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PSC Issues Order in East Kentucky Power Cooperative Rate Case

Settlement modified in case No. 2025-00208

FRANKFORT, Ky. (April 22, 2026) – Today, the Kentucky Public Service Commission (PSC) issued its Final Order in Case No. 2025-00208 East Kentucky Power Company (EKPC) rate case. The PSC accepted a Joint Settlement Agreement (JSA) with modifications.

In their application, EKPC asked for \$79,757,474 or a 7.49% increase in revenues. Additionally, all 16 rural electric cooperative utilities who are Owner-Member cooperatives of EKPC filed applications for a pass-through increase in rates to correspond with the increase in EKPC's requested increase. On November 25, 20205, EKPC filed a Joint Settlement Agreement between EKPC, the Attorney General, and Nucor, which were interveners in the matter. The Joint Settlement proposed an increase to base rate revenues of \$63,727,181 or 5.99%. The Joint Settlement also proposed changes to their existing earnings mechanism (EM) and eliminating the Generation Maintenance Tracker, shifting to a symmetrical earnings mechanism (SEM). The SEM would allow EKPC to address margins of revenue, automatically issuing a refund to members if it earned over a 1.6 TIER in a given year and automatically collecting more if EKPC earned under a 1.4 TIER. The Parties agreed that EKPC should collect or return any margins to its Owner-Members for contemporaneous collection or pass-through to Retail Members in the form of a bill charge or credit.

In the order, the Commission modified the JSA, authorizing a revenue increase of \$63,670,273, or 5.98%. The Order stated that the SEM is denied for several reasons including EKPC's recent pattern of earning that shows EKPC is more likely to collect from its customers than to issue a refund and because the Commission fears the SEM could



allow large bill increases automatically without customer notices or PSC oversight over whether the increases are fair, just and reasonable until after the fact.

The PSC also ordered that the existing EM is eliminated, and a modified Generation Maintenance Tracker is approved. Other modifications to the Joint Settlement agreement were minor. The orders relating to each of the 16 cooperative pass through rate increases will be issued over the next few days. All new rates will be effective May 1, 2026.

Today's order, a video of the hearing, and other records in the case are available on the PSC website, psc.ky.gov. The case number is 2025-00208.

EKPC is a not-for-profit, rural electric cooperative corporation established under KRS Chapter 279 with its headquarters in Winchester, Kentucky. Pursuant to various agreements, EKPC provides electric generation capacity and electric energy to its 16 Owner-Member Cooperatives (Owner-Members) which, in turn, serve over 570,000 Kentucky homes, farms and commercial and industrial establishments in 89 Kentucky counties. EKPC owns and operates 2,963 megawatts (MW) of net summer generating capacity and 3,265 MW of net winter generating capacity. EKPC is a member of the PJM Interconnection, LLC regional transmission organization which oversees the generation and transmission of electricity in Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and the District of Columbia.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,100 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 90 employees.

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