

**Gwyn Willoughby**

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**From:** Mike McNalley  
**Sent:** Friday, January 19, 2018 11:22 AM  
**To:** Jerry Carter  
**Subject:** Re: From Tony Campbell re: Amendment 3 Memo

Jerry,

Not much to update. We think the impact will be manageable for the system through load growth and other mitigation activities. This in effect becomes a lost opportunity more than a cost in that had SK stayed 100% the growth and mitigation efforts would have benefitted everyone whereas now they have to first offset the load loss before they create positive or additive benefits.

For the distribution cooperatives the issue is that SK has taken more than the 5% that is available to each on average (EKPC cap) by taking their allowed 15% and this will crowd out others. That is not an EKPC issue - the MOU allows it as does A3. But I understand some systems are feeling a bit "chafed" by it.

Let me know if you need anything else and I will do my best to provide it. I'm sure we will discuss at the EKPC board meeting in Feb as well.

Mike McNalley  
EVP and CFO  
East Kentucky Power Cooperative

On Jan 19, 2018, at 11:15 AM, Jerry Carter <[jerry@intercountyenergy.net](mailto:jerry@intercountyenergy.net)> wrote:

Mike,

Can you provide an update on this subject?

This week come up at Monday's board meeting for Inter-County.

JC

Sent via the Samsung Galaxy S7, an AT&T 4G LTE smartphone

----- Original message -----

From: Terri Combs <[terri.combs@ekpc.coop](mailto:terri.combs@ekpc.coop)>  
Date: 12/29/17 3:32 PM (GMT-05:00)  
To: A L Rosenberger <[buddyandcarol@bbtel.com](mailto:buddyandcarol@bbtel.com)>, Alan Ahrman - Owen <[alanahrman@gmail.com](mailto:alanahrman@gmail.com)>, Barry Myers -- Taylor County <[bmyers@tcrecc.com](mailto:bmyers@tcrecc.com)>, Bill Prather - Farmers <[bprather@farmersrecc.com](mailto:bprather@farmersrecc.com)>, Bobby Sexton--Big Sandy <[bsexton@bigandyrecc.com](mailto:bsexton@bigandyrecc.com)>, Boris Haynes <[borish@skrecc.com](mailto:borish@skrecc.com)>, Carol Fraley -- Grayson <[carol.fraley@graysonrecc.com](mailto:carol.fraley@graysonrecc.com)>, Carol Wright - Jackson Energy <[carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com)>, Chris Brewer - Clark Energy <[cbrewer@clarkenergy.com](mailto:cbrewer@clarkenergy.com)>,

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Cc: Tony Campbell <[tony.campbell@ekpc.coop](mailto:tony.campbell@ekpc.coop)>, Mike McNalley <[Michael.McNalley@ekpc.coop](mailto:Michael.McNalley@ekpc.coop)>, Don Mosier <[Don.Mosier@ekpc.coop](mailto:Don.Mosier@ekpc.coop)>, David Smart <[david.smart@ekpc.coop](mailto:david.smart@ekpc.coop)>  
Subject: From Tony Campbell re: Amendment 3 Memo

***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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