COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF EAST KENTUCKY POWER COOPERATIVE, INC. FOR APPROVAL TO AMEND ITS ENVIRONMENTAL COMPLIANCE PLAN AND RECOVER COSTS PURSUANT TO ITS ENVIRONMENTAL SURCHARGE, SETTLEMENT OF CERTAIN ASSET RETIREMENT OBLIGATIONS AND ISSUANCE OF A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITYAND OTHER RELIEF	)	CASE NO. 2017-00376

DIRECT TESTIMONY OF DON MOSIER ON BEHALF OF EAST KENTUCKY POWER COOPERATIVE, INC.

Filed: November 20, 2017

Q. Please state your name, business address, and occupation.

A. My name is Don Mosier and my business address is East Kentucky Power Cooperative, Inc. ("EKPC"), 4775 Lexington Road, Winchester, Kentucky 40391. I am Executive Vice President and Chief Operating Officer at EKPC.

Q. Please state your education and professional experience.

A. I obtained my Bachelor of Science degree in civil engineering from the University of Virginia and my Master of Business Administration degree from the Kenan-Flagler Business School at the University of North Carolina. My professional experience includes work at Carolina Power & Light (now Duke Energy Carolinas) in Raleigh, North Carolina, developing merchant generation projects and marketing activities, regulatory affairs, and nuclear power plant engineering and operations. I also was an engineering manager of U.S. Operations for Canatom Corp., a Toronto-based engineering firm that provides nuclear plant engineering and construction services. Immediately prior to joining EKPC, I was Vice President of St. Louis-based Ameren Energy Marketing ("AEM"), a subsidiary of Ameren Corp. At AEM, I managed wholesale power trading, plant dispatch, North American Electric Reliability Corporation and SERC compliance, transmission and congestion management activities, and customer account management for Ameren Corporation's unregulated merchant generation fleet located in the Midcontinent ISO and PJM Interconnection, LLC ("PJM"), a Regional Transmission Organization.

Q. Please provide a brief description of your duties at EKPC.

A. I manage the day-to-day operations of power production and construction, power delivery, power supply, and system operations. I report directly to EKPC's President and Chief Executive Officer, Mr. Anthony S. Campbell.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to support EKPC's application in this proceeding by discussing EKPC's strategic goals, the relief it is seeking in this case; and the overall advantages and benefits that this particular proposal offers for EKPC, its Owner-Member Cooperatives ("owner-members") and their End-Use Retail Members ("retail members").

Q. Are you sponsoring any exhibits?

A. No.

Q. Can you please describe EKPC and its owner-members' system.

A. EKPC is a not-for-profit, rural electric cooperative corporation established under KRS Chapter 279 with its headquarters in Winchester, Kentucky. EKPC has $3.718 billion in assets and 696 employees. Our 2016 energy sales exceeded 12.6 million megawatt hours. We had total operating revenue in 2016 of $887 million and a net margin of $54 million. Pursuant to various agreements, EKPC provides electric generation capacity and electric energy to its sixteen owner-members: Big Sandy RECC, Blue Grass Energy, Clark Energy, Cumberland Valley Electric, Farmers RECC, Fleming-Mason Energy, Grayson RECC, Inter-County Energy, Jackson Energy, Licking Valley RECC, Nolin RECC, Owen Electric, Salt River Electric, Shelby Energy, South Kentucky RECC and Taylor County RECC. Those

owner-members in turn serve approximately 530,000 Kentucky homes, farms and commercial and industrial establishments in eighty-seven (87) Kentucky counties.

In total, EKPC owns and operates a total of approximately 2,965 MW of net summer generating capability and 3,267 MW of net winter generating capability. EKPC owns and operates coal-fired generation at the John C. Cooper Station in Pulaski County, Kentucky (341 MW) ("Cooper Station") and the Hugh L. Spurlock Station in Mason County, Kentucky (1,346 MW) ("Spurlock Station"). EKPC also owns and operates natural-gas fired generation at the J. K. Smith Station in Clark County, Kentucky (753 MW (summer)/989 MW (winter)) ("Smith Station") and the Bluegrass Station in Oldham County, Kentucky (501 MW (summer)/567 MW (winter)), and landfill gas-to-energy facilities in Boone County, Laurel County, Greenup County, Hardin County, Pendleton County and Barren County (16 MW total). In November 2017, EKPC added 8 MW of solar capacity when its Community Solar facility came online at the company's headquarters in Winchester, Kentucky. Finally, EKPC purchases hydropower from the Southeastern Power Administration at Laurel Dam in Laurel County, Kentucky (70 MW), and the Cumberland River system of dams in Kentucky and Tennessee (100 MW). EKPC's record peak demand of 3,507 MW occurred on February 20, 2015.

EKPC also owns 2,940 circuit miles of high voltage transmission lines in various voltages. EKPC also owns the substations necessary to support this transmission line infrastructure. Currently, EKPC has seventy-four (74) free-flowing interconnections with its neighboring utilities.

Q. What is EKPC's mission?

A. EKPC has a Mission Statement, which is this: "EKPC exists to serve its member-owned cooperatives by safely delivering reliable and affordable energy and related services." We seek to fulfill this Mission Statement by adhering to five core values: safety, service, honesty and integrity, respect and teamwork.

Q. Do you know whether EKPC has a strategic plan?

A. Yes. EKPC's Board has developed a strategic plan that it reviews and updates regularly. The current Strategic Plan was last updated in 2016 and includes eight strategic objectives in the areas of: governance, people, financial integrity, generation and transmission assets, rates and regulatory relations, communications and public relations, economic development and cyber and physical security. The Strategic Plan guides management in the day-to-day operations of the Company while also providing a roadmap for what we hope to accomplish over the long-term. The Strategic Plan was instrumental in helping us identify and develop the best possible solution to the challenges presented by the Disposal of Coal Combustion Residuals ("CCR") from Electric Utilities Rule ("CCR Rule"), the Effluent Limitation Guidelines and Standards for the Steam Electric Power Generating Point Source Category ("ELG Rule") and state environmental regulations.

Q. How has EKPC's Strategic Plan assisted the Board and management develop this particular solution?

A. First, EKPC has stated that one of its strategic objectives is to "provide leadership and vision to identify, exercise due diligence and recommend...supply resources that diversify the portfolio via increased reliance on natural gas, viable renewable resources, distributed generation and bilateral market purchases." At the same

time, we also have a strategic objective to "maximize returns on capital investments and mitigate exposure to stranded costs to limit impact on system reliability and exposure to future regulatory changes." I can give you two examples from our recent history to illustrate how these strategic objectives are implemented in real life.

In 2016, we were forced to retire the Dale Station as a coal-fired electric generating station due to the impacts of the Mercury Air Toxics Standards Rule ("MATS"). The retirement of the four units at the Dale Station resulted in a loss of 200 megawatts (MW) of electric generating capacity. After a lengthy process, we were able to secure 567 MW of new winter capacity by acquiring the Bluegrass Station near LaGrange, Kentucky. As the Commission is aware, one-third of the Bluegrass Station's capacity is currently subject to a tolling agreement with the Louisville Gas & Electric Company. The Bluegrass Station acquisition represented a shift in EKPC's generation portfolio away from coal towards natural gas, but it also allowed us to maximize our peak diversity within PJM. It was a good business transaction that achieved value for our owner-members while also advancing the Board's efforts to diversify our generation portfolio.

Prior to the Bluegrass Station acquisition, however, we were confronted with the question of what to do at the Cooper Station in light of the MATS requirements. In that situation, the most prudent course of action was to tie the older Cooper 1 into the existing air quality control system serving Cooper 2. By doing this, EKPC was able to preserve a valuable, existing coal-fired generation resource at a very favorable price.

The lesson from these two prior situations is that EKPC's strategic objective to diversify its fleet while mitigating the risk of stranded assets are not mutually exclusive options. Sometimes it makes sense to make additional investments in the coal-fired generation that we already have in place. Other times, diversification is the better option. EKPC's Strategic Plan is flexible enough to not rigidly dictate any particular outcome which may or may not be in the best interest of our owner-members. As you come to understand the options in play when EKPC considered how to best comply with the CCR Rule and ELG Rule, you see that the proposed Environmental Compliance Plan ("Compliance Plan") amendment falls perfectly within the scope of what the Board is trying to accomplish strategically.

Q. With that in mind, please generally describe what EKPC is seeking in this proceeding.

A. EKPC is asking for several things. First, EKPC is requesting the Commission to authorize an amendment to the Company's Compliance Plan. The amendment will add a project that is necessary to comply with the CCR Rule and ELG Rule. I will refer to this as the CCR/ELG Project from now on. Second, EKPC is asking for a Certificate of Public Convenience and Necessity ("CPCN") for the CCR/ELG Project. Third, EKPC is asking the Commission to allow it to recover the costs of the CCR/ELG Project through its environmental surcharge mechanism, pursuant to KRS 278.183. Fourth, EKPC is seeking the Commission's approval to settle certain Asset Retirement Obligations associated with its existing coal ash pond at the Hugh L. Spurlock Station ("Spurlock Station") as part of the recovery of the cost of the CCR/ELG Project through the environmental surcharge mechanism. Finally, to the

extent that any other relief might be necessary to accomplish these four objectives, EKPC seeks such authorization from the Commission.

Q. Before we get into those topics, let me ask you some questions to help understand the legal authorities that have led EKPC to seek approval to amend its Environmental Compliance Plan. First, what is the CCR Rule?

A. Mr. Purvis provides a much more detailed description of the CCR Rule in his testimony, but I would broadly describe CCRs as being the residual material that is left over from the consumption of coal in the process of generating electricity. The CCR Rule is a federal environmental rule that severely restricts the way in which CCR from a coal-fired electric generation unit must be handled and dispersed.

Q. What is the ELG Rule?

A. Similar to the CCR Rule, the ELG Rule also arises from the combustion of coal in the process of generating electricity. Broadly speaking, the ELG Rule is a different federal environmental rule that applies to effluents from coal-fired generation units. As with the CCR Rule, the ELG Rule places very strict limitations on the effluent byproducts associated with coal-fired generation. Mr. Purvis also elaborates on the ELG Rule in his testimony.

Q. Is there any chance that the CCR Rule or the ELG Rule will somehow be replaced, repealed or superseded?

A. It is very unlikely that anything will happen to diminish the impact of the CCR Rule. By now, most all utilities, including EKPC, have already begun making investments to comply with the CCR Rule and there is nothing coming from the courts or the EPA to suggest that the CCR Rule will go away. In fact the EPA has

not indicated that there will be any relief in the compliance and reporting deadlines that commenced on October 17, 2017. The status of the ELG Rule is a little less settled. Although the ELG Rule is in full effect, the change in administrations in Washington has caused the EPA to reconsider portions of the ELG Rule. It is unclear what effect this will have, if any, upon future effluent limitation guidelines for coal-fired generation units. Unfortunately, however, the EPA's most recent action has not suspended the compliance deadlines for the ELG Rule. So, EKPC must move forward with its compliance plan right now. We cannot just sit back and hope that the ELG Rule goes away.

Q. What would happen if the EPA eventually decided to withdraw or vacate the ELG Rule?

A. If the EPA eventually withdrew or vacated the ELG Rule, EKPC would still be faced with more stringent effluent limitations coming from the Kentucky Energy Cabinet Department of Environmental Protection's Division of Water ("KDOW"). Again, Mr. Purvis discusses these obligations in more depth in his testimony, but the bottom line is that effluents from coal-fired generation stations are becoming more strictly regulated by both the federal government and state authorities. Thus, even if the ELG Rule were to be withdrawn or vacated, the portion of the CCR/ELG Project related to effluent management would still be needed to comply with regional and state mandates.

Q. Can you describe the deliberative process that EKPC undertook when considering how to best comply with the CCR Rule, the ELG Rule and the KDOW's anticipated requirements?

A. EKPC's Board and management have invested considerable time and attention to the scope and depth of the CCR Rule and ELG Rule and its impact upon the company. Once the initial drafts of the CCR Rule and ELG Rule were published, EKPC staff began evaluating the potential fleet impacts of pending environmental regulations for CCR and ELG, and started communicating on a regular basis with the EKPC Board regarding the emergence of the rules and the status of the evaluation. Additionally, a cross-functional team of internal and external attorneys and engineers were engaged to evaluate and assess strategies and site specific options for meeting the combined CCR Rule, ELG Rule and KDOW's requirements in their preliminary forms. That work continued and the team closely monitored the federal rulemaking process until the rules were issued in final form and went into effect. The EKPC Board was informed regularly regarding the details of the rulemaking, and development of potential actions that might become necessary for compliance. A preferred plan emerged, alternatives were evaluated, and discussions for a path forward began with the Board in 2016. A Project Scoping Report to develop the preferred CCR Rule & ELG Rule compliance project – which includes preliminary designs, a schedule, and a cost estimate – was developed and used as the basis for comparison with alternatives. The final recommendation was presented to the Board in February of 2017.

Moreover, as part of that due diligence, EKPC obtained a report from Navigant Consulting that described the economic value of the Spurlock Station on a forward basis over a twenty (20) year term. The report concluded that Spurlock 1 and Spurlock 2 offered substantial value for EKPC over the long-term as coal-

fired units, particularly in the base scenario and scenarios where fuel prices were greater than the base scenario or load growth was less than expected. This helped solidify our understanding that keeping the Spurlock 1 and Spurlock 2 assets operational was the best long-term option for EKPC.

Following a deliberative process covering several years and allowing for the maximum possible time to understand the rules and to assess the likelihood of them actually being implemented, the EKPC Board directed management to pursue the Compliance Plan that presented the reasonable, least-cost option in September 2017.

Q. Did EKPC consider any other options for complying with the CCR Rule and the ELG Rule other than CCR/ELG Project being proposed in this proceeding?

A. Yes. EKPC considered several other options. These are described in greater detail by Mr. Johnson in his testimony, but I would identify them here as follows:

- Converting Spurlock 1 and Spurlock 2 to natural gas-fired units;
- Retiring Spurlock 1 and Spurlock 2 and replacing that lost capacity with a new 600 MW combined cycle natural gas unit at the Smith Station while also purchasing 200 MW of power from the wholesale market through a bilateral power purchase agreement.
- Retiring Spurlock 1 and Spurlock 2 and replacing them with a long term market purchase of 800 MW of capacity and energy.
- Demolishing the wet scrubbers serving Spurlock 1 and Spurlock 2 and replacing them with a new dry-scrubber system.

As elaborated upon by Mr. Johnson and Ms. Hayes, none of these options was less expensive than the CCR/ELG Project and all of them carried unique risks. In addition, EKPC would incur significant stranded investment under these scenarios.

Q. In Case No. 2008-00408,[1] the Commission mandated that every utility should consider whether energy efficiency offered a viable alternative to constructing new generation assets. Did EKPC consider whether energy efficiency could be a means to achieving compliance with the CCR Rule and ELG Rule?

A. Yes. However, there is no conceivable way that energy efficiency could offset the loss of over 800 MW of baseload capacity and energy at Spurlock 1 and Spurlock 2. EKPC is committed to cost-effective energy efficiency and has developed several tariffs to promote it as part of its portfolio of demand side management tariffs, but energy efficiency is not a realistic method for replacing large generation units despite the Commission's mandate in Case No. 2008-00408. Likewise, there is no conceivable way to cover the potential loss of Spurlock 1 and Spurlock 2 with renewable resources. Solar, wind and landfill gas generation resources are all considered to be intermittent capacity. It would be imprudent to replace reliable baseload generation with intermittent capacity. Thus, neither energy efficiency nor renewable capacity offered EKPC a viable alternative for compliance with the CCR Rule or ELG Rule.

Q. What is involved in the construction of the CCR/ELG Project?

[1] *See In the Matter of Consideration of the New Federal Standards of the Energy Independence and Security Act of 2007*, Rehearing Order, Case No. 2008-00408, p. 10 (Ky. P.S.C. July 24, 2012)

A. Mr. Johnson provides a greater description of the CCR/ELG Project in his testimony, but, broadly speaking, the CCR/ELG Project involves six major components, which are as follows:

- Bottom Ash Handling System – EKPC will convert the existing bottom ash system from a wet sluicing system to a new dry ash system on Spurlock 1 and Spurlock 2. In addition, a separate pyrites handling system with dewatering bins and settling basin will be installed.
- Wastewater Treatment System – EKPC will construct a new wastewater treatment plant to process flue gas desulfurization ("FGD") wastewater and blowdown from Spurlock 1 and Spurlock 2. The wastewater treatment plant will provide a physical/chemical treatment of the FGD blowdown and utilize an Optimized Mechanical Vapor Compression ("MVC") System that incorporates falling film evaporators ("FFE") designed for a flow of 240 gallons per minute ("GPM"). To accommodate excess wastewater flow, an additional 160 GPM of FGD wastewater will be consumed by ash mixing in the existing fly ash silos and by dry scrubber evaporation in the Gilbert Unit and Spurlock 4.
- Fly Ash Handling System – EKPC will construct a new fly ash storage silo and replace the existing transfer building with equipment to handle fly ash from Spurlock 1 and Spurlock 2. This addition is necessary to assure redundancy for ash removal since sluicing to the ash pond will no longer be available.
- Balance of Plant Systems – EKPC will install new piping, controls, instrumentation, electrical and mechanical equipment with the CCR/ELG

Project that are necessary to operate these new systems. As part of this work, EKPC will construct two new Power Control Module ("PCM") buildings as well as new 13,800 / 480 V station service transformers. The power feed from the switchyard to the MVC system will be made via new 138 kV / 13.8kV low resistance grounded transformers.

- Ash Pond Closure – EKPC's strategy is to identify, plan, permit and provide enough landfill space to meet end-of-life needs for the plant facility. As part of the ash pond impoundment closure, EKPC estimates that it will remove approximately 1.75 million cubic yards of CCR material from the existing sixty-seven (67) acre surface impoundment, which coincidentally represents approximately one year's ash production for normal operation at the Spurlock Station. CCR materials will be removed and placed in the Spurlock Station CCR Landfill. EKPC is in the process of permitting additional space adjacent to the existing landfill. Permitting this additional space will provide enough waste boundary for Spurlock Station to reach its end of life. To close the ash pond impoundment, CCR materials will be removed, the existing dams will be left in place, new topsoil and seed will be applied over disturbed areas, and a new water mass balance pond will be established within the footprint of the original pond. Upon the completion of the CCR removal, the Spurlock Station ash pond impoundment will be considered "clean-closed by removal."
- Water Mass Balance Pond Chemical Treatment System – EKPC will repurpose seventeen (17) acres of the existing surface impoundment as a new Water Mass Balance ("WMB") Pond. The WMB Pond will aid in settling constituents from

various plant process flows including the coal pile runoff stream, neutralization basins, clarifiers and air heater wash wastewater, non-chemical metal cleaning wastes and storm water to meet proposed discharge requirements. The WMB Pond will include a chemical treatment system to regulate pond pH, alkalinity, and total suspended solids and assist in the removal of iron and other chemical constituents ahead of discharging into the Ohio River pursuant to EKPC's Kentucky Pollutant Discharge Elimination System permit application.

Q. How will the CCR/ELG Project be implemented, if approved?

A. We have designed the CCR/ELG Project to be implemented in a way that causes the least possible disruption to the overall operation of the Spurlock Station. The schedule is designed to allow EKPC to timely comply with the CCR Rule and ELG Rule while taking into account several factors such as the long lead times associated with equipment orders for critical CCR/ELG Project components, the need to coordinate construction activities with planned unit outages and the time required to secure necessary regulatory approvals.

Q. How will the CCR/ELG Project be financed?

A. Mr. Stachnik provides a more detailed response to this question, but the short answer is that we primarily intend to use financing available from the Rural Utilities Service, which is available under our existing Trust Indenture, to provide the long-term financing for the CCR/ELG Project. Short-term financing necessary for construction will be available under our existing Credit Facility.

Q. What benefits to EKPC and its owner-members are associated with developing the CCR/ELG Project that is described in the Application?

A. EKPC has identified at least eleven distinct benefits that will accrue to it and its owner-members as a result of pursuing the CCR/ELG Project. First, EKPC will be able to retain 810 MW of existing, reliable, low-cost baseload generation capacity to supply the capacity and energy needs of its owner-members. The value of this cannot be understated. Preserving a known, existing resource eliminates a considerable amount of risk for EKPC going forward when compared to developing a new resource. Second, EKPC will be limiting the amount of stranded assets that would be required to be paid for by the owner-members and their retail members through rates by enabling existing utility plant to remain used and useful throughout its design life. Third, the CCR/ELG Project will have a broader impact upon the region by allowing EKPC to retain a significant source of coal-fired generation. This will have the effect of supporting the coal industry which has been hit hard in recent years. Fourth, the CCR/ELG Project presents the most reasonable, least-cost method for complying with the CCR Rule and the ELG Rule. Fifth, EKPC will be well-positioned to continue reaping the benefits from its ability to bid capacity and energy into the PJM wholesale markets. If EKPC was forced to retire Spurlock 1 and Spurlock 2, it would lose its status as a net generator in PJM and would lose the value of having peak diversity within the PJM markets. This solution allows us to preserve and maximize the value that EKPC receives from its membership in PJM. Sixth, the CCR/ELG Project furthers EKPC's efforts to provide reliable, safe, adequate and reasonable service to its owner-members at rates that are fair, just and reasonable. Seventh, it is desirable to remove a significant coal ash impoundment from a location that is adjacent to one of the largest rivers in North America and

within the 100-year flood plain. There are some obvious and prudent environmental benefits to this proposal. Eighth, EKPC is preserving its ability to comply with future environmental regulations that may be imposed by the EPA, the KDOW, the Ohio River Valley Water Sanitation Commission ("ORSANCO") or other authorities. This allows us to keep continued operation of the Spurlock Station as a valuable option for complying with any future environmental rules that come into being in the years ahead. Ninth, EKPC will not be interrupting the operations of International Paper or cause that customer to have to make significant capital investments to generate its own steam. This outcome is consistent with the cooperative values that place a great emphasis on meeting our customers' needs while also doing what is within our power to assist one of the largest employers in Mason County stay viable and competitive. Tenth, EKPC is assuring that it continues to have adequate generation assets to satisfy load requirements, which the Commission has singled out in a prior case as being an important objective. EKPC agrees that having physical assets in place to meet its native power demand is an important hedge against market volatility. Finally, EKPC is fulfilling its strategic objective to maintain a reliable coal-fired electric generation fleet. By any objective standard, the CCR/ELG Project that EKPC is proposing is a good solution and should be approved.

Q. Why is the CCR/ELG Project needed?

A. As described in the Application, in the testimony of EKPC's other witnesses and in my own testimony above, EKPC has no other option but to comply with the CCR Rule and the ELG Rule. Moreover, we must be cognizant of whatever state

environmental requirements that may come down from the KDOW. EKPC looked at several options for how best to achieve compliance in light of the Board's strategic plan and we have identified a plan that is sound, reasonable and doable. While the investment is significant, it is the reasonable, least cost option for meeting the ever-growing demands imposed by the federal and state regulators. Without the CCR/ELG Project moving forward, EKPC would be faced with options that are more expensive and less beneficial.

Q. Will the project result in wasteful duplication of facilities?

A. No. In fact, the CCR/ELG Project prevents the wasteful duplication of facilities. EKPC has made considerable investments in the Spurlock Station over the years. Walking away from that investment in Spurlock 1 and Spurlock 2 would result in EKPC having to spend hundreds of millions of dollars in new capital to replace assets that have many, many years of operations still available. Although the investment of $262.4 million in the Spurlock Station is itself substantial, it pales in comparison to what would have been required to pursue other options. Moreover, the CCR/ELG Project helps assure that EKPC's owner-members and their retail members are able to recognize and achieve the full value of the investments they have already made in the Spurlock Station through rates by minimizing the amount of stranded assets. For these reasons, the CCR/ELG Project avoids wasteful duplication and would satisfy that component of the Commission's inquiry as to whether a CPCN should be granted.

Q. Has EKPC provided its customers with the requisite notice of its filing?

A. Yes, EKPC filed its notice of intent as to the filing of this Application on September 15, 2017 and has provided the requisite notice of its filing to its owner-members as well. Copies of these notices are attached to the Application as Exhibits E and F respectively.

Q. Please summarize your testimony.

A. The CCR/ELG Project is a prudent solution to EKPC's need to comply with the CCR Rule and the ELG Rule. It helps EKPC achieve several specific strategic objectives and it offers a host of benefits and advantages to EKPC, its owner-members and their retail members. The CCR/ELG Project is needed and will not result in wasteful duplication. Accordingly, on behalf of the Company, I would respectfully ask the Commission to approve the amendment to EKPC's Compliance Plan, issue a CPCN for the CCR/ELG Project, approve cost recovery of the CCR/ELG Project through EKPC's environmental surcharge mechanism, and allow EKPC to settle the ARO and corresponding regulatory asset associated with the Spurlock Station ash pond as part of the completion of the CCR/ELG Project.

Q. Does this conclude your testimony?

A. Yes.

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VERIFICATION OF DON MOSIER, P.E.

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF CLARK)

Don Mosier, P.E., Executive Vice President and Chief Operating Officer at East Kentucky Power Cooperative, Inc., being duly sworn, states that he has read the foregoing prepared direct testimony and that he would respond in the same manner to the questions if so asked upon taking the stand, and that the matters and things set forth therein are true and correct to the best of his knowledge, information and belief.

Don Mosier, P.E.

The foregoing Verification was signed, acknowledged and sworn to before me this 29th day of November, 2017 by Don Mosier.

NOTARY PUBLIC

Commission No. 500144

My Commission Expires: 11/30/17

GWYN M. WILLOUGHBY
Notary Public
State at Large
Kentucky
My Commission Expires Nov 30, 2017