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February 22, 2018

Skill. Integrity. Efficiency.

VIA FEDERAL EXPRESS

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

RECEIVED

FEB 23 2018

PUBLIC SERVICE
COMMISSION

RE: In the Matter of: The Application of South Kentucky Rural Electric Cooperative Corporation for Approval of Master Power Purchase and Sale Agreement and Transactions Thereunder
Kentucky Public Service Commission, Case No. 2018-00050

Dear Ms. Pinson:

Enclosed please find an original and ten (10) copies of the Motion to Intervene in the above-referenced matter 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.

I certify that on this date, a copy of this letter and a copy of the enclosure were served on the persons listed on the attached service list by first class mail and electronic mail.

If you have any questions or need additional information, please contact me.

Sincerely yours, .

James M. Miller

JMM/det

Enclosures

cc: Service List

Service List
PSC Case No. 2018-00050

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

MOTION TO INTERVENE 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

Pursuant to KRS 278.310 and 807 KAR 5:001, Section 4(11), 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 (“Movants”) request that they be granted full intervenor status in the above-captioned proceeding and state in support thereof as follows:

1. ADMINISTRATIVE STANDARD FOR INTERVENTION.

807 KAR 5:001, Section 4(11)(a)(1) requires that a person requesting leave to intervene as a party to a case before the Kentucky Public Service Commission (“Commission”), by timely motion, must state his or her interest in the case and how intervention is likely to present issues

or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings.

807 KAR 5:001, Section 4(11)(b) provides that the Commission shall grant a person leave to intervene if the Commission finds that he or she has made a timely motion to intervene and that he or she has a special interest in the case that is not otherwise adequately represented or that his or her intervention is likely to present issues or to develop facts that assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings.

2. IDENTITY OF INTERVENORS.

The Movants are not-for-profit, member-owned rural electric distribution cooperatives organized under KRS Chapter 279. They are each incorporated in the Commonwealth of Kentucky, and attest that they are presently Kentucky corporations in good standing. The Movants are engaged in the business of distributing retail electric power to members-customers located in approximately sixty-six (66) counties. The Movants are eight (8) of the sixteen (16) owners-members of East Kentucky Power Cooperative, Inc. (“EKPC”).¹ Each of the Movants is required to purchase substantially all its wholesale power requirements from EKPC pursuant to wholesale power contracts, which include but are not limited to the Wholesale Power Contract dated October 1, 1964, Amendment No. 3, and the Memorandum of Understanding and Agreement regarding Alternate Power Sources (“MOU”), all as referenced in South Kentucky’s Application in this proceeding.

¹ The sixteen sister cooperatives are: (1) Farmers Rural Electric Cooperative Corporation; (2) South Kentucky Rural Electric Cooperative Corporation; (3) Big Sandy Rural Electric Cooperative Corporation; (4) Bluegrass Energy Cooperative Corporation; (5) Clark Energy Cooperative, Inc.; (6) Owen Electric Cooperative, Inc.; (7) Fleming-Mason Energy Cooperative, Inc.; (8) Grayson Rural Electric Cooperative Corporation; (9) Inter-County Energy Cooperative Corporation; (10) Jackson Energy Cooperative Corporation; (11) Licking Valley Rural Electric Cooperative Corporation; (12) Nolin Rural Electric Cooperative Corporation; (13) Salt River Electric Cooperative Corporation; (14) Shelby Energy Cooperative, Inc., (15) Cumberland Valley Electric, Inc. and (16) Taylor County Rural Electric Cooperative Corporation.

The attorneys authorized to represent the Movants are:

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The full name, mailing address and electronic mail address of each Movant is stated on Exhibit A, attached to this motion and incorporated herein.

3. THE MOTION TO INTERVENE IS TIMELY.

The parties are filing this motion to intervene on February 23, 2018, which is the deadline for filing such motions as set forth in the Commission's February 19, 2018 Order as amended by its February 20, 2018 Order.

4. THE MOVANTS' INTEREST IN THIS PROCEEDING.

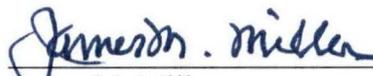
Each of the Movants has a special interest in the proceeding because each is contractually compelled to purchase most of its wholesale power requirements from EKPC at the EKPC wholesale rates established by the Commission. If the current revenue stream to EKPC produced by the 58 MW South Kentucky proposes to source from a third party is not replaced by an equivalent revenue stream or reduction in expenses, the Movants will be expected to make up the shortfall in EKPC's revenues. The potential impact of the resulting rate increase on each Movant will be different, but in each case is almost certain to be material. And the only option each Movant will have is to seek a corresponding increase in its revenue through a retail rate increase to its member-customers. In addition, the Commission's decision may have a direct and

substantial impact on the respective rights of each Movant under Amendment No. 3 and the MOU, both of which are Commission-approved documents. Participation by the Movants in this proceeding is critical to explore and develop the facts regarding the risks to those rights. The Movants should be allowed to participate in this proceeding to provide the full range of information the Commission will require to consider fully the implications of the proposed power purchase agreement.

The position of each Movant cannot be adequately represented by any existing party because the impact of the proposed power sales contract on each Movant is separate and distinct. Permitting the Movants to intervene will allow the Commission to more properly and fully consider the matters for which South Kentucky has sought approval because the Movants can develop and present information to the Commission that is exclusively in their control regarding how South Kentucky's application impacts the amount of available power under Amendment No. 3 and the MOU and how it impacts the Movants and their member-customers. The Movants intend to play a constructive role in the Commission's decision-making process herein, and their participation will not unduly prejudice any party, or unreasonably delay this proceeding.

WHEREFORE, the Movants request that they be granted full intervenor status in this case.

SULLIVAN MOUNTJOY, PSC



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