Jeff C. Greer

From: Amy Acton
Sent: Tuesday, February 27, 2018 9:14 PM
To: Dennis Holt; Michelle Herrman
Subject: Information re: PSC First Request for Response
Attachments: BOD Presentation_9-14-17 Greg Shepler.ppt; BOD Presentation_10-19-17_wide by Greg Shepler.ppt; BOD Presentation_12-19-17 Draft1 Carter Babbit.ppt

Dennis and Michelle,

Please see attached the presentations I have from Carter Babbit and Greg Shepler which were provided for their appearance at our Board Meetings.

I hope this helps.

*Dennis – Michelle can fill you in – this is to assist in answering question (item 2a) of the First Request for Response – in coordination with the minute forwarded earlier.

Thank you

Amy A. Acton

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South Kentucky RECC
A Touchstone Energy Cooperative

Review of Amendment 3 / MOU
Power Supply Opportunities

for

South Kentucky RECC
A Touchstone Energy Cooperative

September 14, 2017

AGENDA

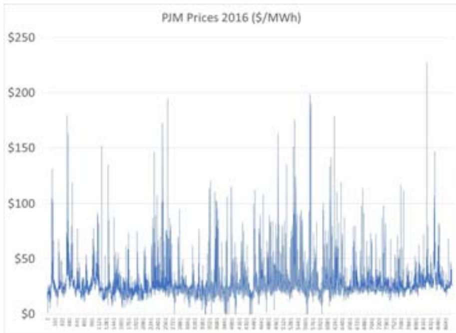
- Overview of Sky Global Deal
- Review of Amendment 3 / MOU Requirements
- Process Steps and Timing
- Potential EnerVision Support
- Next Steps

Sky Global Deal Overview

- New generating plant is basis for around the clock (7x24) PPA. Market energy purchased when plant does not run, effectively utilizing the plant as a call option that caps market price exposure.
- All fixed costs of the plant fully recovered in the PPA via capacity (reservation), fixed O&M, management, other charges. Variable costs fully recovered in the PPA based on operating costs.
- Sky Global develops plant and acts as owner/operator after construction.
- Sky Global acts as agent to procure market energy and supply 7x24.

Power Supply Components in PJM

Energy



Capacity

- Market-based rate applied to 5CP demand
- 2011-2021 range = $[redacted]/kW-month (avg. = $[redacted]/kW-mo.)

Transmission

- Cost-based rate applied to 1CP zonal demand
- 2017 cost = $[redacted]/MW-year

Ancillaries and PJM Fees

- Cost and market-based rates applied to demand or energy determinants
- 2010-2015 avg. = $[redacted]/MWh; range from $[redacted]/MWh

58 MW Supply (100% load factor):

Energy	Capacity	Transmission	Ancillaries and PJM Fees	***Total***
	@ $4/kW-mo.		@ $3/MWh	
$[redacted] M	$[redacted] M	$[redacted] M	$[redacted] M	$[redacted] M
$[redacted] / MWh	$[redacted] / MWh	$[redacted] / MWh	$[redacted] / MWh	$[redacted] / MWh

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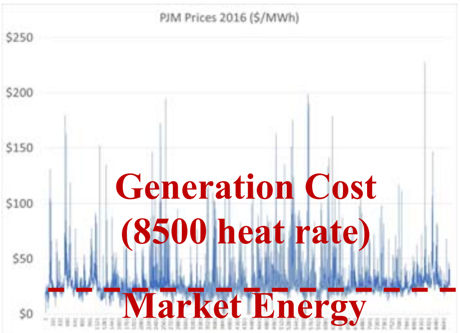
Sky Global's Proposal in 2016 Terms

Energy	Capacity	Transmission	Ancillaries and PJM Fees	Total
	• $15/kW-mo. Reservation • $8.16/kW-mo. FOM • $1.15/kW-mo. Mgt. Fee	• Cost of transmission of Generated Energy to the Delivery Point	• Cost responsibility not entirely clear	
$[redacted] M $[redacted] / MWh	$[redacted] M $[redacted] / MWh	$[redacted] M [redacted] / MWh	$?	$[redacted] M $[redacted] / MWh

EKPC (ballpark @ 4.5 cent energy)

Energy	Capacity	Transmission	Ancillaries and PJM Fees	Total
$[redacted] M $[redacted] / MWh	$[redacted] M $[redacted] / MWh			$[redacted] M $[redacted] / MWh

PJM (market-only)

Energy	Capacity	Transmission	Ancillaries and PJM Fees	Total
$[redacted] M [redacted] / MWh	$[redacted] M $[redacted] / MWh	$[redacted] M $[redacted] / MWh	$[redacted] M $[redacted] / MWh	$[redacted] M $[redacted] / MWh

Sky Global Economic Summary

- PPA cost is attractive versus EKPC's wholesale cost, but is not attractive relative to other power supply alternatives.
- Vast majority of PPA cost, even at high output levels, is fixed. Fixed cost is much higher than other alternatives in the market (even other new build options). This represents a risky profile for SKRECC.
- The proforma looks overly optimistic:
  - Assumed fuel cost is extremely low. This inflates the expected output of the plant, although it would not affect overall economics to the same degree. Higher fuel would decrease plant output, increase market purchases (and prices).
  - Costs to Buyer do not include peak period incentive payments, which are easily reached.
  - Rebate is assumed paid to Buyer, although contractually it is entirely at discretion of Seller and there is no rate/formula.

Sky Global Contract Provisions

- The contract is favorable to the Seller (who provided the initial draft). Below are some examples of provisions that demonstrate an uneven distribution of risk to SKRECC:
  - Reservation, fixed O&M, and management charges are all at the high end of the feasible range. There is no specific sharing of benefits if the Seller is able to minimize capital construction costs or fixed O&M. The rebate is undefined and entirely at the discretion of Seller.
  - Limited protection for Buyer in the event of a delayed Commercial Operation Date (COD). Liquidated damages (LDs) to Buyer are very small; Seller retains the majority of LDs from EPC contractor.
  - Peak season availability bonuses are extremely easy to achieve. Penalties for poor performance are limited; Buyer has little protection in event of catastrophic failure.
  - Limited remedies for most events other than termination (e.g., no opportunity to step in and complete construction).

Summary of Sky Global Opportunity

- Like the concept of supplementing a real asset with low cost market energy to provide a 7x24 energy profile. EKPC has confirmed that this is a viable Amendment 3 structure.
- Costs, especially fixed costs, are way too high:
  - Significantly reduces the benefit of accessing market energy;
  - Represents significant risk profile for SKRECC;
  - Materially higher than other market-based alternatives. New builds are difficult to justify economically in today's environment.
- Contract does not provide adequate protection to SKRECC. For example:
  - Limited LDs and remedies in event of COD delay.
  - Limited influence/representation on operating committee.
  - Long delays for nonperformance before default.

Review of Amendment 3 / MOU Requirements

Notice:

- **180 days** prior to delivery; 180 days prior to exit.
- **Term** start date (180 days +); term duration (max. 20 years).
- **Quantity** (max. based on 3 year average CP, other member elections).
- General description of **Source**.
- Approximate **Expected Pattern** of energy delivery; based on PPA parameters not necessarily profile of actual generation asset.
- Designate behind the meter or Related EKPC **Point of Delivery**.

Comments:

- Lots of flexibility with respect to alternative supply that would qualify.
- EKPC has indicated it could assist in drafting an acceptable notice.

EVI's Proposed Process Steps and Timing

	RFP	Evaluation	Negotiation	Notice	Implementation	Delivery
Today	Sept.	Oct. 1-15	Oct. 15 – Nov. 30	Dec. 2	Jan. 1 - May 31	June 1

- RFP. Limited RFP to select potential providers (3-6, perhaps including EKPC):
  - 58 MW, up to 20 years;
  - Maximize savings versus EKPC all requirements supply;
  - Tee up and send out by early next week; proposals by October 1 (~ 2 weeks prep).
- Evaluation. Apples-to-apples; cut to short list around October 15.
- Negotiation. Carry 2 respondents into negotiations to maintain competition and a "back-up" in case can't come to closure with the top choice.
- Serve Notice:
  - Prefer concurrent with contract execution, but not necessary. Recognize risk to SKRECC between notice date and contract execution.
  - Target December 2 (181 days to June 1); no later than EOY (3 year CP drops).
- Delivery. Prefer June 1 start to coincide with PJM fiscal year.

Potential EnerVision Support

	RFP	Evaluation	Negotiation	Notice	Implementation	Delivery
Level of Effort:	Low/ Moderate	Significant	Moderate/ Significant	Very Low	Very Low	Very Low
Estimated Fee Range:	[redacted]k	< $[redacted]k per Proposal	$[redacted]k			

Probable Total = $[redacted]k

Also recommend additional legal support

THANK YOU!

Amendment 3 / MOU
RFP Process Update

for

South Kentucky RECC
A Touchstone Energy Cooperative

October 19, 2017

AGENDA

- Where We Are
- Summary of Proposals and Economic Analysis
- The Short List
- Discussion of Issues
- Process and Timing Moving Forward

Where We Are

RFP	Evaluation	Negotiation	Notice	Implementation	Delivery
Sept.	Oct. 1-15	Oct. 15 – Nov. 30	Nov. 30	2018	June 1, 2019

- End of proposal evaluation
- Cut to short list
- Front end of contract negotiation

Overview of Proposals Received

Respondent	Capacity	Energy	Element Pricing	Questions / Issues
[redacted]	Pass-through	5, 7, 9 yrs. 7x24; AD Hub 5 yrs. 7x24; EKPC Zone	$[redacted]-$[redacted]/MWh $[redacted]/MWh	Longer term @ EKPC? Capacity?
[redacted]	5 yrs. RTO capacity 10 yrs. RTO capacity		$[redacted]/MW-day $[redacted]/MW-day	Energy? Work with 3rd party?
[redacted]	5 yrs.; 7x24; AD Hub; RTO capacity included 5 yrs.; 7x24; EKPC Zone; RTO capacity included		$[redacted]/MWh <$[redacted]/MWh	Longer term @ EKPC?
MSCG	Pass-through	5, 7, 10, 15 yrs. 7x24; EKPC Zone	$[redacted]-$[redacted]/MWh	Capacity?
[redacted]	Pass-through	5 yrs. load following; EKPC Zone 5 yrs. 7x24; EKPC Zone	$[redacted]/MWh $[redacted]/MWh	Longer term? Capacity?
[redacted]	20 yrs. based on new build		$[redacted]/MWh	High fixed costs

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Getting to an Apples-to-Apples Economic Comparison

- Estimated cost of power supply elements to get to all-in cost:
  - For all – estimated transmission and ancillary services rates for comparison to EKPC base case less 58 MW.
  - For all – assumed 15% reserve required to remain conservative (more on this later).
  - For those lacking capacity – market capacity price for two years; then [redacted] 5 year offer; then escalated at 2%.
  - For those priced at AD Hub – adjusted for basis difference to EKPC zone; requested EKPC pricing.

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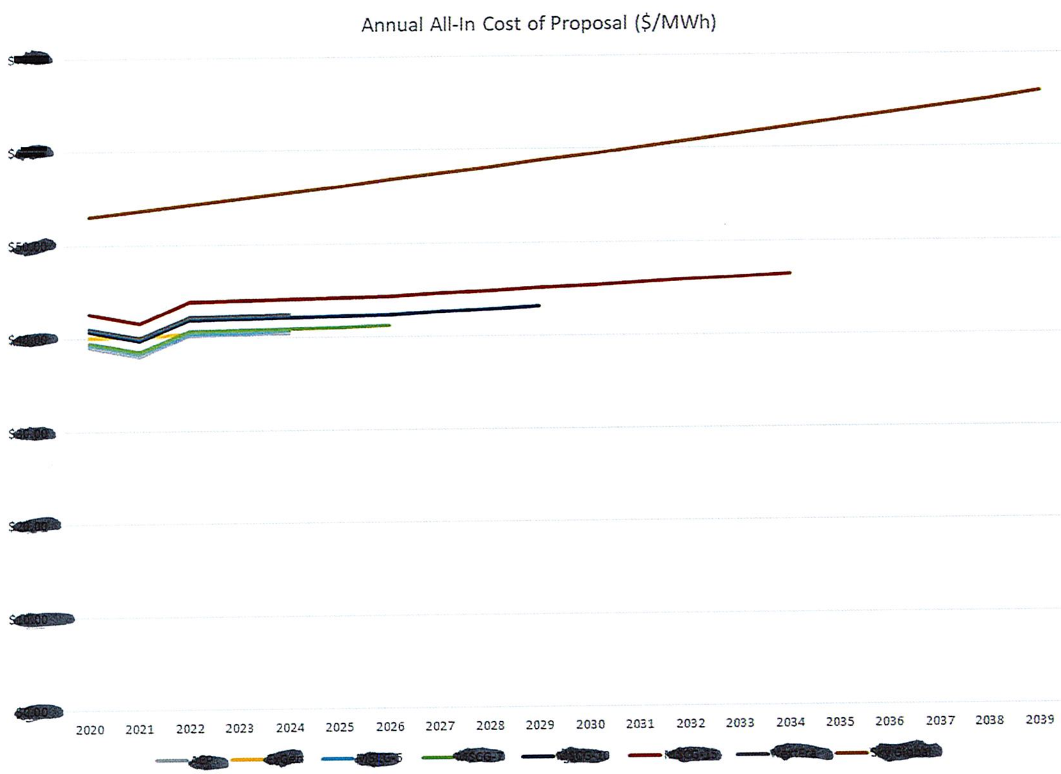
Economic Comparison of Proposals



- Reflects all-in cost of the 58 MW alternate supply on apples-to-apples basis
- Tight grouping of market-based proposals (expected)
- Increase in pricing the further out you go (expected)
- Market proposals significantly better than new-build (expected)

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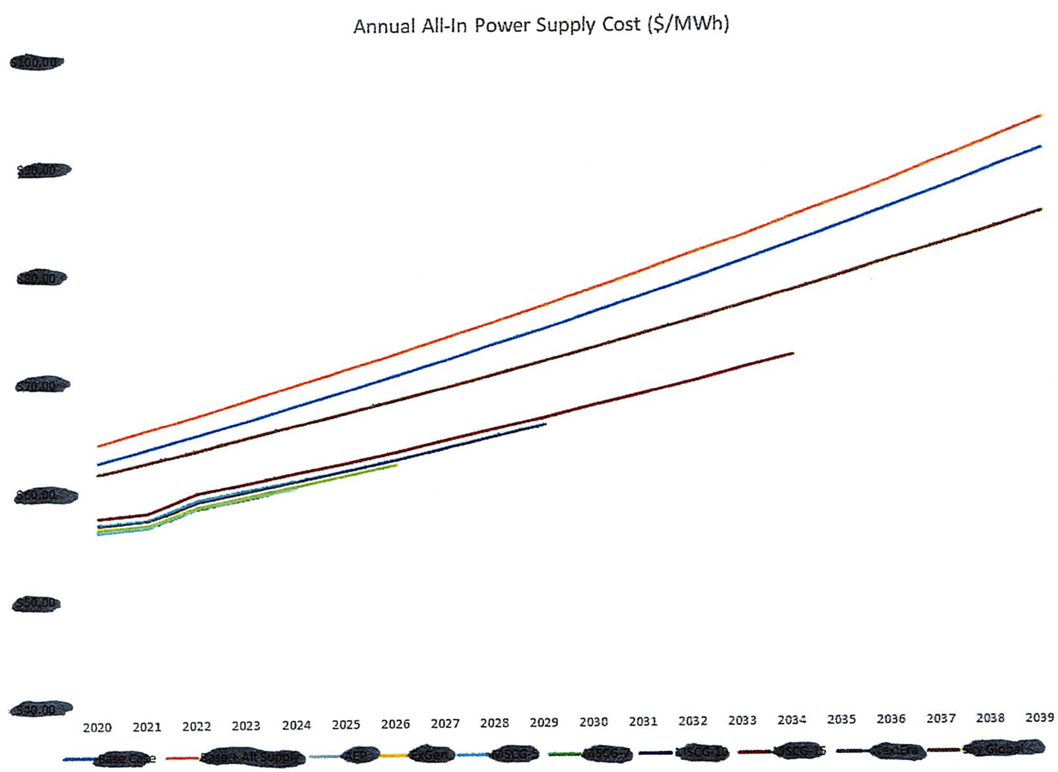
All-In Economic Comparison to EKPC



- Reflects SKRECC's estimated total power supply cost (Alternate Supply plus EKPC)
- Significant decrease in SKRECC's all-in power supply cost

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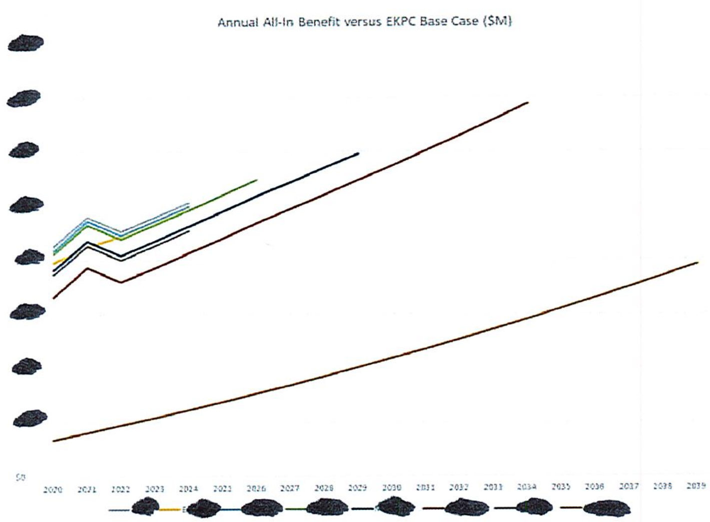
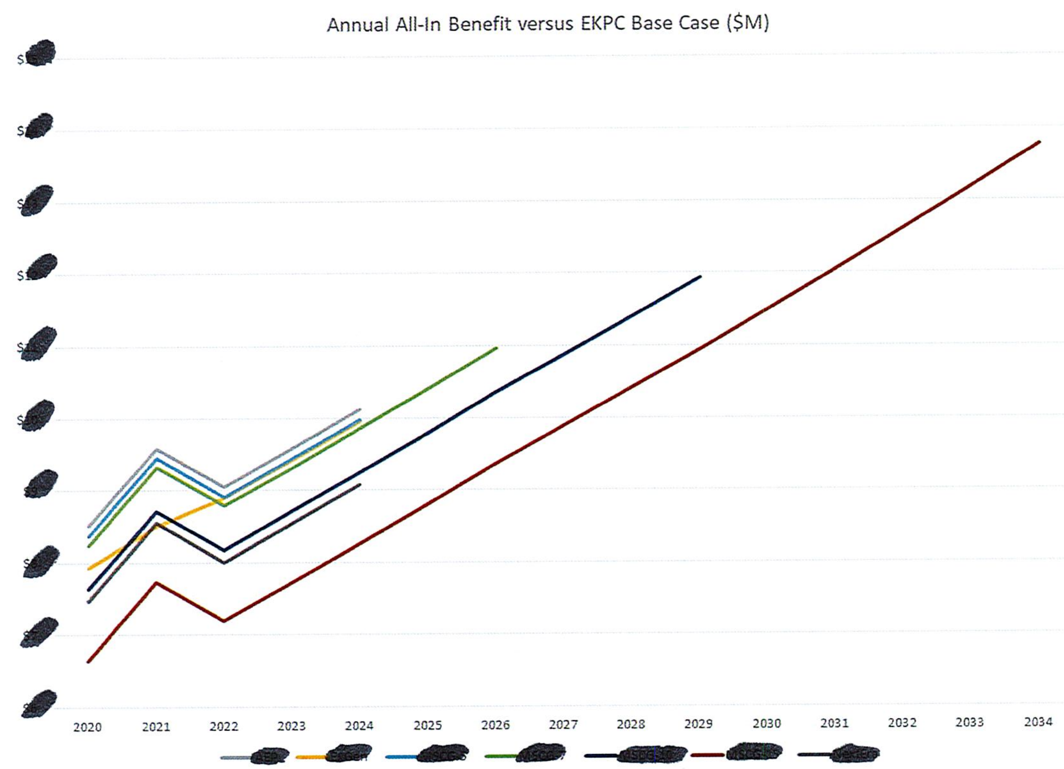
Estimated Annual Savings versus EKPC Base Case



- Base case assumes EKPC rate is flat through May 2020, then escalates at 2%
- Slightly less benefit for longer fixed price terms

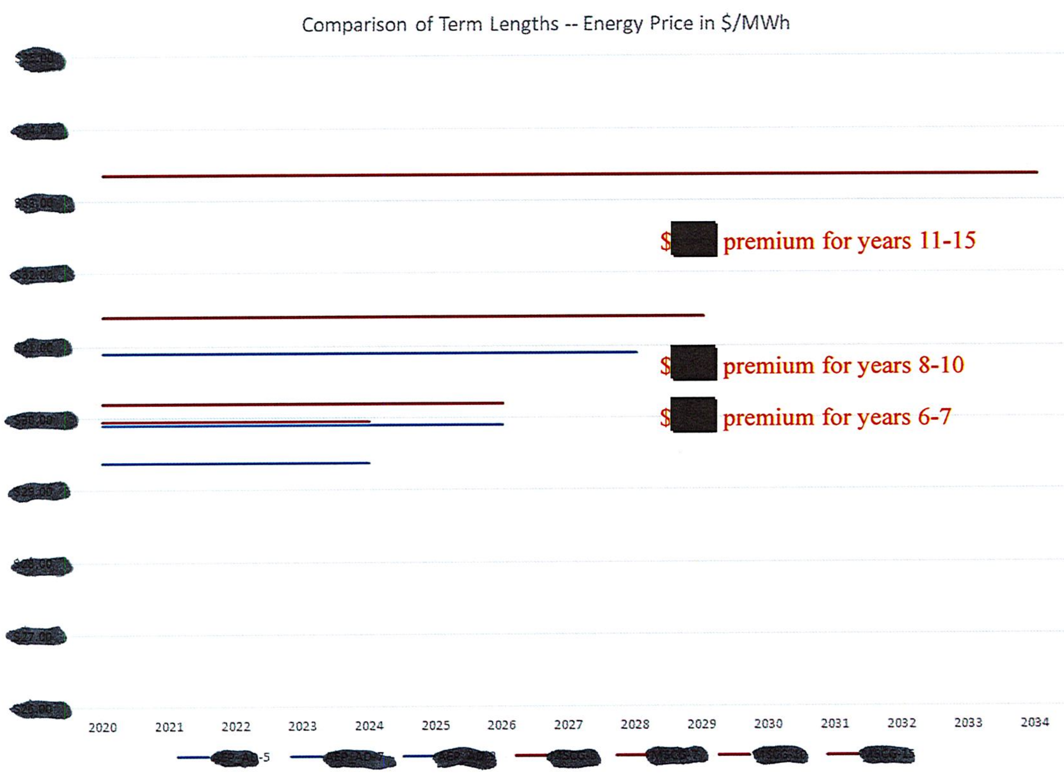


Short List Discussion

Respondent	Nature of Proposal(s)	Short-List Rationale
[redacted]	5-7-9 year energy-only at AD Hub; 5 years energy-only at EKPC Zone	• Will only provide 5 years energy-only at EKPC Zone. Can go longer term at AD Hub (locking in energy portion), then lock in EKPC basis differential in future
[redacted]	5 and 10 year proposals for RTO capacity	• Likely provider of capacity to lock in economics for PJM PY 2021 and beyond
[redacted]	5 years at EKPC Zone or AD Hub	• Only market-based offer that provides capacity and energy at fixed price (although only a 5-year term)
MSCG	5-7-10-15 year energy-only at EKPC Zone	• Competitive prices and the longest terms for marketers offering at EKPC Zone (10 and 15 years) • Provides Alternate Supply in PJM for other co-ops • Greater market presence than AEP
[redacted]	5 year energy-only at EKPC Zone	• Highest price of energy-only offers at EKPC Zone
[redacted]	20 year PPA based on new-build generator	• Significantly higher price than any other proposal, although it does represent a 20 year offer

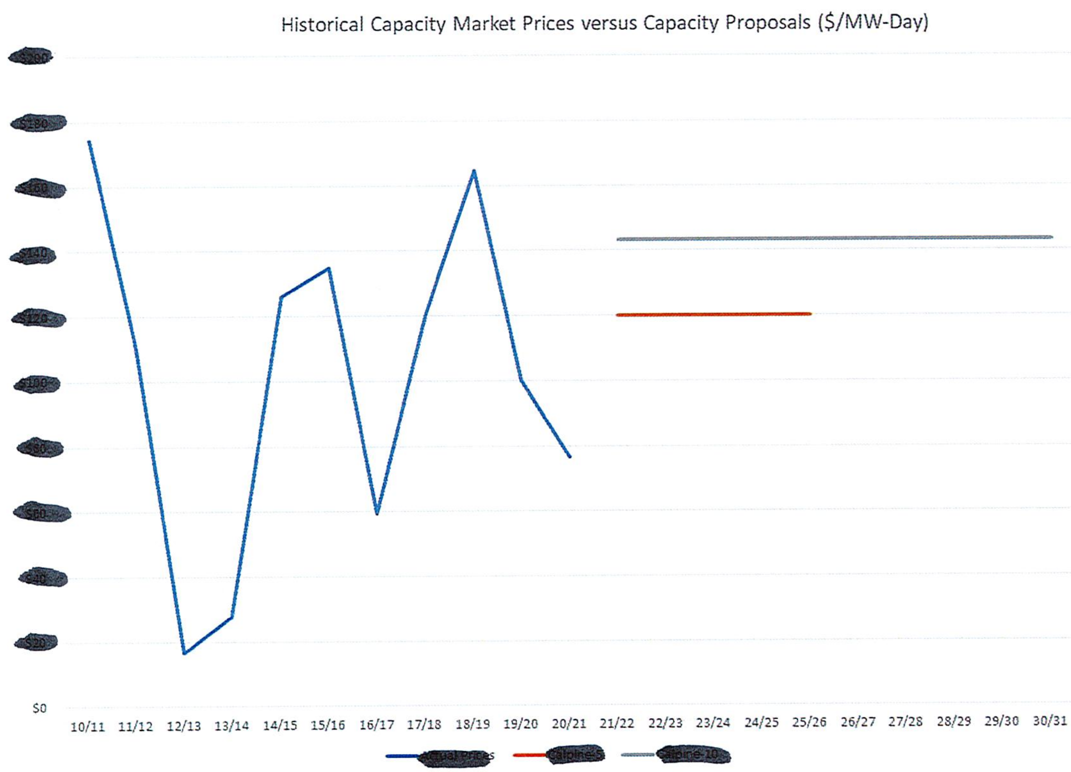
Recommend continuing Short-List discussions with these marketers

The Fixed Price Term Decision



- Compares the term premium for equivalent energy price proposals from two separate marketers (i.e., how much you're paying to extend the fixed energy price portion of the contract).
- 508,800 MWh per year means each $1.00 price difference represents $500k in savings to SKRECC.
- However, the longer fixed price term does provide greater certainty of savings.

The Capacity Lock-In Decision



- Compares historical market prices for capacity to Calpine's capacity offer for future periods (x-axis represents PJM's planning years).
- Capacity sellers are weighing their expectations of future market prices versus the security of an assured future revenue stream. SKRECC's decision represents the flip side of this equation.

A Few Other Gnarly Issues

- **PJM Capacity.**
  - PJM's capacity market auction determines prices for three years into the future.
  - EKPC has already allotted capacity to PJM for member load that covers the first two years of SKRECC's alternate supply.
- **Reserves and Losses.**
  - PJM assigns three separate factors to load serving entities to account for capacity reserves and transmission losses –final zonal RPM scaling factor; forecast pool requirement; EDC daily scaling factor (very small). The first two of these primarily for planning purposes (i.e., reserves).
  - Uncertainty regarding if/how these factors might apply via EKPC's billing process.
- **Getting to 20.**
  - Due to the increase in uncertainty and resulting price premium in future years, fixed energy prices for more than 10 years are not as attractive, and prices for more than 15 years are not readily available from most marketers.
  - Desire to provide notice for full 20 years, lock in pricing for first 10 years, and meet requirements reflecting an underlying 20 year power supply contract.

What Might the Final Contract Look Like?

- Fixed energy price for 10 years; delivered to EKPC Zone.
- Pass-through of capacity at market rate for first two years.
- Default is to procure capacity at market rates for years three and following. Capacity can be procured from third party in bilateral agreement at SKRECC direction.
- Fixed pricing for certain elements of power supply in years 11-20; pricing for some elements to be determined in future (with appropriate protections for SKRECC).
- EKPC acts as agent for PJM purposes:
  - Capacity and energy invoice for 58 MW comes through marketer;
  - PJM settlement/billing for 58 MW comes through EKPC;
  - EKPC costs associated with the 58 MW comes through EKPC.

Process and Ideal Timing Moving Forward

RFP	Evaluation	Negotiation	Notice	Implementation	Delivery
Sept.	**Oct. 1-15**	**Oct. 15 – Nov. 30**	**Nov. 30**	**2018**	**June 1, 2019**

Contract Negotiation	Now through November
Contract Execution (Lock in Energy Price)	Prior to November 30
Serve Notice	Immediately prior to/after execution
RUS Approval	Immediately after execution (60 day process)
Kentucky PSC Approval	TBD, but dependent on RUS process
Initial EKPC Implementation	After execution, but can wait until RUS/PSC approval
Lock In Capacity Price	After all approvals and EKPC initial implementation

Q&A

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Amendment 3 / MOU
RFP Process Update

for

South Kentucky RECC
A Touchstone Energy Cooperative

December 19, 2017

AGENDA

- Where We Left Off Last Meeting
- What has Changed
- Specifics of Morgan's Capacity Proposal
- New Estimated NPV Savings
- Benefits and Risks
- Conclusions
- Contract Negotiations
- What is Left to do

Where We Left Off Last Meeting

- Decision to move forward with Morgan Stanley to contract negotiations
- 20 year Morgan Stanley product
  - 20 year fixed energy to EKPC Zone at $[redacted] $/MWh
  - 13 year RTO capacity at $[redacted] MW-day
    - First 2 years of capacity purchased from PJM at the Final Zonal Capacity Price
      - Will be finalized by PJM before start date of contract
    - Last 5 years at $[redacted] MW-day escalated at 2%
  - **NPV savings estimated $[redacted]**

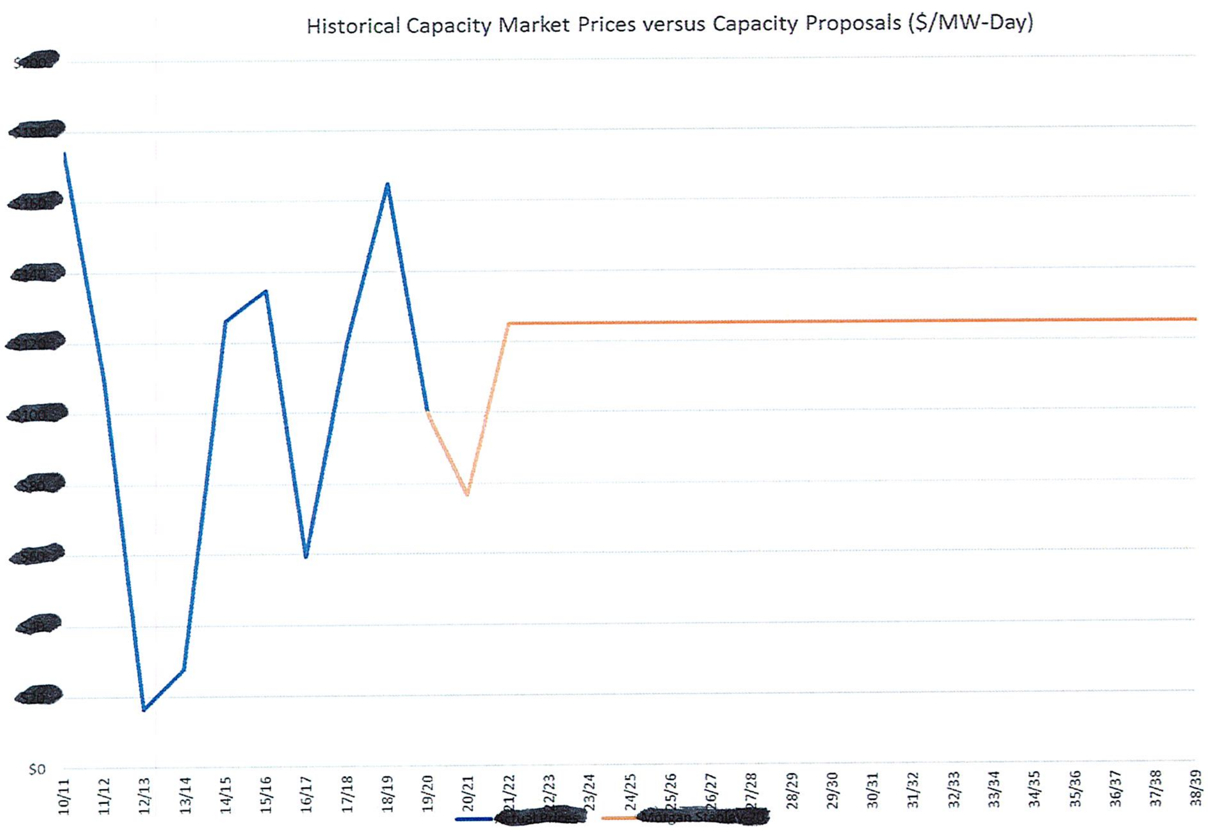
What Has Changed

- Morgan offered a 18 year capacity deal for $[redacted]/MW-Day, 13 year deal was $[redacted]/MW-day
  - Benefit
    - Matched up terms of capacity and energy
    - More confidence in approvals of EKPC and PSC for full 20 year deals
  - Cost
    - Reduced estimated NPV savings to $[redacted] M ($[redacted] energy price, no admin fee)
      - Worth the cost for more confidence on approvals
- Energy Market has gone up, then come back down
  - 11/9/2017 = $[redacted] for 20 years
  - 11/29/2017 = $[redacted] for 20 years
  - 12/14/2017 = $[redacted] for 20 years

What Has Changed

- More details about the Capacity product Morgan/Calpine has offered
  - Financial hedge rather than physical capacity
  - Hedge at $[redacted]/MW-day not a perfect hedge, but tool used to keep from large swings
  - Some variable in price paid for capacity
- Estimate of EKPC fee to be our Agent in PJM
  - Estimate to be $400k/yr
  - Still in negotiations to reduce this cost
- **New NPV $[redacted] M ($[redacted] energy price, with admin fee)**

The Capacity Hedge Decision



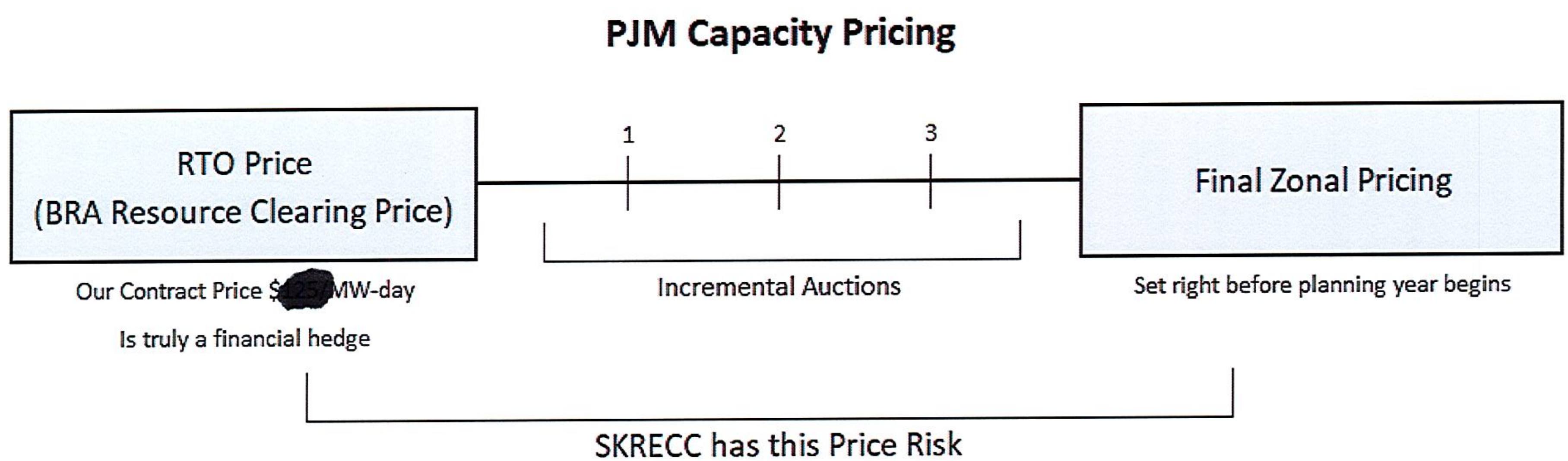
- Compares historical market prices for capacity to Morgan's capacity offer for future periods (x-axis represents PJM's planning years).
- Capacity sellers are weighing their expectations of future market prices versus the security of an assured future revenue stream. SKRECC's decision represents the flip side of this equation.

Contract Capacity Price is really a Financial Hedge
Example of How the Hedge Works

Planning Year	Our Contract Price	RTO Price (BRA Resource Clearing Price)	Settlement
2019/2020	$[redacted]/MW-day	$[redacted]	Morgan Pays SKRECC difference ($15*68*31)
2020/2021	$[redacted]/MW-day	$[redacted]	SKRECC Pays Morgan difference ($65*68*31)

- Not a perfect hedge because RTO Price is not the final price
- Not a perfect hedge because volume could be plus or minus 68 MW

Why the Hedge is not Perfect



- How large is the risk?

Scenario Analysis on Final Zone Price Risk

- NPV assuming a perfect hedge = **$[redacted] M**
- Scenarios considered for increase between RTO Price and Final Zonal Pricing
  - 10% = $[redacted] / MW-day in every year - **NPV = $[redacted] M**
  - 25% = $[redacted] / MW-day in every year - **NPV = $[redacted] M**
  - 50% = $[redacted] / MW-day in every year - **NPV = [redacted] M**
  - 75% = $[redacted] / MW-day in every year - **NPV = $[redacted] M**
  - $[redacted] / MW-day in every year - **NPV = $[redacted] M**
    - Morgan's offer to fully fix price through the Final Zonal Pricing
  - 100% = $[redacted] / MW-day in every year - **NPV = $[redacted] M**

* Now includes estimate for EKPC PJM Agent fee of $400k/yr

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Benefits and Risks of Executing this Contract

Benefits

- Estimated Savings – NPV
  - Between $[redacted] M and $[redacted] M (with a conservative Base Case)
- Diversity in Power Supplier
  - 15% of load served by someone other than EKPC
- Fuel Diversity
  - EKPC coal driven
  - This is fixed market energy

Risks

- PJM is constantly changing
  - New capacity and energy rules
  - Subsidized coal and nuclear
- Change in Law/Environmental
- Capacity Hedge Risk
- Future Market Energy Price below $[redacted]
- PSC approval and scrutiny

Conclusions

- This should be pretty easy
  - Yes, there is some variability in capacity pricing and other miscellaneous costs in PJM
  - These variables make up a small portion of the overall deal
    - 11% - 13% = Capacity costs
    - 10% - 13% = PJM costs and NITS
- We are still looking at probable savings well in excess of $[redacted] M
- Chance we pay more for this 58 MW than we would have paid if EKPC kept serving it – close to zero
- Yes, there are some risks of changes in PJM policy and Changes in Law
  - EKPC and the rest of PJM face same/similar risks
- Prepare internal strategy for PSC review

Contract Negotiations

- 99% done
- EEI Master Agreement
  - √ Coversheet
  - – Collateral Annex (1 issue outstanding)
  - √ Capacity Confirmation
  - √ Energy Confirmation

What is left to do?

- Finalize and Execute Contracts
- PSC Approval
- RUS Approval
- Implementation
  - Start PJM Membership process
  - Facilitate Morgan Stanley/EKPC discussions on day to day policies and procedures
  - Formalize responsibilities of EKPC as SKRECC Agent in PJM

Q&A

Jeff C. Greer

From: David Smart <david.smart@ekpc.coop>
Sent: Wednesday, February 14, 2018 11:46 AM
To: 'A.L. Rosenberger -- Nolin'; 'Alan Ahrman - Owen'; 'Barry Myers -- Taylor County'; 'Bill Prather -- Farmers'; Bobby Sexton; Boris Haynes; 'Carol Fraley -- Grayson'; 'Carol Wright - Jackson Energy'; 'Chris Brewer - Clark Energy'; 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)
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

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.

Jeff C. Greer

From: Terri Combs <terri.combs@ekpc.coop>
Sent: Wednesday, February 14, 2018 9:37 AM
To: Dennis Holt
Cc: Tony Campbell
Subject: RE: Meeting
Attachments: Executive Session Presention-MOU Discussion-V5.pptx

Good morning, Dennis. Attached is the document you requested. If you need anything more, please let me know.

Thank you,
Terri

From: Tony Campbell
Sent: Wednesday, February 14, 2018 9:09 AM
To: 'Dennis Holt' <dholt@skrecc.com>
Cc: Mark D. Goss <mdgoss@gosssamfordlaw.com>; Terri Combs <terri.combs@ekpc.coop>
Subject: RE: Meeting

Good morning Dennis,

Don't worry about yesterday, it is a process, and we might all be better off because of yesterday's discussions. You are totally correct in that South Kentucky exercised your right under the MOU. While I knew there would be some hell to pay, I totally underestimated how everyone got so ginned up. In addition, Dennis you did an outstanding job of managing the meeting!! I walked in there thinking it might be much worse, but your demeanor, and explanation went a long way in calming everyone down.

I want you to know the EKPC team will do what we can to assist. In addition, I know that time is of the essence, so we will work quickly. If you're okay with it I will try to get something together later this week. As-soon-as I get the troops lined up I'll get back to you by phone, (later today).

Terri will send you the presentation this morning.

Regards,
Anthony "Tony" Campbell
President and CEO
Phone: 859-745-9313
Fax: 859-744-7053

EAST KENTUCKY POWER COOPERATIVE
A Touchstone Energy Cooperative

EKPC SAFETY IS R.I.G.H.T

From: Dennis Holt [mailto:dholt@skrecc.com]
Sent: Wednesday, February 14, 2018 7:06 AM
To: Tony Campbell <tony.campbell@ekpc.coop>
Cc: Mark D. Goss <mdgoss@gosssamfordlaw.com>
Subject: Meeting

Tony,

I am sorry for the contention on EKPC's Board. I feel responsible as I underestimated the reaction and emotions of other Managers and Directors. While I firmly believe South Kentucky did nothing wrong we are willing to meet and discuss potential solutions from EKPC. Please let me know what dates you and/or your staff would be available to meet.

Also, I would like for my Board to be current and knowledgeable on the issue and would like to make the presentation given in the Executive Session available to them prior to our meeting. Would it be possible to have a copy sent to me for distribution to our Board?

Thanks so much.

Dennis Holt
President & CEO
South Kentucky RECC
Somerset, Kentucky 42503
Phone 606-678-4121
Cell 606-872-3555

From:	Greg Shepler
To:	Dennis Holt; Michelle Herrman; Jeff C. Greer; Kevin Newton; Mark D. Goss; David Samford
Cc:	Carter Babbit; Lynne Travis; Asia Ellington
Subject:	FW: South Kentucky Alternate Supply Questions
Date:	Friday, October 27, 2017 2:22:54 PM

See below for answers to our questions to David Crews. Nothing really surprising here, and overall positive. We can discuss next week.
Thanks,

Greg Shepler

From: David Crews [mailto:David.Crews@ekpc.coop]
Sent: Friday, October 27, 2017 10:11 AM
To: Greg Shepler <Greg.Shepler@enervision-inc.com>
Cc: Carter Babbit <Carter.Babbit@enervision-inc.com>
Subject: RE: South Kentucky Alternate Supply Questions

See answers in Green below.

From: Greg Shepler [mailto:Greg.Shepler@enervision-inc.com]
Sent: Tuesday, October 24, 2017 9:44 AM
To: David Crews <David.Crews@ekpc.coop>
Cc: Carter Babbit <Carter.Babbit@enervision-inc.com>
Subject: South Kentucky Alternate Supply Questions

David,

As we move forward in our process evaluating alternate supply, Carter and I have some additional questions for you/EKPC. While some of these may represent implementation details, we'd like to know as much as we can as we evaluate and plan. Here's our current list of questions:

1. We've not seen any EKPC resources declared as Fixed Resource Requirement (FRR) in PJM docs/reports, but please confirm if EKPC has declared any capacity for SKRECC under PJM as FRR.
   EKPC participates in the RPM market. We do not have any generation in the FRR market. The SKRECC load would be the first load on the EKPC system to be segregated from the EKPC load. We have sold all of EKPC's generation into the forward capacity markets but none is directly assigned to SKRECC. We would have to make some adjustments to our load requirments.
2. With one potential counterparty, we are contemplating an energy-only transaction with capacity to be procured from PJM or from a third party at SKRECC's direction. Would EKPC want to be considered as a potential provider of capacity to our counterparty (i.e., would EKPC be willing to sell capacity for the Alternate Supply quantity)? Note that we would be requesting pricing for a) the first two planning years and b) the balance of the term (to take us to either a full 10, 15, or 20 year term).
   Since all of our capacity is bid into the RPM market three years in advance, we don't have

any capacity to offer.

3. Please provide more detail on how the PJM scheduling and invoicing will work. Specific questions we have for the 58 MW supply:
    a. Will our Alternate Supplier be given the Wholesale Load Responsibility (WLR) or will this remain with EKPC?

        We agree that the Alternate Supplier will shoulder the WLR.
    b. Since the transaction anticipates SKRECC becoming a PJM member, will SKRECC be invoiced directly by PJM or will EKPC be invoiced and then line item charges passed-through to SKRECC? Will all charges be dealt with the same or will some be direct-billed to SKRECC and some passed-through?

        We see there being a discrete settelment from PJM for SKRECC. We anticipate that EKPC will receive it as your agent. How we handle it from there is open for discussion.   It won't be part of the billing that you get associated with the Wholesale Power Agreement.
4. What are EKPC's estimated incremental costs for managing this transaction (i.e., those for which SKRECC is responsible)?

    Please refer to the recent cogen tariff filings for that number. We added and administrative fee for handling PURPA units. It will mirror that fee. SKRECC filed a cogen tariff as well. Let me know if you have trouble finding it. I just don't have it handy right now.

Note that we will likely want to follow up later on questions specific to the notice procedure, but we can defer that for now. Email answers are fine for much of this, but it might be good to set up a call on some of the scheduling details. Let us know when you would have some time over the next few days – we'll be glad to set up a call.
Thanks,

Greg Shepler **Managing Principal**
T (678) 510-2921 | C (678) 525-2017 | (888) 999-8840
greg.shepler@enervision-inc.com | www.enervision-inc.com

ENERVISION® 4170 Ashford Dunwoody Road | Suite 550 | Atlanta, GA 30319
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Amendment 3 – Memorandum of Understanding

South Kentucky RECC Leadership

July 24, 2017

David Crews, SVP Power Supply

EAST KENTUCKY POWER COOPERATIVE

A Touchstone Energy Cooperative

Amendment 3 Background

- Owner Members purchase energy & transmission services from EKPC through the Wholesale Power Contract
- The Wholesale Power Contract is a full requirements contract
- Amendment 3 ("A3") allows Owner Members to serve some of their load with resources not provided by EKPC
- A3 sets limits on use of non-EKPC resources
  - Any Owner Member may not serve more than 15% of its load from resources not provided by EKPC
  - Any Owner Members together may not serve more than 5% of EKPC's load from resources not provided by EKPC

EAST KENTUCKY POWER COOPERATIVE
A Touchstone Energy Cooperative

Memorandum of Understanding ("MOU")

- Implementing A3 has been difficult because it sets forth basic principles, but does not include detailed procedures
- Owner Member CEOs & EKPC staff have worked together for years to develop procedures
- Issues associated with Owner Members serving their load with resources other than EKPC resources have been fully vetted
- MOU does not change any of the principles of A3

Key Terms of the MOU

- Resources used to supplant purchases from EKPC energy sales are Alternate Sources
- Alternate Sources are defined as any generator or purchase controlled by an Owner Member to serve Owner Member load
- Any Owner Member may serve up to 15% of its load with Alternate Sources until the sum of all Owner Member Alternate Sources exceeds 2.5% of the EKPC load
- When the sum of all Owner Member Alternate Sources exceeds 2.5%, Owner Members that are serving greater than 5% of their load with Alternate Sources may not add additional Alternate Sources
- When the sum of all Owner Member Alternate Sources exceeds 2.5%, Owner Members serving less than 5% of their load with Alternate Sources may not exceed 5% of their load

Key Terms of the MOU – *continued*

- The term of any Alternate Source shall not exceed 20 years
- The sum of all Owner Members' Alternate Sources may not exceed 5% of EKPC's load
- If an Alternate Source is not online within 6 months of date the Owner Member notified EKPC that it would be, the Owner Member must resubmit its notice
- Owner Members may reduce the capacity of an Alternate Source through revised notice
- Alternate Sources are treated differently depending on whether they are behind an EKPC meter

Alternate Source – Behind the EKPC Meter

- Behind the EKPC Meter Alternate Sources will not be subject to PJM requirements for scheduling generation
- Owner Members will submit to EKPC estimates of generation & outage schedules and notify EKPC of unscheduled outages; EKPC will use this information in developing EKPC generation & load schedules that EKPC submits to PJM
- Alternate Sources will be metered
- When the Alternate Source does not perform, replacement energy & capacity will be provided under the Wholesale Power Contract rate schedule

Alternate Source – Delivered to Transmission System

- Alternate Sources delivered to the transmission system will be subject to PJM rules
- Alternate Sources delivered to the transmission system will be required to purchase transmission services from PJM and participate in the PJM market
- Alternate Sources will be metered
- Owner Members will submit generation schedules for Alternate Sources to PJM through EKPC & ACES
- EKPC will recover its costs for management of Alternate Sources through administrative fees
- When Alternate Sources do not perform, replacement energy & capacity will be provided under the PJM tariff rate and not under the Wholesale Power Contract rate

A3 Notice

- Date the Alternate Source will begin
- Term of the agreement (</= 20 years)
- Alternate Source capacity / amount of demand reduction to EKPC purchases
- Description of the Alternate Source
- Alternate Source delivery point
  - Behind the Meter / Transmission / Hybrid
- Alternate Source dispatch pattern
- > 5 MWs – 18 months notice
- < 5 MWs – 90 days notice
- Noticed demand reduction change
- 6 months grace on Alternate Source start date (EKPC serves)

Questions and Discussion

EAST KENTUCKY POWER COOPERATIVE
A Touchstone Energy Cooperative

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Jeff C. Greer

From: Mark Stallons <mstallons@owenelectric.com>
Sent: Friday, February 09, 2018 1:44 PM
To: Bill Prather; Tim Sharp
Cc: bsexton@bigsandyrecc.com; Mike Williams (mikew@bgenergy.com); CHRIS BREWER (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; Dennis Holt; debbiem@shelbyenergy.com; bmyers@tcrecc.com; tony.campbell@ekpc.coop; Don Mosier; Mike McNalley; david.crews@ekpc.coop
Subject: RE: EKPC Amendment Three Notification
Attachments: A3 Cost Shift 020818.xlsx

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; 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>; debbiem@shelbyenergy.com; bmyers@tcrecc.com; tony.campbell@ekpc.coop
Subject: Re: EKPC Amendment Three Notification

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

EKPC 5% Limit

Owner-Member Cooperative	EKPC CP (MW) for Month of Feb 2015-Jan 2016	Feb 2016-Jan 2017	Feb 2017-Jan 2018	Average	5% Limit
Big Sandy	89.5	56.9	74.3	73.6	3.7
Blue Grass	410.9	324.4	382.2	372.5	18.6
Clark	154.0	113.6	139.4	135.7	6.8
Cumberland Valley	158.3	109.6	141.3	136.4	6.8
Farmers	136.4	115.9	138.4	130.2	6.5
Fleming Mason	196.9	166.9	189.1	184.3	9.2
Grayson	85.2	57.6	72.7	71.9	3.6
Inter-County	171.1	134.1	158.6	154.6	7.7
Jackson	325.6	230.2	293.6	283.2	14.2
Licking Valley	88.6	58.7	75.0	74.1	3.7
Nolin	211.1	199.1	215.5	208.6	10.4
Owen	347.4	350.7	423.8	374.0	18.7
Salt River	314.4	262.0	306.4	294.3	14.7
Shelby	120.5	99.6	113.9	111.3	5.6
South Kentucky	458.9	353.4	426.2	412.9	20.6
Taylor	159.4	139.1	157.0	151.8	7.6
Total	3,428.1	2,771.8	3,307.4	3,169.1	158.5

A3 Allotments, Based on Data Through January 2018

Owner-Member Cooperative	Owner-Member Peak (MW) Feb 2015-Jan 2016	Feb 2016-Jan 2017	Feb 2017-Jan 2018	Average	5% Election	15% Election
Big Sandy	89.5	58.8	74.3	74.2	3.710	11.1
Blue Grass	410.9	324.4	383.2	372.8	18.642	55.9
Clark	154.0	113.6	140.1	135.9	6.796	20.4
Cumberland Valley	158.3	110.0	141.3	136.5	6.826	20.5
Farmers	136.8	115.9	138.4	130.3	6.517	19.6
Fleming Mason	198.0	179.7	189.1	188.9	9.445	28.3
Grayson	85.2	58.3	72.7	72.1	3.603	10.8
Inter-County	171.1	134.4	158.6	154.7	7.736	23.2
Jackson	327.7	232.2	293.6	284.5	14.226	42.7
Licking Valley	88.6	60.6	76.6	75.3	3.763	11.3
Nolin	230.4	199.1	216.1	215.2	10.760	32.3
Owen	430.9	401.5	447.5	426.6	21.330	64.0
Salt River	316.1	262.0	306.4	294.8	14.742	44.2
Shelby	120.5	101.6	113.9	112.0	5.599	16.8
South Kentucky	458.9	353.4	426.2	412.9	20.643	61.9
Taylor	160.2	139.1	157.0	152.1	7.604	22.8
Total	3,537.0	2,844.5	3,335.0	3,238.8	161.9	

A3 Balances as of January 2018

Owner-Member Cooperative	Allocation %	Allocation MW	Notice Before 2018 & 2018 Non PJM Notices	PJM Notice Y or N	Please choose your 2018 PJM Notice	5% Balance MW	Live Pro-rata Share of Balance MW	Feb 8 2018 Pro-Rata Share of Balance MW
Big Sandy	5%	3.7	0.0	N	**0.0**	3.7	1.9	1.9
Blue Grass	5%	18.6	0.0	N	**0.0**	18.6	9.5	9.5
Clark	5%	6.8	0.0	N	**0.0**	6.8	3.5	3.5
Cumberland Valley	5%	6.8	0.0	N	**0.0**	6.8	3.5	3.5
*Farmers**	*5%*	*6.5*	*4.6*	Y	*1.9*	0.0	0.0	0.0
*Fleming Mason**	*5%*	*9.4*	*1.4*	N	**0.0**	8.0	4.1	4.1
Grayson	5%	3.6	0.0	N	**0.0**	3.6	1.8	1.8
Inter-County	5%	7.7	0.0	N	**0.0**	7.7	4.0	4.0
*Jackson**	*5%*	*14.2*	*6.0*	Y	*8.0*	0.0	0.0	0.0
Licking Valley	5%	3.8	0.0	N	**0.0**	3.8	1.9	1.9
Nolin	5%	10.8	0.0	N	**0.0**	10.8	5.5	5.5
*Owen**	*5%*	*21.3*	*2.0*	Y	*19.3*	0.0	0.0	0.0
*Salt River**	*5%*	*14.7*	*2.0*	Y	*12.7*	*0.0*	0.0	0.0
Shelby	5%	5.6	0.0	N	**0.0**	*5.6*	2.9	2.9
*South Kentucky**	*15%*	*61.9*	*58.0*	N	*0.0*	*0.0*	0.0	0.0
Taylor	5%	7.6	0.0	N	**0.0**	*7.6*	3.9	3.9
** indicates project in place or in process.*								
Total		203.2	74.0		41.9	83.2	42.6	42.5

Total projects MW cannot exceed 5% of the 3 year average of EKPC CP, which is currently 158.5 MW.

Feb 2015-Jan 2016 Peak Occurred Feb 2015
Feb 2016-Jan 2017 Peak Occurred Jan 2017
Feb 2017-Jan 2018 Peak Occurred Jan 2018

Noticed Projects

Owner-Member	Project	Notice Given	MW	Delivery Date
Jackson	Irvine LFGTE		1.6	10/2013
Jackson	Dupree Energy Sys		1.0	3/2015
Farmers	Federal Mogul DG		3.6	2005
Farmers	Glasgow LFGTE		1.0	11/2015
Salt River	Lock 7		2.0	2013
Owen	Owen Office		2.0	2016
South Kentucky	PJM/Market	12/2018	58.0	6/2019
Salt River	PJM/Market	2/2018	12.7	9/2019
Owen	PJM/Market	2/2018	19.3	9/2019
Fleming-Mason	LFG PPA	2/2018	1.4	10/2018
Jackson	PJM Market	2/2019	8.0	
Jackson	Hydro	2/2020	3.4	
Total Projects			**114.0**	
Not to Exceed 158.5 MW				
Remaining Balance of 5% Amendment 3 Pool Feb 8, 2018			**44.46**	
Noticed February 8, 2019 not in above			**1.9**	

Assumed Savings per Year (DRAFT)

Cooperative	MW Load Noticed 2018	Savings per MW	Savings per Year
Big Sandy	0.00	**$ 20.00**	$ -
Blue Grass	0.00	$ 20.00	$ -
Clark	0.00	$ 20.00	$ -
Cumberland Valley	0.00	$ 20.00	$ -
Farmers	1.90	$ 20.00	$ 332,880
Fleming Mason	0.00	$ 20.00	$ -
Grayson	0.00	$ 20.00	$ -
Inter-County	0.00	$ 20.00	$ -
Jackson	8.00	$ 20.00	$ 1,401,600
Licking Valley	0.00	$ 20.00	$ -
Nolin	0.00	$ 20.00	$ -
Owen	19.30	$ 20.00	$ 3,381,360
Salt River	12.70	$ 20.00	$ 2,225,040
Shelby	0.00	$ 20.00	$ -
South Kentucky	$ 58.00	$ 20.00	$ 10,161,600
Taylor	0.00	$ 20.00	$ -
Totals	**99.90**		**17,502,480**

Amendment 3 Impact on EKPC (DRAFT)

Notice	***MW***	***MWh/Year***	***ES $ Shift***	***ES %***	***Base $ Shift***	***Total $ Shift***
Big Sandy	0.0	-	$ -	0.00%	$ -	$ -
Blue Grass	0.0	-	$ -	0.00%	$ -	$ -
Clark	0.0	-	$ -	0.00%	$ -	$ -
Cumberland Valley	0.0	-	$ -	0.00%	$ -	$ -
Farmers	1.9	16,644	$ 134,310.34	1.90%	$ 425,862.07	$ 560,172.41
Fleming Mason	0.0	-	$ -	0.00%	$ -	$ -
Grayson	0.0	-	$ -	0.00%	$ -	$ -
Inter-County	0.0	-	$ -	0.00%	$ -	$ -
Jackson	8.0	70,080	$ 565,517.24	8.01%	$ 1,793,103.45	$ 2,358,620.69
Licking Valley	0.0	-	$ -	0.00%	$ -	$ -
Nolin	0.0	-	$ -	0.00%	$ -	$ -
Owen	19.3	169,068	$ 1,364,310.34	19.32%	$ 4,325,862.07	$ 5,690,172.41
Salt River	12.7	111,252	$ 897,758.62	12.71%	$ 2,846,551.72	$ 3,744,310.34
Shelby	0.0	-	$ -	0.00%	$ -	$ -
South Kentucky	58.0	508,080	$ 4,100,000.00	58.06%	$ 13,000,000.00	$ 17,100,000.00
Taylor	0.0	-	$ -	0.00%	$ -	$ -
Member Owner Total	**99.9**	**875,124**	**$ 7,061,896.55**		**$ 22,391,379.31**	**$ 29,453,275.86**
EKPC 2018 Budget	**29,194**	**13,534,101**	**EKPC Pass Thru**		**EKPC Rate Increase**	

Cost Shift Percentages

EKPC Base Rate Impact	***EKPC 2018 Budget (pgA2)***	***Base Shift***	***Percent Increase***
Base Rate	**$ 777,941,988.00**	**$ 22,391,379.31**	**2.88%**
EKPC ES Revenue	**$ 109,603,865.00**	**$ 7,061,896.55**	**6.44%**

Jeff C. Greer

From: David Crews <David.Crews@ekpc.coop>
Sent: Wednesday, February 07, 2018 4:05 PM
To: Barry Myers; Bill Prather; Bobby Sexton; Carol Fraley; Carol Wright - Jackson Energy; Chris Brewer - Clark Energy; Debbie Martin; Dennis Holt; Jerry Carter; Joni Hazelrigg; Kerry Howard; Mark Stallons; Mickey Miller; Mike Williams; Ted Hampton; Tim Sharp - Salt River Electric
Subject: Amendment 3 Allotment Jan 2018 for distribution.xlsx
Attachments: Amendment 3 Allotment Jan 2018 for distribution.xlsx

This is the spreadsheet updated with notices received today.

A3 Allotments, Based on Data Through January 2018

Owner-Member Cooperative	Owner-Member Peak (MW)			Average	5% Election	15% Election
	Feb 2015- Jan 2016	Feb 2016- Jan 2017	Feb 2017- Jan 2018			
Big Sandy	89.5	58.8	74.3	74.2	3.7	11.1
Blue Grass	410.9	324.4	383.2	372.8	18.6	55.9
Clark	154.0	113.6	140.1	135.9	6.8	20.4
Cumberland Valley	158.3	110.0	141.3	136.5	6.8	20.5
Farmers	136.8	115.9	138.4	130.3	6.5	19.6
Fleming Mason	198.0	179.7	189.1	188.9	9.4	28.3
Grayson	85.2	58.3	72.7	72.1	3.6	10.8
Inter-County	171.1	134.4	158.6	154.7	7.7	23.2
Jackson	327.7	232.2	293.6	284.5	14.2	42.7
Licking Valley	88.6	60.6	76.6	75.3	3.8	11.3
Nolin	230.4	199.1	216.1	215.2	10.8	32.3
Owen	430.9	401.5	447.5	426.6	21.3	64.0
Salt River	316.1	262.0	306.4	294.8	14.7	44.2
Shelby	120.5	101.6	113.9	112.0	5.6	16.8
South Kentucky	458.9	353.4	426.2	412.9	20.6	61.9
Taylor	160.2	139.1	157.0	152.1	7.6	22.8
Total	3,537.0	2,844.5	3,335.0	3,238.8	161.9	

Jeff C. Greer

From: Terri Combs <terri.combs@ekpc.coop>
Sent: Tuesday, January 30, 2018 2:27 PM
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 - Clark Energy; 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: Ann Bridges; Barry Lindeman; Barry Mayfield; Craig Johnson; David Crews; David Smart; Denver York; Don Mosier; Jerry Purvis; Mike McNalley; Terri Combs; Tom Stachnik; Tony Campbell
Subject: RE: Potential MOU Strategy
Attachments: Directors and Owner-Member CEO MOU Memo.docx; Amendment 3.pdf; MOU _Final_072015_.pdf

Importance: High

Sending on behalf of Tony Campbell:

Directors/CEO's,

I have been contacted by a number of Owner-Member CEO's regarding the MOU. Needless-to-say, EKPC is bound by the language of the MOU agreement signed by all 16 Owners. It seems the most concerning worry is the fact that there will potentially be cost shifting if I cannot mitigate the loss of load. Plus the fact that there might be some Owner-Members left out if we have an additional run on the MOU bank.

For the above reasons, we at EKPC are trying to find a solution that might prevent that from happening. I have attached a memo that describes our proposal. In addition, I have attached a copy of the MOU, and Amendment #3. At the next board meeting we will discuss this in much greater detail, and begin the process.

Regards,
Anthony "Tony" Campbell
President and CEO
Phone: 859-745-9313
Fax: 859-744-7053

not to be copied or forwarded to any unauthorized persons. If you have received this electronic mail transmission in error, delete it from your system without copying or forwarding it, and notify the sender of the error by replying via email or by calling East Kentucky Power Cooperative, Inc. at 859-744-4812 (collect), so that our address record can be corrected.

Directors and CEO's:

As you know, RUS, EKPC and all Owner-Members executed Amendment No. 3 to the Wholesale Power Contract on or about October 17, 2003. This provided, among other things, that the Member Owners would have an option, from time to time with notice to EKPC, to receive electric power and energy from persons other than EKPC, or from facilities owned or leased by the Members, provided that the aggregate amount of all Member Owners' elections not exceed expressed quantified limitations. In an attempt to clarify, the process for taking this alternate power from a source other than EKPC, in 2015 the Owner Members executed a Memorandum of Understanding (MOU) to guide everyone through the process.

On November 28, 2017, SKRECC provided notice to EKPC of its intent to take 58 MWs of power from an alternate source to be in conformity and in compliance with the MOU. Pursuant to the MOU and Amendment No. 3, and including all other alternate sources already in existence (16 MWs) consistent with the MOU, this left 85 MWs available to the remaining 15 Owner-Members at the time of SKRECC's notice.

Recently, as a result of SKRECC's action to take 15%, a number of CEO's of the remaining 15 Owner-Members have contacted EKPC regarding what they believe to be the fairness or lack of opportunity for the remaining small reserve under the MOU. It is EKPC's intent to share this sentiment to the Board and the CEO's. The comments that EKPC has received from the remaining 15 Owner-Members reflects their concerns that there may not be enough MWs to distribute among those others interested in participating under the MOU.

In an attempt to fairly provide an opportunity to the remaining 15 Owner-Members the ability to purchase power with the remaining MWs under the MOU, EKPC is offering to take the remaining portion of alternate power to the market for all of the remaining 15 Owner-Members spread proportionately among them.

Please understand that this decision by EKPC is an offer to try and help with any potential cost shifting that might occur to the remaining 15 Members, and is not necessarily a decision to guarantee lower rates. EKPC will also use all other available opportunities to mitigate any potential cost shifting to the best of its ability.

In the meantime, EKPC asks that all 15 remaining Member Owners allow EKPC time to aggregate this remaining percentage under the MOU for all of the 15 Member Owners who wish to participate and ask they not submit any independent MOU notices of intent to exercise that option. EKPC will do its best to take advantage of the best possible pricing for this remaining alternate power supply and to limit risk where possible.

EKPC intends to have an in-depth discussion of these issues, and begin the process, at our February 13th Board meeting in Executive Session with all Directors and CEO's. I have attached sample copies of both the MOU and Amendment No. 3 for your convenience.

MEMORANDUM OF UNDERSTANDING AND AGREEMENT
REGARDING ALTERNATE POWER SOURCES

This Memorandum of Understanding and Agreement (**"MOU&A"**) is entered into and effective as of this [_] day of [______________________], 2015, by and between East Kentucky Power Cooperative, Inc. (**"EKPC"**), and each of the following Member Distribution Cooperatives (also referred to herein as **"Owner Member"**):

<u>Member Distribution Cooperatives</u>

Big Sandy Rural Electric Cooperative Corporation
Blue Grass Energy Cooperative Corporation
Clark Energy Cooperative, Inc.
Cumberland Valley Electric
Farmers Rural Electric Cooperative Corporation
Fleming-Mason Energy Cooperative
Grayson Rural Electric Cooperative Corporation
Inter-County Energy Cooperative Corporation
Jackson Energy Cooperative Corporation
Licking Valley Rural Electric Cooperative Corporation
Nolin Rural Electric Cooperative Corporation
Owen Electric Cooperative, Inc.
Salt River Electric Cooperative Corporation
Shelby Energy Cooperative, Inc.
South Kentucky Rural Electric Cooperative Corporation
Taylor County Rural Electric Cooperative Corporation

<u>Factual Recitals</u>

0.1 Each Owner Member is an electric cooperative, organized under the laws of the State of Kentucky, engaged in the business of supplying and distributing electric power and energy to its members within a certain service area, for which business the Owner Member operates an electric distribution system, among other operations.

0.2 EKPC is a generation and transmission cooperative corporation, organized under the laws of the State of Kentucky, which is owned by its Owner Members, which are certain electric cooperatives operating in the State of Kentucky (**"Owner Members"**).

0.3 EKPC and each Owner Member are parties to a Wholesale Power Contract, dated October 1, 1964, as amended, pursuant to which (among other things) EKPC sells and delivers to that Owner Member, and that Owner Member purchases and receives, electric power and energy required for the operation of the Owner Member's electric system. Such Wholesale Power Contracts are identical in all material respects, except for the identification of the respective Owner Member that is a party to each such agreement. A reference herein to **"Wholesale Power Contract"** refers to each and every such agreement.

0.4 As of October 23, 2003, each Wholesale Power Contract was amended by the execution of that certain amendment designated and known as **"Amendment No. 3"** thereto, to provide, among other things, for the obtaining by the subject Owner Member of electric power and energy from sources other than EKPC for use in operating the Owner Member's electric system, subject to certain limitation and required procedures set forth therein. Except for the identification of the respective Owner Member that is a party to each such Amendment No. 3, all of such amendments are identical. A reference herein to **"Amendment No. 3"** refers to each and every such amendment.

0.5 EKPC and certain Owner Members have, in the past, disagreed on the interpretation of some provisions of Amendment No. 3 and, therefore, to the Wholesale Power Contract as amended thereby.

0.6 The Owner Members each have a keen interest in pursuing or investigating opportunities to develop or otherwise obtain and use sources of electric power and energy other than EKPC. Such non-EKPC sources are hereinafter referred to as **"Alternate Sources"** and further defined in Section 2(A) below.

0.7 EKPC and each Owner Member each desire to avoid litigation over the provisions of the Wholesale Power Contract that pertain to Alternate Sources, and thereby avoid the costs and uncertainty of such litigation.

NOW THEREFORE, in consideration of the mutual covenants, understandings, and undertakings set forth herein, each of the Owner Members and EKPC, agree as follows:

Understandings, Stipulations, and Agreements

1. Term

(A) This MOU&A shall become effective on the date first written above and shall continue in effect until the termination of the Wholesale Power Contract. If the Wholesale Power Contract between EKPC and one of the Owner Members terminates before the other Wholesale Power Contracts, then this MOU&A shall terminate with respect to that Owner Member, but shall remain in effect with respect to the other Owner Members.

2. Scope

(A) The purpose of this MOU&A is to memorialize EKPC's and the Owner Members' mutually agreed interpretation of Amendment No. 3 with respect to Alternate Sources. Except as provided in Section 2(B), an **"Alternate Source"** is any generating resource that is owned (directly or indirectly, in whole or in part) or controlled (directly or indirectly, in whole or in part) by an Owner Member, regardless of whether the resource is connected to the Owner

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Member's distribution system, or any power purchase arrangement under which an Owner Member purchases capacity or energy (or both), if such generating resource or power purchase arrangement is used to serve any portion of the Owner Member's load.

(B) A generating resource that meets the definition of a "Behind the Meter Source" as set forth in Section 4(A)(v)(a) that is used by a Member solely to provide energy to serve interruptible retail load during times when service for such load through PJM has been interrupted pursuant to the load's participation in PJM's demand response program will not be considered an "Alternate Source" subject to the requirements of this MOU&A. If an Owner Member desires to use such a generating resource at any other time, the Owner Member must comply with the requirements of this MOU&A with respect to that generating resource.

(C) Nothing in this MOU&A is intended to modify any of the express provisions of Amendment No. 3. During the term of this MOU&A, neither EKPC nor any Owner Member shall assert that this MOU&A is invalid for the reason that it is contrary to or inconsistent with the Wholesale Power Contract. In the event of an actual conflict between the Wholesale Power Contract, as amended, including by Amendment No. 3, and this MOU&A, the Wholesale Power Contract, as amended, including by Amendment No. 3, shall control.

3. Maximum Permissible Demand Reduction.

(A) The maximum demand reduction that an Owner Member can obtain through the use of Alternate Sources shall be determined as follows:

(i) All demand measurements, whether of EKPC aggregate demand or an Owner Member's demand, called for in this Section 3 shall be measured in megawatts in 15-minute intervals and shall be adjusted to include any interruptible load that was interrupted at the time of measurement.

(ii) If in connection with its acquisition of new service territory the Owner Member provides evidence to EKPC and the RUS in the related acquisition agreement that the acquired service territory must continue to be served by the current power supplier as a condition of the acquisition, the acquired service territory may be supplied by such current power supplier for so long as is required under the terms of such acquisition agreement. Until such supply from the current power supplier is terminated, the load of such acquired service territory shall not be included in the calculations of the 5% and 15% limitations set forth below in this Section 3 applicable to the Owner Member that acquired the service territory or any other Owner Member. From and after the termination of such supply from the current power supplier, the load of such acquired service territory (including such load during the three (3) twelve-month (12-month) periods immediately preceding the date of termination of such supply from the current power supplier) shall be included in calculations of the 5% and 15% limitations set forth below in this Section 3 applicable to the Owner Member or any Other Member.

(iii) If, at the time the Owner Member submits an election notice pursuant to Section 4, the aggregate amount of all Owner Members' loads being served with Alternate Sources (including the load proposed to be served by the Owner Member's new Alternate Source) would be less than two and one half percent (2.5%) of the rolling average of EKPC's coincident peak demand for the single calendar month with the highest peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding the date the Owner Member delivers such election notice, the Owner Member's aggregate demand reduction from Alternate Sources (including the demand reduction from the proposed new Alternate Source) may not exceed 15% of the rolling average of the Owner Member's coincident peak demand for the single calendar month with the highest average peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding the date the Owner Member delivers such election notice. If this 15% threshold would be exceeded, the Alternate Source shall not be permitted unless the load proposed to be served by it is reduced such that this 15% threshold is not exceeded.

(iv) If, at the time the Owner Member submits an election notice pursuant to Section 4, the aggregate amount of all Owner Members' loads being served with Alternate Sources (including the load proposed to be served by the Owner Member's new Alternate Source) would be equal to or greater than two and one half percent (2.5%) of the rolling average of EKPC's coincident peak demand for the single calendar month with the highest peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding the date the Owner Member delivers such election notice, the Owner Member's aggregate demand reduction from Alternate Sources (including the demand reduction from the proposed new Alternate Source) may not exceed five percent (5%) of the rolling average of the Owner Member's coincident peak demand for the single calendar month with the highest average peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding the date the Owner Member delivers such election notice. If this five percent (5%) threshold would be exceeded, the Alternate Source shall not be permitted unless the load proposed to be served by it is reduced such that this five percent (5%) threshold is not exceeded.

(v) If, at the time the Owner Member submits an election notice pursuant to Section 4, the aggregate amount of all Owner Members' loads being served with Alternate Sources (including the load proposed to be served by the Owner Member's new Alternate Source) would be greater than five percent (5%) of the rolling average of EKPC's coincident peak demand for the single calendar month with the highest peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding the date the Owner Member delivers such election notice, the

Alternate Source shall not be permitted unless the load proposed to be served by it is reduced such that this five percent (5%) threshold is not exceeded.

(vi) The term of any Alternate Source (inclusive of any renewal options), whether the Alternate Source is a generating facility owned or controlled by the Owner Member or a contract with a third party, shall not exceed twenty (20) years.

(a) Any Alternate Source that is a contract in effect at the time when the 2.5% threshold defined in Section 3(A)(iii) is reached will be honored for the remaining term of the contract (without exercise of any renewal option). However, if at the end of the existing contract's term that was in effect when the 2.5% threshold was reached, the 2.5% threshold continues to be reached or is exceeded, and the Owner Member's aggregate amount of Alternate Source elections then exceeds the 5% threshold defined in Section 3(A)(iv), then the Alternate Source contract may not be renewed unless the Owner Member reduces the aggregate amount of the Owner Member's load served by Alternate Sources such that the aggregate amount of the Owner Member's load served by Alternate Sources (taking into account the renewal of the contract) does not exceed the 5% threshold set forth in Section 3(A)(iv). The Owner Member may meet this requirement by using demand reduction available to another Owner Member, in accordance with Section 3(B).

(b) Any Alternate Source that is a generating facility owned or controlled by the Owner Member that is in effect when the 2.5% threshold defined in Section 3(A)(iii) is reached will be honored for the remaining term of the Alternate Source as set forth in the notice provided under Section 4(A).

(B) Demand reduction available to one Owner Member may be used by another Owner Member if those two Owner Members so agree; provided, however, that in no event may a new Alternate Source proposed by an Owner Member in an election notice pursuant to Section 4 be approved if:

(i) the aggregate amount of all Owner Members' loads being served with Alternate Sources (including the load proposed to be served by the Owner Member's new Alternate Source) would be greater than five percent (5%) of the rolling average of EKPC's coincident peak demand for the single calendar month with the highest peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding the date the Owner Member delivers such election notice; or

(ii) the aggregate amount of the Owner Member's load being served by Alternate Sources (including the load proposed to be served by the Owner Member's new Alternate Source) would be greater than fifteen percent (15%) of the rolling average of the Owner Member's coincident peak demand for the single calendar month with the highest average peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding such notice.

4. <u>Alternate Source Notices</u>

(A) In order for an Owner Member to reduce its purchases from EKPC by using electric power and energy from an Alternate Source, that Owner Member shall have provided EKPC with prior written notice of such reduction in accordance with the procedures and requirements set forth herein. Each such notice hereunder (an **"Alternate Source Notice"**) shall set forth the following information regarding the subject Alternate Source:

(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);

(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 the Alternate Source, appropriately taking into account expected losses, if any;

(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;

(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; and

(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.

(B) Except as provided in Section 4(C) below, each Alternate Source Notice shall be provided to EKPC in writing at least eighteen (18) months prior to the date on which the use of the subject Alternate Source is to begin.

(C) For each Alternate Source having a noticed demand reduction of 5,000 kW or less, the required prior written notice may be provided to EKPC up to, but not later than ninety (90) days prior to the date on which the Owner Member intends to begin using that Alternate Source.

(D) An Owner Member may change or cancel an Alternate Source Notice only by providing to EKPC prior written notice of such change or cancellation, as follows: If after three years of operation an Alternate Source has a three-year rolling average peak capacity less than the maximum capacity set forth in the initial Alternate Source Notice, the Owner Member may reduce the maximum capacity of such Alternate Source by providing written notice to EKPC. Any such reduction shall not change the term or other characteristics of the Alternate Source. Ninety (90) days' prior written notice of any other change or any cancellation shall be required for an Alternate Source having an associated demand reduction of 5,000 kW or less. Otherwise, eighteen (18) months' prior written notice to EKPC of a change or cancellation shall be required. If any change is made to the demand reduction amount of an Alternate Source, the thresholds provided in Section 3 will be re-calculated as of the date the notice of change is submitted.

(E) If the Owner Member does not implement an Alternate Source within six (6) months after the date set forth in its notice for commencement of deliveries from the Alternate Source, the Owner Member may not implement the Alternate Source without re-submitting the notice required under this Section 4 and such notice shall be subject to re-calculation of the thresholds provided in Section 3 as of the date of such re-submitted notice. During the six (6) month period described in this Section (E), EKPC shall continue to serve the load intended to be served by the Alternate Source through sales of power and energy to the Owner Member under its Wholesale Power Contract.

5. <u>Development and Use of Alternate Sources</u>

(A) During the noticed term of use of that Alternate Source, it shall be the responsibility of the Owner Member to use commercially reasonable efforts to develop or otherwise acquire the subject Alternate Source so that such source may be used to supply a portion of the Owner Member's requirements beginning on the noticed date. EKPC shall use commercially reasonable efforts to cooperate with and assist the Owner Member in its development or acquisition; provided that EKPC shall not be required to make out-of-pocket expenditures or provide or facilitate financing for any Alternate Source.

(B) Except as otherwise agreed to by EKPC and an Owner Member, the owning Owner Member shall use commercially reasonable efforts to operate, maintain, and dispatch the facilities comprising each of its Alternate Sources (or to cause such operation, maintenance, and dispatching) so as to reduce the maximum electrical demand placed on EKPC's system by the corresponding noticed demand reduction.

(C) With respect to each noticed Alternate Source of an Owner Member, the obligations set forth in the foregoing two paragraphs shall continue until the end of the noticed term of the Alternate Source; provided, however, that such term may be shortened or lengthened at any time by the Owner Member by providing to EKPC prior written notice of such change, as follows: For each such change, ninety (90) days' prior written notice of such change shall be required for an Alternate Source having an associated demand reduction of 5,000 kW or less. Otherwise, eighteen (18) months' prior written notice to EKPC of such change shall be required.

(D) Other requirements for Behind the Meter Sources are as follows:

(i) To the extent that the Alternate Source does not deliver capacity or energy sufficient to serve the actual load of the Owner Member intended to be served by the Alternate Source, EKPC will charge the Owner Member for capacity and energy at the rates for electric service provided under the Wholesale Power Contract.

(ii) The Owner Member must provide to EKPC information regarding the expected generation from the Behind the Meter Source, including planned and unplanned outages, as needed by EKPC so that EKPC can include such information in its schedules of load submitted to PJM and minimize to the extent reasonably practicable any PJM penalties for deviations in load attributable to differences between the estimated and actual generation from the Behind the Meter Source.

(iii) The Alternate Sources will be metered with revenue class meters.

(E) Other requirements for Alternate Sources interconnected or delivered to EKPC's or another entity's transmission system are as follows:

(i) To the extent that the Alternate Source does not deliver capacity or energy sufficient to serve the actual load of the Owner Member intended to be served by the Alternate Source, EKPC will charge the Owner Member for capacity and energy as provided in this MOU&A, and not at the rates for electric service provided under the Wholesale Power Contract. EKPC will purchase amounts of replacement capacity and energy based on the historical amounts of capacity and energy provided by the Alternate Source.

(ii) The Owner Member must provide to EKPC a day-ahead schedule of generation. EKPC will work with the Owner Member to develop the day-ahead schedule.

(iii) The day-ahead schedule of load to be served by the Alternate Source will be deemed to equal the day-ahead generation schedule of the Alternate Source.

(iv) EKPC will pass through to the Owner Member all revenues, credits and charges from PJM associated with the Alternate Source, including without limitation PJM day-ahead and real-time energy market revenues, charges and credits, PJM capacity market revenues, charges and credits, PJM operating reserve revenues, credits and charges, and PJM operating services necessary to serve the load served by the Alternate Source (i.e. capacity, energy, ancillary services (including operating reserves), NITS transmission, RTEP, etc.).

(v) The Alternate Sources will be metered with revenue class meters.

(vi) The Owner Member will pay an administrative fee to EKPC to cover the increased operation and administrative costs.

(vii) PJM market participant activities for the Alternate Source and related load will be managed by EKPC or EKPC's agent. The Owner Member shall pay EKPC a non-discriminatory, cost-based fee for such PJM market participant services, which shall be performed in accordance with good utility practices. Any dispute regarding such fee shall be submitted to the Kentucky Public Service Commission for a determination of the appropriate fee.

(F) Other requirements for Alternate Sources interconnected to an Owner Member's distribution system that produce energy that exceeds the Owner Member's load at the Related EKPC Point of Delivery shall be developed based on the requirements set forth above in Sections 5(D) and 5(E).

6. Other Matters.

(A) EKPC shall not be entitled to charge any Owner Member for so-called "stranded costs" related to the Owner Member's implementation of its rights to use Alternate Sources. As a result, to the extent that an Owner Member's use of Alternate Sources reduces its billing demands under EKPC's rates under the Wholesale Power Contract as in effect from time to time, EKPC shall not be entitled to charge any special rate or charge to the Owner Member attributable to such billing demand reduction. EKPC will, however, be entitled to continue to set its rates for all Owner Members under the Wholesale Power Contracts to produce revenues that are sufficient to cover all of its costs, in accordance with the Wholesale Power Contracts.

(B) EKPC covenants and agrees to revise or rescind existing Board Policies so that its Board Policies are consistent with this MOU&A.

(C) This Agreement may be executed in counterpart, which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Big Sandy Rural Electric Cooperative Corporation | Date

Blue Grass Energy Cooperative Corporation | Date

Clark Energy Cooperative, Inc. | Date

Cumberland Valley Electric | Date

Farmers Rural Electric Cooperative Corporation | Date

Fleming-Mason Energy Cooperative | Date

Grayson Rural Electric Cooperative Corporation | Date

Inter-County Energy Cooperative Corporation | Date

Jackson Energy Cooperative Corporation | Date

Licking Valley Rural Electric Cooperative Corporation | Date

Nolin Rural Electric Cooperative Corporation | Date

Owen Electric Cooperative, Inc. | Date

Salt River Electric Cooperative Corporation | Date

Shelby Energy Cooperative, Inc. | Date

South Kentucky Rural Electric Cooperative Corporation Date

Taylor County Rural Electric Cooperative Corporation Date

AMENDMENT NO. 3 TO WHOLESALE POWER CONTRACT
BETWEEN EAST KENTUCKY POWER COOPERATIVE, INC. AND
BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

This Agreement dated the 17th day of OCTOBER, 2003, amends the Wholesale Power Contract dated October 1, 1964 between East Kentucky Power Cooperative, Inc. (hereinafter "Seller") and Big Sandy Rural Electric Cooperative Corporation (hereinafter "Member") as follows:

I. Numerical Section 1 of the Wholesale Power Contract shall be amended and restated to read in its entirety as follows:

1. General - The Seller shall sell and deliver to the Member and the Member shall purchase and receive from the Seller all electric power and energy which shall be required to serve the Member's load, including all electric power and energy required for the operation of the Member's system. Notwithstanding the foregoing, the Member shall have the option, from time to time, with notice to the Seller, to receive electric power and energy, from persons other than the Seller, or from facilities owned or leased by the Member, provided that the aggregate amount of all members' elections (measured in megawatts in 15-minute intervals) so obtained under this paragraph shall not exceed five percent (5%) of the rolling average of Seller's coincident peak demand for the single calendar month with the highest peak demand occurring during each of the 3 twelve month periods immediately preceding any election by the Member from time to time, as provided herein and further provided that no Member shall receive more than fifteen percent (15%) of the rolling average of its coincident peak demand for the single calendar month with the highest average peak demand occurring during each of the 3 twelve

month periods immediately preceding any election by the Member from time to time, as provided herein.

For any election made or cancelled under this Section, the following provisions shall apply:

a. During any calendar year, the Member may make or cancel any such election or elections by giving at least 90 days' notice to the Seller with respect to any load or loads with an average coincident peak demand (calculated in the same manner as provided in the preceding paragraph) of 5.0 Megawatts or less, in the annual aggregate.

b. During any calendar year, the Member may make or cancel any such election or elections by giving at least 18 months or greater notice to the Seller with respect to any load or loads with an average coincident peak demand (calculated in the same manner as provided in the preceding paragraph) of 5.0 Megawatts or more, in the annual aggregate

Upon the effective date of the Member's cancellation of any such election under this Agreement, the load or loads shall be governed by the all requirements obligations of the Seller and the Member in this Section, and notice of same shall be provided to the Rural Utilities Service ("RUS") by the member. Such loads which are transferred to Seller's all-requirements obligations shall not thereafter be switched by Member to a different power supplier.

c. Should any such election by Member involve the acquisition of new service territory currently served by another power supplier or municipal utility, Member shall provide evidence to Seller and RUS in the new Load Purchase Agreement that the acquired territory must be served by the current power supplier as a condition of the acquisition of the new load.

Seller will provide transmission, substation, and ancillary services without discrimination or adverse distinction with regard to rates, terms of service or availability of such service as between power supplies under paragraphs above and Member will pay charges therefore to Seller. Seller also agrees to allow, at Member's sole cost and expense, such additional interconnection as may be reasonably required to provide such capacity and energy as contemplated in the above paragraphs.

Member will be solely responsible for all additional cost associated with the exercise of elections under the above paragraphs including but not limited to administrative, scheduling, transmission tariff and any penalties, charges and costs, imposed by the Midwest Independent System Operator ("MISO") or other authorities.

II. Section 10 of the Wholesale Power Contract shall be restated as Section 11 and new Section 10 and Section 11 shall read in their entirety as follows:

10. Retail Competition - Seller and its subsidiaries, shall not, during the term of this contract, without the consent of the Member, (i) sell or offer to sell electric power or energy at retail within the Member's assigned or expanded geographic area, if any, established by applicable laws or regulations or (ii) provide or offer to provide retail electric service to any person which is a customer of the Member.

11. Term – This Agreement shall become effective only upon approval in writing by the Administrator and shall remain in effect until January 1, 2041, and thereafter until terminated by either party's giving to the other not less than six months' written notice of its intention to terminate. Subject to the provisions of Section 1 hereof, service hereunder and the obligation of the Member to pay therefore shall commence upon completion of the facilities necessary to provide service.

Executed the day and year first above mentioned.

EAST KENTUCKY POWER
COOPERATIVE, INC.

BY: Delno Tolliver

ITS: CHAIRMAN OF THE BOARD

Sam Penn
ATTEST, SECRETARY

Big Sandy Rural Electric
Cooperative Corporation

BY: John E. Shepherd

ITS: Chairman of the Board

Jax Harris Jr
ATTEST, SECRETARY

(H:Legal/misc/amend-3-wpc)

Jeff C. Greer

From:	Terri Combs <terri.combs@ekpc.coop>
Sent:	Friday, December 29, 2017 3:32 PM
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 - Clark Energy; Debbie Martin -- Shelby; Dennis Holt; Elbert Hampton; Jerry Carter; Jim Jacobus -- Inter-County; 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; Mike McNalley; Don Mosier; David Smart
Subject:	From Tony Campbell re: Amendment 3 Memo
Attachments:	A3 Load Loss Mitigation Discussion Final.docx

Sending on behalf of Tony Campbell

All:

Since South Kentucky gave us notice to exercise their rights under the MOU, we have had a number of CEO's contact us. Many have asked questions about the financial impacts to the remaining Owner Members. Mike McNalley and his team have been working on the potential cost implications of losing this 58 MW baseload block of power. Please remember this was done somewhat quickly, and we will continue to refine the data. In addition, please note that we will do everything possible to totally mitigate this loss of load, and will protect our Owner Members should it return at an inopportune time.

Regards,
Anthony "Tony" Campbell
President and CEO
Phone: 859-745-9313
Fax: 859-744-7053

EAST KENTUCKY POWER COOPERATIVE
A Touchstone Energy Cooperative

EKPC SAFETY IS R.I.G.H.T.

East Kentucky Power Cooperative

Mitigation of Amendment 3 Load Loss

December 27, 2017

For this analysis I am using the SK Amendment 3 notice and their actual billings for the 12 months ending November 2017. The notice was for 58MW of load to be removed from the EKPC system, at an effective load factor of 100%.

South Kentucky Billing

EKPC billing differential to SK for the 12 months would have been a reduction of 508,000 MWh and $30.4 million over the 12 months. This includes a reduction of $28.5 million from Base Rates, an increase of $2.5 million from the FAC, and a reduction of $4.4 million in the ES. The base rate and FAC impacts should be taken together, for a net billing reduction of $26.0 million.

For SK, we calculate a reduced load factor on the EKPC system because they are removing 100% load factor MWs. SK's load factor in the 12 months of 2017 would have dropped from the actual 56.3% to only 43.5%; this would have resulted in an increased cost per MWh billed by EKPC of $6.07/MWh (from $68.95/MWh to $75.02/MWh). Because we do not have their new contract details it is impossible for us to calculate the net impact of their new contract on SK members.

Cost Shift and Mitigation

The load loss as a result of an Amendment 3 election will shift costs. EKPC will act promptly to mitigate that cost shift.

The cost shift consists of the fixed costs EKPC would no longer recover in base rates from SK, and the ES which would be "automatically" reallocated based on revenue to all members (including SK).

We estimate that the ES amount that would remain with SK is about $0.3 million, so approximately $4.1million would be reallocated to the other 15 owner-members.

EKPC's system is approximately half fixed cost and half variable cost (fuel, purchased power, etc). So of the base revenue loss ($26.0 million), about $13 million would be fixed and need to be recovered.

Thus, the total cost shift, without any mitigation, is approximately $17.1 million to the 15 owner members for the 12 month period ending November 2017.

Amendment3 (and SK) provides for a long notice period, which is necessary for EKPC to achieve the best mitigation of the load loss for its owner-members. This is important because it gives EKPC the time to develop and execute numerous options. Without the time to act, EKPC would have only two options: sales of the energy into PJM in the day-ahead and real-time market, and a base rate increase. For 2017, the energy market would have provided approximately $5/MWh of margin, or $2.3 million, leaving an unmitigated balance of $14.8 million. Given EKPC's low margins this year, this might be large enough to tip us into a base rate increase, especially if we had no further mitigation options.

However, with time, more options unfold. These include participating in the PJM Intermediate Capacity Auctions (IA), the PJM Base (May) Capacity Auction (BRA), natural load growth, economic development, and special contracted loads. In the IA we might expect from $800k to $1.6 million of revenue in the first year, growing as the market firms and better prices are realized (three years out) in the BRA.

Load growth in our budget for 2018, which includes a bounce back to weather-normal as well as some real load growth, is projected at 1,388 MW and 974,217 MWh. If this is achieved, it is sufficient to absorb the loss of the SK load, although our EKPC results would be lower than projected (because we have their entire load in our budget). Because the notice period extends beyond the 2018 budget year, it is reasonable to conclude that EKPC can grow load sufficiently to offset the SK loss by the time their load actually leaves. Any load growth on SK's system also will directly benefit the EKPC system and all owner-members because their notice is for a fixed block of power which cannot grow – thus all load growth must be served under the wholesale power agreement.

A significant new load developed through economic development efforts could further mitigate the SK load loss. However to be valuable in this context that new load should be at tariffed rates and not heavily discounted so that it makes a full contribution to the fixed costs. A load such as the expansion of Gallatin, which is interruptible and does not contribute substantially to fixed costs, will not provide a material benefit in this context (it is obviously valuable in other ways).

Special load contracts (bi-lateral agreements) could possibly be negotiated. However the MW size (58) is odd, and it is likely we would have difficulty finding a good match at the size needed.

Finally, the SK notice is for a 20 year contract. We will mitigate the load loss for that period, and this strictly means that we will not have those resources immediately available to serve SK should they desire to return early – again a key reason for the long notice periods in Amendment 3.

Additional Load Loss (more Amendment 3 Notices)

Under Amendment 3, after SK's election, there are approximately 69.2 MW of potential load to be noticed across all owner-members. If some or all of these MWs are noticed soon, EKPC will follow similar mitigation plans. However, our "natural" load growth scenario will be insufficient to absorb all of the load loss by the time the notices are effective, so there likely would be some margin depression for a year or so. Other mitigation efforts might make up some of the shortfall, but we should expect some cost shifting in base rates, at least for a year or two.

All figures are estimates and we are continuing to refine these analyses.

Jeff C. Greer

From: Asia Ellington <Asia.Ellington@enervision-inc.com>
Sent: Monday, December 18, 2017 5:20 PM
To: Michelle Herrman
Cc: Lynne Travis; Carter Babbit; Dennis Holt
Subject: RE: Morgan Update
Attachments: Enervision Analysis South Kentucky NPV 12_18_2017.xlsx; Enervision Analysis South Kentucky NPV Revised Base Case 12_18_2017.xlsx

Michelle,

Attached you will find the analysis of the most recent Morgan Stanley offer. Also we have attached a second spreadsheet that changes the base case as you suggested below in the "Revised Base Case" file. To answer your other questions…

1. The 2013 PJM $/MWH is $2.87
2. NITS cost has not been revised
3. File attached as noted above

Presentation

1. PJM data only goes back to 2007/2008. We have incorporated that data in the new presentation

Please let us know if you have further questions.

Thanks,

Asia Ellington **Senior Consultant**
T (678) 510-2927 | C (770) 712-8445 | (888) 999-8840
Asia.Ellington@enervision-inc.com | www.enervision-inc.com

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Delivering results to help you succeed!

Check us out at *www.EnerVision-inc.com*

From: Michelle Herrman [mailto:michelleh@skrecc.com]
Sent: Monday, December 18, 2017 12:13 PM
To: Carter Babbit <Carter.Babbit@enervision-inc.com>; Dennis Holt <dholt@skrecc.com>
Cc: Lynne Travis <Lynne.Travis@enervision-inc.com>; Asia Ellington <Asia.Ellington@enervision-inc.com>
Subject: RE: Morgan Update

Carter,

I have a few questions.

1. Would you be able to provide the revised NPV spreadsheet that compares to the original one you sent, (attached). I believe your escalation of the PJM cost make sense. Out of curiosity, what were the PJM costs for 2013?
2. Have the NITS cost been revised from the original NPV spreadsheet as well?
3. On your revised spreadsheet what have you assumed for the change in EKPC costs? I believe we need to deviate from the 2% annual increase, and allow for an increase in 2019, and every 4 years thereafter. I would assume a 6% increase for each increase year. Under the present mechanisms, the variable fuel and environmental costs are treated as outside of the base rates and recouped via the environmental surcharge and fuel adjustment mechanisms.

I have a few questions on your presentation.

1. Slide 6- Would you be able to show a the years going back to 2000?

Michelle D. Herrman, CPA, PHR
Vice President of Finance
Office: 606-451-4337

[redacted]

[redacted]

[redacted]

[redacted]

Jeff C. Greer

From: Tony Campbell <tony.campbell@ekpc.coop>
Sent: Tuesday, November 28, 2017 2:21 PM
To: Dennis Holt
Cc: Don Mosier; Mike McNalley; David Smart; David Crews; Terri Combs; Joe Spalding
Subject: RE: MOU 58 MW Request

Importance: High

Dennis,

This e-mail should serve as my notice of receipt of your MOU 58 MW request. Your request will be taken to the December board meeting as information. Then in February we will take have it on the agenda for approval. As always, if EKPC can be of assistance please let us know.

Regards,
Anthony "Tony" Campbell
President and CEO
Phone: 859-745-9313
Fax: 859-744-7053

EAST KENTUCKY POWER COOPERATIVE
A Touchstone Energy Cooperative

EKPC SAFETY IS R.I.G.H.T.

A3 Allotments, Based on Data Through April 2017

Owner-Member Cooperative	EKPC CP (MW) for Month of Feb. 2015	Jan. 2016	Jan. 2017	Average	Load Ratio Share	15% Election
Big Sandy	89.5	64.8	56.9	70.4	3.5	10.6
Blue Grass	410.9	315.9	324.4	350.4	17.5	53.4
Clark	154.0	114.8	113.6	127.5	6.4	19.1
Cumberland Valley	158.3	120.7	109.6	129.6	6.5	19.5
Farmers	136.4	120.5	115.9	124.2	6.2	18.8
Fleming Mason	196.9	179.2	166.9	181.0	9.0	27.4
Grayson	85.2	62.8	57.6	68.5	3.4	10.3
Inter-County	171.1	126.1	134.1	143.8	7.2	21.8
Jackson	325.6	241.4	230.2	265.7	13.3	40.1
Licking Valley	88.6	62.7	58.7	70.0	3.5	10.6
Nolin	211.1	188.1	199.1	199.4	10.0	31.1
Owen	347.4	313.0	350.7	337.0	16.9	61.7
Salt River	314.4	248.7	262.0	275.0	13.8	41.8
Shelby	120.5	102.0	99.6	107.4	5.4	16.3
South Kentucky	458.9	352.2	353.4	388.2	19.4	58.5
Taylor	159.4	126.6	139.1	141.7	7.1	21.4
Total	3,428.1	2,739.5	2,771.8	2,979.8	149.0	462.3

Noticed Projects

Owner-Member	Project	MW	Delivery Date
Jackson	Irvine LFGTE	1.6	10/2013
Jackson	Dupree Energy Sys	1.0	3/2015
Farmers	Federal Mogul DG	3.6	2005
Farmers	Glasgow LFGTE	1.0	11/2015
Salt River	Lock 7	2.0	2013
Owen	Owen Office	2.0	2016

EKPC 5% Limit

Owner-Member Cooperative	EKPC CP (MW) for Month of Feb 2015-Jan 2016	Feb 2016-Jan 2017	Feb 2017-Jan 2018	Average	5% Limit
Big Sandy	89.5	56.9	74.3	73.6	3.7
Blue Grass	410.9	324.4	382.2	372.5	18.6
Clark	154.0	113.6	139.4	135.7	6.8
Cumberland Valley	158.3	109.6	141.3	136.4	6.8
Farmers	136.4	115.9	138.4	130.2	6.5
Fleming Mason	196.9	166.9	189.1	184.3	9.2
Grayson	85.2	57.6	72.7	71.9	3.6
Inter-County	171.1	134.1	158.6	154.6	7.7
Jackson	325.6	230.2	293.6	283.2	14.2
Licking Valley	88.6	58.7	75.0	74.1	3.7
Nolin	211.1	199.1	215.5	208.6	10.4
Owen	347.4	350.7	423.8	374.0	18.7
Salt River	314.4	262.0	306.4	294.3	14.7
Shelby	120.5	99.6	113.9	111.3	5.6
South Kentucky	458.9	353.4	426.2	412.9	20.6
Taylor	159.4	139.1	157.0	151.8	7.6
Total	3,428.1	2,771.8	3,307.4	3,169.1	158.5

Total projects MW cannot exceed 5% of the 3 year average of EKPC CP, which is currently 158.5 MW.

Feb 2015-Jan 2016 Peak Occurred Feb 2015
Feb 2016-Jan 2017 Peak Occurred Jan 2017
Feb 2017-Jan 2018 Peak Occurred Jan 2018

A3 Allotments, Based on Data Through January 2018

Owner-Member Cooperative	Owner-Member Peak (MW) Feb 2015-Jan 2016	Feb 2016-Jan 2017	Feb 2017-Jan 2018	Average	5% Election	15% Election
Big Sandy	89.5	58.8	74.3	74.2	3.7	11.1
Blue Grass	410.9	324.4	383.2	372.8	18.6	55.9
Clark	154.0	113.6	140.1	135.9	6.8	20.4
Cumberland Valley	158.3	110.0	141.3	136.5	6.8	20.5
Farmers	136.8	115.9	138.4	130.3	6.5	19.6
Fleming Mason	198.0	179.7	189.1	188.9	9.4	28.3
Grayson	85.2	58.3	72.7	72.1	3.6	10.8
Inter-County	171.1	134.4	158.6	154.7	7.7	23.2
Jackson	327.7	232.2	293.6	284.5	14.2	42.7
Licking Valley	88.6	60.6	76.6	75.3	3.8	11.3
Nolin	230.4	199.1	216.1	215.2	10.8	32.3
Owen	430.9	401.5	447.5	426.6	21.3	64.0
Salt River	316.1	262.0	306.4	294.8	14.7	44.2
Shelby	120.5	101.6	113.9	112.0	5.6	16.8
South Kentucky	458.9	353.4	426.2	412.9	20.6	61.9
Taylor	160.2	139.1	157.0	152.1	7.6	22.8
Total	3,537.0	2,844.5	3,335.0	3,238.8	161.9	

A3 Balances as of January 2018

Owner-Member Cooperative	Allocation %	Allocation MW	5% Balance MW	Pro-rata Share of Balance MW
Big Sandy	5%	3.7	3.7	1.8
Blue Grass	5%	18.6	18.6	9.2
Clark	5%	6.8	6.8	3.4
Cumberland Valley	5%	6.8	6.8	3.4
*Farmers**	*5%*	*6.5*	*1.9*	1.0
*Fleming Mason**	*5%*	*9.4*	*8.0*	4.0
Grayson	5%	3.6	3.6	1.8
Inter-County	5%	7.7	7.7	3.8
*Jackson**	*5%*	*14.2*	*0.1*	0.1
*Licking Valley**	*5%*	*3.8*	*3.5*	1.7
Nolin	5%	10.8	10.8	5.3
*Owen**	*5%*	*21.3*	*0.0*	0.0
*Salt River**	*5%*	*14.7*	*0.0*	0.0
Shelby	5%	5.6	5.6	2.8
*South Kentucky**	*15%*	*61.9*	*3.9*	1.9
Taylor	5%	7.6	7.6	3.8
Total			88.8	44.1

** indicates project in place or in process.*

Noticed Projects

Owner-Member	Project	Notice Given	MW	Delivery
Jackson	Irvine LFGTE		1.6	10/2013
Jackson	Dupree Energy Sys		1.0	3/2015
Farmers	Federal Mogul DG		3.6	2005
Farmers	Glasgow LFGTE		1.0	11/2015
Salt River	Lock 7		2.0	2013
Owen	Owen Office		2.0	2016
South Kentucky	PJM/Market	12/2018	58.0	6/2019
Salt River	PJM/Market	2/2018	12.7	9/2019
Owen	PJM/Market	2/2018	19.3	9/2019
Fleming-Mason	LFG PPA	2/2018	1.4	10/2018
Licking Valley	Solar Installation	2/2018	0.3	5/2018
Jackson	Lock 12	2/2018	1.7	12/2018
Jackson	Lock 14	2/2018	1.7	12/2019
Jackson	PJM/Market	2/2018	8.0	9/2019
Total Projects			**114.4**	
Not to Exceed 158.5 MW				
Remaining			**44.1**	