



Bill Prather <bprather@farmersrecc.net>

EKPC Amendment Three Notification

Dennis Holt <dholt@skrecc.com> Tue, Nov 28, 2017 at 6:19 PM
 To: Bobby Sexton <bsexton@big sandyrecc.com>, "mikew@bgenergy.com" <mikew@bgenergy.com>, cbrewer@clarkenergy.com" <cbrewer@clarkenergy.com>, "ted.hampton@cumberlandvalley.coop" <ted.hampton@cumberlandvalley.coop>, "bprather@farmersrecc.com" <bprather@farmersrecc.com>, "jhzalrigg@fme.coop" <jhzalrigg@fme.coop>, "Carol Fraley (carol.fraley@graysonrecc.com)" <carol.fraley@graysonrecc.com>, Jim Jacobus <Jim@intercountyenergy.net>, Carol Wright <carolwright@jacksonenergy.com>, Kerry Howard <kkhoward@lvrecc.com>, "Mickey Miller (mmiller@nolinrecc.com)" <mmiller@nolinrecc.com>, "Mark Stallons (mstallons@owenelectric.com)" <mstallons@owenelectric.com>, "sharp@srelectric.com" <sharp@srelectric.com>, Debbie Martin <debbiem@shelbyenergy.com>, Barry Myers (torecc.com)" <bmyers@torecc.com>
 cc: Tony Campbell <tony.campbell@ekpc.coop>, Don Mosier <Don.Mosier@ekpc.coop>, Mike McNalley <Michael.McNalley@ekpc.coop>, David Crews <David.Crews@ekpc.coop>

First I want to thank everyone for their assistance and insights during my short time as an Interim Manager at South Kentucky. You have all been helpful and it is greatly appreciated.

As a common courtesy I feel I need to make you aware that South Kentucky has given East Kentucky Power notification today of our intention to exercise our Amendment Three right.

As you all are aware East Kentucky Power has an Amendment Three clause in their all power requirements contract that allows distribution cooperatives to utilize an "alternate source" for a percentage of their power purchases. The original wholesale power contract with East Kentucky Power was executed in 1964 and was effective until January 1, 2010. Amendment One was executed in 1976 and extended the length of the contract until January 1, 2018. Amendment Two was executed in 1980 and extended the contract until January 1, 2025. The original contract and the first two amendments required the distribution cooperatives to purchase 100% of our power from East Kentucky Power (All Power Requirements Contract).

Amendment Three was adopted by the cooperatives in 2003 and extended the contract to January 1, 2041. Amendment Three allowed for up to 5% of East Kentucky's Peak Load (based on a three year rolling average) to be acquired from an alternate source. Amendment Three was ambiguous as to the limits of each distribution cooperative and was not workable until all 16 cooperatives signed the Memorandum of Understanding that allows for an individual cooperative to acquire up to 15% of their rolling three year average peak from an alternate source until East Kentucky utilized 2.5% of their system peak. There is a maximum allowable contract length on these alternate source purchase of 20 years and also a requirement of an 18 month notice to East Kentucky Power.

Today, South Kentucky has given East Kentucky notice of our intent to acquire 15% of our rolling three year average peak from an alternate source. This alternate source is scheduled to begin on June 1, 2019 (18 months from now). The total amount to be purchased from an alternate source is 58 Megawatts and the terms are for 20 years.

Please feel free to contact me if you have any questions or concerns.

Dennis Holt
 Interim CEO

fail - EKPC Amendment Three Notification

Page 2 of 2

South Kentucky RECC

Somerset, Kentucky 42503

Phone 606-678-4121

Cell 606-872-3555



Bill Prather <bprather@farmersrecc.net>

EKPC Amendment Three Notification

Bill Prather <bprather@farmersrecc.net>
To: Dennis Holt <dholt@skrecc.com>

Wed, Nov 29, 2017 at 10:52 AM

Dennis,

May I ask who your alternate supplier will be?

Thanks.

Bill

[Quoted text hidden]

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





Bill Prather <bprather@farmersrecc.net>

EKPC Amendment Three Notification

Tim Sharp <tjsharp@srelectric.com>

Fri, Feb 2, 2018 at 7:11 AM

To: "bsexton@bigsandyrecc.com" <bsexton@bigsandyrecc.com>, "Mike Williams (mikew@bgenenergy.com)" <mikew@bgenenergy.com>, "CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com)" <cbrewer@clarkenergy.com>, "ted.hampton@cumberlandvalley.coop" <ted.hampton@cumberlandvalley.coop>, "bprather@farmersrecc.com" <bprather@farmersrecc.com>, "jhzalrigg@fme.coop" <jhzalrigg@fme.coop>, "carol.fraley@graysonrecc.com" <carol.fraley@graysonrecc.com>, "jerry@intercountyenergy.net" <jerry@intercountyenergy.net>, "carolwright@jacksonenergy.com" <carolwright@jacksonenergy.com>, "kkhoward@lvrecc.com" <kkhoward@lvrecc.com>, "mmiller@nolinrecc.com" <mmiller@nolinrecc.com>, Mark Stallons <mstallons@owenelectric.com>, "Dennis Holt" (dholt@skrecc.com) <dholt@skrecc.com>, "debbiem@shelbyenergy.com" <debbiem@shelbyenergy.com>, "bmyers@trecc.com" <bmyers@trecc.com>
Cc: "tony.campbell@ekpc.coop" <tony.campbell@ekpc.coop>

As a courtesy, we want to make you aware that Salt River Electric has given East Kentucky Power notification yesterday of our intention to exercise our Amendment Three rights.

Salt River Electric has given East Kentucky Power notice of our intent to acquire the remaining amount up to 5% of our rolling three year average peak from an alternate source. This alternate source is scheduled to begin on September 1, 2019.

Per Tony Campbell's memo of 1/30/18, Salt River is more than willing to work toward a strategy is more beneficial to all of EKPC's members.

Please feel free to contact me if you have any questions or concerns.

Tim Sharp

Salt River Electric



Bill Prather <bprather@farmersrecc.net>

EKPC Amendment Three Notification

Bill Prather <bprather@farmersrecc.net>

Thu, Feb 8, 2018 at 2:52 PM

To: Tim Sharp <tjsharp@srelectric.com>

Cc: "bsexton@bigsandyrecc.com" <bsexton@bigsandyrecc.com>, "Mike Williams (mikew@bgenergy.com)" <mikew@bgenergy.com>, "CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com)" <cbrewer@clarkenergy.com>, "ted.hampton@cumberlandvalley.coop" <ted.hampton@cumberlandvalley.coop>, "jhazlrigg@fme.coop" <jhazlrigg@fme.coop>, "carol.fraley@graysonrecc.com" <carol.fraley@graysonrecc.com>, "jerry@intercountyenergy.net" <jerry@intercountyenergy.net>, "carolwright@jacksonenergy.com" <carolwright@jacksonenergy.com>, "kkhoward@lvrecc.com" <kkhoward@lvrecc.com>, "mmiller@nolinrecc.com" <mmiller@nolinrecc.com>, Mark Stallons <mstallons@owenelectric.com>, "Dennis Holt" (dholt@skrecc.com)" <dholt@skrecc.com>, "debbiem@shelbyenergy.com" <debbiem@shelbyenergy.com>, "bmyers@torecc.com" <bmyers@torecc.com>, "tony.campbell@ekpc.coop" <tony.campbell@ekpc.coop>

Bcc: Paul Hawkins <paulcat@sortc.com>

Folks,

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

Bill Prather
Farmers RECC
[Quoted text hidden]

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





Bill Prather <bprather@farmersrecc.net>

EKPC Amendment Three Notification

Debbie Martin <debbiem@shelbyenergy.com>
To: Bill Prather <bprather@farmersrecc.net>

Thu, Feb 8, 2018 at 3:05 PM

Thank you Bill. I appreciate your style and comments.

Debbie

Debra J. Martin
President & CEO


620 Old Finchville Road
Shelbyville, KY 40065

Office: (502)633-4163

Fax: (502)633-2387



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Cooperative**

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From: Bill Prather [mailto:bprather@farmersrecc.net]
Sent: Thursday, February 08, 2018 3:53 PM
To: Tim Sharp <tjsharp@srelectric.com>
Cc: bssexton@big sandyrecc.com; Mike Williams (mikew@bgenenergy.com) <mikew@bgenenergy.com>; CHRIS BREWER

(cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com) <cbrewer@clarkenergy.com>;
ted.hampton@cumberlandvalley.coop; jhazelrigg@fme.coop; carol.fraley@graysonrecc.com; jerry@intercountyenergy.net;
carolwright@jacksonenergy.com; kkhoward@lvrecc.com; mmiller@nolinrecc.com; Mark Stallons
<mstallons@owenelectric.com>; 'Dennis Holt' (dholt@skrecc.com) <dholt@skrecc.com>; Debbie Martin
<debbiem@shelbyenergy.com>; bmyers@tcrecc.com; tony.campbell@ekpc.coop
Subject: Re: EKPC Amendment Three Notification

[Quoted text hidden]



Bill Prather <bprather@farmersrecc.net>

EKPC Amendment Three Notification

Mark Stallons <mstallons@owenelectric.com>

Fri, Feb 9, 2018 at 12:44 PM

To: Bill Prather <bprather@farmersrecc.net>, Tim Sharp <tjsharp@srelectric.com>
 Cc: "bsexton@big sandyrecc.com" <bsexton@big sandyrecc.com>, "Mike Williams (mikew@bgenenergy.com)" <mikew@bgenenergy.com>, "CHRIS BREWER (cbrewer@clarkenergy.com) (cbrewer@clarkenergy.com)" <cbrewer@clarkenergy.com>, "ted.hampton@cumberlandvalley.coop" <ted.hampton@cumberlandvalley.coop>, jhazlerigg@fme.coop" <jhazlerigg@fme.coop>, "carol.fraley@graysonrecc.com" <carol.fraley@graysonrecc.com>, jerry@intercountyenergy.net" <jerry@intercountyenergy.net>, "carolwright@jacksonenergy.com" <carolwright@jacksonenergy.com>, "kkhoward@lvrecc.com" <kkhoward@lvrecc.com>, "mmiller@nolinrecc.com" <mmiller@nolinrecc.com>, "Dennis Holt" (dholt@skrecc.com)" <dholt@skrecc.com>, "debbiem@shelbyenergy.com" <debbiem@shelbyenergy.com>, "bmyers@trecc.com" <bmyers@trecc.com>, "tony.campbell@ekpc.coop" <tony.campbell@ekpc.coop>, Don Mosier <Don.Mosier@ekpc.coop>, Mike McNalley <Michael.McNalley@ekpc.coop>, david.crews@ekpc.coop" <david.crews@ekpc.coop>

Fellow Manager's,

Owen has likewise given EKPC notification on the remaining balance of our Amendment 3 rights. As Tim and Bill have expressed, Owen is also hopeful that we can work together to find common ground and determine a pathway that meets all of our 500,000 plus members desire for affordable and reliable energy. As developed in 2003, Amendment 3's differential between an individual coops ability to go to market for 15% while EKPC's allotment is simply 5%, has always been recognized and is a serious problem that creates major inequities. When we negotiated the MOU, unfortunately we were unable to mitigate this risk and agree on a common percentage that applied to both EKPC and the Member Owners.

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

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

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

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

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

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

Sincerely,

Mark

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

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Folks,

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

Bill Prather

Farmers RECC

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

As a courtesy, we want to make you aware that Salt River Electric has given East Kentucky Power notification yesterday of our intention to exercise our Amendment Three rights.

Salt River Electric has given East Kentucky Power notice of our intent to acquire the remaining amount up to 5% of our rolling three year average peak from an alternate source. This alternate source is scheduled to begin on September 1, 2019.

Per Tony Campbell's memo of 1/30/18, Salt River is more than willing to work toward a strategy is more beneficial to all of EKPC's members.

Please feel free to contact me if you have any questions or concerns.


Tim Sharp

Salt River Electric

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

Glasgow, Kentucky 42141
270-651-2191, ext. 8300
bprather@farmersrecc.com



 **A3 Cost Shift 020818.xlsx**
38K



Bill Prather <bprather@farmersrecc.net>

Amendment 3 to East Kentucky Power Contract

1 message

Bill Prather <bprather@farmersrecc.net>
To: directors <directors@farmersrecc.net>

Fri, Feb 9, 2018 at 9:08 AM

Gentlemen,

Recent activity by South Kentucky RECC, coupled with the reaction by others, has prompted me to take action this week to protect Farmers' financial interests as they pertain to the right to purchase power from sources other than EKPC. Paul and I discussed this and he agreed that this would be the prudent thing to do.


I have attached two letters of notification that I sent to EKPC yesterday, pertaining to our Amendment 3 rights. I will discuss this with you in detail at next week's board meeting. It is our hope that we will not be forced to exercise the actual fulfillment of purchasing from another source, but we needed to maintain our "share" of those rights to prevent them from being gobbled up by other co-ops.

If you have questions in the mean time, let me know.

Bill

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



 **Farmers RECC Amendment 3 Letters of Notification - 2-8-2018.pdf**
1013K



Farmers Rural Electric Cooperative Corporation

504 S. Broadway, Glasgow, KY 42141 • P.O. Box 1298, Glasgow, KY 42142 • (270) 651-2191 • Fax (270) 651-7332

February 8, 2018

Mr. Tony Campbell
East Kentucky Power Cooperative, Inc.
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707

RE: Change to Farmers RECC Amendment Three Allocation Pertaining to 3.6 mW Generators

Dear Mr. Campbell,

Pursuant to the Amendment Three provisions of the East Kentucky Power Cooperative's ("EKPC") Wholesale Contract with Farmers Rural Electric Cooperative ("FRECC"), we are providing you with a 90 day advance request that the EKPC Board of Directors approve the removal from our current Amendment Three allocation the following distributed generation facilities:

- Two 1.8 mW (3.6 mW total) diesel generators interconnected on our distribution system, being fed out of the West Glasgow Substation in Glasgow. The units are owned by FRECC and were installed in 2005.

These units are no longer used to supply Farmers RECC with energy/capacity, nor emergency backup power for one of our industrial members. The units were relocated to our own property in May 2017 and were entered into the PJM Emergency Capacity Market as of June 1, 2017. FRECC has no intention of utilizing them to serve its distribution load or capacity needs in the foreseeable future. Therefore, we request they be deducted from our current Amendment Three allocation.

Please note that this request is contingent upon the acceptance of FRECC's new Amendment Three notice dated February 8, 2018 for 5.5 mW of power from a new alternate source, which takes into account this 3.6 mW reduction.

Should you have any further questions or concerns, please contact me.

Sincerely,
FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

A handwritten signature in blue ink that reads 'William T. Prather'.

William T. Prather
President/CEO

Farmers RECC is an equal opportunity employer.

www.farmersrecc.com

A Touchstone Energy™ Cooperative The logo for Touchstone Energy, featuring a stylized figure with arms raised, composed of colorful segments.



Farmers Rural Electric Cooperative Corporation

504 S. Broadway, Glasgow, KY 42141 • P.O. Box 1298, Glasgow, KY 42142 • (270) 651-2191 • Fax (270) 651-7332

February 8, 2018

Mr. Anthony Campbell
President and Chief Executive Officer
East Kentucky Power Cooperative, Inc.
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707

Dear Mr. Campbell:

Pursuant to the provisions of Amendment No. 3 to the Wholesale Power Contract between East Kentucky Power Cooperative, Inc. ("EKPC") and Farmers Rural Electric Cooperative Corporation ("Farmers RECC") dated November 13, 2003 ("Amendment 3"), and the Memorandum of Understanding and Agreement Regarding Alternate Power Sources, between EKPC and the 16 Owner Members of EKPC including Farmers RECC, dated July 15, 2015 ("MOU"), Farmers RECC does hereby provide the following notice of its election to reduce its purchases of electric power from EKPC and replace same with electric power furnished from an Alternate Source.

According to the provisions of Section 4(A) of the MOU there are five (5) primary procedures and requirements for the content of this notice; in compliance with these provisions, Farmers RECC provides the required information with respect to its Alternate Source election immediately following each listed item.

(i) the term during which the Alternate source will be used to reduce the Owner Member's purchases from EKPC under the Wholesale Power Contract, including the date on which such use will begin, and the length of time during which such use will continue, which length may not exceed 20 years (including any renewal options for an Alternate Source that is a contract with a third party)

The Alternate Source (which is further described below) will be used to supply 5.5 MWs of Farmers RECC's power requirements outside of and separate from the Wholesale Power contract between Farmers RECC and East Kentucky Power Cooperative for a term of 20 years commencing at 12:00 a.m. (EST) on September 1, 2019.

(ii) the maximum electrical capacity, in kW, to be available from the Alternate Source and the corresponding amount of reduction in demands to be served by EKPC as a result of the use of Alternate Source, appropriately taking into account expected losses, if any

The maximum electrical capacity to be available from the Alternate Source, and the corresponding amount of reduction in demands to be served by EKPC as a result of the use of the Alternate Source, is 5,500 kW.

(iii) a general description of the nature of the Alternate Source and the primary generating facilities from which the subject electric power and energy will be produced

The Alternate Source shall be in the form of Farmers RECC becoming a PJM member and purchasing energy, capacity, transmission and services required by PJM policies from the PJM market.

(iv) the approximate, expected pattern of use or dispatching of the Alternate Source and the corresponding pattern of hourly reductions in energy to be purchased by the Owner Member from EKPC

The Alternate Source will supply the 5,500 KW of energy all hours of each year of the 20 year term, by purchasing same from the PJM wholesale market.

(v) a designation of whether the Alternate Source will be:

(a) interconnected to the Owner Member's distribution system (and not to any transmission system) and will not produce energy in any hour in excess of the Owner Member's load at the Related EKPC Point of Delivery. Such Alternate Sources are referred to in this MOU&A as "Behind the Meter Sources". The "Related EKPC Point of Delivery" with respect to any Alternate Source is the point of delivery under the Owner Member's Wholesale Power Contract through which energy purchased from EKPC would be used to serve the load served by the Alternate Source if the Alternate Source did not exist;

(b) interconnected or delivered to EKPC's or another entity's transmission system; or

(c) interconnected to the Owner Member's distribution system and will produce energy that exceeds the Owner Member's load at the Related EKPC point of Delivery.

The Alternate Source will be: (b) interconnected or delivered to EKPC's or another entity's transmission system.

Should you have any questions or concerns, please feel free to contact me.

Sincerely,
FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION




William T. Prather,
President/CEO

Page 2

Farmers RECC is an equal opportunity provider and employer.

www.farmersrecc.com

A Touchstone Energy™ Cooperative 



Bill Prather <bprather@farmersrecc.net>

Question

1 messages

Jerry Carter <jerry@intercountyenergy.net>
To: Bill Prather <bprather@farmersrecc.net>

Wed, Feb 21, 2018 at 11:48 AM

If everyone gets 5% then how does larger coops fair as compared to smaller coops? Is the fallout even or is it disproportionate?

I do not know the inner-workings,

Jerry W. Carter

President/CEO

Inter-County Energy

P.O. Box 87

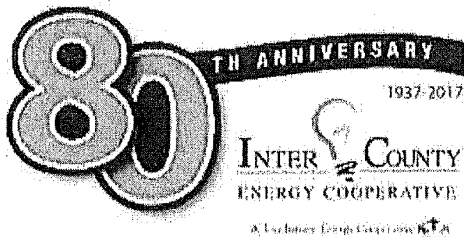
Danville, KY 40423-0087

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

859-936-7831 (direct)

859-236-3627 (fax)

859-324-2446 Cell



Bill Prather <bprather@farmersrecc.net>
To: Jerry Carter <jerry@intercountyenergy.net>

Wed, Feb 21, 2018 at 11:50 AM

It remains proportional. And doesn't shift costs. However, we then get a probable rate increase on the backside to cover EKPC fixed costs.

[Quoted text hidden]

William T. Prather

President/CEO

Farmers Rural Electric Cooperative Corporation

504 South Broadway

Glasgow, Kentucky 42141

270-651-2191, ext. 8300

bprather@farmersrecc.com



Jerry Carter <jerry@intercountyenergy.net>
To: Bill Prather <bprather@farmersrecc.net>

Wed, Feb 21, 2018 at 11:57 AM

Yes, I'm not sure that it will net out or in the end costing us

From: Bill Prather [mailto:bprather@farmersrecc.net]
Sent: Wednesday, February 21, 2018 12:51 PM
To: Jerry Carter <jerry@intercountyenergy.net>
Subject: Re: Question

It remains proportional. And doesn't shift costs. However, we then get a probable rate increase on the backside to cover EKPC fixed costs.

On Wed, Feb 21, 2018 at 11:48 AM, Jerry Carter <jerry@intercountyenergy.net> wrote:

If everyone gets 5% then how does larger coops fair as compared to smaller coops? Is the fallout even or is it disproportionate?

I do not know the inner-workings,

Jerry W. Carter

President/CEO

Inter-County Energy

P.O. Box 87

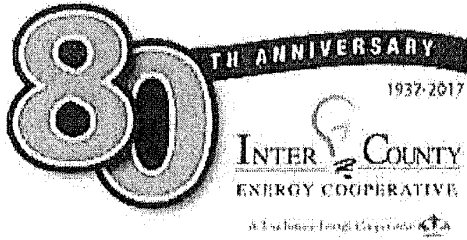
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William T. Prather
 President/CEO
 Farmers Rural Electric Cooperative Corporation
 504 South Broadway

Glasgow, Kentucky 42141
 270-651-2191, ext. 8300
 bprather@farmersrecc.com



Bill Prather <bprather@farmersrecc.net>
 to: Jerry Carter <jerry@intercountyenergy.net>

Wed, Feb 21, 2018 at 12:01 PM

I doubt it would net out!

[Quoted text hidden]

[Quoted text hidden]

[Quoted text hidden]

