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**From:** [Chris Brewer](#)  
**To:** [Terri Combs](#)  
**Subject:** Accepted: Update re: today's phone call with Dennis Holt  
**Start:** Wednesday, February 21, 2018 3:30:00 PM  
**End:** Wednesday, February 21, 2018 4:00:00 PM  
**Location:** Conference Call

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**From:** [Terri Combs](#)  
**To:** [Chris Brewer](#); [Joe Spalding](#), [Inter-County Energy](#); [Bill Shearer](#); [Landis Cornett](#) ([ekpc@landiscornett.com](mailto:ekpc@landiscornett.com)); [Mike Williams](#) ([mikew@bgenergvy.com](mailto:mikew@bgenergvy.com)); [Tim Sharp](#); [mstallons@owenelectric.com](#); [Tony Campbell](#); [Don Mosier](#); [Mike McNalley](#); [David Smart](#); [David Crews](#); "Bill Prather"  
**Subject:** Update re: today's phone call with Dennis Holt  
**Start:** Wednesday, February 21, 2018 3:30:00 PM  
**End:** Wednesday, February 21, 2018 4:00:00 PM  
**Location:** Conference Call

---

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 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 as soon as possible.

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) <<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](mailto:ekpc@landiscornett.com)); [Mike Williams](#) ([mikew@bgenergy.com](mailto:mikew@bgenergy.com)); [Tim Sharp](#); [mstallons@owenelectric.com](mailto:mstallons@owenelectric.com); [Tony Campbell](#); [Don Mosier](#); [Mike McNalley](#); [David Smart](#); [David Crews](#); "Bill Prather"  
**Subject:** Update re: Tony's phone call today with Dennis Holt  
**Date:** Wednesday, February 21, 2018 1:44:23 PM

---

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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**From:** Elaine Johns  
**To:** [mstallons@owenelectric.com](mailto:mstallons@owenelectric.com); [Tim Sharp](#); [Carol Wright](#); [mikew@bgenergy.com](mailto:mikew@bgenergy.com); [Chris Brewer](#); [Debbie Martin](#); [Jonl Hazelrigg](#)  
**Subject:** PSC  
**Date:** Monday, February 19, 2018 1:12:12 PM  
**Attachments:** [20180219\\_PSC\\_ORDER.PDF](#)

---

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)

**ENERVISION**<sup>®</sup> 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!**

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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.

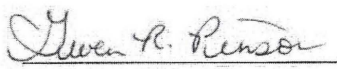
10. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

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

\*Denotes Served by Email

Service List for Case 2018-00050

Clark SK 4/000012



---

**From:** [Terri Combs](#)  
**To:** [Chris Brewer](#); [Joe Spalding](#); [Inter-County Energy](#); [Bill Shearer](#); [Landis Cornett \(ekpc@landiscornett.com\)](#); [Mike Williams \(mikew@bgenergy.com\)](#); [Tim Sharp](#); [mstallons@owenelectric.com](#); [Tony Campbell](#); [Don Mosier](#); [Mike McNalley](#); [David Smart](#); [David Crews](#)  
**Subject:** Conference Call: MOU Committee discussion  
**Start:** Tuesday, February 20, 2018 3:00:00 PM  
**End:** Tuesday, February 20, 2018 3:30:00 PM  
**Location:** Conference Call

---

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](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 \(mikew@bgenegy.com\)](#); [Tim Sharp](#); [mstallons@owenelectric.com](#); [Tony Campbell](#); [Don Mosier](#); [Mike McNalley](#); [David Smart](#); [David Crews](#)  
**Subject:** Conference Call: MOU Committee discussion

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**From:** Mike Williams  
**To:** [Terri Combs](mailto:Terri.Combs)  
**Cc:** [Joe Spalding, Inter-County Energy](mailto:Joe.Spalding@inter-countyenergy.com); [Bill Shearer](mailto:Bill.Shearer@landiscornett.com); [Landis Cornett \(ekpc@landiscornett.com\)](mailto:Landis.Cornett@ekpc.com); [Tim Sharp](mailto:Tim.Sharp@owenelectric.com); [Chris Brewer](mailto:Chris.Brewer@owenelectric.com); [mstallons@owenelectric.com](mailto:mstallons@owenelectric.com); [Tony Campbell](mailto:Tony.Campbell@owenelectric.com); [Don Mosier](mailto:Don.Mosier@owenelectric.com); [David Smart](mailto:David.Smart@owenelectric.com); [David Crews](mailto:David.Crews@owenelectric.com); [Mike McNalley](mailto:Mike.McNalley@owenelectric.com)  
**Subject:** Re: MOU Committee discussion  
**Date:** Monday, February 19, 2018 9:34:40 AM

---

I 'm good with that time.

Thanks,  
Mike Williams

> On Feb 19, 2018, at 9:15 AM, Terri Combs <[terri.combs@ekpc.coop](mailto: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](mailto:Terri.combs@ekpc.coop)  
>  
>  
>  
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>  
>  
>

**From:** Joe Spalding  
**To:** [terri.combs@ekpc.coop](mailto:terri.combs@ekpc.coop)  
**Cc:** Terri Combs; Bill Shearer; Landis Cornett ([ekpc@landiscornett.com](mailto:ekpc@landiscornett.com)); Mike Williams ([mikew@bgenergy.com](mailto:mikew@bgenergy.com)); Tim Sharp; Chris Brewer; Tony Campbell; Don Mosier; David Smart; David Crews; Mike McNalley  
**Subject:** Re: MOU Committee discussion  
**Date:** Monday, February 19, 2018 9:32:22 AM

---

I'm good with that time.

Sent from my iPhone

> On Feb 19, 2018, at 9:21 AM, Mark Stallons <[mstallons@owenelectric.com](mailto:mstallons@owenelectric.com)> wrote:

>

> 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](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)>; 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)>; David Smart <[david.smart@ekpc.coop](mailto:david.smart@ekpc.coop)>; David Crews <[David.Crews@ekpc.coop](mailto:David.Crews@ekpc.coop)>; Mike McNalley <[Michael.McNalley@ekpc.coop](mailto: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](mailto:Terri.combs@ekpc.coop)

>

>

>

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>  
>  
>

**From:** Mark Stallons  
**To:** [Terri Combs](mailto:Terri.Combs@ekpc.coop); [Joe Spalding, Inter-County Energy](mailto:Joe.Spalding@intercountyenergy.com); [Bill Shearer](mailto:Bill.Shearer@bellsouth.net); [Landis Cornett \(ekpc@landiscornett.com\)](mailto:Landis.Cornett@ekpc.com); [Mike Williams \(mikew@bgenergy.com\)](mailto:Mike.Williams@bgenergy.com); [Tim Sharp](mailto:Tim.Sharp@srelectric.com); [Chris Brewer](mailto:Chris.Brewer@clarkenergy.com)  
**Cc:** [Tony Campbell](mailto:Tony.Campbell@ekpc.coop); [Don Mosier](mailto:Don.Mosier@ekpc.coop); [David Smart](mailto:David.Smart@ekpc.coop); [David Crews](mailto:David.Crews@ekpc.coop); [Mike McNalley](mailto:Mike.McNalley@ekpc.coop)  
**Subject:** RE: MOU Committee discussion  
**Date:** Monday, February 19, 2018 9:21:56 AM

---

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](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)>; 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)>; David Smart <[david.smart@ekpc.coop](mailto:david.smart@ekpc.coop)>; David Crews <[David.Crews@ekpc.coop](mailto:David.Crews@ekpc.coop)>; Mike McNalley <[Michael.McNalley@ekpc.coop](mailto: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  
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[Terri.combs@ekpc.coop](mailto:Terri.combs@ekpc.coop)

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---

**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](#); [mstallons@owenelectric.com](#)  
**Cc:** [Tony Campbell](#); [Don Mosier](#); [David Smart](#); [David Crews](#); [Mike McNalley](#)  
**Subject:** MOU Committee discussion  
**Date:** Monday, February 19, 2018 9:15:30 AM

---

Good morning,

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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.  
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859-745-9314  
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---

**From:** Mary Ellen Cole  
**To:** [Mark Stallons \(mstallons@owenelectric.com\)](mailto:mstallons@owenelectric.com); [mikew@bgenergy.com](mailto:mikew@bgenergy.com); [Carol Wright \(carolwright@jacksonenergy.com\)](mailto:carolwright@jacksonenergy.com); [tsharp@srelectric.com](mailto:tsharp@srelectric.com); [Debbie Martin](#); [Joni Hazelrigg](#); [Chris Brewer](#)  
**Subject:** RFP Results, Round 2 Notes  
**Date:** Sunday, February 18, 2018 4:32:45 PM  
**Attachments:** [RFP Results Round 2 Feb162018\\_with\\_scores.pptx](#)

---

Everyone,

Thanks for your participation in the discussion on Friday. I've attached a copy of the PPT with an updated KT Scorecard that includes the scores we discussed together. Please let us know if you have any questions about the proposals or material herein.

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)

**ENERVISION**<sup>®</sup> 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!**

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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; 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 -- Owen; 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 8:15:08 PM  
**Attachments:** image002.png

---

**Sending on behalf of Tony Campbell**

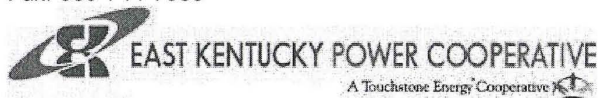
Directors/CEO's,

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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**From:** David Smart  
**To:** "A.L. Rosenberger -- Nolin"; "Alan Ahrman - Owen"; "Barry Myers -- Taylor County"; "Bill Prather -- Farmers"; Bobby Sexton; Boris Haynes; "Carol Fralev -- Grayson"; "Carol Wright - Jackson Energy"; Chris Brewer; 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 -- Owen"; "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; Shanan Strange  
**Subject:** Resolution for Approval to Enter into Power Purchase Agreement (Amended)  
**Date:** Wednesday, February 14, 2018 11:46:09 AM  
**Attachments:** [Approval to Enter into Power Purchase Agreement \(Amended\).pdf](#)

---

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****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.



**From:** Bill H Peyton  
**To:** Jerry Carter  
**Cc:** [mmiller@nolinrecc.com](mailto:mmiller@nolinrecc.com); [Allen Goggin External](#); [tony.campbell@ekpc.coop](mailto:tony.campbell@ekpc.coop); [Louis Kerrick External](#); [Don Mosier](#); [ted.hampton@cumberlandvalley.coop](mailto:ted.hampton@cumberlandvalley.coop); [bsexton@bigsandyrecc.com](mailto:bsexton@bigsandyrecc.com); [Chris Brewer](#); [khoward@lvrecc.com](mailto:khoward@lvrecc.com); [carol.fraley@graysonrecc.com](mailto:carol.fraley@graysonrecc.com); [tjsharp@srelectric.com](mailto:tjsharp@srelectric.com); [jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop); [Jason Todd External](#); [Mike Williams](#) ([mikew@bgenergy.com](mailto:mikew@bgenergy.com)); [Mike McNailey](#); [debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com); [Joe Spalding External](#); [Bill Prather](#); [bmymers@tcrecc.com](mailto:bmymers@tcrecc.com); [carolwright@jacksonenergy.com](mailto:carolwright@jacksonenergy.com); [Kevin Preston](#); ["Dennis Holt"](#) ([dholt@skrecc.com](mailto:dholt@skrecc.com)); [david.crews@ekpc.coop](mailto:david.crews@ekpc.coop); [Hadden Dean](#)  
**Subject:** Re: Inter-County's Filing of the Notice of Intent to Exercise its Rights Under the Amendment 3 MOU  
**Date:** Tuesday, February 13, 2018 6:45:21 PM

---

Great news, thanks for the update.

On Feb 12, 2018 5:19 PM, "Jerry Carter" <[jerry@intercountyenergy.net](mailto:jerry@intercountyenergy.net)> wrote:

My Fellow Cooperative Managers,

After great care and painstaking discussion by the board of directors of Inter-County Energy, I am informing you that Inter-County has exercised its rights under the Amendment 3 MOU.

Inter-County is willing and hopeful that an equitable solution can be obtained that serves the entire membership of each member-owner of East Kentucky Power Cooperative.

Sincerely,

**Jerry W. Carter**

President/CEO

Inter-County Energy

P.O. Box 87

Danville, KY 40423-0087

[1-888-266-7322](tel:1-888-266-7322) (toll free), Extension 7831

[859-936-7831](tel:859-936-7831) (direct)

[859-236-3627](tel:859-236-3627) (fax)

[859-324-2446](tel:859-324-2446) Cell





**From:** Jerry Carter  
**To:** bsexton@bigsandyrecc.com; Mike Williams (mikew@bgenergy.com); Chris Brewer; ted.hampton@cumberlandvalley.coop; jhazelrigg@fme.coop; carol.fraley@graysonrecc.com; Jerry Carter; 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; Bill Prather; tjsharp@srelectric.com  
**Cc:** Hadden Dean; Allen Goggin External; Bill Peyton External; Jason Todd External; Joe Spalding External; Kevin Preston; Louis Kerrick External  
**Subject:** Inter-County's Filing of the Notice of Intent to Exercise its Rights Under the Amendment 3 MOU  
**Date:** Tuesday, February 13, 2018 6:45:08 PM

---

My Fellow Cooperative Managers,

After great care and painstaking discussion by the board of directors of Inter-County Energy, I am informing you that Inter-County has exercised its rights under the Amendment 3 MOU.

Inter-County is willing and hopeful that an equitable solution can be obtained that serves the entire membership of each member-owner of East Kentucky Power Cooperative.

Sincerely,

**Jerry W. Carter**

President/CEO

Inter-County Energy

P.O. Box 87

Danville, KY 40423-0087

1-888-266-7322 (toll free), Extension 7831

859-936-7831 (direct)

859-236-3627 (fax)

859-324-2446 Cell



**From:** Joni Hazelrigg  
**To:** Elaine Johns; mstallons@owenelectric.com; Tim Sharp; Carol Wright; Mike Williams; debbiem@shelbyenergy.com; Chris Brewer  
**Cc:** mmoore@owenelectric.com; Mary Ellen Cole; Barry Birkett  
**Subject:** RE: Round 2 Meeting  
**Date:** Monday, February 12, 2018 9:25:44 AM

---

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@bgenery.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

---

**From:** Chris Brewer  
**To:** Elaine Johns; mstallons@owenelectric.com; Tim Sharp; Carol Wright; Mike Williams; debbiem@shelbyenergy.com; Joni Hazelrigg  
**Cc:** mmoore@owenelectric.com; Mary Ellen Cole; Barry Birkett  
**Subject:** RE: Round 2 Meeting  
**Date:** Monday, February 12, 2018 8:51:00 AM

---

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@bgenergy.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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Thanks,  
Elaine

Sent from my iPhone

**From:** Mike Williams  
**To:** Elaine Johns; mstallons@owenelectric.com; Tim Sharp; Carol Wright; debbiem@shelbyenergy.com; Joni Hazelrigg; Chris Brewer  
**Cc:** mmoore@owenelectric.com; Mary Ellen Cole; Barry Birkett  
**Subject:** RE: Round 2 Meeting  
**Date:** Monday, February 12, 2018 8:20:39 AM

---

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

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Thanks,  
Elaine

Sent from my iPhone

**From:** Tim Sharp  
**To:** Elaine Johns; mstallons@owenelectric.com; Carol Wright; Mike Williams; debbiem@shelbyenergy.com; Joni Hazelrigg; Chris Brewer  
**Cc:** mmoore@owenelectric.com; Mary Ellen Cole; Barry Birkett  
**Subject:** RE: Round 2 Meeting  
**Date:** Monday, February 12, 2018 7:57:09 AM

---

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@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

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Thanks,  
Elaine

Sent from my iPhone

**From:** Mark Stallons  
**To:** Carol Wright  
**Cc:** Elaine Johns; Tim Sharp; Mike Williams; debbiem@shelbyenergy.com; Joni Hazelrigg; Chris Brewer; Missy Moore; Mary Ellen Cole; Barry Birkett  
**Subject:** Re: Round 2 Meeting  
**Date:** Monday, February 12, 2018 7:41:39 AM

---

All,

I have a prior meeting and can join at 3:15pm.

Mark

Mark Stallons  
Sent from my iPhone

On Feb 12, 2018, at 7:25 AM, 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! \*\*\***  
I can join the meeting on Friday at 2:30pm.

Thanks,

**Carol Wright**  
President & CEO  
606-364-9213  
<image003.jpg>

-----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>; chbrewer@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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Thanks,  
Elaine

Sent from my iPhone

**From:** Dennis Holt  
**To:** [bsexton@bigsandyrecc.com](mailto:bsexton@bigsandyrecc.com); [Mike Williams \(mikew@bgenergv.com\)](mailto:Mike.Williams@mikew@bgenergv.com); [Chris Brewer; ted.hampton@cumberlandvalley.coop](mailto:Chris.Brewer@ted.hampton@cumberlandvalley.coop); [jhazelrigg@fme.coop](mailto:jhazelrigg@fme.coop); [carol.frale@graysonrecc.com](mailto:carol.frale@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); [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](mailto:Don.Mosier); [Mike McNalley](mailto:Mike.McNalley); [david.crews@ekpc.coop](mailto:david.crews@ekpc.coop); [Mark Stallons](mailto:Mark.Stallons); [Bill Prather](mailto:Bill.Prather); [Tim Sharp](mailto:Tim.Sharp)  
**Subject:** EKPC Amendment Three  
**Date:** Monday, February 12, 2018 7:25:36 AM  
**Attachments:** [DOC021218-02122018072337.pdf](#)

---

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

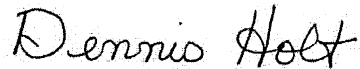
---

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

**From:** Carol Wright  
**To:** "Elaine Johns"; mstallons@owenelectric.com; Tim Sharp; Mike Williams; debbiem@shelbyenergy.com; Joni Hazelrigg; Chris Brewer  
**Cc:** mmoore@owenelectric.com; Mary Ellen Cole; Barry Birkett  
**Subject:** RE: Round 2 Meeting  
**Date:** Monday, February 12, 2018 7:25:08 AM

---

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@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>  
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Thanks,  
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**From:** Elaine Johns  
**To:** [mstallons@owenelectric.com](mailto:mstallons@owenelectric.com); Tim Sharp; Carol Wright; Mike Williams; [debbiem@shelbyenergy.com](mailto:debbiem@shelbyenergy.com); Joni Hazelrigg; Chris Brewer  
**Cc:** [mmoore@owenelectric.com](mailto:mmoore@owenelectric.com); Mary Ellen Cole; Barry Birkett  
**Subject:** Round 2 Meeting  
**Date:** Sunday, February 11, 2018 9:35:32 PM

---

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 joinme meeting on Friday 2/16 at 2:30pm. If not, let us know what works for you —

Thanks,  
Elaine

Sent from my iPhone

**From:** Joni Hazelrigg  
**To:** [Mark Stallons](#)  
**Cc:** [Mike Williams](#); [Carol Wright](#); [Tim Sharp](#); [Debbie Martin](#); [Chris Brewer](#)  
**Subject:** Re: A3 Path Forward  
**Date:** Saturday, February 10, 2018 6:06:51 PM

---

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:

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>> 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.

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> 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,  
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>> 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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>> 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.  
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>> 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.  
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>> 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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>> 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:  
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>>> 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:  
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>>>  
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>>>  
>>> 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  
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all copies of the original message.  
>>>  
>>>  
>>> <Cost Shift 020318.xlsx>

**From:** Debbie Martin  
**To:** Mark Stallons  
**Cc:** Mike Williams; Carol Wright; Tim Sharp; Joni Hazelrigg; Chris Brewer  
**Subject:** Re: A3 Path Forward  
**Date:** Saturday, February 10, 2018 5:54:54 PM

---

I won't be available on Monday but will be available Tuesday following the board meeting.

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

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On Feb 10, 2018, at 4:33 PM, Mark Stallons <mstallons@owenelectric.com> wrote:

All,

I can meet Monday at lunch between Committee Meeting with whoever would like to talk.  
Meeting Tuesday at Clark after the EKPC board meeting sounds like a very good idea and works with my schedule.

Thanks,

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Sent from my iPhone

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

Subject: Re: A3 Cost Shift Spreadsheet

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8205 Hwy 127N; PO Box 400  
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\* Direct Line: 502-563-3500

\*Mobile: 502-514-1650

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<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>



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**Subject:** Re: A3 Path Forward  
**Date:** Saturday, February 10, 2018 5:53:50 PM

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