

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

THE APPLICATION OF SOUTH KENTUCKY RURAL)
ELECTRIC COOPERATIVE CORPORATION FOR) Case No. 2018-00050
APPROVAL OF MASTER POWER PURCHASE AND)
SALE AGREEMENT AND TRANSACTIONS THEREUNDER)

**RESPONSE OF TAYLOR COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION
TO SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION'S
REQUESTS FOR INFORMATION**

Respectfully submitted,

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BY: /s/ Robert Spragens, Jr.
Robert Spragens, Jr.

CERTIFICATE OF SERVICE

Pursuant to 807 KAR 5:001 Section 6, the undersigned certifies that, consistent with 807 KAR 5:001 Section 4(8)(d)(3), a copy of this document has been electronically served upon the following on this the 25th day of April, 2018:

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/s/ Robert Spragens, Jr.

Hon. Robert Spragens, Jr.

Request No. 1: Reference is made to page 13, lines 11 through 17 of Mr. John Wolfram’s testimony. Please explain in detail your opinion or opinions as to how EKPC might “properly charge” South Kentucky for its remaining load.

Response: Taylor County has not undertaken to parse portions of Mr. Wolfram’s testimony, or to form opinions which modify or extend that testimony. Accordingly, Taylor County relies upon the testimony of Mr. Wolfram, as well as the response to this request made upon behalf of Big Sandy Rural Electric Cooperative Corporation, Blue Grass Energy Cooperative Corporation, Clark Energy Cooperative, Inc., Farmers Rural Electric Cooperative Corporation, Fleming-Mason Energy Cooperative, Inc., Inter-County Energy Cooperative Corporation, Licking Valley Rural Electric Cooperative Corporation, and Nolin Rural Electric Cooperative Corporation, collectively designated herein as “Joint Intervenors”.

Request No. 2: For each distribution cooperative with an Alternative Source of power under Amendment 3 and the MOU, indicate the EKPC rates under which the capacity and/or energy is used solely to reduce billings.

Response: Taylor County currently utilizes no such Alternative Source of power.
Witness: Barry Myers.

Request No. 3: For each instance in the response to Question 2 where it is stated that the Alternative Source is used to reduce billings under Rates B, C or G, provide the following:

- a. Billings from EKPC for each month during 2017 showing in detail how the power from the Alternative Source reduced billings under EKPC’s Rates B, C, or G.
- b. Calculations from the cooperative for each month during 2017 showing in detail how the power from the Alternative Source reduced billings under EKPC’s Rates B, C, or G.

Response: See Response to forgoing Request No. 2.
Witness: Barry Myers.

Request No. 4: Please produce all email communications sent or received by and between any of the Distribution Cooperatives **during the period November 28, 2017 through February 23, 2018** that reference South Kentucky (as defined in the instructions) or that relate in any way to Amendment 3, the MOU or the potential or actual exercise of rights by South Kentucky under Amendment 3 and/or the MOU.

Response: Taylor County’s email communications directed to this matter are, from review, limited to exchanges with its counsel.

Witness: Barry Myers.

Request No. 5: Identify and describe all meetings held or conversations occurring during the period November 28, 2017 through February 23, 2018 at which any one of the following items was discussed—South Kentucky (as defined in the instructions), Amendment 3, the MOU or the potential or actual exercise of rights by South Kentucky under Amendment 3 and/or the MOU—and in which participated at least two or more members of management of any of the Distribution Cooperatives. For all such meetings or conversations, describe all statements made (regardless by whom) concerning South Kentucky (as defined in the instructions) or Amendment 3, the MOU or the potential or actual exercise of rights by South Kentucky under Amendment 3 and/or the MOU.

Response: Barry Myers, Manager of Taylor County RECC may have had conversations with other Managers/CEOs of the Distribution Cooperatives within that time frame, but if he did so, then such communications had to do with intervention in this matter, the methodology of same, and the sharing of certain costs incurred herein, including the charges of the expert witness, John Wolfram.

Witness: Barry Myers.

Request No. 6: State whether a joint defense agreement or comparable arrangement has been agreed to by the Distribution Cooperatives for this proceeding. If one has been reached, please identify the date of its effectiveness and state whether EKPC is a party.

Response: There is no written response agreement or comparable arrangement that has been agreed to by the Distribution Cooperatives. The Distribution Cooperatives have agreed to share in the costs of their expert witness, John Wolfram, but there is no written agreement among them concerning same. This response should not be interpreted as waiving, and does not waive, the right of any one or more of the Distribution Cooperatives to assert the “common interest” or “joint defense privilege” to the extent that that may be applicable herein.

Request No. 7: Reference is made to pages 6-14, of Mr. Wolfram’s testimony. Please provide all analysis in their native format and all associated forecasts, assumptions, inputs, escalations or any other workpapers associated with the analysis including their sources.

Response: See Response of Joint Intervenors.

Witness: John Wolfram.

Request No. 8: Reference is made to pages 7, lines 12-16, of Mr. Wolfram's testimony. Please provide all the appropriate PJM charge types and estimates of cost of each charge type South Kentucky did not demonstrate that it properly included in its NPV analysis.

Response: See Response of Joint Intervenors.

Witness: John Wolfram.

Request No. 9: Reference is made to pages 7, lines 17-18, of Mr. Wolfram's testimony. Please provide the PJM capacity price forecast for the period applicable to the transaction used to draw his conclusion. Insofar as this forecast is not a published PJM forecast, please state whether any such published forecasts are available and the source for such forecasts.

Response: See Response of Joint Intervenors.

Witness: John Wolfram.

Request No. 10: Reference is made to pages 8 and 9, lines 8-21 on page 9, of Mr. Wolfram's testimony. Please provide a detailed explanation of why these costs would not impact EKPC rates to a similar degree.

Response: See Response of Joint Intervenors.

Witness: John Wolfram.

Request No. 11: Reference is made to pages 10, line 14 through page 11, line 4 of Mr. Wolfram's testimony. Please provide any analyses performed regarding the quantification of the risks (including the estimated cost associated with such risks) that Mr. Wolfram claims were not properly included in South Kentucky's analysis.

Response: See Response of Joint Intervenors.

Witness: John Wolfram.

Request No. 12: Reference is made to page 11, line 5 to page 12, line 2, of Mr. Wolfram's testimony. Please provide all sensitivity analyses around key variables (transmission rates, wholesale rate changes, environmental cost changes, escalation rates, gas prices, etc.).

Response: See Response of Joint Intervenors.

Witness: John Wolfram.

Request No. 13: Reference is made to pages 13, lines 4-6, of Mr. Wolfram's testimony. Provide East Kentucky's latest long range financial forecast, 10 years or longer, that has been approved by the Board of Directors and that was distributed to the owner-members of EKPC. If not evident from the forecast, please also indicate the date the forecast was distributed to the owner-members.

Response: See Response of Joint Intervenors.

Witness: John Wolfram.

Request No. 14: Reference is made to pages 13, lines 18-19 of Mr. Wolfram's testimony. Please provide any analysis conducted incorporating the FAC and ES and state its impact on the NPV calculation. If you were to use the FAC and the ES from the 2015 Long Range Financial Forecast, what would be the impact on NPV savings to South Kentucky?

Response: See Response of Joint Intervenors.

Witness: John Wolfram.

Request No. 15: Reference is made to pages 18, lines 17-21 of Mr. Wolfram's testimony. Please provide all analyses performed by, on behalf of or at the direction of Mr. Wolfram, in their native format, with all associated forecasts, assumptions, inputs, escalations or any other workpapers associated with the analysis including their sources.

Response: See Response of Joint Intervenors

Witness: John Wolfram.