ 20.00	\$ -
Blue Grass	0.00	\$ 20.00	\$ -
Clark	0.00	\$ 20.00	\$ -
Cumberland Valley	0.00	\$ 20.00	\$ -
Farmers	1.90	\$ 20.00	\$ 332,880
Fleming Mason	0.00	\$ 20.00	\$ -
Grayson	0.00	\$ 20.00	\$ -
Inter-County	0.00	\$ 20.00	\$ -
Jackson	8.00	\$ 20.00	\$ 1,401,600
Licking Valley	0.00	\$ 20.00	\$ -
Nolin	0.00	\$ 20.00	\$ -
Owen	19.30	\$ 20.00	\$ 3,381,360
Salt River	12.70	\$ 20.00	\$ 2,225,040
Shelby	0.00	\$ 20.00	\$ -
South Kentucky	\$ 58.00	\$ 20.00	\$ 10,161,600
Taylor	0.00	\$ 20.00	\$ -
<b>Totals</b>	<b>99.90</b>		<b>17,502,480</b>

### Amendment 3 Impact on EKPC (DRAFT)

<u>Notice</u>	<u>MW</u>	<u>MWh/Year</u>	<u>ES \$ Shift</u>	<u>ES %</u>	<u>Base \$ Shift</u>	<u>Total \$ Shift</u>
Big Sandy	0.0	-	\$ -	0.00%	\$ -	\$ -
Blue Grass	0.0	-	\$ -	0.00%	\$ -	\$ -
Clark	0.0	-	\$ -	0.00%	\$ -	\$ -
Cumberland Valley	0.0	-	\$ -	0.00%	\$ -	\$ -
Farmers	1.9	16,644	\$ 134,310.34	1.90%	\$ 425,862.07	\$ 560,172.41
Fleming Mason	0.0	-	\$ -	0.00%	\$ -	\$ -
Grayson	0.0	-	\$ -	0.00%	\$ -	\$ -
Inter-County	0.0	-	\$ -	0.00%	\$ -	\$ -
Jackson	8.0	70,080	\$ 565,517.24	8.01%	\$ 1,793,103.45	\$ 2,358,620.69
Licking Valley	0.0	-	\$ -	0.00%	\$ -	\$ -
Nolin	0.0	-	\$ -	0.00%	\$ -	\$ -
Owen	19.3	169,068	\$ 1,364,310.34	19.32%	\$ 4,325,862.07	\$ 5,690,172.41
Salt River	12.7	111,252	\$ 897,758.62	12.71%	\$ 2,846,551.72	\$ 3,744,310.34
Shelby	0.0	-	\$ -	0.00%	\$ -	\$ -
South Kentucky	58.0	508,080	\$ 4,100,000.00	58.06%	\$ 13,000,000.00	\$ 17,100,000.00
Taylor	0.0	-	\$ -	0.00%	\$ -	\$ -
<b>Member Owner Total</b>	<b>99.9</b>	<b>875,124</b>	<b>\$ 7,061,896.55</b>		<b>\$ 22,391,379.31</b>	<b>\$ 29,453,275.86</b>
<b>EKPC 2018 Budget</b>	<b>29,194</b>	<b>13,534,101</b>	<b>EKPC Pass Thru</b>		<b>EKPC Rate Increase</b>	

### Cost Shift Percentages

<u>EKPC Base Rate Impact</u>	<u>EKPC 2018 Budget (pgA2)</u>	<u>Base Shift</u>	<u>Percent Increase</u>
Base Rate	\$ 777,941,988.00	\$ 22,391,379.31	2.88%
EKPC ES Revenue	\$ 109,603,865.00	\$ 7,061,896.55	6.44%

**A3 Cost Shift Draft (2017 Actuals)**

<u>Member Owner</u>	<u>2017 Capital Credits</u>	<u>Est. 2017 Member Owner ES Power Bill</u>	6.44%		2.88%		<u>Base Rate Savings</u>	<u>Net Base Rate Savings (Loss)</u>	<u>Net Member Savings (Loss)</u>
			<u>ES Cost Increase</u>	<u>Est. 2017 Member Owner Base Rate Power Bill</u>	<u>Base Rate Increase</u>				
Big Sandy	\$ 456,552.84	\$ 2,332,135.41	\$ 150,262.03	\$ 15,242,430.52	\$ 438,720.43	\$ -	\$ (438,720.43)	\$ (588,982.46)	
Blue Grass	\$ 2,544,829.40	\$ 12,999,342.52	\$ 837,561.82	\$ 84,961,436.94	\$ 2,445,431.40	\$ -	\$ (2,445,431.40)	\$ (3,282,993.21)	
Clark	\$ 902,424.95	\$ 4,609,712.16	\$ 297,008.78	\$ 30,128,275.19	\$ 867,177.31	\$ -	\$ (867,177.31)	\$ (1,164,186.09)	
Cumberland Valley	\$ 891,226.76	\$ 4,552,510.25	\$ 293,323.20	\$ 29,754,413.47	\$ 856,416.50	\$ -	\$ (856,416.50)	\$ (1,149,739.70)	
Farmers	\$ 978,324.48	\$ 4,997,417.51	\$ 315,865.14	\$ 32,662,249.82	\$ 940,112.29	\$ 332,880.00	\$ (607,232.29)	\$ (923,097.44)	
Fleming Mason	\$ 1,594,149.10	\$ 8,143,135.32	\$ 524,671.09	\$ 53,222,113.14	\$ 1,531,883.54	\$ -	\$ (1,531,883.54)	\$ (2,056,554.62)	
Grayson	\$ 504,925.70	\$ 2,579,230.70	\$ 166,182.65	\$ 16,857,402.32	\$ 485,203.90	\$ -	\$ (485,203.90)	\$ (651,386.55)	
Inter-County	\$ 952,243.55	\$ 4,864,192.50	\$ 313,405.23	\$ 31,791,514.33	\$ 915,050.05	\$ -	\$ (915,050.05)	\$ (1,228,455.28)	
Jackson	\$ 1,789,997.81	\$ 9,143,557.77	\$ 541,951.87	\$ 59,760,699.90	\$ 1,720,082.63	\$ 1,401,600.00	\$ (318,482.63)	\$ (860,434.50)	
Licking Valley	\$ 502,348.35	\$ 2,566,065.24	\$ 165,334.38	\$ 16,771,355.15	\$ 482,727.22	\$ -	\$ (482,727.22)	\$ (648,061.60)	
Nolin	\$ 1,438,700.80	\$ 7,349,083.79	\$ 473,509.48	\$ 48,032,330.69	\$ 1,382,506.86	\$ -	\$ (1,382,506.86)	\$ (1,856,016.34)	
Owen	\$ 2,870,788.29	\$ 14,664,385.87	\$ 762,305.26	\$ 95,843,870.04	\$ 2,758,658.72	\$ 3,381,360.00	\$ 622,701.28	\$ (139,603.98)	
Salt River	\$ 2,281,982.31	\$ 11,656,683.03	\$ 655,573.62	\$ 76,186,048.52	\$ 2,192,850.80	\$ 2,225,040.00	\$ 32,189.20	\$ (623,384.41)	
Shelby	\$ 901,620.69	\$ 4,605,603.89	\$ 296,744.08	\$ 30,101,424.24	\$ 866,404.46	\$ -	\$ (866,404.46)	\$ (1,163,148.54)	
South Kentucky	\$ 2,592,576.90	\$ 13,243,243.39	\$ 357,880.78	\$ 86,555,530.52	\$ 2,491,313.94	\$ 10,161,600.00	\$ 7,670,286.06	\$ 7,312,405.28	
Taylor	\$ 939,573.41	\$ 4,799,471.66	\$ 309,235.19	\$ 31,368,510.21	\$ 902,874.79	\$ -	\$ (902,874.79)	\$ (1,212,109.99)	
<b>Total</b>	<b>\$ 22,142,265.34</b>	<b>\$ 113,105,771.00</b>	<b>\$ 6,460,814.60</b>	<b>\$ 739,239,605.00</b>	<b>\$ 21,277,414.84</b>	<b>\$ 17,502,480.00</b>	<b>\$ (3,774,934.84)</b>	<b>\$ (10,235,749.43)</b>	

## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Friday, January 19, 2018 10:22 AM  
**To:** Rusty Williams; Jennifer Taylor; Jim Petreshock  
**Subject:** FW: financial data request

Rusty, Jim & Jennifer;

See below Mary Ellen's request and follow up response after talking to Tim Sharp at Salt River. How easy or difficult would it be to provide EnerVision with 12 months of hourly load data from our substations? Is SCADA or MV90 the best tool? How many hours would it take?

Thanks,

Mark

**From:** Mary Ellen Cole [mailto:Mary\_Ellen.Cole@enervision-inc.com]  
**Sent:** Friday, January 19, 2018 8:55 AM  
**To:** Carol Wright (carolwright@jacksonenergy.com) <carolwright@jacksonenergy.com>; Mark Stallons <mstallons@owenelectric.com>  
**Cc:** Missy Moore <mmoore@owenelectric.com>  
**Subject:** RE: financial data request

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Carol and Mark,

My apologies on the lateness of my email from last night. After speaking with Tim this morning, I understand that the hourly data is likely not readily available without a request to EKPC. I should have clarified in my email last night that it is not worth extraordinary efforts to collect the data if it is not already readily available – my apologies for any additional concern or effort you may have had to put forth. The information you have already provided in the invoices and materials from the original data request will more than suffice.

I do greatly appreciate your responsiveness through this process, and I'm looking forward to receiving the proposals today!

Thanks again,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Check us out at [www.EnerVision-inc.com](http://www.EnerVision-inc.com)**

Witness: Mark Stallons

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**From:** Mary Ellen Cole  
**Sent:** Thursday, January 18, 2018 6:17 PM  
**To:** Carol Wright ([carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)) <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; tjsharp@srelectric.com; Mark Stallons ([mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)) <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Cc:** 'Missy Moore' <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>; Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**Subject:** RE: financial data request

One more (and hopefully last for now) data request. You have provided me your historical peak data for the last several years – thank you! Could you also provide 12 months of hourly load data? I'll use this to better evaluate the proposals for your on/off peak load. It won't be provided to the marketers.

Thank you, and do please call me if you have any questions,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
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**From:** Mary Ellen Cole  
**Sent:** Thursday, January 18, 2018 2:46 PM  
**To:** Carol Wright ([carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)) <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Tim Sharp ([tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)) <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Mark Stallons ([mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)) <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Cc:** Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>; Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**Subject:** financial data request

Good afternoon everyone,

I've gotten a follow-up request from the marketers regarding the financial data. They will need the full audited financials, not just the Form 7s, for the credit review that is integral to setting the proposed prices. I know we're coming close to the deadline tomorrow. Can you please provide the full audited financials for the last 3 years available as soon as able?

Thank you,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (865) 464-0548 | Alt. (865) 803-6037 | (888) 999-8840



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## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Friday, December 29, 2017 4:01 PM  
**To:** April Brown (abrown@owenelectric.com); Rusty Williams; Mike Cobb  
**Subject:** FW: From Tony Campbell re: Amendment 3 Memo  
**Attachments:** A3 Load Loss Mitigation Discussion Final.docx

FYI, please note the confidentiality clause.

Thanks,

Mark

**From:** Terri Combs [mailto:terri.combs@ekpc.coop]  
**Sent:** Friday, December 29, 2017 3:32 PM  
**To:** A L Rosenberger <buddyandcarol@bbtel.com>; Alan Ahrman - Owen <alanahrman@gmail.com>; Barry Myers -- Taylor County <bmyers@tcrecc.com>; Bill Prather -- Farmers <bprather@farmersrecc.com>; Bobby Sexton--Big Sandy <bsexton@bigsandyrecc.com>; Boris Haynes <borish@skrecc.com>; Carol Fraley -- Grayson <carol.fraley@graysonrecc.com>; Carol Wright - Jackson Energy <carolwright@jacksonenergy.com>; Chris Brewer - Clark Energy <cbrewer@clarkenergy.com>; Debbie Martin -- Shelby <debbiem@shelbyenergy.com>; Dennis Holt <dennish@skrecc.com>; Elbert Hampton <Ereedhampton@gmail.com>; Jerry Carter <jerry@intercountyenergy.net>; Jim Jacobus -- Inter-County <jim@intercountyenergy.net>; Jimmy Longmire -- Salt River <jlongmire94@icloud.com>; Jody Hughes <jodyh@bgenenergy.com>; Joe Spalding, Inter-County Energy <spaldingfarm@windstream.net>; Joni Hazelrigg <jhazelrigg@fme.coop>; Kelly Shepherd <kshepherd@foothills.net>; Ken Arrington -- Grayson <karringtonrecc@foothills.net>; Kerry Howard -- Licking Valley <kkhoward@lvrecc.com>; Landis Cornett <ekpc@landiscornett.com>; Mark Stallons <mstallons@owenelectric.com>; Mickey Miller -- Nolin <mmiller@nolinrecc.com>; Mike Williams -- Blue Grass <mikew@bgenenergy.com>; Paul Hawkins -- Farmers <paulcat@scrtc.com>; Raymond Rucker <lakeside47@yahoo.com>; Ted Hampton <ted.hampton@cumberlandvalley.coop>; Ted Holbrook <tedh@mrtc.com>; Tim Eldridge <timothy.eldridge@baldwincpas.com>; Tim Sharp - Salt River Electric <tjsharp@srelectric.com>; Wayne Stratton -- Shelby <wayne@jnmcpa.com>; William Shearer -- Clark <wpshearer@bellsouth.net>  
**Cc:** Tony Campbell <tony.campbell@ekpc.coop>; Mike McNalley <Michael.McNalley@ekpc.coop>; Don Mosier <Don.Mosier@ekpc.coop>; David Smart <david.smart@ekpc.coop>  
**Subject:** From Tony Campbell re: Amendment 3 Memo

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**Sending on behalf of Tony Campbell**

All:

Since South Kentucky gave us notice to exercise their rights under the MOU, we have had a number of CEO's contact us. Many have asked questions about the financial impacts to the remaining Owner Members. Mike McNalley and his team have been working on the potential cost implications of losing this 58 MW baseload block of power. Please remember this was done somewhat quickly, and we will continue to refine the data. In addition, please note that we will do everything possible to totally mitigate this loss of load, and will protect our Owner Members should it return at an inopportune time.

Regards,  
**Anthony "Tony" Campbell**

President and CEO

Phone: 859-745-9313

Fax: 859-744-7053



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East Kentucky Power Cooperative  
Mitigation of Amendment 3 Load Loss  
December 27, 2017

For this analysis I am using the SK Amendment 3 notice and their actual billings for the 12 months ending November 2017. The notice was for 58MW of load to be removed from the EKPC system, at an effective load factor of 100%.

#### South Kentucky Billing

EKPC billing differential to SK for the 12 months would have been a reduction of 508,000 MWh and \$30.4 million over the 12 months. This includes a reduction of \$28.5 million from Base Rates, an increase of \$2.5 million from the FAC, and a reduction of \$4.4 million in the ES. The base rate and FAC impacts should be taken together, for a net billing reduction of \$26.0 million.

For SK, we calculate a reduced load factor on the EKPC system because they are removing 100% load factor MWs. SK's load factor in the 12 months of 2017 would have dropped from the actual 56.3% to only 43.5%; this would have resulted in an increased cost per MWh billed by EKPC of \$6.07/MWh (from \$68.95/MWh to \$75.02/MWh). Because we do not have their new contract details it is impossible for us to calculate the net impact of their new contract on SK members.

#### Cost Shift and Mitigation

The load loss as a result of an Amendment 3 election will shift costs. EKPC will act promptly to mitigate that cost shift.

The cost shift consists of the fixed costs EKPC would no longer recover in base rates from SK, and the ES which would be "automatically" reallocated based on revenue to all members (including SK).

We estimate that the ES amount that would remain with SK is about \$0.3 million, so approximately \$4.1million would be reallocated to the other 15 owner-members.

EKPC's system is approximately half fixed cost and half variable cost (fuel, purchased power, etc). So of the base revenue loss (\$26.0 million), about \$13 million would be fixed and need to be recovered.

Thus, the total cost shift, without any mitigation, is approximately \$17.1 million to the 15 owner members for the 12 month period ending November 2017.

Amendment3 (and SK) provides for a long notice period, which is necessary for EKPC to achieve the best mitigation of the load loss for its owner-members. This is important because it gives EKPC the time to develop and execute numerous options. Without the time to act, EKPC would have only two options: sales of the energy into PJM in the day-ahead and real-time market, and a base rate increase. For 2017,

the energy market would have provided approximately \$5/MWh of margin, or \$2.3 million, leaving an unmitigated balance of \$14.8 million. Given EKPC's low margins this year, this might be large enough to tip us into a base rate increase, especially if we had no further mitigation options.

However, with time, more options unfold. These include participating in the PJM Intermediate Capacity Auctions (IA), the PJM Base (May) Capacity Auction (BRA), natural load growth, economic development, and special contracted loads. In the IA we might expect from \$800k to \$1.6 million of revenue in the first year, growing as the market firms and better prices are realized (three years out) in the BRA.

Load growth in our budget for 2018, which includes a bounce back to weather-normal as well as some real load growth, is projected at 1,388 MW and 974,217 MWh. If this is achieved, it is sufficient to absorb the loss of the SK load, although our EKPC results would be lower than projected (because we have their entire load in our budget). Because the notice period extends beyond the 2018 budget year, it is reasonable to conclude that EKPC can grow load sufficiently to offset the SK loss by the time their load actually leaves. Any load growth on SK's system also will directly benefit the EKPC system and all owner-members because their notice is for a fixed block of power which cannot grow – thus all load growth must be served under the wholesale power agreement.

A significant new load developed through economic development efforts could further mitigate the SK load loss. However to be valuable in this context that new load should be at tariffed rates and not heavily discounted so that it makes a full contribution to the fixed costs. A load such as the expansion of Gallatin, which is interruptible and does not contribute substantially to fixed costs, will not provide a material benefit in this context (it is obviously valuable in other ways).

Special load contracts (bi-lateral agreements) could possibly be negotiated. However the MW size (58) is odd, and it is likely we would have difficulty finding a good match at the size needed.

Finally, the SK notice is for a 20 year contract. We will mitigate the load loss for that period, and this strictly means that we will not have those resources immediately available to serve SK should they desire to return early – again a key reason for the long notice periods in Amendment 3.

#### Additional Load Loss (more Amendment 3 Notices)

Under Amendment 3, after SK's election, there are approximately 69.2 MW of potential load to be noticed across all owner-members. If some or all of these MWs are noticed soon, EKPC will follow similar mitigation plans. However, our "natural" load growth scenario will be insufficient to absorb all of the load loss by the time the notices are effective, so there likely would be some margin depression for a year or so. Other mitigation efforts might make up some of the shortfall, but we should expect some cost shifting in base rates, at least for a year or two.

All figures are estimates and we are continuing to refine these analyses.

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Friday, December 8, 2017 5:25 PM  
**To:** mikew@bgenenergy.com  
**Subject:** FW: PPA project  
**Attachments:** Amendment 3 Limits Nov 2017 Owen.xlsx

**From:** Mark Stallons  
**Sent:** Friday, December 08, 2017 11:57 AM  
**To:** Elaine.Johns@enervision-inc.com  
**Cc:** 'Tim Sharp' <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>  
**Subject:** PPA project

Elaine,

Tim Sharp and Carol Wright at Salt River and Jackson are agreeable to discussing working with Owen and EnerVision on a joint RFP. I am going to call Mike Williams this afternoon. I am also thinking about calling Joni Hazelrigg at Fleming Mason & Mickey Miller at Nolin. Four of us gets us to 50 plus while all six would get us to a 70 plus MW RFP. Please see attached spreadsheet. Elaine, your thoughts? Tim & Carol, please feel free to chime in as well.

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)

**OWEN Electric**

*"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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## EKPC A3 Allotments, Based on Data Through October :

Owner-Member Cooperative	EKPC CP (MW) for Month of			Average	Load Ratio	15% Election
	Feb. 2015	Jan. 2016	Jan. 2017		Share of the 5% Cap	
Blue Grass	410.92	315.86	324.44	350.40	17.52	53.37
Owen	347.37	313.05	350.69	337.03	16.85	61.71
Salt River	314.39	248.65	262.00	275.01	13.75	41.79
Jackson	325.61	241.36	230.23	265.73	13.29	40.06
Nolin	211.10	188.12	199.11	199.44	9.97	31.08
Fleming Mason	196.87	179.19	166.89	180.98	9.05	27.41
Inter-County	171.14	126.10	134.05	143.76	7.19	21.83
Taylor	159.42	126.55	139.07	141.68	7.08	21.36
Cumberland Valley	158.27	120.75	109.65	129.55	6.48	19.45
Clark	153.99	114.84	113.62	127.48	6.37	19.14
Shelby	120.51	102.00	99.56	107.35	5.37	16.27
Big Sandy	89.48	64.77	56.94	70.40	3.52	10.65
Licking Valley	88.57	62.72	58.66	69.98	3.50	10.64
Grayson	85.17	62.79	57.65	68.53	3.43	10.30
Farmers	136.36	120.49	115.85	124.23	6.21	18.81
South Kentucky	458.91	352.24	353.44	388.20	19.41	58.46
<b>Total</b>	<b>3428.06</b>	<b>2739.47</b>	<b>2771.82</b>	<b>2979.79</b>	<b>148.99</b>	<b>462.32</b>

### Noticed Projects

Owner-Member	Project	MW	Delivery Date
Jackson	Irvine LFGTE	1.6	10/2013
Jackson	Dupree Energy Sys	1.0	3/2015
Farmers	Federal Mogul DG	3.6	2005
Farmers	Glasgow LFGTE	1.0	11/2015
Salt River	Lock 7	2.0	2013
Owen	Owen Office	2.0	2016
South Kentucky	PPA	58.0	6/2019
<i>Jackson</i>	<i>Hydro</i>	<i>2.64</i>	<i>1/2019 Not yet Noticed</i>
<b>Total Projects</b>		<b>71.8</b>	

Billing Demand (KW) (error - number needs to Actual Demand no					12 Month	Month of
					Rolling KW	Max
					Average	Coincident
						Peak
		Owen Reg.	Nucor	Total		
<b>2012</b>	January	232,505	159,375	391,880		
	February	215,389	159,901	375,290		
	March	194,175	160,132	354,307		
	April	155,245	159,908	315,153		
	May	228,595	159,964	388,559		
	June	264,696	159,413	424,109		
	July	261,923	159,691	421,614		
	August	252,603	159,888	412,491		
	September	223,878	159,564	383,442		
	October	180,007	159,194	339,201		
	November	198,823	159,845	358,668		
	December	205,226	159,562	364,788		
<b>2013</b>	January	249,698	159,686	409,384		
	February	243,929	159,664	403,593		
	March	222,488	160,926	383,414		
	April	189,281	159,132	348,413		
	May	207,091	161,620	368,711		
	June	223,156	159,724	382,880		
	July	250,177	160,253	<b>410,430</b>		
	August	250,417	159,849	410,266		
	September	244,730	159,852	404,582		
	October	175,850	159,829	335,679	<b>410,430</b>	<b>Jul-13</b>
	November	207,330	159,816	367,146		
	December	235,890	159,230	395,120		
<b>2014</b>	January	299,272	155,032	<b>454,304</b>		
	February	271,878	152,908	424,786		
	March	250,041	152,817	402,858		
	April	193,611	151,957	345,568		
	May	197,593	152,167	349,760		
	June	238,433	152,084	390,517		
	July	248,466	152,242	400,708		
	August	243,836	151,893	395,729		
	September	242,108	151,800	393,908		
	October	186,583	151,837	338,420	<b>454,304</b>	<b>Jan-14</b>
	November	232,780	151,915	384,695		
	December	212,448	151,804	364,252		
<b>2015</b>	January	293,469	151,797	<b>445,266</b>		
	February	307,796	130,125	437,921		
	March	268,480	130,020	398,500		
	April	159,797	130,454	290,251		
	May	197,795	134,781	332,576		



	June	239,470	134,798	374,268		
	July	237,169	134,968	372,137		
	August	233,640	137,989	371,629		
	September	247,226	137,975	385,201		
	October	159,949	137,979	297,928	<b>445,266</b>	<b>Jan-15</b>
	November	194,023	138,183	332,206		
	December	204,721	138,004	342,725		
<b>2016</b>	January	261,223	138,084	399,307		
	February	234,026	138,116	372,142		
	March	205,472	138,063	343,535		
	April	174,688	139,883	314,571		
	May	219,030	144,718	363,748		
	June	227,626	144,534	372,160		
	July	261,582	142,323	<b>403,905</b>		
	August	255,401	142,613	398,014		
	September	251,771	143,374	395,145		
	October	180,763	141,923	322,686	<b>403,905</b>	<b>Jul-16</b>
	November	188,211	146,759	334,970		
	December	249,269	147,870	397,139		
<b>2017</b>	January	249,016	148,867	397,883		
	February	231,939	148,382	380,321		
	March	225,489	149,829	375,318		
	April	180,160	149,086	329,246		
	May	209,137	149,611	358,748		
	June	229,259	149,344	378,603		
	<b>July</b>	<b>248,706</b>	<b>149,276</b>	<b>397,982</b>		
	August	245,405	150,023	395,428		
	September	232,373	149,611	381,984		
	October	183,206	149,978	333,184	<b>397,982</b>	<b>Jul-17</b>

it billed)

**3-12 Month**

<b>KW</b>	<b>15% KW</b>	<b>5% KW</b>
<b>Average</b>	<b>Threshold</b>	<b>Threshold</b>

436,667 65,500.00 21,833.33

434,492 65,173.75 21,724.58

415,718 62,357.65 20,785.88

## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Thursday, February 15, 2018 11:52 AM  
**To:** 'Paul Hawkins -- Farmers'  
**Cc:** Alan Ahrman  
**Subject:** FW: Resolution for Approval to Enter into Power Purchase Agreement (Amended)  
**Attachments:** Approval to Enter into Power Purchase Agreement (Amended).pdf

Paul,

It seems to me that David has missed recording several key pieces of your motion. I believe the point about forming a committee was very important and needs to be in the minutes. Your thoughts?

Mark

**From:** David Smart [mailto:david.smart@ekpc.coop]  
**Sent:** Wednesday, February 14, 2018 11:46 AM  
**To:** 'A.L. Rosenberger -- Nolin' <buddyandcarol@bbtel.com>; 'Alan Ahrman - Owen' <alanahrman@gmail.com>; 'Barry Myers -- Taylor County' <bmyers@tcrc.com>; 'Bill Prather -- Farmers' <bprather@farmersrecc.com>; Bobby Sexton <bsexton@bigsandyrecc.com>; Boris Haynes <borish@skrecc.com>; 'Carol Fraley -- Grayson' <carol.fraley@graysonrecc.com>; 'Carol Wright - Jackson Energy' <carolwright@jacksonenergy.com>; 'Chris Brewer - Clark Energy' <cbrewer@clarkenergy.com>; Danny Wallen <dlwallen@icloud.com>; 'Debbie Martin -- Shelby' <debbiem@shelbyenergy.com>; Dennis Holt <dennish@skrecc.com>; Elbert Hampton <reedhampton@gmail.com>; Jerry Carter <jerry@intercountyenergy.net>; 'Jimmy Longmire -- Salt River' <jlongmire94@icloud.com>; 'Jody Hughes' <jodyh@bgenenergy.com>; 'Joe Spalding (spaldingfarm@windstream.net)' <spaldingfarm@windstream.net>; 'Joni Hazelrigg' <jhazelrigg@fme.coop>; 'Kelly Shepherd' <kshpherd@foothills.net>; 'Ken Arrington -- Grayson' <karringtonrecc@foothills.net>; 'Kerry Howard -- Licking Valley' <kkhoward@lvrecc.com>; 'Landis Cornett' <ekpc@landiscornett.com>; Mark Stallons <mstallons@owenelectric.com>; 'Mickey Miller -- Nolin' <mmiller@nolinrecc.com>; 'Mike Williams -- Blue Grass' <mikew@bgenenergy.com>; 'Paul Hawkins -- Farmers' <paulcat@scrtc.com>; 'Raymond Rucker' <lakeside47@yahoo.com>; 'Ted Hampton' <ted.hampton@cumberlandvalley.coop>; Ted Holbrook <tedh@mrtc.com>; 'Tim Eldridge' <timothy.eldridge@baldwincpas.com>; 'Tim Sharp - Salt River Electric' <tjsharp@srelectric.com>; 'Wayne Stratton -- Shelby' <wayne@jnmcpa.com>; 'William Shearer -- Clark' <wpshearer@bellsouth.net>  
**Cc:** Tony Campbell <tony.campbell@ekpc.coop>; Don Mosier <Don.Mosier@ekpc.coop>; Mike McNalley <Michael.McNalley@ekpc.coop>; David Crews <David.Crews@ekpc.coop>; Jeannie Jones <Jeannie.Jones@ekpc.coop>; Terri Combs <terri.combs@ekpc.coop>; Shanan Strange <shanan.strange@ekpc.coop>  
**Subject:** Resolution for Approval to Enter into Power Purchase Agreement (Amended)

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

Dear Directors and CEOs,

As promised at yesterday's Board Meeting, I am sending to you the amended Board Resolution regarding EKPC's authority to enter into a power purchase agreement in the context of A3 and the MOU. I added the last sentence to the Resolution requiring Board review and approval of any such action by EKPC Management. I used Paul Hawkins' exact words. Thanks very much.

David

David Smart  
General Counsel  
East Kentucky Power Cooperative, Inc.  
P.O. Box 707  
Winchester, KY 40392-0707  
(859) 745.9237 (DD)

# Resolution

FEBRUARY

## APPROVAL TO ENTER INTO POWER PURCHASE AGREEMENT

**WHEREAS**, on or about October 1, 1964, East Kentucky Power Cooperative (“EKPC”) entered into separate Wholesale Power Contracts with each of its Owner-Members. Each of the Wholesale Power Contracts contain identical provisions and under those contracts, EKPC sells and delivers to each of the sixteen Owner-Members and each of the sixteen Owner-Members purchases and receives, all electric power for the operations of their respective retail electric system; and

**WHEREAS**, in 2003 each Wholesale Power Contract was amended to permit each of the sixteen Owner-Members the ability to obtain power and energy from non-EKPC sources subject to certain limitations and required procedures, this amendment also known as “Amendment No. 3;” and

**WHEREAS**, on or about July 23, 2015, EKPC and each of the sixteen Owner-Members entered into a Memorandum of Understanding and Agreement Regarding Alternate Power Sources (“MOU”), which provides the framework by which the sixteen Owner-Members may pursue and contract with parties other than EKPC (“Alternate Source”) to satisfy a defined portion of their future power needs and includes provisions relating to, among other matters, limitations on the quantities of alternate source power that can be acquired by each Owner-Member, the length of the terms for which the alternate source power can be acquired, and the advance notice that must be provided by an Owner-Member before acquiring alternate-source power; and

**WHEREAS**, South Kentucky Rural Electric Cooperative Corporation (“South Kentucky”) has provided notice to EKPC, pursuant to the terms of the MOU, that it intends to reduce and substitute 58 MW of its purchases from EKPC by using electric power and energy from an Alternate Source beginning in mid-2019, and, further, South Kentucky has filed an Application with the Kentucky Public Service Commission to approve its power purchase agreement with its Alternate Source provider, Morgan Stanley Capital Group; and

**WHEREAS**, the proposed power purchase contract South Kentucky has entered into has precipitated a concern from other Owner-Members of EKPC that South Kentucky and other potential distribution cooperatives exercising rights under the MOU will be unfairly subsidized by entering into power purchase contracts, to the detriment of those cooperatives not entering into those agreements; and

**WHEREAS**, it has always been the earnest resolve of EKPC to be prudent and fair with all of its Owner-Members in its business decisions and conduct; and

**WHEREAS**, an Owner-Member exercising its rights under the MOU may create a situation that is, or is perceived to be, a disproportionate or unfair allocation of

## Resolution

FEBRUARY

alternate power from an alternate source.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of EKPC hereby authorizes and empowers EKPC to take the most economical action within the Wholesale Power Contract to procure a power purchase agreement ("PPA") for those Owner-Members who do or did not have an opportunity, due to the original Amendment No. 3/MOU notice, to purchase a proportionate 5% allocation of alternate power from EKPC as an alternate source in complete compliance with the Wholesale Power Contract and Amendment No. 3. Any action taken by EKPC Management will be reviewed and approved by the Board of Directors.

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Saturday, February 10, 2018 9:20 AM  
**To:** Mike Williams; Carol Wright; Tim Sharp; Joni Hazelrigg; Debbie Martin; Chris Brewer  
**Subject:** Fwd: A3 Path Forward

- > All,  
 >  
 > Below please find an email string between Mike McNalley and me earlier in the week. Mike & I have had several phone calls as well. Based on conversations with all of you and EKPC the past few weeks, I suggest we consider the following as a possible path forward:  
 >  
 > 1. We approve S Kentucky's notice - to not approve would invite and basically guarantee a lawsuit battle much worse than Grayson  
 > 2. We form a special committee comprised of interested CEO's/Manager's; EKPC key staff including Tony, Mike, Don & David; and Board Representation to accomplish the following:  
 >  
 > a. Agree to identify possible pathways to move our portfolio in a financially prudent manner away from carbon risk assets by a defined time and present to the EKPC Board for further discussion and hopefully an agreement.  
 > b. Provide a pathway for Member Owners to move to an increasing market based alternate source power supply portfolio without shifting costs. I believe we need to do this to give SKY reason to talk. They have spent considerable funds to secure market power and they will not simply give it up.  
 > c. Based on January 2018 Amendment 3 (A3) load Allocation calculations, EKPC agrees to use the Jan 2018 method resulting in 161.9 MW to allocate present and future A3 market based power available to Member Owners.  
 > d. Member Owner's agree that no one can exceed 5% of their cooperative's rolling 36 month coincident peak as identified by A3 and in the MOU and at present totals 161.9 MW.  
 > e. S KY agrees to reduce their A3 percentage to 5% and assigns Morgan Stanley agreement to EKPC as an A3 noticed project.  
 > f. The Kentucky Group of 7 agrees to work with EKPC and open their RFP process to any EKPC member owner.  
 g. Member Owner's have a defined x day window to join the S KY Morgan Stanley Agreement up to 58MW or join the Kentucky Group and purchase up to their full 5% allocation as defined above.  
 >  
 > 3. If item 2 above fails, then we are left with intervention at the PSC and/or moving forward with the Kentucky Group RFP process.  
 >  
 > Can we discuss either in person or by phone Monday, after BROCC and  
 > before SI in between Committee Meetings during lunch.

> Your thoughts,

>

> Mark

>

>

>

> -----Original Message-----

> From: Mark Stallons

> Sent: Wednesday, February 07, 2018 6:11 AM

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

> Subject: Re: A3 Cost Shift Spreadsheet



>  
> Mike,  
>  
> Thanks for taking a look. Your comments 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.  
>  
> In regards to a twenty year NPV I have that in a different model with Owen alone. To improve accuracy, I need a more recent or adjusted EKPC financial forecast. I have the 2015 in my files. However, it is obviously dated.  
>  
> The ES and base rate 2018 EKPC budget numbers by Cooperative is necessary to finish the model. Without that I can not accurately show the impact on a Cooperative basis.  
>  
> Would also like to see present capacity and energy costs by generating unit for all of EKPC's units compared to market. In addition a range of expected market selling price and revenue, the remaining depreciation and resulting annual regulatory asset cost for each of EKPC's generating assets.  
>  
> In other words what is the cost of our steel hedge compared to market and what if any possible pathways do we have to lessen our stranded costs. What is our enterprise risk associated with Dems regaining control of the EPA, house and or Senate? What is our risk mitigation plan if Bevin and the Republicans deregulate Kentucky?  
>  
> The S KY Amendment 3 move highlights a handful of questions that I am sure the EKPC staff understand, have thought about, and have concluded that staying with a steel hedge is our best response. In the last few weeks I have found that most board of directors and CEO's can not explain the value or risk of a steel hedge at \$15 to \$25 per MWh above the PJM market.  
>  
> I found this simple spreadsheet to be a useful tool to educate my board concerning the impact of SKy's actions as well as a means to explain the possible outcomes associated with a variety of mitigation strategies. If we work together, I believe we can develop a more accurate model to educate all stakeholders including the PSC.  
>  
> I can talk about the above anytime this morning.  
>  
> Thanks,  
>  
> Mark  
>  
>  
> Mark Stallons  
> Sent from my iPhone  
>  
>> 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>

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Tuesday, December 5, 2017 9:42 PM  
**To:** Elaine Johns  
**Cc:** Mike Cobb  
**Subject:** Fwd: Amend 3 Rolling 36 month load data  
**Attachments:** image001.jpg; ATT00001.htm; Amendment 3 Updated Limits thru Nov 2017.xlsx; ATT00002.htm

Elaine,

Below and attached please find the info from EKPC regarding amendment 3 loads. I will have Mike Cobb forward our 36 month data to you for comparison purposes.

Thanks,

Mark

Sent from my iPad

Begin forwarded message:

**From:** David Crews <[David.Crews@ekpc.coop](mailto:David.Crews@ekpc.coop)>  
**Date:** December 5, 2017 at 5:07:19 PM EST  
**To:** 'Mark Stallons' <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Cc:** Tony Campbell <[tony.campbell@ekpc.coop](mailto:tony.campbell@ekpc.coop)>, Don Mosier <[Don.Mosier@ekpc.coop](mailto:Don.Mosier@ekpc.coop)>, Mike McNalley <[Michael.McNalley@ekpc.coop](mailto:Michael.McNalley@ekpc.coop)>, "Alan Ahrman" <[alanahrman@gmail.com](mailto: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! \*\*\***

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 <[David.Crews@ekpc.coop](mailto:David.Crews@ekpc.coop)>  
**Cc:** Tony Campbell <[tony.campbell@ekpc.coop](mailto:tony.campbell@ekpc.coop)>; Don Mosier <[Don.Mosier@ekpc.coop](mailto:Don.Mosier@ekpc.coop)>; Mike McNalley <[Michael.McNalley@ekpc.coop](mailto:Michael.McNalley@ekpc.coop)>; Alan Ahrman <[alanahrman@gmail.com](mailto:alanahrman@gmail.com)>  
**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:

1. 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 aggregate 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

 **Email:** [mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)

### A3 Allotments, Based on Data Through October 2017

Owner-Member Cooperative	EKPC CP (MW) for Month of			Average	Load Ratio Share	15% Election
	Feb. 2015	Jan. 2016	Jan. 2017			
Big Sandy	89.5	64.8	56.9	70.4	3.5	10.6
Blue Grass	410.9	315.9	324.4	350.4	17.5	53.4
Clark	154.0	114.8	113.6	127.5	6.4	19.1
Cumberland Valley	158.3	120.7	109.6	129.6	6.5	19.5
Farmers	136.4	120.5	115.9	124.2	6.2	18.8
Fleming Mason	196.9	179.2	166.9	181.0	9.0	27.4
Grayson	85.2	62.8	57.6	68.5	3.4	10.3
Inter-County	171.1	126.1	134.1	143.8	7.2	21.8
Jackson	325.6	241.4	230.2	265.7	13.3	40.1
Licking Valley	88.6	62.7	58.7	70.0	3.5	10.6
Nolin	211.1	188.1	199.1	199.4	10.0	31.1
Owen	347.4	313.0	350.7	337.0	16.9	61.7
Salt River	314.4	248.7	262.0	275.0	13.8	41.8
Shelby	120.5	102.0	99.6	107.4	5.4	16.3
South Kentucky	458.9	352.2	353.4	388.2	19.4	58.5
Taylor	159.4	126.6	139.1	141.7	7.1	21.4
<b>Total</b>	<b>3,428.1</b>	<b>2,739.5</b>	<b>2,771.8</b>	<b>2,979.8</b>	<b>149.0</b>	<b>462.3</b>

### Noticed Projects

Owner-Member	Project	MW	Delivery Date
Jackson	Irvine LFGTE	1.6	10/2013
Jackson	Dupree Energy Sys	1.0	3/2015
Farmers	Federal Mogul DG	3.6	2005
Farmers	Glasgow LFGTE	1.0	11/2015
Salt River	Lock 7	2.0	2013
Owen	Owen Office	2.0	2016
South Kentucky	PPA	58.0	6/2019
<i>Jackson</i>	<i>Hydro</i>	<i>2.64</i>	<i>1/2019 Not yet Noticed</i>
<b>Total Projects</b>		<b>71.8</b>	

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Monday, December 11, 2017 4:54 PM  
**To:** Tim Sharp; Carol Wright; Mike Williams  
**Subject:** Fwd: EnerVision KY Group Call

Tim, Carol & Mike,

Are you available for a call with Elaine Johns tomorrow morning at 8:45am before EKPC?

Thanks,

Mark

Mark Stallons  
Sent from my iPhone

Begin forwarded message:

**From:** "Elaine Johns" <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**To:** "Mark Stallons" <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>, "[mikew@bgenergy.com](mailto:mikew@bgenergy.com)"  
<[mikew@bgenergy.com](mailto:mikew@bgenergy.com)>  
**Subject:** EnerVision KY Group Call

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

## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Wednesday, February 14, 2018 3:52 PM  
**To:** Paul C. Hawkins  
**Subject:** Fwd: Resolution for Approval to Enter into Power Purchase Agreement (Amended)  
**Attachments:** Approval to Enter into Power Purchase Agreement (Amended).pdf; ATT00001.htm

Paul,

I thought your resolution added the formation of a committee appointed by Tony. Am I missing something?

Thanks,

Mark Stallons  
Sent from my iPhone

Begin forwarded message:

**From:** David Smart <david.smart@ekpc.coop>  
**Date:** February 14, 2018 at 11:46:01 AM EST  
**To:** "A.L. Rosenberger -- Nolin" <buddyandcarol@bbtel.com>, "Alan Ahrman - Owen" <alanahrman@gmail.com>, 'Barry Myers -- Taylor County' <bmyers@tcrecc.com>, 'Bill Prather -- Farmers' <bprather@farmersrecc.com>, Bobby Sexton <bsexton@bigsandyrecc.com>, Boris Haynes <borish@skrecc.com>, 'Carol Fraley -- Grayson' <carol.fraley@graysonrecc.com>, "Carol Wright - Jackson Energy" <carolwright@jacksonenergy.com>, "Chris Brewer - Clark Energy" <cbrewer@clarkenergy.com>, Danny Wallen <dlwallen@icloud.com>, 'Debbie Martin -- Shelby' <debbiem@shelbyenergy.com>, Dennis Holt <dennish@skrecc.com>, Elbert Hampton <ereedhampton@gmail.com>, Jerry Carter <jerry@intercountyenergy.net>, 'Jimmy Longmire -- Salt River' <jlongmire94@icloud.com>, 'Jody Hughes' <jodyh@bgenergy.com>, "Joe Spalding (spaldingfarm@windstream.net)" <spaldingfarm@windstream.net>, "Joni Hazelrigg" <jhazelrigg@fme.coop>, 'Kelly Shepherd' <kshepherd@foothills.net>, 'Ken Arrington -- Grayson' <karringtonrecc@foothills.net>, 'Kerry Howard -- Licking Valley' <kkhoward@lvrecc.com>, 'Landis Cornett' <ekpc@landiscornett.com>, "Mark Stallons -- Owen" <mstallons@owenelectric.com>, 'Mickey Miller -- Nolin' <mmiller@nolinrecc.com>, 'Mike Williams -- Blue Grass' <mikew@bgenergy.com>, 'Paul Hawkins -- Farmers' <paulcat@scrtc.com>, 'Raymond Rucker' <lakeside47@yahoo.com>, 'Ted Hampton' <ted.hampton@cumberlandvalley.coop>, Ted Holbrook <tedh@mrtc.com>, 'Tim Eldridge' <timothy.eldridge@baldwincpas.com>, 'Tim Sharp - Salt River Electric' <tjsharp@srelectric.com>, 'Wayne Stratton -- Shelby' <wayne@jnmcpa.com>, 'William Shearer -- Clark' <wpshearer@bellsouth.net>  
**Cc:** Tony Campbell <tony.campbell@ekpc.coop>, Don Mosier <Don.Mosier@ekpc.coop>, Mike McNalley <Michael.McNalley@ekpc.coop>, "David Crews" <David.Crews@ekpc.coop>, Jeannie Jones <Jeannie.Jones@ekpc.coop>, Terri Combs <terri.combs@ekpc.coop>, Shanan Strange <shanan.strange@ekpc.coop>  
**Subject:** Resolution for Approval to Enter into Power Purchase Agreement (Amended)

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Dear Directors and CEOs,



As promised at yesterday's Board Meeting, I am sending to you the amended Board Resolution regarding EKPC's authority to enter into a power purchase agreement in the context of A3 and the MOU. I added the last sentence to the Resolution requiring Board review and approval of any such action by EKPC Management. I used Paul Hawkins' exact words. Thanks very much.

David

David Smart  
General Counsel  
East Kentucky Power Cooperative, Inc.  
P.O. Box 707  
Winchester, KY 40392-0707  
(859) 745.9237 (DD)

FEBRUARY

## Resolution

### APPROVAL TO ENTER INTO POWER PURCHASE AGREEMENT

**WHEREAS**, on or about October 1, 1964, East Kentucky Power Cooperative (“EKPC”) entered into separate Wholesale Power Contracts with each of its Owner-Members. Each of the Wholesale Power Contracts contain identical provisions and under those contracts, EKPC sells and delivers to each of the sixteen Owner-Members and each of the sixteen Owner-Members purchases and receives, all electric power for the operations of their respective retail electric system; and

**WHEREAS**, in 2003 each Wholesale Power Contract was amended to permit each of the sixteen Owner-Members the ability to obtain power and energy from non-EKPC sources subject to certain limitations and required procedures, this amendment also known as “Amendment No. 3;” and

**WHEREAS**, on or about July 23, 2015, EKPC and each of the sixteen Owner-Members entered into a Memorandum of Understanding and Agreement Regarding Alternate Power Sources (“MOU”), which provides the framework by which the sixteen Owner-Members may pursue and contract with parties other than EKPC (“Alternate Source”) to satisfy a defined portion of their future power needs and includes provisions relating to, among other matters, limitations on the quantities of alternate source power that can be acquired by each Owner-Member, the length of the terms for which the alternate source power can be acquired, and the advance notice that must be provided by an Owner-Member before acquiring alternate-source power; and

**WHEREAS**, South Kentucky Rural Electric Cooperative Corporation (“South Kentucky”) has provided notice to EKPC, pursuant to the terms of the MOU, that it intends to reduce and substitute 58 MW of its purchases from EKPC by using electric power and energy from an Alternate Source beginning in mid-2019, and, further, South Kentucky has filed an Application with the Kentucky Public Service Commission to approve its power purchase agreement with its Alternate Source provider, Morgan Stanley Capital Group; and

**WHEREAS**, the proposed power purchase contract South Kentucky has entered into has precipitated a concern from other Owner-Members of EKPC that South Kentucky and other potential distribution cooperatives exercising rights under the MOU will be unfairly subsidized by entering into power purchase contracts, to the detriment of those cooperatives not entering into those agreements; and

**WHEREAS**, it has always been the earnest resolve of EKPC to be prudent and fair with all of its Owner-Members in its business decisions and conduct; and

**WHEREAS**, an Owner-Member exercising its rights under the MOU may create a situation that is, or is perceived to be, a disproportionate or unfair allocation of

FEBRUARY

**Resolution**

alternate power from an alternate source.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of EKPC hereby authorizes and empowers EKPC to take the most economical action within the Wholesale Power Contract to procure a power purchase agreement (“PPA”) for those Owner-Members who do or did not have an opportunity, due to the original Amendment No. 3/MOU notice, to purchase a proportionate 5% allocation of alternate power from EKPC as an alternate source in complete compliance with the Wholesale Power Contract and Amendment No. 3. Any action taken by EKPC Management will be reviewed and approved by the Board of Directors.

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Monday, January 29, 2018 11:25 AM  
**To:** 'Debbie Martin'; 'Joni Hazelrigg'  
**Cc:** Missy Moore; Mary Ellen Cole; Elaine.Johns@enervision-inc.com; James M Crawford (jcrawford@cbkylaw.com)  
**Subject:** Power Supply RFP Process

Debbie & Joni,

For your information and consideration, Bluegrass Energy, Jackson Energy, Owen Electric and Salt River Electric have entered into Non-Disclosure Agreements (NDA's) with five (5) power suppliers, one of which is presently contacting multiple cooperatives and marketing their services. We have received power supply RFP's and intend to make a decision on or before the end of the February. If you would like to join the group, please reply to this email notice and we will be glad to include you into the RFP process if timing and availability are favorable or if timing and availability are not favorable we will assist in facilitating a second RFP.

The requirement to participate includes a Board Resolution authorizing the cooperative CEO to sign an agreement with our consulting firm, sign the necessary Confidentiality Agreements, and agree to financially contribute to the cost of the process. The timeline required to participate is as follows:

Timeline:

1. Board commitment to the RFP process on or before Monday February 5, 2018.
2. Decision to provide notice to EKPC on or before Friday February 23, 2018.

Should you need any information, please feel free to contact Elaine Johns, President/CEO, EnerVision, at 678.910.1122 or Elaine.Johns@enervision-inc.com.

Sincerely,

Mike Williams, Bluegrass Energy President/CEO  
Carol Wright, Jackson Energy President & CEO  
Mark Stallons, Owen Electric President & CEO  
Tim Sharp, Salt River Electric President & CEO

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**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Friday, December 8, 2017 11:57 AM  
**To:** Elaine.Johns@enervision-inc.com  
**Cc:** 'Tim Sharp'; Carol Wright  
**Subject:** PPA project  
**Attachments:** Amendment 3 Limits Nov 2017 Owen.xlsx

Elaine,

Tim Sharp and Carol Wright at Salt River and Jackson are agreeable to discussing working with Owen and EnerVision on a joint RFP. I am going to call Mike Williams this afternoon. I am also thinking about calling Joni Hazelrigg at Fleming Mason & Mickey Miller at Nolin. Four of us gets us to 50 plus while all six would get us to a 70 plus MW RFP. Please see attached spreadsheet. Elaine, your thoughts? Tim & Carol, please feel free to chime in as well.

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)

**OWEN Electric**

***"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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## EKPC A3 Allotments, Based on Data Through October :

Owner-Member Cooperative	EKPC CP (MW) for Month of			Average	Load Ratio Share of the 5% Cap	15% Election
	Feb. 2015	Jan. 2016	Jan. 2017			
Blue Grass	410.92	315.86	324.44	350.40	17.52	53.37
Owen	347.37	313.05	350.69	337.03	16.85	61.71
Salt River	314.39	248.65	262.00	275.01	13.75	41.79
Jackson	325.61	241.36	230.23	265.73	13.29	40.06
Nolin	211.10	188.12	199.11	199.44	9.97	31.08
Fleming Mason	196.87	179.19	166.89	180.98	9.05	27.41
Inter-County	171.14	126.10	134.05	143.76	7.19	21.83
Taylor	159.42	126.55	139.07	141.68	7.08	21.36
Cumberland Valley	158.27	120.75	109.65	129.55	6.48	19.45
Clark	153.99	114.84	113.62	127.48	6.37	19.14
Shelby	120.51	102.00	99.56	107.35	5.37	16.27
Big Sandy	89.48	64.77	56.94	70.40	3.52	10.65
Licking Valley	88.57	62.72	58.66	69.98	3.50	10.64
Grayson	85.17	62.79	57.65	68.53	3.43	10.30
Farmers	136.36	120.49	115.85	124.23	6.21	18.81
South Kentucky	458.91	352.24	353.44	388.20	19.41	58.46
<b>Total</b>	<b>3428.06</b>	<b>2739.47</b>	<b>2771.82</b>	<b>2979.79</b>	<b>148.99</b>	<b>462.32</b>

### Noticed Projects

Owner-Member	Project	MW	Delivery Date
Jackson	Irvine LFGTE	1.6	10/2013
Jackson	Dupree Energy Sys	1.0	3/2015
Farmers	Federal Mogul DG	3.6	2005
Farmers	Glasgow LFGTE	1.0	11/2015
Salt River	Lock 7	2.0	2013
Owen	Owen Office	2.0	2016
South Kentucky	PPA	58.0	6/2019
<i>Jackson</i>	<i>Hydro</i>	<i>2.64</i>	<i>1/2019 Not yet Noticed</i>
<b>Total Projects</b>		<b>71.8</b>	

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Shelby	120.51	102.00	99.56	107.35	5.37	16.27
Big Sandy	89.48	64.77	56.94	70.40	3.52	10.65
Licking Valley	88.57	62.72	58.66	69.98	3.50	10.64
Grayson	85.17	62.79	57.65	68.53	3.43	10.30
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### Noticed Projects

Owner-Member	Project	MW	Delivery Date
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<b>Total Projects</b>		<b>71.8</b>	

Billing Demand (KW) (error - number needs to Actual Demand no					12 Month	Month of
					Rolling KW	Max
					Average	Coincident
						Peak
		Owen Reg.	Nucor	Total		
<b>2012</b>	January	232,505	159,375	391,880		
	February	215,389	159,901	375,290		
	March	194,175	160,132	354,307		
	April	155,245	159,908	315,153		
	May	228,595	159,964	388,559		
	June	264,696	159,413	424,109		
	July	261,923	159,691	421,614		
	August	252,603	159,888	412,491		
	September	223,878	159,564	383,442		
	October	180,007	159,194	339,201		
	November	198,823	159,845	358,668		
	December	205,226	159,562	364,788		
<b>2013</b>	January	249,698	159,686	409,384		
	February	243,929	159,664	403,593		
	March	222,488	160,926	383,414		
	April	189,281	159,132	348,413		
	May	207,091	161,620	368,711		
	June	223,156	159,724	382,880		
	July	250,177	160,253	<b>410,430</b>		
	August	250,417	159,849	410,266		
	September	244,730	159,852	404,582		
	October	175,850	159,829	335,679	<b>410,430</b>	<b>Jul-13</b>
	November	207,330	159,816	367,146		
	December	235,890	159,230	395,120		
<b>2014</b>	January	299,272	155,032	<b>454,304</b>		
	February	271,878	152,908	424,786		
	March	250,041	152,817	402,858		
	April	193,611	151,957	345,568		
	May	197,593	152,167	349,760		
	June	238,433	152,084	390,517		
	July	248,466	152,242	400,708		
	August	243,836	151,893	395,729		
	September	242,108	151,800	393,908		
	October	186,583	151,837	338,420	<b>454,304</b>	<b>Jan-14</b>
	November	232,780	151,915	384,695		
	December	212,448	151,804	364,252		
<b>2015</b>	January	293,469	151,797	<b>445,266</b>		
	February	307,796	130,125	437,921		
	March	268,480	130,020	398,500		
	April	159,797	130,454	290,251		
	May	197,795	134,781	332,576		



	June	239,470	134,798	374,268		
	July	237,169	134,968	372,137		
	August	233,640	137,989	371,629		
	September	247,226	137,975	385,201		
	October	159,949	137,979	297,928	<b>445,266</b>	<b>Jan-15</b>
	November	194,023	138,183	332,206		
	December	204,721	138,004	342,725		
<b>2016</b>	January	261,223	138,084	399,307		
	February	234,026	138,116	372,142		
	March	205,472	138,063	343,535		
	April	174,688	139,883	314,571		
	May	219,030	144,718	363,748		
	June	227,626	144,534	372,160		
	July	261,582	142,323	<b>403,905</b>		
	August	255,401	142,613	398,014		
	September	251,771	143,374	395,145		
	October	180,763	141,923	322,686	<b>403,905</b>	<b>Jul-16</b>
	November	188,211	146,759	334,970		
	December	249,269	147,870	397,139		
<b>2017</b>	January	249,016	148,867	397,883		
	February	231,939	148,382	380,321		
	March	225,489	149,829	375,318		
	April	180,160	149,086	329,246		
	May	209,137	149,611	358,748		
	June	229,259	149,344	378,603		
	<b>July</b>	<b>248,706</b>	<b>149,276</b>	<b>397,982</b>		
	August	245,405	150,023	395,428		
	September	232,373	149,611	381,984		
	October	183,206	149,978	333,184	<b>397,982</b>	<b>Jul-17</b>

it billed)

**3-12 Month**

<b>KW Average</b>	<b>15% KW Threshold</b>	<b>5% KW Threshold</b>
-----------------------	-----------------------------	----------------------------

436,667 65,500.00 21,833.33

434,492 65,173.75 21,724.58

415,718 62,357.65 20,785.88

## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Wednesday, February 7, 2018 6:11 AM  
**To:** Mike McNalley  
**Subject:** Re: A3 Cost Shift Spreadsheet

Mike,

Thanks for taking a look. Your comments 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.

In regards to a twenty year NPV I have that in a different model with Owen alone. To improve accuracy, I need a more recent or adjusted EKPC financial forecast. I have the 2015 in my files. However, it is obviously dated.

The ES and base rate 2018 EKPC budget numbers by Cooperative is necessary to finish the model. Without that I can not accurately show the impact on a Cooperative basis.

Would also like to see present capacity and energy costs by generating unit for all of EKPC's units compared to market. In addition a range of expected market selling price and revenue, the remaining depreciation and resulting annual regulatory asset cost for each of EKPC's generating assets.

In other words what is the cost of our steel hedge compared to market and what if any possible pathways do we have to lessen our stranded costs. What is our enterprise risk associated with Dems regaining control of the EPA, house and or Senate? What is our risk mitigation plan if Bevin and the Republicans deregulate Kentucky?

The S KY Amendment 3 move highlights a handful of questions that I am sure the EKPC staff understand, have thought about, and have concluded that staying with a steel hedge is our best response. In the last few weeks I have found that most board of directors and CEO's can not explain the value or risk of a steel hedge at \$15 to \$25 per MWh above the PJM market.

I found this simple spreadsheet to be a useful tool to educate my board concerning the impact of SKY's actions as well as a means to explain the possible outcomes associated with a variety of mitigation strategies. If we work together, I believe we can develop a more accurate model to educate all stakeholders including the PSC.

I can talk about the above anytime this morning.

Thanks,

Mark

Mark Stallons  
Sent from my iPhone

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

Witness: Mark Stallons

> 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.

>

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>

>

> <Cost Shift 020318.xlsx>

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Wednesday, February 21, 2018 5:06 PM  
**To:** 'Mike McNalley'  
**Cc:** Don Mosier; Tony Campbell; David Smart; David Crews  
**Subject:** RE: A3 impact model

Ok thx

**From:** Mike McNalley [mailto:Michael.McNalley@ekpc.coop]  
**Sent:** Wednesday, February 21, 2018 5:05 PM  
**To:** Mark Stallons <mstallons@owenelectric.com>  
**Cc:** Don Mosier <Don.Mosier@ekpc.coop>; Tony Campbell <tony.campbell@ekpc.coop>; David Smart <david.smart@ekpc.coop>; David Crews <David.Crews@ekpc.coop>  
**Subject:** RE: A3 impact model

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

Mark,

Here is your spreadsheet with the actual billing data on the "Cost Shift" tab in green. I have not made any other changes. We can discuss tomorrow. I am OK with you sending this to the committee.

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

**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Wednesday, February 21, 2018 4:47 PM  
**To:** Mike McNalley <[Michael.McNalley@ekpc.coop](mailto:Michael.McNalley@ekpc.coop)>  
**Subject:** A3 impact model

Mike,

This is my latest version. Feel free to call as needed. I emailed this to all CEO's and asked them to input their own numbers in lieu of the capital credit assumptions I made on the last sheet. Yes, I have the word "draft" all over this to indicate a work in progress not perfection...

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)

The logo for OWEN Electric features the company name in a bold, sans-serif font. The word "OWEN" is in all caps, and "Electric" is in title case. To the right of the text is a stylized graphic consisting of a dark, curved shape that resembles a swoosh or a stylized letter 'E', with a lighter, curved shape inside it, creating a sense of motion or energy.

***"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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**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Tuesday, February 6, 2018 5:06 PM  
**To:** david.crews@ekpc.coop  
**Subject:** RE: A3 Load Allocations

David,

Talked with Sally this afternoon. Good thing this is still a draft, once I receive Sally's rolling 36 month numbers for Owen I will review and adjust Owen's notice to reflect the final number as 19.3MW

Thanks,

Mark

**From:** Mark Stallons  
**Sent:** Tuesday, February 06, 2018 12:44 PM  
**To:** david.crews@ekpc.coop  
**Cc:** 'Sally Witt' <sally.witt@ekpc.coop>  
**Subject:** A3 Load Allocations

David,

Attached please find a draft of the latest updated letter of notice. Please ask Sally Witt to forward the A3 Allotment spreadsheet supporting the 18.9MW number for my records.

Thanks,

Mark

**Mark A. Stallons**  
President & CEO

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

☎ **Direct Line:** 502-563-3500

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**OWEN Electric**

*"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."*

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**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Tuesday, February 6, 2018 5:11 PM  
**To:** 'Sally Witt'  
**Subject:** RE: A3 Load Allocations

Sally,  
  
What were Owen's final December 2017 and January 2018 coincident kW peaks? In my prior spreadsheet I show them as follows:

Jan-18	est.	423.84
Dec-17	est.	402.70

Thanks,  
  
Mark

**From:** Sally Witt [mailto:sally.witt@ekpc.coop]  
**Sent:** Tuesday, February 06, 2018 4:54 PM  
**To:** Mark Stallons <mstallons@owenelectric.com>  
**Cc:** Julie Tucker <julie.tucker@ekpc.coop>; David Crews <David.Crews@ekpc.coop>  
**Subject:** RE: A3 Load Allocations

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

Hi Mark,  
  
Here are your updated numbers:

Base	Average	5%	
Jan notice	414.3	20.7	
Feb notice	426.6	21.3	
Mar notice	419.4	21.0	
Already Allocated Owen	Owen Office	2.0	2016
Remaining			
Jan notice		18.7	
Feb notice		19.3	
Mar notice		19.0	

Again sorry for the error.  
  
Thank you!  
  
Sally

**From:** Mark Stallons [<mailto:mstallons@owenelectric.com>]  
**Sent:** Tuesday, February 06, 2018 12:44 PM  
**To:** David Crews <[David.Crews@ekpc.coop](mailto:David.Crews@ekpc.coop)>  
**Cc:** Sally Witt <[sally.witt@ekpc.coop](mailto:sally.witt@ekpc.coop)>  
**Subject:** A3 Load Allocations

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## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Friday, February 9, 2018 8:07 PM  
**To:** Tim Sharp  
**Cc:** Carol Wright; mikew@bgenenergy.com; Alan Ahrman  
**Subject:** Re: A3 Path Forward

Tim,

I may be naive, but I am hopeful that our willingness to look at all of our assets, lessen our carbon risk in a financially prudent process and define a path to greater market opportunities for individual systems will entice SK back. EKPC and the other member owners have to give SK something and we can give this if we are willing. I think you are correct they will either say yes or no.

Mike, are you ok with this? If yes, can you check with Chris and see if he is good with this?

Or should I reforward this to all of you and add Joni, Chris and Debbie and continue the discussion with the broader group?

Mark Stallons  
Sent from my iPhone

> On Feb 9, 2018, at 7:37 PM, Tim Sharp <tjsharp@srelectric.com> wrote:

>

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>

> I can work with this option as well, but it all revolves around SK being willing to step back. Seems like a yes or no option and I'm not sure how we negotiate off that position. The rest we should be able to work out, if they are willing to move.

>

> Sent from my iPhone

>

>> On Feb 9, 2018, at 7:18 PM, Mark Stallons <mstallons@owenelectric.com> wrote:

>>

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>>

>>

>> All,

>>

>> Something to think about. If this is something we could accept, then what position do we start with? Or, do we start here and simply hold? I typically start with something less desirable and have several moves before agreeing to a final position.

>>

>> Mark Stallons

>> Sent from my iPhone

>>

>>> On Feb 9, 2018, at 5:54 PM, Carol Wright <carolwright@jacksonenergy.com> wrote:

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>>>

>>> Ok. I would be interested in exploring that option.

>>>

>>> Carol

>>>

>>> Sent from my iPhone

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>>>> On Feb 9, 2018, at 5:46 PM, Mark Stallons <mstallons@owenelectric.com> wrote:

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>>>> SK gives up 58MW agreement and assigns their contract to EKPC who then makes it available to all member owners. SKY would agree to move from 15% to 5% and most likely keep their 5% share with the Morgan Stanley agreement. The rest of us would have access to the remaining share of the Morgan Stanley agreement or could fully use or expand the 35-70 MW Kentucky Group RFP project. If the Kentucky Group assigned our PJM project to EKPC, then we would not need a financial hedge as we would use EKPC's existing steel in the ground hedge that we are already paying for.

>>>>

>>>> Mark

>>>>

>>>> -----Original Message-----

>>>> From: Carol Wright [mailto:carolwright@jacksonenergy.com]

>>>> Sent: Friday, February 09, 2018 5:29 PM

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

>>>> Cc: Tim Sharp <tjsharp@srelectric.com>; mikew@bgenergy.com; Alan Ahrman <alanahrman@gmail.com>

>>>> Subject: Re: A3 Path Forward

>>>>

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>>>> Does SK get to keep their 15% while the remaining 15 are limited to 5%? Or are you saying SK let's others join their 58MW group? Confused on that one....

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>>>> I am available Monday after BROCC meeting which should be finished around noon.

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>>>> Carol

>>>>

>>>> Sent from my iPhone

>>>>

>>>>> On Feb 9, 2018, at 5:17 PM, Mark Stallons <mstallons@owenelectric.com> wrote:

>>>>>

>>>>> All,

>>>>>

>>>>> Below please find an email string between Mike McNalley and me earlier in the week. Mike & I have had several phone calls as well. Based on conversations with all of you this week and EKPC staff, I suggest the following as a possible path forward:

>>>>>

>>>> 1. We approve S Kentucky's notice - to not approve would invite and basically guarantee a lawsuit battle much worse than Grayson

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>>>>

>>>> Can we discuss either in person or by phone sometime Monday, before, in between or after Committee Meetings, your thoughts,

>>>>

>>>> Mark

>>>>

>>>>

>>>>

>>>> -----Original Message-----

>>>> From: Mark Stallons

>>>> Sent: Wednesday, February 07, 2018 6:11 AM

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

>>>> Subject: Re: A3 Cost Shift Spreadsheet

>>>>

>>>> Mike,

>>>>

>>>> Thanks for taking a look. Your comments 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.

>>>>

>>>> In regards to a twenty year NPV I have that in a different model with Owen alone. To improve accuracy, I need a more recent or adjusted EKPC financial forecast. I have the 2015 in my files. However, it is obviously dated.

>>>>

>>>> The ES and base rate 2018 EKPC budget numbers by Cooperative is necessary to finish the model. Without that I can not accurately show the impact on a Cooperative basis.

>>>>

>>>> Would also like to see present capacity and energy costs by generating unit for all of EKPC's units compared to market. In addition a range of expected market selling price and revenue, the remaining depreciation and resulting annual regulatory asset cost for each of EKPC's generating assets.

>>>>

>>>> In other words what is the cost of our steel hedge compared to market and what if any possible pathways do we have to lessen our stranded costs. What is our enterprise risk associated with Dems regaining control of the EPA, house and or Senate? What is our risk mitigation plan if Bevin and the Republicans deregulate Kentucky?

>>>>

>>>> The S KY Amendment 3 move highlights a handful of questions that I am sure the EKPC staff understand, have thought about, and have concluded that staying with a steel hedge is our best response. In the last few weeks I have

found that most board of directors and CEO's can not explain the value or risk of a steel hedge at \$15 to \$25 per MWh above the PJM market.

>>>>

>>>> I found this simple spreadsheet to be a useful tool to educate my board concerning the impact of SKY's actions as well as a means to explain the possible outcomes associated with a variety of mitigation strategies. If we work together, I believe we can develop a more accurate model to educate all stakeholders including the PSC.

>>>>

>>>> I can talk about the above anytime this morning.

>>>>

>>>> Thanks,

>>>>

>>>> Mark

>>>>

>>>>

>>>> Mark Stallons

>>>> Sent from my iPhone

>>>>

>>>>> 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

>>>>>

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>>>>>

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>>>>>

>>>>> \* Direct Line: 502-563-3500

>>>>> \*Mobile: 502-514-1650

>>>>> \*Email: mstallons@owenelectric.com<mailto:mstallons@owenelectric.com>

>>>>> <image001.jpg>

>>>>>

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>>>>>

>>>>>

>>>>> <Cost Shift 020318.xlsx>

>>>>>

>>>>



## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Friday, February 9, 2018 7:20 PM  
**To:** Carol Wright  
**Cc:** Tim Sharp; mikew@bgenergy.com; Alan Ahrman  
**Subject:** Re: A3 Path Forward

Monday after BROC works for me. We can phone in as well.

Mark Stallons  
Sent from my iPhone

> On Feb 9, 2018, at 5:54 PM, Carol Wright <carolwright@jacksonenergy.com> wrote:

>

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

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> Ok. I would be interested in exploring that option.

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>>

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>> From: Carol Wright [mailto:carolwright@jacksonenergy.com]

>> Sent: Friday, February 09, 2018 5:29 PM

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

>> Cc: Tim Sharp <tjsharp@srelectric.com>; mikew@bgenergy.com; Alan Ahrman <alanahrman@gmail.com>

>> Subject: Re: A3 Path Forward

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>>>>  
>>>>  
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**Sent:** Friday, February 9, 2018 7:19 PM  
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**Cc:** Tim Sharp; mikew@bgenergy.com; Alan Ahrman  
**Subject:** Re: A3 Path Forward

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>>>

>>> Mark

>>>

>>>

>>>

>>> -----Original Message-----

>>> From: Mark Stallons

>>> Sent: Wednesday, February 07, 2018 6:11 AM

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

>>> Subject: Re: A3 Cost Shift Spreadsheet

>>>

>>> Mike,

>>>

>>> Thanks for taking a look. Your comments are spot on. I kept it simple and that does compromise accuracy.

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>>> I have capacity as well as energy pricing in the short term. We should have escalators in the next few weeks.

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>>> Mark

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>>> Mark Stallons

>>> Sent from my iPhone

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>>>> 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>

>>>>

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>>>> Mark  
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>>>> Owen Electric Cooperative  
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>>>> Owenton, KY 40359  
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>>>> \* Direct Line: 502-563-3500  
>>>> \*Mobile: 502-514-1650  
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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>  
>>>  
>>



## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Friday, February 9, 2018 5:47 PM  
**To:** 'Carol Wright'  
**Cc:** Tim Sharp; mikew@bgenergy.com; Alan Ahrman  
**Subject:** RE: A3 Path Forward

Carol,

SK gives up 58MW agreement and assigns their contract to EKPC who then makes it available to all member owners. SKY would agree to move from 15% to 5% and most likely keep their 5% share with the Morgan Stanley agreement. The rest of us would have access to the remaining share of the Morgan Stanley agreement or could fully use or expand the 35-70 MW Kentucky Group RFP project. If the Kentucky Group assigned our PJM project to EKPC, then we would not need a financial hedge as we would use EKPC's existing steel in the ground hedge that we are already paying for.

Mark

-----Original Message-----

**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Friday, February 09, 2018 5:29 PM  
**To:** Mark Stallons <mstallons@owenelectric.com>  
**Cc:** Tim Sharp <tjsharp@srelectric.com>; mikew@bgenergy.com; Alan Ahrman <alanahrman@gmail.com>  
**Subject:** Re: A3 Path Forward

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Does SK get to keep their 15% while the remaining 15 are limited to 5%? Or are you saying SK let's others join their 58MW group? Confused on that one....

I am available Monday after BROCC meeting which should be finished around noon.

Carol

Sent from my iPhone

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> All,

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> 1. We approve S Kentucky's notice - to not approve would invite and basically guarantee a lawsuit battle much worse than Grayson

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- > a. Agree to Identify possible pathways to move our portfolio away from carbon risk assets by a defined time and present to the EKPC Board for further discussion and hopefully an agreement.
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- > Sent: Wednesday, February 07, 2018 6:11 AM
- > To: Mike McNalley <Michael.McNalley@ekpc.coop>
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- > Mike,
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>> "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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>>

>>

>> <Cost Shift 020318.xlsx>

>

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Friday, February 9, 2018 9:25 PM  
**To:** Alan Ahrman  
**Subject:** Re: A3 Path Forward

Alan,

Good and difficult question. My guess is the option would be most difficult for EKPC and how they can free up 10% capacity or is it simply a rate case for the rest of us. Cooper is roughly 10% but the stranded cost may not be offset by 10 years of power supply savings. It will all come down to the numbers and how flexible we are. I am willing to discuss it and see if there is a viable path.

Mark

Mark Stallons  
Sent from my iPhone

On Feb 9, 2018, at 8:27 PM, Alan Ahrman <[alanahrman@gmail.com](mailto:alanahrman@gmail.com)> wrote:

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What if SK is willing to step back to 10% and give up the other 5%? Is it all the way back to 5% or nothing?

Alan

On Fri, Feb 9, 2018 at 8:06 PM Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Tim,

I may be naive, but I am hopeful that our willingness to look at all of our assets, lessen our carbon risk in a financially prudent process and define a path to greater market opportunities for individual systems will entice SK back. EKPC and the other member owners have to give SK something and we can give this if we are willing. I think you are correct they will either say yes or no.

Mike, are you ok with this? If yes, can you check with Chris and see if he is good with this?

Or should I reforward this to all of you and add Joni, Chris and Debbie and continue the discussion with the broader group?

Mark Stallons  
Sent from my iPhone

> On Feb 9, 2018, at 7:37 PM, Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)> wrote:

>

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> I can work with this option as well, but it all revolves around SK being willing to step back. Seems like a yes or no option and I'm not sure how we negotiate off that position. The rest we should be able to work out, if they are willing to move.

>

> Sent from my iPhone

>

>> On Feb 9, 2018, at 7:18 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

>>

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>>

>>

>> All,

>>

>> Something to think about. If this is something we could accept, then what position do we start with? Or, do we start here and simply hold? I typically start with something less desirable and have several moves before agreeing to a final position.

>>

>> Mark Stallons

>> Sent from my iPhone

>>

>>> On Feb 9, 2018, at 5:54 PM, Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)> wrote:

>>>

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>>>

>>> Ok. I would be interested in exploring that option.

>>>

>>> Carol

>>>

>>> Sent from my iPhone

>>>

>>>> On Feb 9, 2018, at 5:46 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

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>>>> From: Carol Wright [<mailto:carolwright@jacksonenergy.com>]

>>>> Sent: Friday, February 09, 2018 5:29 PM

>>>> To: Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
>>>> Cc: Tim Sharp <[tsharp@srelectric.com](mailto:tsharp@srelectric.com)>; [mikew@bgenenergy.com](mailto:mikew@bgenenergy.com); Alan Ahrman  
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>>>>> 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)<<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."

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>>>>>

>>>>>

>>>>> <Cost Shift 020318.xlsx>

>>>>

>>>>

**Missy Moore**

---

**From:** Mark Stallons  
**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

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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:

1. 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 aggregate 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  
✉ **Email:** [mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)



**OWEN Electric**

*"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."*

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## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Wednesday, December 6, 2017 4:32 PM  
**To:** Elaine Johns  
**Cc:** Mike Cobb; Missy Moore; April Brown; Rusty Williams; James M Crawford (jcrawford@cbkylaw.com)  
**Subject:** Re: Amendment 3 - Owen Electric Cooperative

Elaine,

David Crews has asked Sally Witt to review her calculations and explain the difference. We are waiting for Sally's response.

Mark

Mark Stallons  
Sent from my iPhone

On Dec 6, 2017, at 4:20 PM, Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)> wrote:

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Did EKPC add the interruptible load back in?

Sent from my iPhone

On Dec 6, 2017, at 4:07 PM, Mike Cobb <[mcobb@owenelectric.com](mailto:mcobb@owenelectric.com)> wrote:

Elaine,  
Nucor has 15,000 KW of firm load, the balance is interruptible.  
Mike

-----Original Message-----

From: Elaine Johns [<mailto:Elaine.Johns@enervision-inc.com>]  
Sent: Wednesday, December 06, 2017 4:04 PM  
To: Mark Stallons; Missy Moore  
Cc: April Brown; Mike Cobb; Rusty Williams; James M Crawford ([jcrawford@cbkylaw.com](mailto:jcrawford@cbkylaw.com))  
Subject: RE: Amendment 3 - Owen Electric Cooperative

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

One question with regards to Nucor - is it 100% interruptible?

-----Original Message-----

From: Mark Stallons [<mailto:mstallons@owenelectric.com>]  
Sent: Wednesday, December 6, 2017 11:58 AM  
To: Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>; Elaine Johns

<Elaine.Johns@enervision-inc.com>

Cc: April Brown <abrown@owenelectric.com>; Mike Cobb

<mcobb@owenelectric.com>; Rusty Williams <rwilliams@owenelectric.com>;

James M Crawford (jcrawford@cbkylaw.com) <jcrawford@cbkylaw.com>

Subject: RE: Amendment 3 - Owen Electric Cooperative

Elaine,

Please take a look at section 3.(A)(iii) of the MOU. The key phrase in determining if we are constrained to 5% is in parenthesis "(including the load proposed to be served by the Owner Member's new Alternate Source). My conclusion from reading the language of section 3.(A)(iii) and section 3.(A)(iv) is as follows:

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a.	Jackson Irvine LFGTE	1.6 MW
b.	Jackson Dupree Energy	1.0 MW
c.	Farmers Federal Mogul DG	3.6 MW
d.	Glasgow LFGTE	1.0 MW
e.	Salt River Lock 7	2.0 MW
f.	Owen DG	2.0 MW

-----  
Total 11.2 MW

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  - a. S KY PPA 58 MW
5. Owen's proposed at 5% 20 MW

The total of the three existing, noticed plus Owen's proposed equals 89.2 MW while the 2.5% threshold based on David Crews email is approximately 74.5 MW. As a result we and all others that follow will be limited to 5%.

I can discuss at your convenience.

Thanks,

Mark

-----Original Message-----

From: Missy Moore

Sent: Wednesday, December 06, 2017 9:47 AM

To: Elaine.Johns@enervision-inc.com

Cc: Mark Stallons <mstallons@owenelectric.com>

Subject: Amendment 3 - Owen Electric Cooperative

Elaine,

Amendment 3 agreement attached.

Thank you,  
Missy K. Moore  
Executive Assistant

Owen Electric Cooperative  
PO Box 400  
Owenton, KY 40359  
Direct: 502-563-3501  
Email: [mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)

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From: [CEOKyocera@owenelectric.com](mailto:CEOKyocera@owenelectric.com)  
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Sent: Wednesday, December 6, 2017 9:41 AM  
To: Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>  
Subject:

-----  
ECOSYS M6535cidn  
[00:17:c8:01:c8:b8]  
-----

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BEGIN-ANTISPAM-VOTING-LINKS  
-----

Teach CanIt if this mail (ID 0bUGJ7zBi) is spam:  
Spam: <https://antispam.roaringpenguin.com/canit/b.php?c=s&i=0bUGJ7zBi&m=84734ae0c969&rlm=enervision-inc-com&t=20171206>  
Fraud/Phish:

<https://antispam.roaringpenguin.com/canit/b.php?c=p&i=0bUGJ7zBi&m=84734ae0c969&rlm=enervision-inc-com&t=20171206>

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<https://antispam.roaringpenguin.com/canit/b.php?c=f&i=0bUGJ7zBi&m=84734ae0c969&rlm=enervision-inc-com&t=20171206>

-----  
END-ANTISPAM-VOTING-LINKS



## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Wednesday, December 6, 2017 4:28 PM  
**To:** Elaine Johns  
**Cc:** Mike Cobb; Missy Moore; April Brown; Rusty Williams; James M Crawford (jcrawford@cbkylaw.com)  
**Subject:** Re: Amendment 3 - Owen Electric Cooperative

Elaine,

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Mark Stallons  
Sent from my iPhone

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To: Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>; Elaine Johns

<Elaine.Johns@enervision-inc.com>

Cc: April Brown <abrown@owenelectric.com>; Mike Cobb

<mcobb@owenelectric.com>; Rusty Williams <rwilliams@owenelectric.com>;

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Total 11.2 MW

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Thanks,

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To: Elaine.Johns@enervision-inc.com

Cc: Mark Stallons <mstallons@owenelectric.com>

Subject: Amendment 3 - Owen Electric Cooperative

Elaine,

Amendment 3 agreement attached.

Thank you,  
Missy K. Moore  
Executive Assistant

Owen Electric Cooperative  
PO Box 400  
Owenton, KY 40359  
Direct: 502-563-3501  
Email: [mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)

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ECOSYS M6535cidn  
[00:17:c8:01:c8:b8]  
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Thank you,  
Missy K. Moore  
Executive Assistant

Owen Electric Cooperative  
PO Box 400  
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Direct: 502-563-3501  
Email: mmoore@owenelectric.com

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## Missy Moore

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**From:** Mark Stallons  
**Sent:** Wednesday, December 6, 2017 4:39 PM  
**To:** Elaine Johns  
**Cc:** Mike Cobb; Missy Moore; April Brown; Rusty Williams; James M Crawford (jcrawford@cbkylaw.com)  
**Subject:** Re: Amendment 3 - Owen Electric Cooperative

Elaine,

They always have the option to either buy through or not.

Mark Stallons  
Sent from my iPhone

On Dec 6, 2017, at 4:32 PM, Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)> wrote:

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

Did Nucor interrupt during EKPC peak hours? Those should be added back.

Sent from my iPhone

On Dec 6, 2017, at 4:28 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Elaine,

When we negotiated the MOU, EKPC wanted to exclude interruptible loads such as NUCOR. I told them that NUCOR had to be included for us to sign the agreement.

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Mark Stallons  
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Cc: April Brown; Mike Cobb; Rusty Williams;  
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Subject: RE: Amendment 3 - Owen Electric  
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Sent: Wednesday, December 6, 2017 11:58 AM  
To: Missy Moore <mmoore@owenelectric.com>;  
Elaine Johns <Elaine.Johns@enervision-inc.com>  
Cc: April Brown <abrown@owenelectric.com>;  
Mike Cobb <mcobb@owenelectric.com>; Rusty  
Williams <rwilliams@owenelectric.com>; James M  
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MW	d.	Glasgow LFGTE	1.0 MW
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- |    |                       |       |
|----|-----------------------|-------|
| a. | S KY PPA              | 58 MW |
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Cc: Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
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BEGIN-ANTISPAM-VOTING-LINKS  
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Teach CanIt if this mail (ID 0bUGJ7zBi) is spam:  
Spam:  
Fraud/Phish:  
Not spam:  
Forget vote:

-----  
END-ANTISPAM-VOTING-LINKS

---

[Spam](#) | [Not spam](#)  
[Forget previous vote](#)

## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Monday, February 5, 2018 2:27 PM  
**To:** Carol Wright  
**Subject:** Re: Amendment 3 Cost Impact  
**Attachments:** image001.jpg

Carol,

Yes, only ES charges for ES column and only Base Rate charges for E and B rates at Owen. We do not have Rate G. I did not include special contracts.

Thanks,

Mark

Mark Stallons  
Sent from my iPhone

On Feb 5, 2018, at 2:03 PM, Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)> wrote:

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On the cost shift tab, just want to verify that you used the ES charges for the 12 months in 2017 for column C and only demand and energy charges (no ES, FAC, or fixed costs such as sub/metering) for the 12 months in column E?

Carol Wright

President & CEO  
606-364-9213  
<image004.jpg>

**From:** Mark Stallons [<mailto:mstallons@owenelectric.com>]  
**Sent:** Monday, February 05, 2018 10:59 AM  
**To:** [mikew@bgenergy.com](mailto:mikew@bgenergy.com); Tim Sharp <[tsharp@srelectric.com](mailto:tsharp@srelectric.com)>; Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Joni Hazelrigg <[jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop)>; Debbie Martin <[debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com)>; CHRIS BREWER ([cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)) <[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>  
**Cc:** Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>; Rusty Williams <[rwilliams@owenelectric.com](mailto:rwilliams@owenelectric.com)>; April Brown <[abrown@owenelectric.com](mailto:abrown@owenelectric.com)>; Judy Osborne <[josborne@owenelectric.com](mailto:josborne@owenelectric.com)>  
**Subject:** Amendment 3 Cost Impact

Kentucky Group,

Attached please find an excel model to understand the cost impacts and shifts associated with giving Amendment 3 notice. To use the model please complete the following:

1. Note that on the A3 Savings tab cell E2 it has a zero (0) entered to date meaning that no coops other than SKY have exercised their Amendment 3 option. You can change the number to 7 to

see the impact of the Kentucky Group or you can change the number to 15 and see the impact of all the cooperatives using the remaining allotment.

2. Note that the Allotment tab includes Sally Witt's load data up through October 31, 2017. When January 2018 numbers are available this week I will update this tab.
3. Note on the Cost Shift tab, please add your 2018 Environmental Surcharge power budget in column titled the same and also add your Base Rate 2018 Budget number in the column titled the same. This will allow you to see the cost impact on your cooperative for all three cases discussed above.

Please add your cooperative data and reply to all of us. Please review and vet the model from an accuracy stand point. I welcome your gentle corrections. I suggest we share this or a similar tool with EKPC to aide our discussions at EKPC next week.

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)

The logo for Owen Electric features the word "OWEN" in a bold, sans-serif font, followed by "Electric" in a smaller, italicized sans-serif font. The text is positioned above a stylized, dark, swoosh-like graphic that tapers to the right.

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<Cost Shift All IN 020318.xlsx>

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Thursday, December 7, 2017 3:36 PM  
**To:** 'sally.witt@ekpc.coop'  
**Cc:** 'David Crews'  
**Subject:** RE: Amendment 3 load Calculations

Sally,

Is there any billing correspondence that Owen receives each month that shows us our actual demand numbers for the month? Mike Stafford receives a Schedule B Statistics Report that shows Billing demand and CP TOD Demand for each contract schedule B load. It appears that the CP TOD demand may be the actual demand you use in the Amendment 3 calculations. In regards to Nucor, I do not find any reference on the bill to actual demand for the month. Please clarify?

Thanks,

Mark

-----Original Message-----

**From:** David Crews [mailto:David.Crews@ekpc.coop]  
**Sent:** Wednesday, December 06, 2017 5:39 PM  
**To:** Mark Stallons <mstallons@owenelectric.com>  
**Subject:** Fwd: Amendment 3 load Calculations

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

See the explanation below. Sally included the correspondence from the previous discussion as well.

Sent from my iPad

Begin forwarded message:

**From:** Sally Witt <sally.witt@ekpc.coop<mailto:sally.witt@ekpc.coop>>  
**Date:** December 6, 2017 at 3:34:29 PM EST  
**To:** David Crews <David.Crews@ekpc.coop<mailto:David.Crews@ekpc.coop>>  
**Cc:** Julie Tucker <julie.tucker@ekpc.coop<mailto:julie.tucker@ekpc.coop>>  
**Subject:** RE: Amendment 3 load Calculations

Hi!

The difference is billed demand, which includes demand based on contract, versus actual demand at the time of the peak. Mark is using billed demand (see labels in his spreadsheet) and we are using actual demand. For example, see the attached 2 pages from January 2017 Billing Statement to Owen. The 2 orangish highlights equal what Mark has:

Page 1: Grand Total Billing Demand = 249,016  
Page 2: Gallatin Billing Demand = 148,667

Total: = 397,883 = Mark's sheet

The Updated Allotment spreadsheet has:

Owen CP = 236,321  
Gallatin Actual Demand = 114,362  
Total: = 350,683

Owen has other customers on special rates that have contract demands also. All of the contract demand compared to actual demand accounts for the deviation from Mark's calculation to EKPC's values.

This issue was discussed in August 2015 too. See email excerpts below, read from the bottom up.  
Let me know if you need anything else.

Sally

From: David Crews  
Sent: Wednesday, December 06, 2017 10:56 AM  
To: Sally Witt <sally.witt@ekpc.coop<mailto:sally.witt@ekpc.coop>>  
Subject: FW: Amendment 3 load Calculations

From: Mark Stallons [mailto:mstallons@owenelectric.com]  
Sent: Wednesday, December 6, 2017 10:43 AM  
To: David Crews <David.Crews@ekpc.coop<mailto:David.Crews@ekpc.coop>>  
Cc: Mike Cobb <mcobb@owenelectric.com<mailto:mcobb@owenelectric.com>>; April Brown <abrown@owenelectric.com<mailto:abrown@owenelectric.com>>  
Subject: Amendment 3 load Calculations

David,

Attached please find our support for our Amendment #3 load calculations. Please have Sally review and let's discuss.

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>



## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Thursday, December 7, 2017 4:32 PM  
**To:** Sally Witt  
**Cc:** David Crews; Julie Tucker; Mike Cobb  
**Subject:** Re: Amendment 3 load Calculations

Thanks

Mark Stallons  
Sent from my iPhone

On Dec 7, 2017, at 4:18 PM, Sally Witt <[sally.witt@ekpc.coop](mailto:sally.witt@ekpc.coop)> wrote:

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

Hi!

I have asked Accounting / Billing to check if that is included anywhere in the billing packet you receive. I will get back to you in the morning.

Hope all is well with you!

Sally

-----Original Message-----

From: Mark Stallons [<mailto:mstallons@owenelectric.com>]  
Sent: Thursday, December 07, 2017 3:36 PM  
To: Sally Witt <[sally.witt@ekpc.coop](mailto:sally.witt@ekpc.coop)>  
Cc: David Crews <[David.Crews@ekpc.coop](mailto:David.Crews@ekpc.coop)>  
Subject: RE: Amendment 3 load Calculations

Sally,

Is there any billing correspondence that Owen receives each month that shows us our actual demand numbers for the month? Mike Stafford receives a Schedule B Statistics Report that shows Billing demand and CP TOD Demand for each contract schedule B load. It appears that the CP TOD demand may be the actual demand you use in the Amendment 3 calculations. In regards to Nucor, I do not find any reference on the bill to actual demand for the month. Please clarify?

Thanks,

Mark

-----Original Message-----

From: David Crews [<mailto:David.Crews@ekpc.coop>]  
Sent: Wednesday, December 06, 2017 5:39 PM  
To: Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
Subject: Fwd: Amendment 3 load Calculations

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Sent from my iPad

Begin forwarded message:

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Date: December 6, 2017 at 3:34:29 PM EST  
To: David Crews <[David.Crews@ekpc.coop](mailto:David.Crews@ekpc.coop)<<mailto:David.Crews@ekpc.coop>>>  
Cc: Julie Tucker <[julie.tucker@ekpc.coop](mailto:julie.tucker@ekpc.coop)<<mailto:julie.tucker@ekpc.coop>>>  
Subject: RE: Amendment 3 load Calculations

Hi!

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Let me know if you need anything else.

Sally

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Sent: Wednesday, December 06, 2017 10:56 AM  
To: Sally Witt <[sally.witt@ekpc.coop](mailto:sally.witt@ekpc.coop)<<mailto:sally.witt@ekpc.coop>>>  
Subject: FW: Amendment 3 load Calculations

From: Mark Stallons [<mailto:mstallons@owenelectric.com>]  
Sent: Wednesday, December 6, 2017 10:43 AM  
To: David Crews <[David.Crews@ekpc.coop](mailto:David.Crews@ekpc.coop)<<mailto:David.Crews@ekpc.coop>>>  
Cc: Mike Cobb <[mcobb@owenelectric.com](mailto:mcobb@owenelectric.com)<<mailto:mcobb@owenelectric.com>>>; April Brown <[abrown@owenelectric.com](mailto:abrown@owenelectric.com)<<mailto:abrown@owenelectric.com>>>  
Subject: Amendment 3 load Calculations

David,

Attached please find our support for our Amendment #3 load calculations. Please have Sally review and let's discuss.

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)<<mailto:mstallons@owenelectric.com>>

## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Saturday, February 3, 2018 1:23 PM  
**To:** Hope Kinman  
**Subject:** Re: Amendment 3 Notice

Hope,

You are welcome. Hopefully the weather will cooperate for our next meeting. Enjoy the weekend.

Mark

Mark Stallons  
Sent from my iPhone

On Feb 3, 2018, at 12:34 PM, Hope Kinman <[hkinman@owenelectric.com](mailto:hkinman@owenelectric.com)> wrote:

Hi Mark,

Thanks for letting us do the conference call; although it is not like being there.

I also want to thank you for your work in putting all the facts and numbers together. What a job! It is a complicated endeavor, but we have to do what is best for our customers/owners. I do feel sorry for those co-ops that will lose money. Most of them have no growth and cannot afford to be set back more.

Thanks again for your hard work.

Hope

Sent from my iPad

On Feb 2, 2018, at 5:25 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Directors,

Attached please find the Amendment 3 notice sent to Tony Campbell this afternoon. Have a great Super Bowl weekend.

Thanks,

Mark

**From:** Mark Stallons  
**Sent:** Friday, February 02, 2018 4:51 PM  
**To:** [tony.campbell@ekpc.coop](mailto:tony.campbell@ekpc.coop)  
**Cc:** James M Crawford ([jcrawford@cbkylaw.com](mailto:jcrawford@cbkylaw.com)) <[jcrawford@cbkylaw.com](mailto: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](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.

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<2018 A3 Notice.pdf>

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Tuesday, January 30, 2018 11:06 AM  
**To:** Chris Brewer  
**Subject:** Re: Amendment 3 RFP Process

Chris,

If you have any questions do not hesitate to call.

Mark

Mark Stallons  
Sent from my iPhone

On Jan 30, 2018, at 10:20 AM, Chris Brewer <[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)> wrote:

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

Mark,

Thank you for the information. I have talked to Elaine this morning and she is in the process of sending me a resolution on authorizing the RFP process. I have a board meeting to day nad will be discussing it with them. Also, my next regular board meeting is scheduled before Feb. 23<sup>rd</sup> so that time frame should not be a problem. Thanks.

Chris Brewer, PE  
[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)  
859-901-9207  
President & CEO  
Clark Energy

**From:** Mark Stallons [<mailto:mstallons@owenelectric.com>]  
**Sent:** Tuesday, January 30, 2018 10:01 AM  
**To:** Chris Brewer <[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>  
**Cc:** Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>;  
[mikew@bgenenergy.com](mailto:mikew@bgenenergy.com); Joni Hazelrigg <[jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop)>; Debbie Martin  
<[debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com)>  
**Subject:** Amendment 3 RFP Process

Chris,

Based upon your recent discussions with Mike Williams and for your information and consideration, Bluegrass Energy, Jackson Energy, Owen Electric and Salt River Electric have entered into Non-Disclosure Agreements (NDA's) with five (5) power suppliers, one of which is presently contacting multiple cooperatives and marketing their services. We have received power supply RFP's and intend to make a decision on or before the end of the February. If you would like to join the group, please reply to this email notice, contact Elaine Johns, and we will be glad to include you into the RFP process if timing and availability are favorable or if timing and availability are not favorable we will assist in facilitating a

second RFP. Shelby Energy and Fleming Mason Energy have expressed interest in joining the group and are also discussing the opportunity with their Board of Directors.

The requirement to participate includes a Board Resolution authorizing the cooperative CEO to sign an agreement with our consulting firm, sign the necessary Confidentiality Agreements, and agree to financially contribute to the cost of the process. The timeline required to participate is as follows:

Timeline:

1. Board commitment to the RFP process on or before Monday February 5, 2018.
2. Decision to provide notice to EKPC on or before Friday February 23, 2018.

Should you need any information, please feel free to contact Elaine Johns, President/CEO, EnerVision, at 678.910.1122 or [Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com).

Sincerely,

Mike Williams, Bluegrass Energy President/CEO  
Carol Wright, Jackson Energy President & CEO  
Mark Stallons, Owen Electric President & CEO  
Tim Sharp, Salt River Electric President & CEO

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## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Thursday, January 4, 2018 5:34 PM  
**To:** Alan Ahrman  
**Subject:** Re: Amendment 3 RFP

Alan,

I am looking to make a decision tomorrow. My hope is to be able to leave the meeting as scheduled on Thursday January 25th. I will send something out as soon as possible to clarify.

Thanks,

Mark

Mark Stallons  
Sent from my iPhone

On Jan 4, 2018, at 5:23 PM, Alan Ahrman <[aahrman@owenelectric.com](mailto:aahrman@owenelectric.com)> wrote:

Mark will we need to move the next board meeting or will we be alright with our regular date. We had a great Christmas and I hope you did as well.

Alan

Sent from my iPad

On Jan 4, 2018, at 5:17 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Board of Directors,

I pray that you had a wonderful Christmas and New Year celebration! Below please find a quick update concerning the Amendment #3 RFP.

- Request For Proposal (RFP) was mailed on December 22<sup>nd</sup>
- We requested two bid options, the first without Bluegrass at 35MW and the second with Bluegrass at 50MW.
- To date we have received 3 responses and expect 2 more.
- RFP's are due on or before January 19, 2018.
- Owen, Salt River and Jackson are sharing the costs of the RFP.
- Bluegrass is continuing to investigate participating in the RFP.
- We plan to determine the bidder's short list and begin negotiations by Feb 1<sup>st</sup>.
- We expect to execute an agreement by March 31, 2018.
- We are requesting delivery of energy on Aug 1, 2019.

I will provide additional updates as more information becomes available. Should you have any questions, please do not hesitate to call.

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.

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**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Thursday, January 18, 2018 1:19 PM  
**To:** 'Sally Witt'  
**Cc:** Teresa Hamilton; Julie Tucker; April Brown (abrown@owenelectric.com); Missy Moore  
**Subject:** RE: Amendment 3

Sally,

Looks good! For our discussion at 2pm today, please forward the rolling 36 month data and calculations.

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)

**OWEN Electric**

*"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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**From:** Sally Witt [mailto:sally.witt@ekpc.coop]  
**Sent:** Thursday, January 18, 2018 11:29 AM  
**To:** Mark Stallons <mstallons@owenelectric.com>  
**Cc:** Teresa Hamilton <thamilton@owenelectric.com>; Julie Tucker <julie.tucker@ekpc.coop>  
**Subject:** Amendment 3

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

Good Morning!

These are the preliminary results (January has not been verified as the month is only half over):

Base	Average	5%
Jan notice	414.3	20.7
Feb notice	418.7	20.9
Mar notice	411.6	20.6

Already Allocated Owen Owen Office 2.0

Remaining		
Jan notice		18.7
Feb notice		18.9
Mar notice		18.6

As I mentioned on the phone, you are not currently receiving reports that show all of the data. I am working with Pam Harris in our Metering Department to set up monthly reports to be sent the first week of each month.

There are 2 peaks used for Amendment 3 analyses:

- 1) Owen's peak at the time of the EKPC system peak and
- 2) Owen's peak (including Gallatin).

Currently you receive #1 EXCEPT Gallatin's peak at the time of EKPC's system peak on your monthly billing statement. This is due to the way Gallatin is billed. You are not receiving #2. For Amendment 3, Gallatin is included when determining your peak. For your bill, Gallatin is EXCLUDED from your peaks. We will calculate Owen's system peak based on a totalized file that includes Gallatin.

I am sending a call invitation, however, if we don't need a call, decline.

Thank you all!  
Sally

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Tuesday, January 30, 2018 9:42 AM  
**To:** 'Mike Williams'; Tim Sharp; Carol Wright  
**Cc:** Elaine Johns  
**Subject:** RE: Clark Energy

All,

I just finished talking with Elaine, she suggests that I send Chris the email and that the group is now maxed out at roughly 75MW. Her suggestion is that we close accepting members and begin a waiting list for any future callers. Future callers would basically be on hold and would have an opportunity if someone backs out. Not sure how else to do it.

Elaine is also drafting an EKPC notice for us to consider.

Mark

**From:** Mike Williams [mailto:mikew@bgenenergy.com]  
**Sent:** Tuesday, January 30, 2018 9:25 AM  
**To:** Mark Stallons <mstallons@owenelectric.com>; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** Clark Energy

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Chris contacted me this morning asking about Sky Global. He inquired about a group pursuing an RFP and asked how he could participate. I confirmed there was a group and there were certain timeframes that need to be complied with in order to participate. I gave him the timeline that was in the email. He said he could meet those timelines. He has a Board meeting today at noon. Are you all okay with Clark participating?

Sincerely,

Michael I. Williams  
President/CEO  
Blue Grass Energy

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Tuesday, February 6, 2018 12:16 PM  
**To:** 'Elaine Johns'  
**Cc:** mikew@bgenenergy.com; Tim Sharp; Carol Wright; Joni Hazelrigg; Debbie Martin; CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com); Jim Crawford; Missy Moore  
**Subject:** RE: EKPC A3 Notice

Elaine,

I received the update from a phone call and have not received an email copy yet. Does anyone else have the February updated A# allocation spreadsheet? If not, I will ask David to forward and send to everyone.

Mark

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Tuesday, February 06, 2018 12:12 PM  
**To:** Mark Stallons <mstallons@owenelectric.com>  
**Cc:** mikew@bgenenergy.com; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; Joni Hazelrigg <jhazelrigg@fme.coop>; Debbie Martin <debbiem@shelbyenergy.com>; CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com) <cbrewer@clarkenergy.com>; Jim Crawford <JCrawford@cbkylaw.com>; Missy Moore <mmoore@owenelectric.com>  
**Subject:** Re: EKPC A3 Notice

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

Ok, can you please send the latest and greatest A3 Allotment spreadsheet?

Thanks!

Sent from my iPhone

On Feb 6, 2018, at 12:09 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Elaine,

I have revised my notice after confirming with David Crews that Owen's 5% maximum 36 month rolling coincident peak has moved from 18.5MW to 18.9MW as a result of the January 2018 load levels. Please review and advise. I would like to send this update later today.

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>

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---

[Spam](#) | [Not spam](#)

[Forget previous vote](#)

<Letter of Notice -Final.docx>

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Tuesday, January 30, 2018 9:48 AM  
**To:** 'Carol Wright'; Mike Williams; Tim Sharp  
**Cc:** Elaine Johns  
**Subject:** RE: Clark Energy

Elaine is working on that.

**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Tuesday, January 30, 2018 9:46 AM  
**To:** Mark Stallons <mstallons@owenelectric.com>; Mike Williams <mikew@bgenenergy.com>; Tim Sharp <tjsharp@srelectric.com>  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** RE: Clark Energy

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

Good with me. Will the bidders honor their existing bids for the 75 MW block?

Carol Wright

President & CEO

606-364-9213



**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Tuesday, January 30, 2018 9:42 AM  
**To:** Mike Williams <mikew@bgenenergy.com>; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** RE: Clark Energy

All,

I just finished talking with Elaine, she suggests that I send Chris the email and that the group is now maxed out at roughly 75MW. Her suggestion is that we close accepting members and begin a waiting list for any future callers. Future callers would basically be on hold and would have an opportunity if someone backs out. Not sure how else to do it.

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Mark

**From:** Mike Williams [<mailto:mikew@bgenergy.com>]

**Sent:** Tuesday, January 30, 2018 9:25 AM

**To:** Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>; Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>

**Cc:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>

**Subject:** Clark Energy

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Chris contacted me this morning asking about Sky Global. He inquired about a group pursuing an RFP and asked how he could participate. I confirmed there was a group and there were certain timeframes that need to be complied with in order to participate. I gave him the timeline that was in the email. He said he could meet those timelines. He has a Board meeting today at noon. Are you all okay with Clark participating?

Sincerely,

Michael I. Williams  
President/CEO  
Blue Grass Energy



**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Thursday, February 8, 2018 1:55 PM  
**To:** 'Elaine Johns'  
**Cc:** Missy Moore  
**Subject:** RE: EKPC A3 Notice

Elaine,

I saw that as well and was puzzled. However, as I recall, there was one copy with individually signed signature pages. Member Owner Cooperatives signed on different dates and mailed a signed copy to EKPC who collected everyone's signed agreement. I have asked Missy to verify when we signed ours.

Mark

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Thursday, February 08, 2018 12:16 PM  
**To:** Mark Stallons <mstallons@owenelectric.com>  
**Subject:** RE: EKPC A3 Notice

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Did you see in SKRECC's notice – they refer to the MOU dated July 15, 2015 (not July 16). Were there 2 different versions? My copy says July 16.

**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Tuesday, February 6, 2018 12:09 PM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Cc:** [mikew@bgenergy.com](mailto:mikew@bgenergy.com); Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; Joni Hazelrigg <jhazelrigg@fme.coop>; Debbie Martin <debbiem@shelbyenergy.com>; CHRIS BREWER (<[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>) (<[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>) (<[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>); Jim Crawford (<[JCrawford@cbkylaw.com](mailto:JCrawford@cbkylaw.com)>); Missy Moore <mmoore@owenelectric.com>  
**Subject:** EKPC A3 Notice

Elaine,

I have revised my notice after confirming with David Crews that Owen's 5% maximum 36 month rolling coincident peak has moved from 18.5MW to 18.9MW as a result of the January 2018 load levels. Please review and advise. I would like to send this update later today.

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)



*"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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**Missy Moore**

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**From:** Mark Stallons  
**Sent:** Friday, February 9, 2018 1:44 PM  
**To:** 'Bill Prather'; Tim Sharp  
**Cc:** bsexton@bigsandyrecc.com; Mike Williams (mikew@bgenergy.com); CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com); ted.hampton@cumberlandvalley.coop; jhazelrigg@fme.coop; carol.fraleay@graysonrecc.com; jerry@intercountyenergy.net; carolwright@jacksonenergy.com; kkhoward@lvrecc.com; mmiller@nolinrecc.com; 'Dennis Holt' (dholt@skrecc.com); debbiem@shelbyenergy.com; bmyers@tcrecc.com; tony.campbell@ekpc.coop; Don Mosier; Mike McNalley; david.crews@ekpc.coop  
**Subject:** RE: EKPC Amendment Three Notification  
**Attachments:** A3 Cost Shift 020818.xlsx

Fellow Manager's,

Owen has likewise given EKPC notification on the remaining balance of our Amendment 3 rights. As Tim and Bill have expressed, Owen is also hopeful that we can work together to find common ground and determine a pathway that meets all of our 500,000 plus members desire for affordable and reliable energy. As developed in 2003, Amendment 3's differential between an individual coops ability to go to market for 15% while EKPC's allotment is simply 5%, has always been recognized and is a serious problem that creates major inequities. When we negotiated the MOU, unfortunately we were unable to mitigate this risk and agree on a common percentage that applied to both EKPC and the Member Owners.

In Owen's board room discussions, we used the attached excel spreadsheet to understand the Amendment 3 impacts to EKPC and all 16 member owners. You are welcome to modify and use this model to see what your Cooperative's impacts are under a variety of scenarios. Please understand that some data is not readily available and as a result I have made assumptions that affect the outcome. For example in the last tab entitled "Cost shift", I used the 2017 capital credit allocations to estimate each cooperatives power bill. To receive a more accurate estimated impact, please input your actual 2017 Environmental Surcharge power expense in column D (highlighted green) and your Base Rate power bill in column F also highlighted green.

The first tab, tiled "Jan 2018 Allotment", is a historical summary of Amendment 3 notices and the balances by cooperative as of February 8, 2018. I have included Farmer's recent notice, however, I simply applied the notice to the remaining balance. If a prior notice has been rescinded then my assumption is not accurate. If you want to see the impact of your Cooperative's decision to give notice or to not give notice please update column X and Y highlighted in green and entitled 2018 PJM Notices with either your remaining balance in column Z, the pro-rata share in column AA, or leave as zero. Please note that column AE, titled "Net Member Savings(Loss)" identifies the resulting cost impact. As you change your notice and as others change their notice the impacts shift.

The second tab, titled "A3 Savings" takes the noticed amount from tab 1 "Jan 2018 Allotment" and calculates the annual savings that your individual cooperative could expect in year 1 if the price spread was \$20. You can change the price spread highlighted in green to any number you choose.

The third tab, titled "EKPC Impact" shows the impact on the Environmental Surcharge and on the Base Rates charged to each member owner based upon the number of cooperatives who have given notice. Please note that the cost shifts are proportional to the cost shifts identified in EKPC's letter dated December 27, 2017 which discusses said cost shifts and mitigation. Please also note that the notices provided since November 2017 are estimated to result in roughly a \$7

Witness: Mark Stallons

Million dollar reduction (6.44%) in EKPC's environmental surcharge revenue and roughly a \$22 Million reduction (2.88%) in base rate revenue. As you change your notice choice on tab 1, the impact is updated.

The fourth tab, entitled "Cost Shift", displays the savings if you exercise Amendment 3, the resulting cost shifts, and the net impact on all 16 cooperatives. Unfortunately, the bottom line is that exercising your Amendment 3 option will not completely mitigate the negative cost impacts or totally reduce the cost shifts. The only successful way forward is for all of us is to sit down and develop a new path that is beneficial to all concerned.

I do not claim the attached spreadsheet to be perfect, however, I do believe it is directionally correct and a good start. I am also very willing to work with interested parties to modify and improve the model. Should you have any questions, please do not hesitate to call.

Sincerely,

Mark

**From:** Bill Prather [mailto:bprather@farmersrecc.net]

**Sent:** Thursday, February 08, 2018 3:53 PM

**To:** Tim Sharp <tjsharp@srelectric.com>

**Cc:** bsexton@big sandyrecc.com; Mike Williams (mikew@bgenergy.com) <mikew@bgenergy.com>; CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com) <cbrewer@clarkenergy.com>;

ted.hampton@cumberlandvalley.coop; jhazelrigg@fme.coop; carol.fraley@graysonrecc.com;

jerry@intercountyenergy.net; carolwright@jacksonenergy.com; kkhoward@lvrecc.com; mmiller@nolinrecc.com; Mark Stallons <mstallons@owenelectric.com>; 'Dennis Holt' (dholt@skrecc.com) <dholt@skrecc.com>;

debbiem@shelbyenergy.com; bmyers@tcrecc.com; tony.campbell@ekpc.coop

**Subject:** Re: EKPC Amendment Three Notification

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Folks,

Like Tim at Salt River, I wanted to give you a heads up that Farmers has likewise given EKPC notification on the remaining balance of our Amendment 3 rights. Farmers too, is hopeful that we can all determine a path forward that will be beneficial to all sixteen member-owners. We look forward to working together to find common ground that is fair to all. We do not philosophically support where Amendment 3 is currently taking us all, and hope we can find a better way for our sixteen members.

Bill Prather  
Farmers RECC

On Fri, Feb 2, 2018 at 7:11 AM, Tim Sharp <tjsharp@srelectric.com> wrote:

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

--

**William T. Prather**  
President/CEO  
Farmers Rural Electric Cooperative Corporation  
504 South Broadway  
Glasgow, Kentucky 42141  
270-651-2191, ext. 8300  
[bprather@farmersrecc.com](mailto:bprather@farmersrecc.com)



Owner-Member Cooperative	EKPC 5% Limit			Average	5% Limit
	EKPC CP (MW) for Month of				
	Feb 2015- Jan 2016	Feb 2016- Jan 2017	Feb 2017- Jan 2018		
Big Sandy	89.5	56.9	74.3	73.6	3.7
Blue Grass	410.9	324.4	382.2	372.5	18.6
Clark	154.0	113.6	139.4	135.7	6.8
Cumberland Valley	158.3	109.6	141.3	136.4	6.8
Farmers	136.4	115.9	138.4	130.2	6.5
Fleming Mason	196.9	166.9	189.1	184.3	9.2
Grayson	85.2	57.6	72.7	71.9	3.6
Inter-County	171.1	134.1	158.6	154.6	7.7
Jackson	325.6	230.2	293.6	283.2	14.2
Licking Valley	88.6	58.7	75.0	74.1	3.7
Nolin	211.1	199.1	215.5	208.6	10.4
Owen	347.4	350.7	423.8	374.0	18.7
Salt River	314.4	262.0	306.4	294.3	14.7
Shelby	120.5	99.6	113.9	111.3	5.6
South Kentucky	458.9	353.4	426.2	412.9	20.6
Taylor	159.4	139.1	157.0	151.8	7.6
<b>Total</b>	<b>3,428.1</b>	<b>2,771.8</b>	<b>3,307.4</b>	<b>3,169.1</b>	<b>158.5</b>

Owner-Member Cooperative	A3 Allotments, Based on Data Through January 2018					
	Owner-Member Peak (MW)			Average	5% Election	15% Election
	Feb 2015- Jan 2016	Feb 2016- Jan 2017	Feb 2017- Jan 2018			
Big Sandy	89.5	58.8	74.3	74.2	3.710	11.1
Blue Grass	410.9	324.4	383.2	372.8	18.642	55.9
Clark	154.0	113.6	140.1	135.9	6.796	20.4
Cumberland Valley	158.3	110.0	141.3	136.5	6.826	20.5
Farmers	136.8	115.9	138.4	130.3	6.517	19.6
Fleming Mason	198.0	179.7	189.1	188.9	9.445	28.3
Grayson	85.2	58.3	72.7	72.1	3.603	10.8
Inter-County	171.1	134.4	158.6	154.7	7.736	23.2
Jackson	327.7	232.2	293.6	284.5	14.226	42.7
Licking Valley	88.6	60.6	76.6	75.3	3.783	11.3
Nolin	230.4	199.1	216.1	215.2	10.760	32.3
Owen	430.9	401.5	447.5	426.6	21.330	64.0
Salt River	316.1	262.0	306.4	294.8	14.742	44.2
Shelby	120.5	101.6	113.9	112.0	5.599	16.8
South Kentucky	458.9	353.4	426.2	412.9	20.643	61.9
Taylor	160.2	139.1	157.0	152.1	7.604	22.8
<b>Total</b>	<b>3,537.0</b>	<b>2,844.5</b>	<b>3,335.0</b>	<b>3,238.8</b>	<b>161.9</b>	

Owner-Member Cooperative	A3 Balances as of January 2018							
	Allocation		Notice Before 2018 & 2018 Non PJM Notices	PJM Notice Yr N	Please choose your 2018 PJM Notice	5% Balance	Live Pro-rata Share of Balance	Feb 8 2018 Pro-Rata Share of Balance
	%	MW						
						MW	MW	MW
Big Sandy	5%	3.7	0.0	N	0.0	3.7	1.9	1.9
Blue Grass	5%	18.6	0.0	N	0.0	18.6	9.5	9.5
Clark	5%	6.8	0.0	N	0.0	6.8	3.5	3.5
Cumberland Valley	5%	6.8	0.0	N	0.0	6.8	3.5	3.5
Farmers*	5%	6.5	4.6	Y	1.9	0.0	0.0	0.0
Fleming Mason*	5%	9.4	1.4	N	0.0	8.0	4.1	4.1
Grayson	5%	3.6	0.0	N	0.0	3.6	1.8	1.8
Inter-County	5%	7.7	0.0	N	0.0	7.7	4.0	4.0
Jackson*	5%	14.2	6.0	Y	3.0	0.0	0.0	0.0
Licking Valley	5%	3.8	0.0	N	0.0	3.8	1.9	1.9
Nolin	5%	10.8	0.0	N	0.0	10.8	5.5	5.5
Owen*	5%	21.3	2.0	Y	19.3	0.0	0.0	0.0
Salt River*	5%	14.7	2.0	Y	12.7	0.0	0.0	0.0
Shelby	5%	5.6	0.0	N	0.0	5.6	2.9	2.9
South Kentucky*	15%	61.9	58.0	N	0.0	0.0	0.0	0.0
Taylor	5%	7.6	0.0	N	0.0	7.6	3.9	3.9
<b>Total</b>		<b>203.2</b>	<b>74.0</b>		<b>41.9</b>	<b>83.2</b>	<b>42.6</b>	<b>42.5</b>

Total projects MW cannot exceed 5% of the 3 year average of EKPC CP, which is currently 158.5 MW.

Feb 2015-Jan 2016 Peak Occurred Feb 2015  
Feb 2016-Jan 2017 Peak Occurred Jan 2017  
Feb 2017-Jan 2018 Peak Occurred Jan 2018

Noticed Projects						
Owner-Member	Project	Notice Given	MW	Delivery Date		
Jackson	Irvine LFGTE		1.6	10/2013		
Jackson	Dupree Energy Sys		1.0	3/2015		
Farmers	Federal Mogul DG		3.6	2005		
Farmers	Glasgow LFGTE		1.0	11/2015		
Salt River	Lock 7		2.0	2013		
Owen	Owen Office		2.0	2016		
South Kentucky	PJM/Market	12/2018	58.0	6/2019		
Salt River	PJM/Market	2/2018	12.7	9/2019		
Owen	PJM/Market	2/2018	19.3	9/2019		
Fleming-Mason	LFG PPA	2/2018	1.4	10/2018		
Jackson	PJM Market	2/2019	8.0			
Jackson	Hydro	2/2020	3.4			
<b>Total Projects</b>			<b>114.0</b>			
Not to Exceed 158.5 MW						
Remaining Balance of 5% Amendment 3 Pool Feb 8, 2018					44.46	
Noticed February 8, 2019 not in above					1.9	

Attachment #1  
Page #814 of 877  
Witness: Mark Stallions

<b>Assumed Savings per Year (DRAFT)</b>			
<b>Cooperative</b>	<b>MW Load Noticed 2018</b>	<b>Savings per MW</b>	<b>Savings per Year</b>
Big Sandy	0.00	\$ 20.00	\$ -
Blue Grass	0.00	\$ 20.00	\$ -
Clark	0.00	\$ 20.00	\$ -
Cumberland Valley	0.00	\$ 20.00	\$ -
Farmers	1.90	\$ 20.00	\$ 332,880
Fleming Mason	0.00	\$ 20.00	\$ -
Grayson	0.00	\$ 20.00	\$ -
Inter-County	0.00	\$ 20.00	\$ -
Jackson	8.00	\$ 20.00	\$ 1,401,600
Licking Valley	0.00	\$ 20.00	\$ -
Nolin	0.00	\$ 20.00	\$ -
Owen	19.30	\$ 20.00	\$ 3,381,360
Salt River	12.70	\$ 20.00	\$ 2,225,040
Shelby	0.00	\$ 20.00	\$ -
South Kentucky	\$ 58.00	\$ 20.00	\$ 10,161,600
Taylor	0.00	\$ 20.00	\$ -
<b>Totals</b>	<b>99.90</b>		<b>17,502,480</b>

### Amendment 3 Impact on EKPC (DRAFT)

<u>Notice</u>	<u>MW</u>	<u>MWh/Year</u>	<u>ES \$ Shift</u>	<u>ES %</u>	<u>Base \$ Shift</u>	<u>Total \$ Shift</u>
Big Sandy	0.0	-	\$ -	0.00%	\$ -	\$ -
Blue Grass	0.0	-	\$ -	0.00%	\$ -	\$ -
Clark	0.0	-	\$ -	0.00%	\$ -	\$ -
Cumberland Valley	0.0	-	\$ -	0.00%	\$ -	\$ -
Farmers	1.9	16,644	\$ 134,310.34	1.90%	\$ 425,862.07	\$ 560,172.41
Fleming Mason	0.0	-	\$ -	0.00%	\$ -	\$ -
Grayson	0.0	-	\$ -	0.00%	\$ -	\$ -
Inter-County	0.0	-	\$ -	0.00%	\$ -	\$ -
Jackson	8.0	70,080	\$ 565,517.24	8.01%	\$ 1,793,103.45	\$ 2,358,620.69
Licking Valley	0.0	-	\$ -	0.00%	\$ -	\$ -
Nolin	0.0	-	\$ -	0.00%	\$ -	\$ -
Owen	19.3	169,068	\$ 1,364,310.34	19.32%	\$ 4,325,862.07	\$ 5,690,172.41
Salt River	12.7	111,252	\$ 897,758.62	12.71%	\$ 2,846,551.72	\$ 3,744,310.34
Shelby	0.0	-	\$ -	0.00%	\$ -	\$ -
South Kentucky	58.0	508,080	\$ 4,100,000.00	58.06%	\$ 13,000,000.00	\$ 17,100,000.00
Taylor	0.0	-	\$ -	0.00%	\$ -	\$ -
<b>Member Owner Total</b>	<b>99.9</b>	<b>875,124</b>	<b>\$ 7,061,896.55</b>		<b>\$ 22,391,379.31</b>	<b>\$ 29,453,275.86</b>
<b>EKPC 2018 Budget</b>	<b>29,194</b>	<b>13,534,101</b>	<b>EKPC Pass Thru</b>		<b>EKPC Rate Increase</b>	

### Cost Shift Percentages

<u>EKPC Base Rate Impact</u>	<u>EKPC 2018 Budget (pgA2)</u>	<u>Base Shift</u>	<u>Percent Increase</u>
Base Rate	\$ 777,941,988.00	\$ 22,391,379.31	2.88%
EKPC ES Revenue	\$ 109,603,865.00	\$ 7,061,896.55	6.44%



**A3 Cost Shift Draft (2017 Actuals)**

Member Owner	2017 Capital Credits	Est. 2017 Member Owner ES Power Bill	6.44%		2.88%		Base Rate Savings	Net Base Rate Savings (Loss)	Net Member Savings (Loss)
			ES Cost Increase	Est. 2017 Member Owner Base Rate Power Bill	Base Rate Increase				
Big Sandy	\$ 456,552.84	\$ 2,332,135.41	\$ 150,262.03	\$ 15,242,430.52	\$ 438,720.43	\$ -	\$ (438,720.43)	\$ (588,982.46)	
Blue Grass	\$ 2,544,829.40	\$ 12,999,342.52	\$ 837,561.82	\$ 84,961,436.94	\$ 2,445,431.40	\$ -	\$ (2,445,431.40)	\$ (3,282,993.21)	
Clark	\$ 902,424.95	\$ 4,609,712.16	\$ 297,008.78	\$ 30,128,275.19	\$ 867,177.31	\$ -	\$ (867,177.31)	\$ (1,164,186.09)	
Cumberland Valley	\$ 891,226.76	\$ 4,552,510.25	\$ 293,323.20	\$ 29,754,413.47	\$ 856,416.50	\$ -	\$ (856,416.50)	\$ (1,149,739.70)	
Farmers	\$ 978,324.48	\$ 4,997,417.51	\$ 315,865.14	\$ 32,662,249.82	\$ 940,112.29	\$ 332,880.00	\$ (607,232.29)	\$ (923,097.44)	
Fleming Mason	\$ 1,594,149.10	\$ 8,143,135.32	\$ 524,671.09	\$ 53,222,113.14	\$ 1,531,883.54	\$ -	\$ (1,531,883.54)	\$ (2,056,554.62)	
Grayson	\$ 504,925.70	\$ 2,579,230.70	\$ 166,182.65	\$ 16,857,402.32	\$ 485,203.90	\$ -	\$ (485,203.90)	\$ (651,386.55)	
Inter-County	\$ 952,243.55	\$ 4,864,192.50	\$ 313,405.23	\$ 31,791,514.33	\$ 915,050.05	\$ -	\$ (915,050.05)	\$ (1,228,455.28)	
Jackson	\$ 1,789,997.81	\$ 9,143,557.77	\$ 541,951.87	\$ 59,760,699.90	\$ 1,720,082.63	\$ 1,401,600.00	\$ (318,482.63)	\$ (860,434.50)	
Licking Valley	\$ 502,348.35	\$ 2,566,065.24	\$ 165,334.38	\$ 16,771,355.15	\$ 482,727.22	\$ -	\$ (482,727.22)	\$ (648,061.60)	
Nolin	\$ 1,438,700.80	\$ 7,349,083.79	\$ 473,509.48	\$ 48,032,330.69	\$ 1,382,506.86	\$ -	\$ (1,382,506.86)	\$ (1,856,016.34)	
Owen	\$ 2,870,788.29	\$ 14,664,385.87	\$ 762,305.26	\$ 95,843,870.04	\$ 2,758,658.72	\$ 3,381,360.00	\$ 622,701.28	\$ (139,603.98)	
Salt River	\$ 2,281,982.31	\$ 11,656,683.03	\$ 655,573.62	\$ 76,186,048.52	\$ 2,192,850.80	\$ 2,225,040.00	\$ 32,189.20	\$ (623,384.41)	
Shelby	\$ 901,620.69	\$ 4,605,603.89	\$ 296,744.08	\$ 30,101,424.24	\$ 866,404.46	\$ -	\$ (866,404.46)	\$ (1,163,148.54)	
South Kentucky	\$ 2,592,576.90	\$ 13,243,243.39	\$ 357,880.78	\$ 86,555,530.52	\$ 2,491,313.94	\$ 10,161,600.00	\$ 7,670,286.06	\$ 7,312,405.28	
Taylor	\$ 939,573.41	\$ 4,799,471.66	\$ 309,235.19	\$ 31,368,510.21	\$ 902,874.79	\$ -	\$ (902,874.79)	\$ (1,212,109.99)	
<b>Total</b>	<b>\$ 22,142,265.34</b>	<b>\$ 113,105,771.00</b>	<b>\$ 6,460,814.60</b>	<b>\$ 739,239,605.00</b>	<b>\$ 21,277,414.84</b>	<b>\$ 17,502,480.00</b>	<b>\$ (3,774,934.84)</b>	<b>\$ (10,235,749.43)</b>	

## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Monday, December 11, 2017 5:11 PM  
**To:** Carol Wright  
**Cc:** Tim Sharp; Mike Williams  
**Subject:** Re: EnerVision KY Group Call

Carol,

I will probably call from my cell phone on the way in to EKPC and then meet in an open conference room.

Mark

Mark Stallons  
Sent from my iPhone

On Dec 11, 2017, at 5:05 PM, Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)> wrote:

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Yes. Are we calling from Ek?

Sent from my iPhone

On Dec 11, 2017, at 4:54 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Tim, Carol & Mike,

Are you available for a call with Elaine Johns tomorrow morning at 8:45am before EKPC?

Thanks,

Mark

Mark Stallons  
Sent from my iPhone

Begin forwarded message:

**From:** "Elaine Johns" <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**To:** "Mark Stallons" <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>, "[mikew@bgenergy.com](mailto:mikew@bgenergy.com)" <[mikew@bgenergy.com](mailto:mikew@bgenergy.com)>  
**Subject:** EnerVision KY Group Call

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

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Tuesday, December 5, 2017 3:44 PM  
**To:** 'Elaine Johns'  
**Cc:** Carter Babbit  
**Subject:** RE: EnerVision Professional Services Agreement

Elaine,

Do you have any objections to changing the Governing Law section to the Commonwealth of Kentucky?

Thanks,

Mark

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Monday, December 04, 2017 8:38 PM  
**To:** Mark Stallons <mstallons@owenelectric.com>  
**Cc:** Carter Babbit <Carter.Babbit@enervision-inc.com>  
**Subject:** EnerVision Professional Services Agreement

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

Hey, Mark – attached is our Professional Services Agreement. It should reflect our conversation today. Please let me know if you have any questions. We are good to execute via scans, if you are.

We look forward to working with you. Regards,  
Elaine

**Elaine Johns** President/CEO  
T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840  
[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Tuesday, December 5, 2017 4:53 PM  
**To:** 'Elaine Johns'  
**Cc:** Carter Babbit  
**Subject:** RE: EnerVision Professional Services Agreement

Elaine,

Sounds good, I will sign final version upon receipt.

Thanks,

Mark

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Tuesday, December 05, 2017 4:15 PM  
**To:** Mark Stallons <mstallons@owenelectric.com>  
**Cc:** Carter Babbit <Carter.Babbit@enervision-inc.com>  
**Subject:** Re: EnerVision Professional Services Agreement

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Not at all, that is actually an oversight on my part. Sorry! I'll make the change!

Sent from my iPhone

On Dec 5, 2017, at 3:44 PM, Mark Stallons <mstallons@owenelectric.com> wrote:

Elaine,

Do you have any objections to changing the Governing Law section to the Commonwealth of Kentucky?

Thanks,

Mark

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Monday, December 04, 2017 8:38 PM  
**To:** Mark Stallons <mstallons@owenelectric.com>  
**Cc:** Carter Babbit <Carter.Babbit@enervision-inc.com>  
**Subject:** EnerVision Professional Services Agreement

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Hey, Mark – attached is our Professional Services Agreement. It should reflect our conversation today. Please let me know if you have any questions. We are good to execute via scans, if you are.

We look forward to working with you. Regards,

Elaine

**Elaine Johns** President/CEO

T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840

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---

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**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Friday, January 19, 2018 10:24 AM  
**To:** 'Mary Ellen Cole'  
**Cc:** Missy Moore; Jennifer Taylor; Jim Petreshock; Rusty Williams  
**Subject:** RE: financial data request

Mary Ellen,

I am checking with my staff to see how easy or difficult this would be. I will get back to you today.

Thanks,

Mark

**From:** Mary Ellen Cole [mailto:Mary\_Ellen.Cole@enervision-inc.com]  
**Sent:** Friday, January 19, 2018 8:55 AM  
**To:** Carol Wright (carolwright@jacksonenergy.com) <carolwright@jacksonenergy.com>; Mark Stallons <mstallons@owenelectric.com>  
**Cc:** Missy Moore <mmoore@owenelectric.com>  
**Subject:** RE: financial data request

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Carol and Mark,

My apologies on the lateness of my email from last night. After speaking with Tim this morning, I understand that the hourly data is likely not readily available without a request to EKPC. I should have clarified in my email last night that it is not worth extraordinary efforts to collect the data if it is not already readily available – my apologies for any additional concern or effort you may have had to put forth. The information you have already provided in the invoices and materials from the original data request will more than suffice.

I do greatly appreciate your responsiveness through this process, and I'm looking forward to receiving the proposals today!

Thanks again,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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Witness: Mark Stallons

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**From:** Mary Ellen Cole  
**Sent:** Thursday, January 18, 2018 6:17 PM  
**To:** Carol Wright ([carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)) <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; [tjsharp@srelectric.com](mailto:tjsharp@srelectric.com); Mark Stallons ([mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)) <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Cc:** 'Missy Moore' <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>; Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**Subject:** RE: financial data request

One more (and hopefully last for now) data request. You have provided me your historical peak data for the last several years – thank you! Could you also provide 12 months of hourly load data? I'll use this to better evaluate the proposals for your on/off peak load. It won't be provided to the marketers.

Thank you, and do please call me if you have any questions,  
Mary Ellen

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**From:** Mary Ellen Cole  
**Sent:** Thursday, January 18, 2018 2:46 PM  
**To:** Carol Wright ([carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)) <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Tim Sharp ([tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)) <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Mark Stallons ([mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)) <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Cc:** Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>; Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**Subject:** financial data request

Good afternoon everyone,

I've gotten a follow-up request from the marketers regarding the financial data. They will need the full audited financials, not just the Form 7s, for the credit review that is integral to setting the proposed prices. I know we're coming close to the deadline tomorrow. Can you please provide the full audited financials for the last 3 years available as soon as able?

Thank you,  
Mary Ellen

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**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Thursday, January 18, 2018 2:52 PM  
**To:** 'Mary Ellen Cole'; Carol Wright (carolwright@jacksonenergy.com); Tim Sharp (tjsharp@srelectric.com)  
**Cc:** Missy Moore; Elaine Johns; April Brown (abrown@owenelectric.com); Teresa Hamilton  
**Subject:** RE: financial data request

Mary Ellen,

Just to clarify, are they asking for the 2014, 2015 and 2016 financial audit report?

Thanks,

Mark

**From:** Mary Ellen Cole [mailto:Mary\_Ellen.Cole@enervision-inc.com]  
**Sent:** Thursday, January 18, 2018 2:46 PM  
**To:** Carol Wright (carolwright@jacksonenergy.com) <carolwright@jacksonenergy.com>; Tim Sharp (tjsharp@srelectric.com) <tjsharp@srelectric.com>; Mark Stallons <mstallons@owenelectric.com>  
**Cc:** Missy Moore <mmoore@owenelectric.com>; Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** financial data request

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**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Friday, January 19, 2018 2:49 PM  
**To:** 'Mary Ellen Cole'; Carol Wright (carolwright@jacksonenergy.com);  
 tjsharp@srelectric.com  
**Cc:** Missy Moore; Elaine Johns; Andrew Long; Jennifer Taylor  
**Subject:** RE: financial data request  
**Attachments:** Owen hourly Loads 2017 A Long.xlsx

Mary Ellen,

Attached please find Owen's hourly load data for 2017. We were able to access MV90 load data. The process took about 20 minutes. If anyone is curious, Drew Long our system engineer ran the report. His contact info is 502.563.3522.

Mark

**From:** Mary Ellen Cole [mailto:Mary\_Ellen.Cole@enervision-inc.com]  
**Sent:** Thursday, January 18, 2018 6:17 PM  
**To:** Carol Wright (carolwright@jacksonenergy.com) <carolwright@jacksonenergy.com>; tjsharp@srelectric.com; Mark Stallons <mstallons@owenelectric.com>  
**Cc:** Missy Moore <mmoore@owenelectric.com>; Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** RE: financial data request

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**Sent:** Thursday, January 18, 2018 2:46 PM  
**To:** Carol Wright ([carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)) <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Tim Sharp

([tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)) <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Mark Stallons ([mstallons@owenelectric.com](mailto:mstallons@owenelectric.com))  
<[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>

Cc: Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>; Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>

Subject: financial data request

Good afternoon everyone,

I've gotten a follow-up request from the marketers regarding the financial data. They will need the full audited financials, not just the Form 7s, for the credit review that is integral to setting the proposed prices. I know we're coming close to the deadline tomorrow. Can you please provide the full audited financials for the last 3 years available as soon as able?

Thank you,  
Mary Ellen

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## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Thursday, January 18, 2018 2:49 PM  
**To:** 'Mary Ellen Cole'; Missy Moore  
**Cc:** Carol Wright (carolwright@jacksonenergy.com); Tim Sharp (tjsharp@srelectric.com); Elaine Johns  
**Subject:** RE: Financials confirmation  
**Attachments:** Owen RFP Load Data 011818.xlsx; Owen Jan 2018 SWitt.xlsx

Mary Ellen,

Attached please find Owen's RFP load data. Please forward to the bidders. I believe this fulfills the last data request.

In addition please find Owen's 5% election options as calculated by Sally Witt. The question of Owen giving notice in either January, February or March is moot. From this data and based on our January 2<sup>nd</sup> peak we are indifferent. Our election will be 18.5MW if notice is given in any of the three months. Please call should you have any questions.

Thanks,

Mark

**From:** Mary Ellen Cole [mailto:Mary\_Ellen.Cole@enervision-inc.com]  
**Sent:** Thursday, January 18, 2018 8:48 AM  
**To:** Missy Moore <mmoore@owenelectric.com>  
**Cc:** Carol Wright (carolwright@jacksonenergy.com) <carolwright@jacksonenergy.com>; Tim Sharp (tjsharp@srelectric.com) <tjsharp@srelectric.com>; Mark Stallons <mstallons@owenelectric.com>; Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Subject:** RE: Financials confirmation

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Missy,

Since 2017 was unaudited, could you provide your 2014 audited data? That way the marketers have 3 years of audited data, plus the unaudited 2017.

Thank you,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (865) 454-0548 | Alt. (865) 803-6037 | (888) 999-8840  
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Witness: Mark Stallons

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**Sent:** Thursday, January 18, 2018 8:35 AM  
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**Cc:** Carol Wright ([carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)) <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Tim Sharp ([tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)) <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>; Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**Subject:** Re: Financials confirmation

Mary Ellen,

Ours is the same as Carol's. 2015 and 2016 have been audited. 2017, is only they November as we haven't closed for the year yet, and is unaudited.

Thank You,  
Missy

On Jan 17, 2018, at 5:34 PM, Mary Ellen Cole <[Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)> wrote:

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Good afternoon all,

I've been asked by the marketers to confirm what you have provided to me is your full audited financial files for the last available 3 years. Please let me know as soon as able.

Thank you, and have a great evening,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
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[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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<b>Owen 36 Month Load Data</b>		
<b>Date</b>	<b>Time</b>	<b>Owen Electric MW Peak</b>
Jan-18	est.	423.84
Dec-17	est.	402.70
11/20/2017	7:00	353.23
10/4/2017	16:45	336.80
9/21/2017	17:00	374.23
8/16/2017	16:45	395.16
7/20/2017	19:15	398.23
6/12/2017	17:00	382.19
5/17/2017	19:15	348.20
4/30/2017	19:00	324.12
3/16/2017	6:30	365.65
2/4/2017	8:15	374.56
1/7/2017	8:15	393.99
12/15/2016	21:45	401.50
11/22/2016	7:30	332.24
10/7/2016	17:00	328.52
9/6/2016	18:15	389.43
8/25/2016	18:00	394.14
7/24/2016	18:45	394.83
6/26/2016	19:15	382.23
5/31/2016	14:45	347.68
4/8/2016	6:30	321.39
3/3/2016	20:30	337.79
2/14/2016	19:15	399.56
1/19/2016	6:45	409.32
12/19/2015	20:00	343.74
11/23/2015	6:45	346.54
10/23/2015	15:30	297.25
9/4/2015	16:45	384.64
8/16/2015	17:45	376.50
7/18/2015	17:15	383.17
6/23/2015	17:30	373.68
5/30/2015	17:30	349.15
4/24/2015	6:45	309.20
3/6/2015	6:00	406.95
2/20/2015	5:15	430.86
1/7/2015	21:45	404.36

	Mar notice	Feb notice	Jan notice		Jan notice	Feb notice	Mar notice	Jan notice	Feb notice	Mar notice
1	Feb-18									423.844
2	Jan-18	1 Jan-18		Jan-18	423.844	423.844	423.844		423.844	
3	Dec-17	2 Dec-17	1 Dec-17	Dec-17	402.7	402.7	402.7	402.7		
4	Nov-17	3 Nov-17	2 Nov-17	11/20/2017	7:00	353.23	353.23	353.23		
5	Oct-17	4 Oct-17	3 Oct-17	10/4/2017	16:45	336.80	336.80	336.80		
6	Sep-17	5 Sep-17	4 Sep-17	9/21/2017	17:00	374.23	374.23	374.23		
7	Aug-17	6 Aug-17	5 Aug-17	8/16/2017	16:45	395.16	395.16	395.16		
8	Jul-17	7 Jul-17	6 Jul-17	7/20/2017	19:15	398.23	398.23	398.23		
9	Jun-17	8 Jun-17	7 Jun-17	6/12/2017	17:00	382.19	382.19	382.19		
10	May-17	9 May-17	8 May-17	5/17/2017	19:15	348.20	348.20	348.20		
11	Apr-17	10 Apr-17	9 Apr-17	4/30/2017	19:00	324.12	324.12	324.12		
12	Mar-17	11 Mar-17	10 Mar-17	3/16/2017	6:30	365.65	365.65	365.65		
1	Feb-17	12 Feb-17	11 Feb-17	2/4/2017	8:15	374.56	374.56	374.56		401.50138
2	Jan-17	1 Jan-17	12 Jan-17	1/7/2017	8:15	393.99	393.99	393.99	401.50138	
3	Dec-16	2 Dec-16	1 Dec-16	12/15/2016	21:45	401.50	401.50	401.50	409.32366	
4	Nov-16	3 Nov-16	2 Nov-16	11/22/2016	7:30	332.24	332.24	332.24		
5	Oct-16	4 Oct-16	3 Oct-16	10/7/2016	17:00	328.52	328.52	328.52		
6	Sep-16	5 Sep-16	4 Sep-16	9/6/2016	18:15	389.43	389.43	389.43		
7	Aug-16	6 Aug-16	5 Aug-16	8/25/2016	18:00	394.14	394.14	394.14		
8	Jul-16	7 Jul-16	6 Jul-16	7/24/2016	18:45	394.83	394.83	394.83		
9	Jun-16	8 Jun-16	7 Jun-16	6/26/2016	19:15	382.23	382.23	382.23		
10	May-16	9 May-16	8 May-16	5/31/2016	14:45	347.68	347.68	347.68		
11	Apr-16	10 Apr-16	9 Apr-16	4/8/2016	6:30	321.39	321.39	321.39		
12	Mar-16	11 Mar-16	10 Mar-16	3/3/2016	20:30	337.79	337.79	337.79		
1	Feb-16	12 Feb-16	11 Feb-16	2/14/2016	19:15	399.56	399.56	399.56		409.32366
2	Jan-16	1 Jan-16	12 Jan-16	1/19/2016	6:45	409.32	409.32	409.32	430.85766	
3	Dec-15	2 Dec-15	1 Dec-15	12/19/2015	20:00	343.74	343.74	343.74	430.85766	
4	Nov-15	3 Nov-15	2 Nov-15	11/23/2015	6:45	346.54	346.54	346.54		
5	Oct-15	4 Oct-15	3 Oct-15	10/23/2015	15:30	297.25	297.25	297.25		
6	Sep-15	5 Sep-15	4 Sep-15	9/4/2015	16:45	384.64	384.64	384.64		
7	Aug-15	6 Aug-15	5 Aug-15	8/16/2015	17:45	376.50	376.50	376.50		
8	Jul-15	7 Jul-15	6 Jul-15	7/18/2015	17:15	383.17	383.17	383.17		
9	Jun-15	8 Jun-15	7 Jun-15	6/23/2015	17:30	373.68	373.68	373.68		
10	May-15	9 May-15	8 May-15	5/30/2015	17:30	349.15	349.15	349.15		
11	Apr-15	10 Apr-15	9 Apr-15	4/24/2015	6:45	309.20	309.20	309.20		
12	Mar-15	11 Mar-15	10 Mar-15	3/6/2015	6:00	406.95	406.95	406.95		
	Feb-15	12 Feb-15	11 Feb-15	2/20/2015	5:15	430.86	430.86	430.86		
			12	1/7/2015	21:45	404.36	404.36	404.36		

Base		Average	5%	
	Jan notice	414.3	20.7	
	Feb notice	418.7	20.9	
	Mar notice	411.6	20.6	
Already All	Owen	Owen Offic	2.0	2016
Remaining				
	Jan notice		18.7	
	Feb notice		18.9	
	Mar notice		18.6	

## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Thursday, January 25, 2018 3:08 PM  
**To:** 'Carol Wright'; Elaine Johns  
**Cc:** Mike Williams; Tim Sharp; Mary Ellen Cole; Missy Moore  
**Subject:** RE: Here We Go!

All,

Wednesday works for me also.

Mark

**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Thursday, January 25, 2018 2:53 PM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Cc:** Mike Williams <mikew@bgenergy.com>; Mark Stallons <mstallons@owenelectric.com>; Tim Sharp <tjsharp@srelectric.com>; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Subject:** Re: Here We Go!

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I am fine either day.

Carol

Sent from my iPhone

On Jan 25, 2018, at 2:38 PM, Elaine Johns <Elaine.Johns@enervision-inc.com> wrote:

With Mike not being available on Monday due to hanging out with his doctor, I have a couple of suggestions:

- Go ahead with a call on Monday 10:30-11:30am so you can prepare for board discussions, and we'll catch up Mike on Weds., or
- We can have a group call on Weds. if that still provides enough time for board prep.

Of course, the first bullet is not optimal as I think you all will benefit from group discussion, but I also recall board discussions are happening next week. Please let me know your preference.

Regardless, we will be sending you the summary of our analysis tomorrow. Thanks,  
Elaine

**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Thursday, January 25, 2018 11:06 AM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>; Mike Williams <mikew@bgenergy.com>  
**Cc:** mstallons@owenelectric.com; Tim Sharp <tjsharp@srelectric.com>; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Subject:** RE: Here We Go!



I am available Monday all day as well.

**Carol Wright**  
President & CEO  
606-364-9213  
<image001.jpg>

**From:** Elaine Johns [<mailto:Elaine.Johns@enervision-inc.com>]  
**Sent:** Thursday, January 25, 2018 10:58 AM  
**To:** Mike Williams <[mikew@bgenergy.com](mailto:mikew@bgenergy.com)>  
**Cc:** [mstallons@owenelectric.com](mailto:mstallons@owenelectric.com); Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Mary Ellen Cole <[Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)>  
**Subject:** Here We Go!

Mike, I have discussed with AEP and Morgan Stanley the group's desire to add BGE to the RFP. No problems and bid prices do not change. So, we need you to start executing NDAs with the marketers and start gathering financials for their credit review:

- 3 years of audited financial statements,
- 2017 financial statement (unaudited if audited is not available), and
- 3 years of Form 7s.

In addition, for our analysis, we need:

- 2-3 years of historical hourly load data, and
- Dec. 2017 EKPC wholesale power invoice.

Also, Mary Ellen will be sending you the NDAs from the marketers for you to execute. With that in progress, we will forward the initial comparisons of the bids that we sent everyone on Monday.

All, we will send out our analysis on Friday and would like to schedule a call for Monday. Please let us know when you are open on Monday, January 29. Thanks,  
Elaine

**Elaine Johns** President/CEO  
T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840  
[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Friday, December 1, 2017 3:14 PM  
**To:** 'Elaine Johns'  
**Subject:** RE: Hi!

Elaine,

Anytime Monday morning between 8am and 11am Eastern Time would work well.

Mark

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Friday, December 01, 2017 11:58 AM  
**To:** Mark Stallons <mstallons@owenelectric.com>  
**Subject:** Hi!

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

Hey, just left you a vm. Good to hear from you. I'm in Philly visiting our daughter. Do you have time to talk on Monday?

Happy Holidays!  
Elaine

Sent from my iPhone

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Friday, December 1, 2017 6:18 PM  
**To:** Elaine Johns  
**Subject:** Re: Hi!

Elaine,

Sounds good. Please call me at (502) 563-3500.

Have a wonderful weekend!

Thanks,

Mark

Mark Stallons  
Sent from my iPhone

On Dec 1, 2017, at 6:01 PM, Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)> wrote:

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How about 8:30-9:30? Let me know at which number to call you.

Have a great weekend -  
Elaine

Sent from my iPhone

On Dec 1, 2017, at 3:13 PM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

Elaine,

Anytime Monday morning between 8am and 11am Eastern Time would work well.

Mark

**From:** Elaine Johns [<mailto:Elaine.Johns@enervision-inc.com>]  
**Sent:** Friday, December 01, 2017 11:58 AM  
**To:** Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>  
**Subject:** Hi!

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

Hey, just left you a vm. Good to hear from you. I'm in Philly visiting our daughter. Do you have time to talk on Monday?

Happy Holidays!

Elaine

Sent from my iPhone

---

[Spam](#) | [Not spam](#)  
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**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Tuesday, February 6, 2018 5:21 PM  
**To:** 'David Crews'  
**Subject:** RE: Letter of Notice -Final draft

Thx, left message on cell and at work, call me when free.

**From:** David Crews [mailto:David.Crews@ekpc.coop]  
**Sent:** Tuesday, February 06, 2018 5:11 PM  
**To:** Mark Stallons <mstallons@owenelectric.com>  
**Subject:** Letter of Notice -Final draft

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A few minor comments. Call me at your convenience.

## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Monday, February 19, 2018 9:22 AM  
**To:** 'Terri Combs'; Joe Spalding, Inter-County Energy; Bill Shearer; Landis Cornett (ekpc@landiscornett.com); Mike Williams (mikew@bgenergy.com); Tim Sharp; Chris Brewer  
**Cc:** Tony Campbell; Don Mosier; David Smart; David Crews; Mike McNalley  
**Subject:** RE: MOU Committee discussion

All,

Tomorrow at 3pm works for me.

Mark

-----Original Message-----

**From:** Terri Combs [mailto:terri.combs@ekpc.coop]  
**Sent:** Monday, February 19, 2018 9:15 AM  
**To:** Joe Spalding, Inter-County Energy <spaldingfarm@windstream.net>; Bill Shearer <wpshearer@bellsouth.net>; Landis Cornett (ekpc@landiscornett.com) <ekpc@landiscornett.com>; Mike Williams (mikew@bgenergy.com) <mikew@bgenergy.com>; Tim Sharp <tjsharp@srelectric.com>; Chris Brewer <cbrewer@clarkenergy.com>; Mark Stallons <mstallons@owenelectric.com>  
**Cc:** Tony Campbell <tony.campbell@ekpc.coop>; Don Mosier <Don.Mosier@ekpc.coop>; David Smart <david.smart@ekpc.coop>; David Crews <David.Crews@ekpc.coop>; Mike McNalley <Michael.McNalley@ekpc.coop>  
**Subject:** MOU Committee discussion

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Good morning,

Tony asked that I set up a conference call for the MOU Committee tomorrow (Tuesday, 2/20) at 3:00 p.m. (eastern time). Does this time work for all of you?

Once the date/time is established, I will send out a calendar invitation. Please let me know at your earliest convenience.

Thanks so much,

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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## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Wednesday, February 7, 2018 10:49 AM  
**To:** 'Carol Wright'; Elaine Johns  
**Subject:** RE: Notification Letter to EKPC - Jackson Energy

Carol & Elaine,

I assume at substations where you have already given an A3 notice, that there is not enough load 24x7 to accept a second block of load, therefore you exclude that substation. I also understand that by pointing EKPC to Rate E billed load you are targeting the benefit to your residential & small commercial load and excluding rate B/C large loads or special contracts. Since David is asking me to update my notice with actual load, I will look at doing the same and target Rate E for the notice.

I am not understanding the need to indicate the spread of energy proportionately to on/off peak usage. Please clarify.

Mark

**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Wednesday, February 07, 2018 9:05 AM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>; Mark Stallons <mstallons@owenelectric.com>  
**Subject:** Fwd: Notification Letter to EKPC - Jackson Energy

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Please review my notice letter and let me know your thoughts on the paragraph noted how to apply the energy and demand to Rate E substations.

Thanks,

Carol

Sent from my iPad

Begin forwarded message:

**From:** Carol Wright <carolwright@jacksonenergy.com>  
**Date:** February 7, 2018 at 9:04:10 AM EST  
**To:** Carol Wright <carolwright@jacksonenergy.com>  
**Subject:** Notification Letter to EKPC - Jackson Energy



**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Thursday, January 18, 2018 1:59 PM  
**To:** 'Sally Witt'  
**Subject:** RE: Owen Jan 2018.xlsx

Sally,

Do you have a page that shows the Nucor monthly load separate from the Rate B & Rate E load and can you send the paper work where the December 2017 load numbers come from?

Thanks,

Mark

**From:** Sally Witt [mailto:sally.witt@ekpc.coop]  
**Sent:** Thursday, January 18, 2018 1:40 PM  
**To:** Mark Stallons <mstallons@owenelectric.com>; Teresa Hamilton <thamilton@owenelectric.com>  
**Subject:** Owen Jan 2018.xlsx

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Sorry I didn't include the first time.

## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Tuesday, January 30, 2018 11:43 AM  
**To:** 'Debbie Martin'  
**Subject:** RE: Power Supply RFP Process

Debbie,

You are welcome, it was a group decision and no one hesitated. We are glad to have you and Joni join the RFP. To keep you up to date, Chris Brewer called today and asked to join. His board meeting is today and he has begun working with Elaine as you did yesterday. In effect the group is basically maxed out at roughly 77MW if everyone gives notice.

Please call if you have any questions,

Thanks,

Mark

**From:** Debbie Martin [mailto:debbiem@shelbyenergy.com]  
**Sent:** Tuesday, January 30, 2018 11:23 AM  
**To:** Mark Stallons <mstallons@owenelectric.com>; Joni Hazelrigg <jhazelrigg@fme.coop>  
**Cc:** Missy Moore <mmoore@owenelectric.com>; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>; Elaine.Johns@enervision-inc.com; Jim Crawford <JCrawford@cbkylaw.com>  
**Subject:** RE: Power Supply RFP Process

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Mark :

Thank you for the opportunity to join the group. We have a special board meeting scheduled for tomorrow, and Elaine has provided the necessary documents. She will be giving a presentation to our directors, so we should have a decision by the end of the work day.

I appreciate it.  
Debbie

**Debra J. Martin**  
**President & CEO**

620 Old Finchville Road  
Shelbyville, KY 40065

Office: (502)633-4163  
Fax: (502)633-2387



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

**Sent:** Monday, January 29, 2018 11:25 AM

**To:** Debbie Martin <[debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com)>; Joni Hazelrigg <[jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop)>

**Cc:** Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>; Mary Ellen Cole <[Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)>;  
[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com); Jim Crawford <[JCrawford@cbkylaw.com](mailto:JCrawford@cbkylaw.com)>

**Subject:** Power Supply RFP Process

Debbie & Joni,

For your information and consideration, Bluegrass Energy, Jackson Energy, Owen Electric and Salt River Electric have entered into Non-Disclosure Agreements (NDA's) with five (5) power suppliers, one of which is presently contacting multiple cooperatives and marketing their services. We have received power supply RFP's and intend to make a decision on or before the end of the February. If you would like to join the group, please reply to this email notice and we will be glad to include you into the RFP process if timing and availability are favorable or if timing and availability are not favorable we will assist in facilitating a second RFP.

The requirement to participate includes a Board Resolution authorizing the cooperative CEO to sign an agreement with our consulting firm, sign the necessary Confidentiality Agreements, and agree to financially contribute to the cost of the process. The timeline required to participate is as follows:

Timeline:

1. Board commitment to the RFP process on or before Monday February 5, 2018.
2. Decision to provide notice to EKPC on or before Friday February 23, 2018.

Should you need any information, please feel free to contact Elaine Johns, President/CEO, EnerVision, at 678.910.1122 or [Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com).

Sincerely,

Mike Williams, Bluegrass Energy President/CEO  
Carol Wright, Jackson Energy President & CEO  
Mark Stallons, Owen Electric President & CEO  
Tim Sharp, Salt River Electric President & CEO

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## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Thursday, February 1, 2018 3:09 PM  
**To:** Joni Hazelrigg  
**Subject:** Re: Power Supply RFP Process

Joni,

Please call when free.

Thanks,

Mark

Mark Stallons  
Sent from my iPhone

On Feb 1, 2018, at 2:57 PM, Joni Hazelrigg <[jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop)> wrote:

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To All,

Attached is Fleming-Mason's executed Board Resolution. We truly appreciate the opportunity to join in this group effort.

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**

<image002.jpg>

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**From:** Mark Stallons [<mailto:mstallons@owenelectric.com>]  
**Sent:** Monday, January 29, 2018 11:25 AM  
**To:** Debbie Martin <[debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com)>; Joni Hazelrigg <[jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop)>  
**Cc:** Missy Moore <[mmoore@owenelectric.com](mailto:mmoore@owenelectric.com)>; Mary Ellen Cole <[Mary\\_Ellen.Cole@enervision-](mailto:Mary_Ellen.Cole@enervision-)

[inc.com](mailto:inc.com)>; [Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com); Jim Crawford <[JCrawford@cbkylaw.com](mailto:JCrawford@cbkylaw.com)>

**Subject:** Power Supply RFP Process

Debbie & Joni,

For your information and consideration, Bluegrass Energy, Jackson Energy, Owen Electric and Salt River Electric have entered into Non-Disclosure Agreements (NDA's) with five (5) power suppliers, one of which is presently contacting multiple cooperatives and marketing their services. We have received power supply RFP's and intend to make a decision on or before the end of the February. If you would like to join the group, please reply to this email notice and we will be glad to include you into the RFP process if timing and availability are favorable or if timing and availability are not favorable we will assist in facilitating a second RFP.

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Sincerely,

Mike Williams, Bluegrass Energy President/CEO  
Carol Wright, Jackson Energy President & CEO  
Mark Stallons, Owen Electric President & CEO  
Tim Sharp, Salt River Electric President & CEO

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<Resolution.pdf>

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Saturday, January 20, 2018 9:58 AM  
**To:** Elaine Johns  
**Cc:** Tim Sharp; Carol Wright; Mary Ellen Cole  
**Subject:** Re: Proposals received

Elaine,

Good news!

Mark

Mark Stallons  
Sent from my iPhone

> On Jan 19, 2018, at 5:46 PM, Elaine Johns <Elaine.Johns@enervision-inc.com> wrote:

>

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>

> As of right now, we have received 5 proposals: AEP, Caipine, Exelon, Morgan Stanley, and SkyGlobal.

>

> Have a great weekend!

> Elaine

>

> Sent from my iPhone

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Thursday, February 15, 2018 2:03 PM  
**To:** 'David Smart'  
**Subject:** RE: Resolution for Approval to Enter into Power Purchase Agreement (Amended)

David,

From my perspective the major addition that Paul Hawkins added to the motion was the formation of a committee appointed by Tony. Please consider adding that to the minutes.

Respectfully,

Mark

**From:** David Smart [mailto:david.smart@ekpc.coop]  
**Sent:** Wednesday, February 14, 2018 11:46 AM  
**To:** 'A.L. Rosenberger -- Nolin' <buddyandcarol@bbtel.com>; 'Alan Ahrman - Owen' <alanahrman@gmail.com>; 'Barry Myers -- Taylor County' <bmyers@tcrecc.com>; 'Bill Prather -- Farmers' <bprather@farmersrecc.com>; Bobby Sexton <bsexton@bigsandyrecc.com>; Boris Haynes <borish@skrecc.com>; 'Carol Fraley -- Grayson' <carol.fraley@graysonrecc.com>; 'Carol Wright - Jackson Energy' <carolwright@jacksonenergy.com>; 'Chris Brewer - Clark Energy' <cbrewer@clarkenergy.com>; Danny Wallen <dlwallen@icloud.com>; 'Debbie Martin -- Shelby' <debbiem@shelbyenergy.com>; Dennis Holt <dennish@skrecc.com>; Elbert Hampton <ereedhampton@gmail.com>; Jerry Carter <jerry@intercountyenergy.net>; 'Jimmy Longmire -- Salt River' <jlongmire94@icloud.com>; 'Jody Hughes' <jodyh@bgenergy.com>; 'Joe Spalding (spaldingfarm@windstream.net)' <spaldingfarm@windstream.net>; 'Joni Hazelrigg' <jhazelrigg@fme.coop>; 'Kelly Shepherd' <kshepherd@foothills.net>; 'Ken Arrington -- Grayson' <karringtonrecc@foothills.net>; 'Kerry Howard -- Licking Valley' <kkhoward@lvrecc.com>; 'Landis Cornett' <ekpc@landiscornett.com>; Mark Stallons <mstallons@owenelectric.com>; 'Mickey Miller -- Nolin' <mmiller@nolinrecc.com>; 'Mike Williams -- Blue Grass' <mikew@bgenergy.com>; 'Paul Hawkins -- Farmers' <paulcat@scrtc.com>; 'Raymond Rucker' <lakeside47@yahoo.com>; 'Ted Hampton' <ted.hampton@cumberlandvalley.coop>; Ted Holbrook <tedh@mrtc.com>; 'Tim Eldridge' <timothy.eldridge@baldwincpas.com>; 'Tim Sharp - Salt River Electric' <tjsharp@srelectric.com>; 'Wayne Stratton -- Shelby' <wayne@jnmcpa.com>; 'William Shearer -- Clark' <wpshearer@bellsouth.net>  
**Cc:** Tony Campbell <tony.campbell@ekpc.coop>; Don Mosier <Don.Mosier@ekpc.coop>; Mike McNalley <Michael.McNalley@ekpc.coop>; David Crews <David.Crews@ekpc.coop>; Jeannie Jones <Jeannie.Jones@ekpc.coop>; Terri Combs <terri.combs@ekpc.coop>; Shanan Strange <shanan.strange@ekpc.coop>  
**Subject:** Resolution for Approval to Enter into Power Purchase Agreement (Amended)

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

Dear Directors and CEOs,

As promised at yesterday's Board Meeting, I am sending to you the amended Board Resolution regarding EKPC's authority to enter into a power purchase agreement in the context of A3 and the MOU. I added the last sentence to the Resolution requiring Board review and approval of any such action by EKPC Management. I used Paul Hawkins' exact words. Thanks very much.

David

David Smart  
General Counsel  
East Kentucky Power Cooperative, Inc.  
P.O. Box 707  
Winchester, KY 40392-0707  
(859) 745.9237 (DD)



## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Saturday, January 27, 2018 6:26 PM  
**To:** Carol Wright  
**Cc:** Mary Ellen Cole; Elaine Johns; Tim Sharpe; Mike Williams  
**Subject:** Re: Revised CA

All,

I am fine with opening up the RFP process to Shelby and any other EKPC member. They would need to sign the CA's and an EnerVision agreement. This is a good way to mitigate any negative blowback. If agreeable I am happy to send an email to all CEO's informing them of the RFP process, timeline, and how they can participate. We could meet with those who respond before the legislative rally this week.

Your thoughts,

Mark

Mark Stallons  
Sent from my iPhone

On Jan 27, 2018, at 12:18 PM, Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)> wrote:

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

Elaine and Mary Ellen:

The CEO with Shelby Energy, Debbie Martin, contacted me regarding the group RFP and wanted to know what they could do to be a part of the group.

Debbie also felt other coops may want to join if asked.

I told her I would let everyone know and someone would get back to her. She understands that turn around time is an issue but is willing to do whatever necessary to make that work.

So, at this point, what can be done if Shelby (and other coops) want to join in our group?

Carol  
Sent from my iPad

On Jan 26, 2018, at 3:06 PM, Mary Ellen Cole <[Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)> wrote:

Good afternoon all,

With the addition of Blue Grass to the Kentucky Group, we need to re-execute the Confidentiality Agreements with each of the marketers in order to keep the data sharing clean. I've attached four revised versions (AEP, Constellation, Morgan Stanley, SkyGlobal) for your review and signature. For AEP, Morgan Stanley, and SkyGlobal, the only changes are the insertion of Blue Grass as part of the Kentucky Group and an

additional signature block at the bottom. In addition to those insertions, Constellation has added a new paragraph indicating that this new CA supersedes the prior CA, essentially indicating that this is the latest version to go by.

I am still waiting for one more CA from Calpine, and I will send that to you as soon as it is available.

Since we have revised the original CAs, we will need all four of you to execute these new versions in order to share information amongst you all. Please review, sign, and return the CA at your earliest convenience.

Thank you,  
Mary Ellen

**Mary Ellen Cole** Lead Consultant  
Main (865) 484-0548 | Alt. (865) 803-6037 | (888) 999-8840  
[mary\\_ellen.cole@enervision-inc.com](mailto:mary_ellen.cole@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Look for us in Booth #1518 at the NRECA Tech-Advantage Conference & Expo in Nashville, TN Feb. 26<sup>th</sup>-28<sup>th</sup>, 2018!**

**Check us out at [www.EnerVision-inc.com](http://www.EnerVision-inc.com)**

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<KY coop nda.pdf>

<Kentucky Group Confidentiality Agreement\_Constellation (FINAL) 1-26-18.pdf>

<Kentucky Group Confidentiality Agreement\_2018\_SkyGlobal.pdf>

<MSCG\_NDA\_Signed\_26Jan18.pdf>

**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Monday, January 29, 2018 12:29 PM  
**To:** 'Elaine Johns'; Carol Wright; Tim Sharp; mikew@bgenergy.com  
**Subject:** RE: RFP letter to fellow EKPC Member CEO's

All,

We could simply put the rank order based upon when they first contacted us. For example as of November 30, 2017 based upon October billing:

Existing Projects	11.20 MW	11.20 MW
Jackson Energy Hydro	2.64 MW	13.84 MW
S Kentucky PPA	58.00 MW	71.84 MW
Owen Jackson BG & SR	55.50 MW	127.34 MW
1. Shelby Energy	5.00 MW	132.34 MW
2. Fleming Mason Energy	9.00 MW	141.34 MW
3. Remaining Capacity	7.65 MW	148.99 MW

If we exceed 148.99 it goes to an RFP waiting list. If someone pulls out then capacity becomes available.

Coops to date not involved in the process:

1. Nolin	10.36 MW
2. Inter-County	7.28 MW
3. Taylor	7.12 MW
4. Cumberland Valley	6.48 MW
5. Clark	6.38 MW
6. Big Sandy	3.55 MW
7. Licking Valley	3.55 MW
8. Grayson	3.43 MW
9. Farmers	1.67 MW
10. S Kentucky	0.46 MW
	=====
	50.28 MW

Mark

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Monday, January 29, 2018 11:55 AM  
**To:** Mark Stallons <mstallons@owenelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; Tim Sharp <tjsharp@srelectric.com>; mikew@bgenergy.com  
**Subject:** RE: RFP letter to fellow EKPC Member CEO's

Witness: Mark Stallons

Carol – just making sure I understand, “providing them with an offer for their consideration” Is the ‘them’ the current group of you guys, or is it to the outside coops? If it’s the former, I don’t see an issue. If it’s the latter, they’re providing confidential information outside the NDA which would be a breach of your NDA. If they’re just providing a proposal (that is not the Kentucky Group proposal), then there’s no breach.

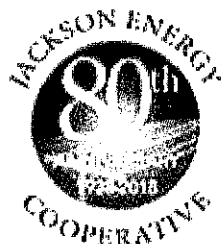
**From:** Carol Wright [<mailto:carolwright@jacksonenergy.com>]  
**Sent:** Monday, January 29, 2018 9:57 AM  
**To:** Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>; Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; [mikew@bgenergy.com](mailto:mikew@bgenergy.com)  
**Cc:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**Subject:** RE: RFP letter to fellow EKPC Member CEO's  
**Importance:** High

Wanted to share:

Just got a call from Joni at Fleming Mason. Sky Global is calling coops and letting them know a group is following suit like SKRECC with an RFP and using the same consultant (no other info) and providing them with an offer for their consideration.

Joni is very interested and said if there is no room in the existing RFP group, that they would be interested in starting a new group and going for an RFP as well.

**Carol Wright**  
President & CEO  
606-364-9213



**From:** Mark Stallons [<mailto:mstallons@owenelectric.com>]  
**Sent:** Monday, January 29, 2018 8:46 AM  
**To:** Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; [mikew@bgenergy.com](mailto:mikew@bgenergy.com)  
**Cc:** [Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)  
**Subject:** RFP letter to fellow EKPC Member CEO's

Fellow CEO's,

For your information and consideration, Bluegrass Energy, Jackson Energy, Owen Electric and Salt River Electric have entered into Non Disclosure Agreements (NDA's) with five (5) power suppliers, one of which is presently contacting multiple cooperatives and marketing their services. We have received power supply RFP's and intend to make a decision by the end of the February. If you would like to join the group, please reply to this notice and we will be glad to include you into the RFP process.

The requirement to participate includes a Board Resolution authorizing the cooperative CEO to sign an agreement with our consulting firm, sign the necessary Confidentiality Agreements, and agree to financially contribute to the cost of the process. Our timeline is as follows:

Timeline:  
??????

Sincerely,

Mike Williams, Bluegrass Energy President/CEO  
Carol Wright, Jackson Energy President & CEO  
Mark Stallons, Owen Electric President & CEO  
Tim Sharp, Salt River Electric President & CEO

**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)



**OWEN Electric**

*"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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Witness: Mark Stallons

confidential information outside the NDA which would be a breach of your NDA. If they're just providing a proposal (that is not the Kentucky Group proposal), then there's no breach.

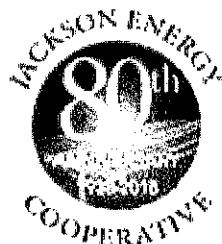
**From:** Carol Wright [<mailto:carolwright@jacksonenergy.com>]  
**Sent:** Monday, January 29, 2018 9:57 AM  
**To:** Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>; Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; [mikew@bgenergy.com](mailto:mikew@bgenergy.com)  
**Cc:** Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>  
**Subject:** RE: RFP letter to fellow EKPC Member CEO's  
**Importance:** High

Wanted to share:

Just got a call from Joni at Fleming Mason. Sky Global is calling coops and letting them know a group is following suit like SKRECC with an RFP and using the same consultant (no other info) and providing them with an offer for their consideration.

Joni is very interested and said if there is no room in the existing RFP group, that they would be interested in starting a new group and going for an RFP as well.

Carol Wright  
President & CEO  
606-364-9213



**From:** Mark Stallons [<mailto:mstallons@owenelectric.com>]  
**Sent:** Monday, January 29, 2018 8:46 AM  
**To:** Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; [mikew@bgenergy.com](mailto:mikew@bgenergy.com)  
**Cc:** [Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)  
**Subject:** RFP letter to fellow EKPC Member CEO's

Fellow CEO's,

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??????

Sincerely,

Mike Williams, Bluegrass Energy President/CEO  
Carol Wright, Jackson Energy President & CEO  
Mark Stallons, Owen Electric President & CEO  
Tim Sharp, Salt River Electric President & CEO

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)



*"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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## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Monday, January 29, 2018 4:50 PM  
**To:** 'Carol Wright'; Elaine Johns; Tim Sharp; mikew@bgenergy.com  
**Subject:** RE: RFP letter to fellow EKPC Member CEO's

All,

I am fine with leaving it alone and seeing if anyone else inquires as Debbie and Joni have. As Carol accurately points out and assuming all stay in the process, we only have one spot left.

Enjoy the evening,

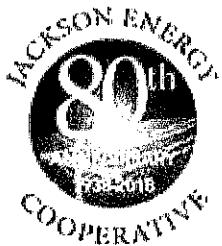
Mark

**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Monday, January 29, 2018 12:58 PM  
**To:** Mark Stallons <mstallons@owenelectric.com>; Elaine Johns <Elaine.Johns@enervision-inc.com>; Tim Sharp <tjsharp@srelectric.com>; mikew@bgenergy.com  
**Subject:** RE: RFP letter to fellow EKPC Member CEO's

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I think we need to re-consider the email you were planning on sending out this afternoon. There isn't enough left in EKPC's 5% for more than one other to join.

Carol Wright  
President & CEO  
606-364-9213



**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Monday, January 29, 2018 12:29 PM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>; Carol Wright <carolwright@jacksonenergy.com>; Tim Sharp <tjsharp@srelectric.com>; mikew@bgenergy.com  
**Subject:** RE: RFP letter to fellow EKPC Member CEO's

All,

We could simply put the rank order based upon when they first contacted us. For example as of November 30, 2017 based upon October billing:



Existing Projects	11.20 MW	11.20 MW
Jackson Energy Hydro	2.64 MW	13.84 MW
S Kentucky PPA	58.00 MW	71.84 MW
Owen Jackson BG & SR	55.50 MW	127.34 MW
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2. Fleming Mason Energy	9.00 MW	141.34 MW
3. Remaining Capacity	7.65 MW	148.99 MW

If we exceed 148.99 it goes to an RFP waiting list. If someone pulls out then capacity becomes available.

Coops to date not involved in the process:

1. Nolin	10.36 MW
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7. Licking Valley	3.55 MW
8. Grayson	3.43 MW
9. Farmers	1.67 MW
10. S Kentucky	0.46 MW
	=====
	50.28 MW

Mark

**From:** Elaine Johns [<mailto:Elaine.Johns@enervision-inc.com>]

**Sent:** Monday, January 29, 2018 11:55 AM

**To:** Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)>; Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; [mikew@bgenenergy.com](mailto:mikew@bgenenergy.com)

**Subject:** RE: RFP letter to fellow EKPC Member CEO's

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Do you wait to make sure Joni's in? Debbie confirmed her board is.

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

**Sent:** Monday, January 29, 2018 11:49 AM

**To:** Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)>; Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; [mikew@bgenenergy.com](mailto:mikew@bgenenergy.com)

**Subject:** RE: RFP letter to fellow EKPC Member CEO's

All,

I just talked to Joni, she will be surprised if her board doesn't join the process. Her board meeting is this week. Elaine, Joni and Debbie will most likely call you today. Joni agrees with sending the email to all other CEO's late this afternoon.

Witness: Mark Stallons

Just got a call from Joni at Fleming Mason. Sky Global is calling coops and letting them know a group is following suit like SKRECC with an RFP and using the same consultant (no other info) and providing them with an offer for their consideration.

Joni is very interested and said if there is no room in the existing RFP group, that they would be interested in starting a new group and going for an RFP as well.

**Carol Wright**  
President & CEO  
606-364-9213



**From:** Mark Stallons [<mailto:mstallons@owenelectric.com>]  
**Sent:** Monday, January 29, 2018 8:46 AM  
**To:** Tim Sharp <[tjsharp@srelectric.com](mailto:tjsharp@srelectric.com)>; Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>; [mikew@bgenergy.com](mailto:mikew@bgenergy.com)  
**Cc:** [Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)  
**Subject:** RFP letter to fellow EKPC Member CEO's

Fellow CEO's,

For your information and consideration, Bluegrass Energy, Jackson Energy, Owen Electric and Salt River Electric have entered into Non Disclosure Agreements (NDA's) with five (5) power suppliers, one of which is presently contacting multiple cooperatives and marketing their services. We have received power supply RFP's and intend to make a decision by the end of the February. If you would like to join the group, please reply to this notice and we will be glad to include you into the RFP process.

The requirement to participate includes a Board Resolution authorizing the cooperative CEO to sign an agreement with our consulting firm, sign the necessary Confidentiality Agreements, and agree to financially contribute to the cost of the process. Our timeline is as follows:

Timeline:  
??????

Sincerely,

Mike Williams, Bluegrass Energy President/CEO  
Carol Wright, Jackson Energy President & CEO  
Mark Stallons, Owen Electric President & CEO  
Tim Sharp, Salt River Electric President & CEO

**Mark A. Stallons**  
President & CEO

Owen Electric Cooperative

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☎ **Direct Line:** 502-563-3500

☎ **Mobile:** 502-514-1650

✉ **Email:** [mstallons@owenelectric.com](mailto: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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**Missy Moore**

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**From:** Mark Stallons  
**Sent:** Monday, January 29, 2018 11:20 AM  
**To:** 'Elaine Johns'; Tim Sharp; Carol Wright; mikew@bgenergy.com  
**Cc:** Mary Ellen Cole  
**Subject:** RE: RFP Process

All,

Elaine, I will make the phone number change. I just finished talking to Debbie, she is committed and her board is ready to go. I will be surprised if they do not meet the timeline in the email. I am forwarding it to her and will copy all of you.

Mark

**From:** Elaine Johns [mailto:Elaine.Johns@enervision-inc.com]  
**Sent:** Monday, January 29, 2018 10:52 AM  
**To:** Mark Stallons <mstallons@owenelectric.com>; Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; mikew@bgenergy.com  
**Cc:** Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Subject:** RE: RFP Process

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Mark, could you please give them my cell 678-910-1122 and email, too? Those would be faster ways to reach me – I'm in a meeting tomorrow and can duck out pretty easily.

Thanks,  
Elaine

**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Monday, January 29, 2018 10:42 AM  
**To:** Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; mikew@bgenergy.com  
**Cc:** Elaine Johns <Elaine.Johns@enervision-inc.com>; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Subject:** RFP Process

Tim, Carol, Mike;

I just finished talking with Elaine. We revised the email as shown below. I will call Joni and Debbie this morning inviting them to join the group and will send this email out this afternoon. If you want to talk let me know.

Thanks,

Mark

Fellow CEO's,

For your information and consideration, Bluegrass Energy, Jackson Energy, Owen Electric and Salt River Electric have entered into Non-Disclosure Agreements (NDA's) with five (5) power suppliers, one of which is presently contacting

Witness: Mark Stallons

multiple cooperatives and marketing their services. We have received power supply RFP's and intend to make a decision on or before the end of the February. If you would like to join the group, please reply to this email notice and we will be glad to include you into the RFP process if timing and availability are favorable or if timing and availability are not favorable we will assist in facilitating a second RFP.

The requirement to participate includes a Board Resolution authorizing the cooperative CEO to sign an agreement with our consulting firm, sign the necessary Confidentiality Agreements, and agree to financially contribute to the cost of the process. The timeline required to participate is as follows:

Timeline:

1. Board commitment to the RFP process on or before Monday February 5, 2018.
2. Decision to provide notice to EKPC on or before Friday February 23, 2018.

Should you need any information, please feel free to contact Elaine Johns, President/CEO, EnerVision, at 678.510.2910.

Sincerely,

Mike Williams, Bluegrass Energy President/CEO  
Carol Wright, Jackson Energy President & CEO  
Mark Stallons, Owen Electric President & CEO  
Tim Sharp, Salt River Electric President & CEO

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## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Monday, January 29, 2018 6:08 PM  
**To:** Elaine Johns  
**Cc:** Tim Sharp; Carol Wright; mikew@bgenergy.com; Mary Ellen Cole  
**Subject:** Re: Sample Board Resolution and EnerVision Services Agreement

Well done!

Thanks,

Mark

Mark Stallons  
Sent from my iPhone

On Jan 29, 2018, at 5:41 PM, Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)> wrote:

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FYI – I have spoken with both Joni and Debbie today and we are getting them prepared for their board meetings (Debbie is shooting for a special board meeting 1/31 and Joni's is 2/1).

They both requested a sample resolution (see attached). We are also preparing a slide deck for their board meetings which I will copy you in the distribution. We plan to send that out tomorrow (night, probably).

Please let me know if you have any questions! Thanks,  
Elaine

**From:** Elaine Johns  
**Sent:** Monday, January 29, 2018 5:36 PM  
**To:** Joni Hazelrigg <[jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop)>; Debbie Martin <[debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com)>  
**Cc:** [Mary\\_Ellen.Cole@enervision-inc.com](mailto:Mary_Ellen.Cole@enervision-inc.com)  
**Subject:** Sample Board Resolution and EnerVision Services Agreement

Joni and Debbie – for your board meetings this week, attached is a sample board resolution that allows you to participate in the Kentucky Group RFP and negotiate any agreements on behalf of the Cooperative.

Also attached is our Professional Services Agreement, one for Shelby and one for Fleming Mason.

Please let me know if you have any questions. We will be sending tomorrow the slide deck for your board meetings. The best way to reach me tomorrow is via cell below – I've also attached my v-card.

Look forward to working with you! Thanks,  
Elaine

**Elaine Johns** President/CEO

T (678) 510-2910 | C (678) 910-1122 | (888) 999-8840

[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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**Look for us in Booth #1518 at the NRECA Tech-Advantage Conference & Expo in Nashville, TN Feb. 26<sup>th</sup>-28<sup>th</sup>, 2018!**

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<Sample resolution.docx>

## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Tuesday, January 30, 2018 9:18 AM  
**To:** Elaine Johns  
**Cc:** Tim Sharp; Carol Wright; mikew@bgenergy.com; Mary Ellen Cole  
**Subject:** RE: Sample Board Resolution and EnerVision Services Agreement

All,

I just talked to Sally Witt. She will have new load numbers for all coops on Monday and should be able to get the updated Amendment 3 load data to us by Tuesday of Wednesday. So far the January 2 peak is holding up. It seems that providing notice would have to wait for those updated numbers.

Your thoughts?

Mark

**From:** Mark Stallons  
**Sent:** Monday, January 29, 2018 6:08 PM  
**To:** Elaine Johns <Elaine.Johns@enervision-inc.com>  
**Cc:** Tim Sharp <tjsharp@srelectric.com>; Carol Wright <carolwright@jacksonenergy.com>; mikew@bgenergy.com; Mary Ellen Cole <Mary\_Ellen.Cole@enervision-inc.com>  
**Subject:** Re: Sample Board Resolution and EnerVision Services Agreement

Well done!

Thanks,

Mark

Mark Stallons  
Sent from my iPhone

On Jan 29, 2018, at 5:41 PM, Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)> wrote:

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Please let me know if you have any questions! Thanks,  
Elaine



**From:** Elaine Johns  
**Sent:** Monday, January 29, 2018 5:36 PM  
**To:** Joni Hazelrigg <jhazelrigg@fme.coop>; Debbie Martin <debbiem@shelbyenergy.com>  
**Cc:** Mary\_Ellen.Cole@enervision-inc.com  
**Subject:** Sample Board Resolution and EnerVision Services Agreement

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Look forward to working with you! Thanks,  
Elaine

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<Sample resolution.docx>

**Missy Moore**

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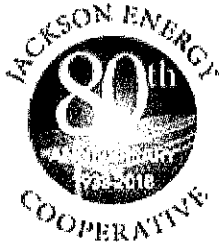
**From:** Mark Stallons  
**Sent:** Monday, February 19, 2018 3:07 PM  
**To:** 'Carol Wright'; Tim Sharp  
**Subject:** RE: SKY Action Plan

9am sounds good.

**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Monday, February 19, 2018 3:05 PM  
**To:** Mark Stallons <mstallons@owenelectric.com>  
**Subject:** RE: SKY Action Plan

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Tomorrow morning better for me as well. 9am?

Carol Wright  
President & CEO  
606-364-9213



**From:** Mark Stallons [mailto:mstallons@owenelectric.com]  
**Sent:** Monday, February 19, 2018 2:51 PM  
**To:** Carol Wright <carolwright@jacksonenergy.com>; Tim Sharp <tjsharp@srelectric.com>  
**Subject:** SKY Action Plan

Let's discuss today. Will 4pm telecom work? Or anytime tomorrow morning?

Phone 877.597.2663  
ID 9300908#

# Proposed SKY A3 Action Plan

- Negotiate with SKY
  - SKY assigns Morgan Stanley agreement to EKPC
  - SKY reduces take from 15% to less than 10%
- EKPC assigns 5% PPA's to all remaining member owners and increases in reasonable time to match SKY PPA%.
- EKPC reduces either costs or steel in the ground hedge to offset the cost impact of PPA financial hedges
- EKPC intervenes at PSC and files financial impact testimony
- Member Owners intervene individually or jointly and testify to the financial impact
- Continue to develop Kentucky Group PPA

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)



*"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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## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Monday, January 29, 2018 8:32 AM  
**To:** 'Tim Sharp'; 'Carol Wright'; mikew@bgenergy.com  
**Subject:** RE: Sky Global

Yes, I am available any time. How about 8:45am?

Mark

**From:** Tim Sharp [mailto:tjsharp@srelectric.com]  
**Sent:** Monday, January 29, 2018 8:13 AM  
**To:** Carol Wright <carolwright@jacksonenergy.com>; Mark Stallons <mstallons@owenelectric.com>; MIKE WILLIAMS <mikew@bgenergy.com>  
**Subject:** RE: Sky Global

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

I'm available all day today. Just let me know.

**From:** Carol Wright [mailto:carolwright@jacksonenergy.com]  
**Sent:** Monday, January 29, 2018 8:13 AM  
**To:** 'mstallons@owenelectric.com' <mstallons@owenelectric.com>; MIKE WILLIAMS <mikew@bgenergy.com>; Tim Sharp <tjsharp@srelectric.com>  
**Subject:** FW: Sky Global  
**Importance:** High

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

This is the second coop that has approached me about Sky Global. Looks like Sky Global is making a major push to the other coops not participating in the RFP.

If we are going to allow others to participate, we need to make that decision today and send an email to the other CEO's.

Do you all want to have a conference call to discuss this morning?

Carol Wright  
President & CEO  
606-364-9213



**From:** Gregory Lee [<mailto:glee@nolinrecc.com>]  
**Sent:** Sunday, January 28, 2018 5:51 PM  
**To:** Carol Wright <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>  
**Subject:** Sky Global

Mrs. Wright,

Have you been approached by Sky Global about purchasing power? They have requested meeting with us. Claim to sell at a fixed rate of 4 cents/kWh for 20 years. I understand they hope to build a 75 MW plant in Powell County. Didn't know if this had crossed your desk yet, sounds like they have employed some former EKP folks and rate analyst from Kentucky, perhaps in a bid to boost credibility.

Thanks,  
Greg Lee

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## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Tuesday, December 19, 2017 10:23 PM  
**To:** Elaine Johns  
**Cc:** tjsharp@srelectric.com; carolwright@jacksonenergy.com; Mike Williams; Mary Ellen Cole  
**Subject:** Re: Stuff

Thanks, I will get back with you tomorrow.

Mark

Mark Stallons  
Sent from my iPhone

On Dec 19, 2017, at 8:50 PM, Elaine Johns <[Elaine.Johns@enervision-inc.com](mailto:Elaine.Johns@enervision-inc.com)> wrote:

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

All, I have attached 2 items:

1. A PowerPoint slide deck to introduce you and your board to power supply market concepts and our RFP process. There is a lot here, as we have outlined most steps involved in the RFP process. Please let me know if you'd like to discuss.
2. A draft of the RFP document. You will see at the end of the document is where your 5-minute elevator speech is inserted. For illustrative purposes, we have inserted a partial example of Owen's information. Note: we have defined the RFP release date as this **Friday, Dec. 22**.

Please feel free to call me to discuss. Thanks,  
Elaine

**Elaine Johns** President/CEO  
T (678) 810-2910 | C (678) 910-1122 | (888) 999-8840  
[elaine.johns@enervision-inc.com](mailto:elaine.johns@enervision-inc.com) | [www.enervision-inc.com](http://www.enervision-inc.com)

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<EVI Power Supply Intro.pptx>

<Kentucky Group RFP 12 2017 Draft.docx>

## Missy Moore

---

**From:** Mark Stallons  
**Sent:** Monday, January 29, 2018 8:46 AM  
**To:** 'Tim Sharp'; 'Carol Wright'; mikew@bgenergy.com  
**Cc:** Elaine.Johns@enervision-inc.com  
**Subject:** RFP letter to fellow EKPC Member CEO's

Fellow CEO's,

For your information and consideration, Bluegrass Energy, Jackson Energy, Owen Electric and Salt River Electric have entered into Non Disclosure Agreements (NDA's) with five (5) power suppliers, one of which is presently contacting multiple cooperatives and marketing their services. We have received power supply RFP's and intend to make a decision by the end of the February. If you would like to join the group, please reply to this notice and we will be glad to include you into the RFP process.

The requirement to participate includes a Board Resolution authorizing the cooperative CEO to sign an agreement with our consulting firm, sign the necessary Confidentiality Agreements, and agree to financially contribute to the cost of the process. Our timeline is as follows:

Timeline:  
??????

Sincerely,

Mike Williams, Bluegrass Energy President/CEO  
Carol Wright, Jackson Energy President & CEO  
Mark Stallons, Owen Electric President & CEO  
Tim Sharp, Salt River Electric President & CEO

**Mark A. Stallons**  
President & CEO

Owen Electric Cooperative  
8205 Hwy 127N; PO Box 400  
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✉ **Email:** [mstallons@owenelectric.com](mailto: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.



Witness: Mark Stallons

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**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Monday, January 29, 2018 10:42 AM  
**To:** 'Tim Sharp'; 'Carol Wright'; mikew@bgenergy.com  
**Cc:** Elaine.Johns@enervision-inc.com; Mary Ellen Cole  
**Subject:** RFP Process

Tim, Carol, Mike;

I just finished talking with Elaine. We revised the email as shown below. I will call Joni and Debbie this morning inviting them to join the group and will send this email out this afternoon. If you want to talk let me know.

Thanks,

Mark

Fellow CEO's,

For your information and consideration, Bluegrass Energy, Jackson Energy, Owen Electric and Salt River Electric have entered into Non-Disclosure Agreements (NDA's) with five (5) power suppliers, one of which is presently contacting multiple cooperatives and marketing their services. We have received power supply RFP's and intend to make a decision on or before the end of the February. If you would like to join the group, please reply to this email notice and we will be glad to include you into the RFP process if timing and availability are favorable or if timing and availability are not favorable we will assist in facilitating a second RFP.

The requirement to participate includes a Board Resolution authorizing the cooperative CEO to sign an agreement with our consulting firm, sign the necessary Confidentiality Agreements, and agree to financially contribute to the cost of the process. The timeline required to participate is as follows:

Timeline:

1. Board commitment to the RFP process on or before Monday February 5, 2018.
2. Decision to provide notice to EKPC on or before Friday February 23, 2018.

Should you need any information, please feel free to contact Elaine Johns, President/CEO, EnerVision, at 678.510.2910.

Sincerely,

Mike Williams, Bluegrass Energy President/CEO  
Carol Wright, Jackson Energy President & CEO  
Mark Stallons, Owen Electric President & CEO  
Tim Sharp, Salt River Electric President & CEO

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**Missy Moore**

---

**From:** Mark Stallons  
**Sent:** Thursday, February 1, 2018 1:47 PM  
**To:** James M Crawford (jcrawford@cbkylaw.com); April Brown (abrown@owenelectric.com); Rusty Williams; Judy Osborne  
**Subject:** Salt River A3 Notice

All,

I just received a phone call from Tim Sharp, President & CEO at Salt River Electric, this morning his board authorized him to provide Amendment 3 notice to EKPC for 5%. Tim will use Elaine's notice draft and email this afternoon then follow up with a letter and phone call to Tony. In the phone call to Tony, Tim will explain that his board is willing to negotiate and if the negotiations are successful then they would rescind their notice. His board strongly felt that they needed to secure their place in line should the negotiations not be successful. Tim will forward his notice to us this afternoon.

Mark

**Mark A. Stallons**  
President & CEO

Owen Electric Cooperative  
8205 Hwy 127N; PO Box 400  
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☎ **Direct Line:** 502-563-3500

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**OWEN Electric**

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