

**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 ATTORNEY GENERAL'S DATA REQUESTS**

Taylor County Rural Electric Cooperative Corporation, having been referenced as a "Joint Intervenor" herein although Taylor County is not a member of that group so designated, makes the following responses to Data Requests propounded herein upon behalf of the Attorney General.

Respectfully submitted,

SPRAGENS & HIGDON, P.S.C.
ATTORNEYS AT LAW
15 Court Square
P.O. Box 681
Lebanon, Kentucky 40033
Phone: (270) 692-3141
Fax: (270) 692-6693

Attorneys for Taylor County Rural Electric
Cooperative Corporation

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:

Gwen R. Pinson, Executive Director
Kentucky Public Service Commission
211 Sower Blvd., P.O. Box 615
Frankfort, Kentucky 40602-0615

Matthew R. Malone, Esq.
William H. May, III, Esq.
HURT, DECKARD & MAY,
PLLC mmalone@hdmfirm.com
bmay@hdmfirm.com

Scott B. Grover, Esq.
S. Michael Madison, Esq.
BALCH & BINGHAM, LLP
sgrover@balch.com
mmadison@balch.com

Kent A. Chandler, Esq.
Rebecca W. Goodman, Esq.
ASSISTANT ATTORNEYS GENERAL
Kent.Chandler@ky.gov
Rebecca.Goodman@ky.gov

W. Patrick Hauser, Esq.
W. PATRICK HAUSER, PSC
phauser@barbourville.com

Michael L. Kurtz, Esq.
BOEHM, KURTZ & LOWRY
mkurtz@bkllawfirm.com

W. Jeffrey Scott, Esq.
Brandon M. Music, Esq.
W. JEFFREY SCOTT, P.S.C.
wjscott@windstream.net

James M. Miller, Esq.
R. Michael Sullivan, Esq.
SULLIVAN MOUNTJOY, PSC
jmiller@smlegal.com
msullivan@smlegal.com

John Doug Hubbard, Esq.
Jason P. Floyd, Esq.
FULTON, HUBBARD & HUBBARD, PLLC
jdh@bardstown.com
jpf@bardstown.com

Clayton O. Oswald, Esq.
TAYLOR, KELLER & OSWALD, PLLC
coswald@tkolegal.com

James M. Crawford, Esq.
Ruth H. Baxter, Esq.
Jake A. Thompson, Esq.
CRAWFORD & BAXTER, P.S.C.
jcrawford@cbkylaw.com
rbaxter@cbkylaw.com
jthompson@cbkylaw.com

David T. Royse, Esq.
RANDELL ROACH & ROYSE PLLC
david@rrfirm.com

David A. Smart, Esq.
Roger R. Cowden, Esq.
EKPC
David.smart@ekpc.coop
Roger.cowden@ekpc.coop

Nancy Vinsel, Esq.
Nancy.vinsel@ky.gov

/s/ Robert Spragens, Jr.

Hon. Robert Spragens, Jr.

Request No. 1: Refer to the direct testimony of Mr. John Wolfram, page 8, wherein he states “South Kentucky failed to adequately consider the long-term costs of membership in PJM.” Identify these costs and provide a discussion of them, including any cost estimates Mr. Wolfram may have prepared.

- a. Does Mr. Wolfram believe South Kentucky (“SKRECC”) adequately estimated its anticipated exposure to costs for PJM Sub-Regional and supplemental transmission projects?

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”.

Witness: John Wolfram.

Request No. 2: Refer to the direct testimony of Mr. John Wolfram, page 16, numerical paragraph 3. Discuss the cost impact on SKRECC if EKPC exits PJM, including the costs SKRECC could incur in obtaining services from a new market participant to replace those EKPC would have performed.

- a. Refer to numerical paragraph 4.
 - i. Provide an explanation of additional risk or costs that may be associated with the proposed shortfall of the arrangement in the event Morgan Stanley continually fails to deliver.
 - ii. Confirm that as proposed, Morgan Stanley is not subject to Commission jurisdiction.

Response: See Response to Request No. 1 above.

Witness: John Wolfram.

Request No. 3: Reference the direct testimony of Mr. John Wolfram generally.

- a. Has South Kentucky adequately assessed the risk of additional environmental expense under the proposed transaction(s)? Include in your response a discussion of risks that could arise if the generation plants from which Morgan-Stanley procures its power face coal ash remediation costs.
- b. Confirm that it is Mr. Wolfram's estimation, if the proposed transaction is approved, the average retail residential bill in the EKPC system will receive an increase of 1.6%, all else equal.
- c. Does Mr. Wolfram believe the propose transaction will more likely than not be cost-beneficial to SKRECC's customers? If not, why not?
- d. Does Mr. Wolfram believe that it is improper or ill-advised for the Commission to approve a PPA or a transaction similar to the one proposed whereby it has no jurisdiction over the agreement after its approval?
 - i. Is Mr. Wolfram aware of any other PPAs or transaction similar to the one proposed whereby the Commission has no jurisdiction throughout the term? If so, provide a citation to same.

Response: See Response to forgoing Request No. 1 above.

Witness: John Wolfram.