

**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)

**SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION'S
INFORMATION REQUESTS TO DISTRIBUTION COOPERATIVES¹**

Comes now South Kentucky Rural Electric Cooperative Corporation (“South Kentucky”), by and through counsel, and submits these information requests to the Distribution Cooperatives to be answered by April 27, 2018, as specified in the Commission’s April 16, 2018 Order, and in accordance with the following:

1. The responses provided should first restate the questions asked and also identify the witness who will be prepared to answer questions concerning each request.
2. Please answer each designated part of each information request separately. If you do not have complete information with respect to any question, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.
3. If you believe any request appears confusing, request clarification directly from counsel for South Kentucky.

¹ The Distribution Cooperatives include Big Sandy Rural Electric Cooperative Corporation, Blue Grass Energy Cooperative Corporation, Clark Energy Cooperative, Inc., Cumberland Valley Electric, Inc., Farmers Rural Electric Cooperative Corporation, Fleming-Mason Energy Cooperative, Inc., 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., Shelby Energy Cooperative, Inc., and Taylor County Rural Electric Cooperative Corporation.

4. These requests shall be deemed continuing so as to require further and supplemental responses if additional information within the scope of these requests is received or generated between the time of the response and the time of any hearing conducted hereon.

5. To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

6. To the extent that any request may be answered by way of a computer printout, identify each variable contained in the printout that would not be self-evident to a person not familiar with the printout.

7. For any document withheld on the basis of privilege, state the nature and legal basis for the privilege asserted.

8. For purposes of responding to these requests, the term "Distribution Cooperative" shall be defined to include the executive staff, financial leadership, operational leadership, and board (including any committees formed thereunder) of each Distribution Cooperative, as well as any one acting as agent or otherwise on behalf or at the direction of a Distribution Cooperative.

9. "Document" means the original and all copies (regardless of origin and whether or not including additional writing thereon or attached thereto) of memoranda, reports, books, manuals, instructions, directives, records, forms, notes, letters, notices, confirmations, telegrams, pamphlets, notations of any sort concerning conversations, telephone calls, meetings or other communications, bulletins, transcripts, diaries, analyses, summaries, correspondence investigations, questionnaires, surveys, worksheets, and all drafts, preliminary versions, alterations, modifications, revisions, changes, amendments and written comments concerning the foregoing, in whatever form, stored or contained in or on whatever medium, including

computerized memory or magnetic media. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), code number thereof, or other means of identifying it and its present location and custodian. If any such document was, but is no longer in South Kentucky's possession or subject to its control, state what disposition was made of it, including the date of such disposition.

10. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity. A request to identify a natural person means to state his or her full name and residence address, his or her present last known position and business affiliation at the time in question. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.

11. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise. "You" or "your" means the person whose filed testimony is the subject of these interrogatories and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony.

12. "South Kentucky" means petitioner South Kentucky Rural Electric Cooperative Corporation, and its agents, representatives, employees, officers, and directors.

13. “Study” means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, considering or evaluating a particular issue or situation, in whatever detail, whether or not the study of the issue or situation is in a preliminary stage, and whether or not the study discontinued prior to completion.

Respectfully submitted,

/s/Matt Malone

Matthew R. Malone
William H. May, III.
Hurt, Deckard & May PLLC
127 West Main Street
Lexington, Kentucky 40507
(859) 254-0000 (office)
(859) 254-4763 (facsimile)
mmalone@hdmfirm.com
bmay@hdmfirm.com

Scott B. Grover (pro hac vice)
S. Michael Madison (pro hac vice)
Balch & Bingham, LLP
1710 Sixth Ave. North
Birmingham, Alabama 35203
(205) 251-8100
(205) 488-5660
sgrover@balch.com
mmadison@balch.com

Counsel for the Petitioner,

**SOUTH KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

CERTIFICATE OF SERVICE

Pursuant to 807 KAR 5:001 Section 6, the undersigned certifies that consistent with 807 KAR 5:001 Section 4(8)(d)(3), a copy of this document has been electronically served upon the following:

Kent A. Chandler, Esq.
Rebecca W. Goodman, Esq.
ASSISTANT ATTORNEYS GENERAL
Kent.Chandler@ky.gov
Rebecca.Goodman@ky.gov

W. Patrick Hauser, Esq.
W. PATRIC HAUSER, PSC
phauser@barbourville.com

Michael L. Kurtz, Esq.
BOEHM, KURTZ & LOWRY
mkurtz@bkllawfirm.com

James M. Crawford, Esq.
Ruth H. Baxter, Esq.
Jake A. Thompson, Esq.
CRAWFORD & BAXTER, P.S.C.
Jcrawford@cbkylaw.com
Rbaxter@cbky.com
Jthompson@cbky.com

W. Jeffrey Scott, Esq.
Brandon M. Music, Esq.
W. JEFFREY SCOTT, P.S.C.
wjscott@windstream.net

Mark David Goss, Esq.
Goss Samford, PLLC
22365 Harrodsburg Road, Suite B325
Lexington, Kentucky 40504
mdgoss@gosssamfordlaw.com

James M. Miller, Esq.
R. Michael Sullivan, Esq.
SULLIVAN MOUNTJOY, PSC
jmiller@smlegal.com
msullivan@smlegal.com

John Doug Hubbard, Esq.
Jason P. Floyd, Esq.
FULTON, HUBBARD & HUBBARD, PLLC
jdh@bardstown.com
jpf@bardstown.com

Clayton O. Oswald, Esq.
TAYLOR, KELLER & OSWALD, PLLC
coswald@tkolegal.com

Robert Spragens, Jr., Esq.
SPRAGENS & HIDGON, P.S.C.
rspragens@spragenhigdonlaw.com

David T. Royse, Esq.
RANDSDELL ROACH & ROYSE PLLC
david@rrrfirm.com

David A. Smart, Esq.
Roger R. Cowden, Esq.
EKPC
David.smart@ekpc.coop
Roger.cowden@ekpc.coop

This 18th day of April, 2018.

/s/Matt Malone

ATTORNEY FOR SOUTH KENTUCKY

INFORMATION REQUESTS

1. Reference is made to page 13, lines 11 through 17 of Mr. John Wolfram's testimony. Please explain in detail your opinion or opinions as to how EKPC might "properly charge" South Kentucky for its remaining load.
2. For each distribution cooperative with an Alternative Source of power under Amendment 3 and the MOU, indicate the EKPC rates under which the capacity and/or energy is used solely to reduce billings.
3. For each instance in the response to Question 2 where it is stated that the Alternative Source is used to reduce billings under Rates B, C or G, provide the following:
 - a. Billings from EKPC for each month during 2017 showing in detail how the power from the Alternative Source reduced billings under EKPC's Rates B, C, or G.
 - b. Calculations from the cooperative for each month during 2017 showing in detail how the power from the Alternative Source reduced billings under EKPC's Rates B, C, or G.
4. Please produce all email communications sent or received by and between any of the Distribution Cooperatives **during the period November 28, 2017 through February 23, 2018** that reference South Kentucky (as defined in the instructions) or that relate in any way to Amendment 3, the MOU or the potential or actual exercise of rights by South Kentucky under Amendment 3 and/or the MOU.
5. Identify and describe all meetings held or conversations occurring **during the period November 28, 2017 through February 23, 2018** at which any one of the following items was discussed—South Kentucky (as defined in the instructions), Amendment 3, the MOU or the potential or actual exercise of rights by South Kentucky under Amendment 3 and/or the MOU—and in which participated at least two or more members of management of any of the Distribution Cooperatives. For all such meetings or conversations, describe all statements made (regardless by whom) concerning South Kentucky (as defined in the instructions) or Amendment 3, the MOU or the potential or actual exercise of rights by South Kentucky under Amendment 3 and/or the MOU.
6. State whether a joint defense agreement or comparable arrangement has been agreed to by the Distribution Cooperatives for this proceeding. If one has been reached, please identify the date of its effectiveness and state whether EKPC is a party.
7. Reference is made to pages 6-14, of Mr. Wolfram's testimony. Please provide all analysis in their native format and all associated forecasts, assumptions, inputs, escalations or any other workpapers associated with the analysis including their sources.

8. Reference is made to pages 7, lines 12-16, of Mr. Wolfram's testimony. Please provide all the appropriate PJM charge types and estimates of cost of each charge type South Kentucky did not demonstrate that it properly included in its NPV analysis.
9. Reference is made to pages 7, lines 17-18, of Mr. Wolfram's testimony. Please provide the PJM capacity price forecast for the period applicable to the transaction used to draw his conclusion. Insofar as this forecast is not a published PJM forecast, please state whether any such published forecasts are available and the source for such forecasts.
10. Reference is made to pages 8 and 9, lines 8-21 on page 9, of Mr. Wolfram's testimony. Please provide a detailed explanation of why these costs would not impact EKPC rates to a similar degree.
11. Reference is made to pages 10, line 14 through page 11, line 4 of Mr. Wolfram's testimony. Please provide any analyses performed regarding the quantification of the risks (including the estimated cost associated with such risks) that Mr. Wolfram claims were not properly included in South Kentucky's analysis.
12. Reference is made to page 11, line 5 to page 12, line 2, of Mr. Wolfram's testimony. Please provide all sensitivity analyses around key variables (transmission rates, wholesale rate changes, environmental cost changes, escalation rates, gas prices, etc.).
13. Reference is made to pages 13, lines 4-6, of Mr. Wolfram's testimony. Provide East Kentucky's latest long range financial forecast, 10 years or longer, that has been approved by the Board of Directors and that was distributed to the owner-members of EKPC. If not evident from the forecast, please also indicate the date the forecast was distributed to the owner-members.
14. Reference is made to pages 13, lines 18-19 of Mr. Wolfram's testimony. Please provide any analysis conducted incorporating the FAC and ES and state its impact on the NPV calculation. If you were to use the FAC and the ES from the 2015 Long Range Financial Forecast, what would be the impact on NPV savings to South Kentucky?
15. Reference is made to pages 18, lines 17-21 of Mr. Wolfram's testimony. Please provide all analyses performed by, on behalf of or at the direction of Mr. Wolfram, in their native format, with all associated forecasts, assumptions, inputs, escalations or any other workpapers associated with the analysis including their sources.