

Mark David Goss
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January 24, 2011

Via Hand-Delivery

Mr. Jeffrey Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602-0615

Re: Case No. 2010-00167

RECEIVED

JAN 24 2011

PUBLIC SERVICE
COMMISSION

Dear Mr. Derouen:

As required by the Commission's Order in the above-referenced case, dated January 14, 2011, please find enclosed for filing an original and 10 copies of the fully executed verification and acknowledgement statements from the each of the 16 member systems of East Kentucky Power Cooperative, Inc. Please note that South Kentucky RECC's executed verification and acknowledgement is a PDF copy; we will file the original upon receipt.

Very truly yours,

Mark David Goss by afw

Mark David Goss
Counsel

CC: Parties of Record

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER) CASE NO.
COOPERATIVE, INC. FOR GENERAL) 2010-00167
ADJUSTMENT OF ELECTRIC RATES)

**VERIFICATION AND ACKNOWLEDGEMENT OF
BIG SANDY RURAL ELECTRIC COOPERATIVE**

WHEREAS, on January 14, 2011, the Public Service Commission (“Commission”) entered an Order approving the provisions of the Settlement Agreement submitted in this case; and,

WHEREAS, Article I, paragraph 6 of that Settlement Agreement states:

The Parties hereto recognize and agree that the 2010 load forecast, which was developed and filed subsequent to the completion of discovery in the instant action, represents a significant change to EKPC’s projected load, and which also has a significant effect on EKPC’s finances. The Parties therefore agree to the establishment of an “over-earning mechanism” which will hereafter be implemented as follows:

- a. EKPC will provide its calendar year 2011 audited financial statements to the Commission and Parties no later than March 31, 2012.
- b. EKPC agrees to file a base rate case as soon as practical, but no less than one year in the event EKPC’s TIER exceeds 1.50, after 2011 financial results are known in order for the Commission to determine that rates are appropriate. This base rate case will also allow the Parties an opportunity, through discovery, to review EKPC’s expenditures. If the results of the base rate case produce an increase or decrease to rates, such increases or decreases will be allocated proportionally to all eligible rate schedules so as to produce an equal percentage increase or decrease in the total rates of all eligible rate schedules.
- c. If EKPC earns greater than a 1.50 Times Interest Earned Ratio (“TIER”) based on its calendar year 2011 audited financial statements, EKPC shall refund the amount in excess of the 1.50 TIER in a proportional manner according to the allocation established in “Exhibit 1,” attached hereto, by way of a Surcredit Application to be filed with the Commission; and,

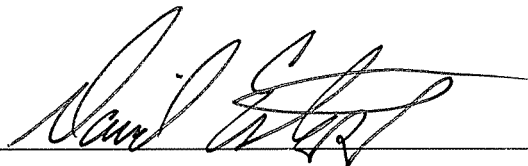
WHEREAS, concerning this provision of the Settlement Agreement, the Commission noted in its January 14, 2011 Order at page 21:

Second, the Settlement established an over-earning mechanism under which EKPC would file a surcredit application to refund any excess earnings if its

TIER exceeds 1.50 for calendar year 2011. As EKPC's 16 member distribution cooperatives were not parties to this proceeding and were not signatories to the Settlement, the individual distribution cooperatives are not bound by any of the terms contained in the Settlement. To ensure that any excess earnings achieved by EKPC which would trigger the over-earning mechanism established by the Settlement would be refunded to retail ratepayers, the Commission will require EKPC to obtain written verification from each of its 16 member distribution cooperatives, acknowledging and affirming their agreement that, should EKPC file a surcredit application pursuant to the over-earning provision of the Settlement, the distribution cooperatives would file concurrent application to refund such excess earnings to their respective ratepayers; and,

WHEREAS, Ordering paragraph 5 of the Commission's January 14, 2011 Order requires EKPC to file fully executed verification and acknowledgement statements from each of its 16 member distribution cooperatives affirming the intent of the over-earning mechanism within 10 days of January 14, 2011.

NOW, THEREFORE, in compliance with the Commission's Order, Big Sandy Rural Electric Cooperative does hereby verify, acknowledge, and affirm that in the event EKPC files a surcredit application pursuant to the terms of Article I, paragraph 6 of the Settlement Agreement filed in Case No. 2010-00167 and approved by the Commission on January 14, 2011, it will concurrently file an application to the Commission requesting to refund such excess earnings to its ratepayers.

By:  _____

Print Name: David Estep

Title: President & General Manager

Date: 1-17-2011

STATE OF KENTUCKY

COUNTY OF Johnson

SUBSCRIBED AND SWORN to before me by David Estep on this the
17th day of January, 2011.

My Commission Expires: 6-19-2014.

Judy L. McClure
NOTARY PUBLIC

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER) CASE NO.
COOPERATIVE, INC. FOR GENERAL) 2010-00167
ADJUSTMENT OF ELECTRIC RATES)

VERIFICATION AND ACKNOWLEDGEMENT OF BLUEGRASS ENERGY COOPERATIVE CORPORATION

WHEREAS, on January 14, 2011, the Public Service Commission ("Commission") entered an Order approving the provisions of the Settlement Agreement submitted in this case; and,

WHEREAS, Article I, paragraph 6 of that Settlement Agreement states:

The Parties hereto recognize and agree that the 2010 load forecast, which was developed and filed subsequent to the completion of discovery in the instant action, represents a significant change to EKPC's projected load, and which also has a significant effect on EKPC's finances. The Parties therefore agree to the establishment of an "over-earning mechanism" which will hereafter be implemented as follows:

- a. EKPC will provide its calendar year 2011 audited financial statements to the Commission and Parties no later than March 31, 2012.
b. EKPC agrees to file a base rate case as soon as practical, but no less than one year in the event EKPC's TIER exceeds 1.50, after 2011 financial results are known in order for the Commission to determine that rates are appropriate. This base rate case will also allow the Parties an opportunity, through discovery, to review EKPC's expenditures. If the results of the base rate case produce an increase or decrease to rates, such increases or decreases will be allocated proportionally to all eligible rate schedules so as to produce an equal percentage increase or decrease in the total rates of all eligible rate schedules.
c. If EKPC earns greater than a 1.50 Times Interest Earned Ratio ("TIER") based on its calendar year 2011 audited financial statements, EKPC shall refund the amount in excess of the 1.50 TIER in a proportional manner according to the allocation established in "Exhibit 1," attached hereto, by way of a Surcredit Application to be filed with the Commission; and,

WHEREAS, concerning this provision of the Settlement Agreement, the Commission noted in its January 14, 2011 Order at page 21:

Second, the Settlement established an over-earning mechanism under which EKPC would file a surcredit application to refund any excess earnings if its

TIER exceeds 1.50 for calendar year 2011. As EKPC's 16 member distribution cooperatives were not parties to this proceeding and were not signatories to the Settlement, the individual distribution cooperatives are not bound by any of the terms contained in the Settlement. To ensure that any excess earnings achieved by EKPC which would trigger the over-earning mechanism established by the Settlement would be refunded to retail ratepayers, the Commission will require EKPC to obtain written verification from each of its 16 member distribution cooperatives, acknowledging and affirming their agreement that, should EKPC file a surcredit application pursuant to the over-earning provision of the Settlement, the distribution cooperatives would file concurrent application to refund such excess earnings to their respective ratepayers; and,

WHEREAS, Ordering paragraph 5 of the Commission's January 14, 2011 Order requires EKPC to file fully executed verification and acknowledgement statements from each of its 16 member distribution cooperatives affirming the intent of the over-earning mechanism within 10 days of January 14, 2011.

NOW, THEREFORE, in compliance with the Commission's Order, Blue Grass Energy Cooperative Corporation does hereby verify, acknowledge, and affirm that in the event EKPC files a surcredit application pursuant to the terms of Article I, paragraph 6 of the Settlement Agreement filed in Case No. 2010-00167 and approved by the Commission on January 14, 2011, it will concurrently file an application to the Commission requesting to refund such excess earnings to its ratepayers.

By: 

Print Name: Daniel W. Brewer

Title: President and CEO

Date: 1/19/2011

STATE OF KENTUCKY

COUNTY OF Clark

19th SUBSCRIBED AND SWORN to before me by Daniel W. Brewer on this the
day of January, 2011.

My Commission Expires: MY COMMISSION EXPIRES NOVEMBER 30, 2013
NOTARY ID #409352.

Greg M. Willoughby
NOTARY PUBLIC

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER	)	CASE NO.
COOPERATIVE, INC. FOR GENERAL	)	2010-00167
ADJUSTMENT OF ELECTRIC RATES)	

**VERIFICATION AND ACKNOWLEDGEMENT OF
CLARK ENERGY COOPERATIVE INC.**

WHEREAS, on January 14, 2011, the Public Service Commission (“Commission”) entered an Order approving the provisions of the Settlement Agreement submitted in this case; and,

WHEREAS, Article I, paragraph 6 of that Settlement Agreement states:

The Parties hereto recognize and agree that the 2010 load forecast, which was developed and filed subsequent to the completion of discovery in the instant action, represents a significant change to EKPC’s projected load, and which also has a significant effect on EKPC’s finances. The Parties therefore agree to the establishment of an “over-earning mechanism” which will hereafter be implemented as follows:

- a. EKPC will provide its calendar year 2011 audited financial statements to the Commission and Parties no later than March 31, 2012.
- b. EKPC agrees to file a base rate case as soon as practical, but no less than one year in the event EKPC’s TIER exceeds 1.50, after 2011 financial results are known in order for the Commission to determine that rates are appropriate. This base rate case will also allow the Parties an opportunity, through discovery, to review EKPC’s expenditures. If the results of the base rate case produce an increase or decrease to rates, such increases or decreases will be allocated proportionally to all eligible rate schedules so as to produce an equal percentage increase or decrease in the total rates of all eligible rate schedules.
- c. If EKPC earns greater than a 1.50 Times Interest Earned Ratio (“TIER”) based on its calendar year 2011 audited financial statements, EKPC shall refund the amount in excess of the 1.50 TIER in a proportional manner according to the allocation established in “Exhibit 1,” attached hereto, by way of a Surcredit Application to be filed with the Commission; and,

WHEREAS, concerning this provision of the Settlement Agreement, the Commission noted in its January 14, 2011 Order at page 21:

Second, the Settlement established an over-earning mechanism under which EKPC would file a surcredit application to refund any excess earnings if its

TIER exceeds 1.50 for calendar year 2011. As EKPC's 16 member distribution cooperatives were not parties to this proceeding and were not signatories to the Settlement, the individual distribution cooperatives are not bound by any of the terms contained in the Settlement. To ensure that any excess earnings achieved by EKPC which would trigger the over-earning mechanism established by the Settlement would be refunded to retail ratepayers, the Commission will require EKPC to obtain written verification from each of its 16 member distribution cooperatives, acknowledging and affirming their agreement that, should EKPC file a surcredit application pursuant to the over-earning provision of the Settlement, the distribution cooperatives would file concurrent application to refund such excess earnings to their respective ratepayers; and,

WHEREAS, Ordering paragraph 5 of the Commission's January 14, 2011 Order requires EKPC to file fully executed verification and acknowledgement statements from each of its 16 member distribution cooperatives affirming the intent of the over-earning mechanism within 10 days of January 14, 2011.

NOW, THEREFORE, in compliance with the Commission's Order, Clark Energy Cooperative Inc. does hereby verify, acknowledge, and affirm that in the event EKPC files a surcredit application pursuant to the terms of Article I, paragraph 6 of the Settlement Agreement filed in Case No. 2010-00167 and approved by the Commission on January 14, 2011, it will concurrently file an application to the Commission requesting to refund such excess earnings to its ratepayers.

By: Paul G. Embs

Print Name: PAUL G. Embs

Title: President & CEO

Date: JAN 20, 2011

STATE OF KENTUCKY

COUNTY OF CLARK

20th day of January, 2011. SUBSCRIBED AND SWORN to before me by Paul Embs on this the

My Commission Expires: 8/22/2011.

Becky Proffitt
NOTARY PUBLIC

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER) CASE NO.
COOPERATIVE, INC. FOR GENERAL) 2010-00167
ADJUSTMENT OF ELECTRIC RATES)

VERIFICATION AND ACKNOWLEDGEMENT OF
CUMBERLAND VALLEY ELECTRIC

WHEREAS, on January 14, 2011, the Public Service Commission (“Commission”) entered an Order approving the provisions of the Settlement Agreement submitted in this case; and,

WHEREAS, Article I, paragraph 6 of that Settlement Agreement states:

The Parties hereto recognize and agree that the 2010 load forecast, which was developed and filed subsequent to the completion of discovery in the instant action, represents a significant change to EKPC’s projected load, and which also has a significant effect on EKPC’s finances. The Parties therefore agree to the establishment of an “over-earning mechanism” which will hereafter be implemented as follows:

- a. EKPC will provide its calendar year 2011 audited financial statements to the Commission and Parties no later than March 31, 2012.
- b. EKPC agrees to file a base rate case as soon as practical, but no less than one year in the event EKPC’s TIER exceeds 1.50, after 2011 financial results are known in order for the Commission to determine that rates are appropriate. This base rate case will also allow the Parties an opportunity, through discovery, to review EKPC’s expenditures. If the results of the base rate case produce an increase or decrease to rates, such increases or decreases will be allocated proportionally to all eligible rate schedules so as to produce an equal percentage increase or decrease in the total rates of all eligible rate schedules.
- c. If EKPC earns greater than a 1.50 Times Interest Earned Ratio (“TIER”) based on its calendar year 2011 audited financial statements, EKPC shall refund the amount in excess of the 1.50 TIER in a proportional manner according to the allocation established in “Exhibit 1,” attached hereto, by way of a Surcredit Application to be filed with the Commission; and,

WHEREAS, concerning this provision of the Settlement Agreement, the Commission noted in its January 14, 2011 Order at page 21:

Second, the Settlement established an over-earning mechanism under which EKPC would file a surcredit application to refund any excess earnings if its

TIER exceeds 1.50 for calendar year 2011. As EKPC's 16 member distribution cooperatives were not parties to this proceeding and were not signatories to the Settlement, the individual distribution cooperatives are not bound by any of the terms contained in the Settlement. To ensure that any excess earnings achieved by EKPC which would trigger the over-earning mechanism established by the Settlement would be refunded to retail ratepayers, the Commission will require EKPC to obtain written verification from each of its 16 member distribution cooperatives, acknowledging and affirming their agreement that, should EKPC file a surcredit application pursuant to the over-earning provision of the Settlement, the distribution cooperatives would file concurrent application to refund such excess earnings to their respective ratepayers; and,

WHEREAS, Ordering paragraph 5 of the Commission's January 14, 2011 Order requires EKPC to file fully executed verification and acknowledgement statements from each of its 16 member distribution cooperatives affirming the intent of the over-earning mechanism within 10 days of January 14, 2011.

NOW, THEREFORE, in compliance with the Commission's Order, Cumberland Valley Electric does hereby verify, acknowledge, and affirm that in the event EKPC files a surcredit application pursuant to the terms of Article I, paragraph 6 of the Settlement Agreement filed in Case No. 2010-00167 and approved by the Commission on January 14, 2011, it will concurrently file an application to the Commission requesting to refund such excess earnings to its ratepayers.

By: Ted Hampton

Print Name: Ted Hampton

Title: Manager

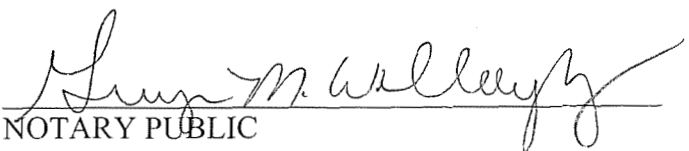
Date: 1-20-11

STATE OF KENTUCKY

COUNTY OF Clark

20th SUBSCRIBED AND SWORN to before me by Ted Hampton on this the
day of January, 2011.

MY COMMISSION EXPIRES NOVEMBER 30, 2013
My Commission Expires: _____ NOTARY ID #409352.


NOTARY PUBLIC

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER	)	CASE NO.
COOPERATIVE, INC. FOR GENERAL	)	2010-00167
ADJUSTMENT OF ELECTRIC RATES)	

**VERIFICATION AND ACKNOWLEDGEMENT OF
FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION**

WHEREAS, on January 14, 2011, the Public Service Commission (“Commission”) entered an Order approving the provisions of the Settlement Agreement submitted in this case; and,

WHEREAS, Article I, paragraph 6 of that Settlement Agreement states:

The Parties hereto recognize and agree that the 2010 load forecast, which was developed and filed subsequent to the completion of discovery in the instant action, represents a significant change to EKPC’s projected load, and which also has a significant effect on EKPC’s finances. The Parties therefore agree to the establishment of an “over-earning mechanism” which will hereafter be implemented as follows:

- a. EKPC will provide its calendar year 2011 audited financial statements to the Commission and Parties no later than March 31, 2012.
- b. EKPC agrees to file a base rate case as soon as practical, but no less than one year in the event EKPC’s TIER exceeds 1.50, after 2011 financial results are known in order for the Commission to determine that rates are appropriate. This base rate case will also allow the Parties an opportunity, through discovery, to review EKPC’s expenditures. If the results of the base rate case produce an increase or decrease to rates, such increases or decreases will be allocated proportionally to all eligible rate schedules so as to produce an equal percentage increase or decrease in the total rates of all eligible rate schedules.
- c. If EKPC earns greater than a 1.50 Times Interest Earned Ratio (“TIER”) based on its calendar year 2011 audited financial statements, EKPC shall refund the amount in excess of the 1.50 TIER in a proportional manner according to the allocation established in “Exhibit 1,” attached hereto, by way of a Surcredit Application to be filed with the Commission; and,

WHEREAS, concerning this provision of the Settlement Agreement, the Commission noted in its January 14, 2011 Order at page 21:

Second, the Settlement established an over-earning mechanism under which EKPC would file a surcredit application to refund any excess earnings if its

TIER exceeds 1.50 for calendar year 2011. As EKPC's 16 member distribution cooperatives were not parties to this proceeding and were not signatories to the Settlement, the individual distribution cooperatives are not bound by any of the terms contained in the Settlement. To ensure that any excess earnings achieved by EKPC which would trigger the over-earning mechanism established by the Settlement would be refunded to retail ratepayers, the Commission will require EKPC to obtain written verification from each of its 16 member distribution cooperatives, acknowledging and affirming their agreement that, should EKPC file a surcredit application pursuant to the over-earning provision of the Settlement, the distribution cooperatives would file concurrent application to refund such excess earnings to their respective ratepayers; and,

WHEREAS, Ordering paragraph 5 of the Commission's January 14, 2011 Order requires EKPC to file fully executed verification and acknowledgement statements from each of its 16 member distribution cooperatives affirming the intent of the over-earning mechanism within 10 days of January 14, 2011.

NOW, THEREFORE, in compliance with the Commission's Order, Farmers Rural Electric Cooperative Corporation does hereby verify, acknowledge, and affirm that in the event EKPC files a surcredit application pursuant to the terms of Article I, paragraph 6 of the Settlement Agreement filed in Case No. 2010-00167 and approved by the Commission on January 14, 2011, it will concurrently file an application to the Commission requesting to refund such excess earnings to its ratepayers.

By: William T. Prather

Print Name: William T. Prather

Title: President/CEO, Farmers Rural Electric Cooperative Corp.

Date: January 18, 2011

STATE OF KENTUCKY

COUNTY OF Breuer

SUBSCRIBED AND SWORN to before me by William J. Hatten on this the
18th day of January, 2011.

My Commission Expires: 7-30-2011.

Linda Sue Fousee
NOTARY PUBLIC

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER	)	CASE NO.
COOPERATIVE, INC. FOR GENERAL	)	2010-00167
ADJUSTMENT OF ELECTRIC RATES)	

**VERIFICATION AND ACKNOWLEDGEMENT OF
FLEMING-MASON ENERGY COOPERATIVE, INC.**

WHEREAS, on January 14, 2011, the Public Service Commission (“Commission”) entered an Order approving the provisions of the Settlement Agreement submitted in this case; and,

WHEREAS, Article I, paragraph 6 of that Settlement Agreement states:

The Parties hereto recognize and agree that the 2010 load forecast, which was developed and filed subsequent to the completion of discovery in the instant action, represents a significant change to EKPC’s projected load, and which also has a significant effect on EKPC’s finances. The Parties therefore agree to the establishment of an “over-earning mechanism” which will hereafter be implemented as follows:

- a. EKPC will provide its calendar year 2011 audited financial statements to the Commission and Parties no later than March 31, 2012.
- b. EKPC agrees to file a base rate case as soon as practical, but no less than one year in the event EKPC’s TIER exceeds 1.50, after 2011 financial results are known in order for the Commission to determine that rates are appropriate. This base rate case will also allow the Parties an opportunity, through discovery, to review EKPC’s expenditures. If the results of the base rate case produce an increase or decrease to rates, such increases or decreases will be allocated proportionally to all eligible rate schedules so as to produce an equal percentage increase or decrease in the total rates of all eligible rate schedules.
- c. If EKPC earns greater than a 1.50 Times Interest Earned Ratio (“TIER”) based on its calendar year 2011 audited financial statements, EKPC shall refund the amount in excess of the 1.50 TIER in a proportional manner according to the allocation established in “Exhibit 1,” attached hereto, by way of a Surcredit Application to be filed with the Commission; and,

WHEREAS, concerning this provision of the Settlement Agreement, the Commission noted in its January 14, 2011 Order at page 21:

Second, the Settlement established an over-earning mechanism under which EKPC would file a surcredit application to refund any excess earnings if its

TIER exceeds 1.50 for calendar year 2011. As EKPC's 16 member distribution cooperatives were not parties to this proceeding and were not signatories to the Settlement, the individual distribution cooperatives are not bound by any of the terms contained in the Settlement. To ensure that any excess earnings achieved by EKPC which would trigger the over-earning mechanism established by the Settlement would be refunded to retail ratepayers, the Commission will require EKPC to obtain written verification from each of its 16 member distribution cooperatives, acknowledging and affirming their agreement that, should EKPC file a surcredit application pursuant to the over-earning provision of the Settlement, the distribution cooperatives would file concurrent application to refund such excess earnings to their respective ratepayers; and,

WHEREAS, Ordering paragraph 5 of the Commission's January 14, 2011 Order requires EKPC to file fully executed verification and acknowledgement statements from each of its 16 member distribution cooperatives affirming the intent of the over-earning mechanism within 10 days of January 14, 2011.

NOW, THEREFORE, in compliance with the Commission's Order, Fleming-Mason Energy Cooperative, Inc., does hereby verify, acknowledge, and affirm that in the event EKPC files a surcredit application pursuant to the terms of Article I, paragraph 6 of the Settlement Agreement filed in Case No. 2010-00167 and approved by the Commission on January 14, 2011, it will concurrently file an application to the Commission requesting to refund such excess earnings to its ratepayers.

By: Christopher S. Perry

Print Name: Christopher S. Perry

Title: Chief Executive Officer

Date: January 17, 2011

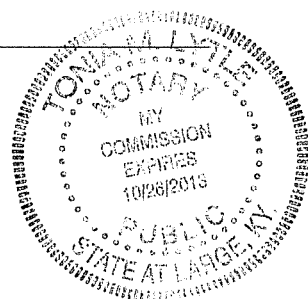
STATE OF KENTUCKY

COUNTY OF FLEMING

SUBSCRIBED AND SWORN to before me by Christopher S. Perry, CEO of Fleming-Mason Energy Cooperative, Inc., on this the 17th day of January, 2011.

My Commission Expires: October 26, 2013.

Janina M. Lytle
NOTARY PUBLIC



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER) CASE NO.
COOPERATIVE, INC. FOR GENERAL) 2010-00167
ADJUSTMENT OF ELECTRIC RATES)

VERIFICATION AND ACKNOWLEDGEMENT OF

(~~COOPERATIVE NAME~~)

GRAYSON RURAL ELECTRIC

WHEREAS, on January 14, 2011, the Public Service Commission (“Commission”) entered an Order approving the provisions of the Settlement Agreement submitted in this case; and,

WHEREAS, Article I, paragraph 6 of that Settlement Agreement states:

The Parties hereto recognize and agree that the 2010 load forecast, which was developed and filed subsequent to the completion of discovery in the instant action, represents a significant change to EKPC’s projected load, and which also has a significant effect on EKPC’s finances. The Parties therefore agree to the establishment of an “over-earning mechanism” which will hereafter be implemented as follows:

- a. EKPC will provide its calendar year 2011 audited financial statements to the Commission and Parties no later than March 31, 2012.
- b. EKPC agrees to file a base rate case as soon as practical, but no less than one year in the event EKPC’s TIER exceeds 1.50, after 2011 financial results are known in order for the Commission to determine that rates are appropriate. This base rate case will also allow the Parties an opportunity, through discovery, to review EKPC’s expenditures. If the results of the base rate case produce an increase or decrease to rates, such increases or decreases will be allocated proportionally to all eligible rate schedules so as to produce an equal percentage increase or decrease in the total rates of all eligible rate schedules.
- c. If EKPC earns greater than a 1.50 Times Interest Earned Ratio (“TIER”) based on its calendar year 2011 audited financial statements, EKPC shall refund the amount in excess of the 1.50 TIER in a proportional manner according to the allocation established in “Exhibit 1,” attached hereto, by way of a Surcredit Application to be filed with the Commission; and,

WHEREAS, concerning this provision of the Settlement Agreement, the Commission noted in its January 14, 2011 Order at page 21:

Second, the Settlement established an over-earning mechanism under which EKPC would file a surcredit application to refund any excess earnings if its

TIER exceeds 1.50 for calendar year 2011. As EKPC's 16 member distribution cooperatives were not parties to this proceeding and were not signatories to the Settlement, the individual distribution cooperatives are not bound by any of the terms contained in the Settlement. To ensure that any excess earnings achieved by EKPC which would trigger the over-earning mechanism established by the Settlement would be refunded to retail ratepayers, the Commission will require EKPC to obtain written verification from each of its 16 member distribution cooperatives, acknowledging and affirming their agreement that, should EKPC file a surcredit application pursuant to the over-earning provision of the Settlement, the distribution cooperatives would file concurrent application to refund such excess earnings to their respective ratepayers; and,

WHEREAS, Ordering paragraph 5 of the Commission's January 14, 2011 Order requires EKPC to file fully executed verification and acknowledgement statements from each of its 16 member distribution cooperatives affirming the intent of the over-earning mechanism within 10 days of January 14, 2011.

NOW, THEREFORE, in compliance with the Commission's Order, ^{GRAYSON RURAL ELECTRIC} ~~{Cooperative Name}~~ does hereby verify, acknowledge, and affirm that in the event EKPC files a surcredit application pursuant to the terms of Article I, paragraph 6 of the Settlement Agreement filed in Case No. 2010-00167 and approved by the Commission on January 14, 2011, it will concurrently file an application to the Commission requesting to refund such excess earnings to its ratepayers.

By: Carol Hall Fraley

Print Name: Carol Hall Fraley

Title: President & CEO

Date: 1-21-11

STATE OF KENTUCKY

COUNTY OF Carter

SUBSCRIBED AND SWORN to before me by Carol Hall Haley on this the 21 day of January, 2011.

My Commission Expires: 10-7-12.

Bonita Beahart
NOTARY PUBLIC

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER)
COOPERATIVE, INC. FOR GENERAL) **CASE NO. 2010-00167**
ADJUSTMENT OF ELECTRIC RATES)

**VERIFICATION AND ACKNOWLEDGEMENT OF
INTER-COUNTY ENERGY COOPERATIVE**

WHEREAS, on January 14, 2011, the Public Service Commission (“Commission”) entered an Order approving the provisions of the Settlement Agreement submitted in this case; and,

WHEREAS, Article I, paragraph 6 of that Settlement Agreement states:

The Parties hereto recognize and agree that the 2010 load forecast, which was developed and filed subsequent to the completion of discovery in the instant action, represents a significant change to EKPC’s projected load, and which also has a significant effect on EKPC’s finances. The Parties therefore agree to the establishment of an “over-earning mechanism” which will hereafter be implemented as follows:

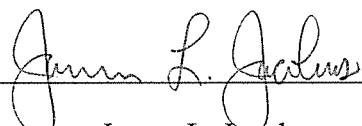
- a. EKPC will provide its calendar year 2011 audited financial statements to the Commission and Parties no later than March 31, 2012.
- b. EKPC agrees to file a base rate case as soon as practical, but no less than one year in the event EKPC’s TIER exceeds 1.50, after 2011 financial results are known in order for the Commission to determine that rates are appropriate. This base rate case will also allow the Parties an opportunity, through discovery, to review EKPC’s expenditures. If the results of the base rate case produce an increase or decrease to rates, such increases or decreases will be allocated proportionally to all eligible rate schedules so as to produce an equal percentage increase or decrease in the total rates of all eligible rate schedules.
- c. If EKPC earns greater than a 1.50 Times Interest Earned Ratio (“TIER”) based on its calendar year 2011 audited financial statements, EKPC shall refund the amount in excess of the 1.50 TIER in a proportional manner according to the allocation established in “Exhibit 1,” attached hereto, by way of a Surcredit Application to be filed with the Commission; and,

WHEREAS, concerning this provision of the Settlement Agreement, the Commission noted in its January 14, 2011 Order at page 21:

Second, the Settlement established an over-earning mechanism under which EKPC would file a surcredit application to refund any excess earnings if its TIER exceeds 1.50 for calendar year 2011. As EKPC's 16 member distribution cooperatives were not parties to this proceeding and were not signatories to the Settlement, the individual distribution cooperatives are not bound by any of the terms contained in the Settlement. To ensure that any excess earnings achieved by EKPC which would trigger the over-earning mechanism established by the Settlement would be refunded to retail ratepayers, the Commission will require EKPC to obtain written verification from each of its 16 member distribution cooperatives, acknowledging and affirming their agreement that, should EKPC file a surcredit application pursuant to the over-earning provision of the Settlement, the distribution cooperatives would file concurrent application to refund such excess earnings to their respective ratepayers; and,

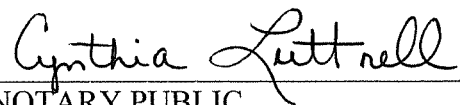
WHEREAS, Ordering paragraph 5 of the Commission's January 14, 2011 Order requires EKPC to file fully executed verification and acknowledgement statements from each of its 16 member distribution cooperatives affirming the intent of the over-earning mechanism within 10 days of January 14, 2011.

NOW, THEREFORE, in compliance with the Commission's Order, Inter-County Energy Cooperative does hereby verify, acknowledge, and affirm that in the event EKPC files a surcredit application pursuant to the terms of Article I, paragraph 6 of the Settlement Agreement filed in Case No. 2010-00167 and approved by the Commission on January 14, 2011, it will concurrently file an application to the Commission requesting to refund such excess earnings to its ratepayers.

By: 
Print Name: James L. Jacobus
Title: President/CEO
Date: January 18, 2011

STATE OF KENTUCKY
COUNTY OF BOYLE

SUBSCRIBED AND SWORN to before me by James L. Jacobus on this the 18th day of January, 2011.


NOTARY PUBLIC
My Commission Expires: 9/15/2013

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER) CASE NO.
COOPERATIVE, INC. FOR GENERAL) 2010-00167
ADJUSTMENT OF ELECTRIC RATES))

**VERIFICATION AND ACKNOWLEDGEMENT OF
(JACKSON ENERGY COOPERATIVE)**

WHEREAS, on January 14, 2011, the Public Service Commission (“Commission”) entered an Order approving the provisions of the Settlement Agreement submitted in this case; and,
WHEREAS, Article I, paragraph 6 of that Settlement Agreement states:

The Parties hereto recognize and agree that the 2010 load forecast, which was developed and filed subsequent to the completion of discovery in the instant action, represents a significant change to EKPC’s projected load, and which also has a significant effect on EKPC’s finances. The Parties therefore agree to the establishment of an “over-earning mechanism” which will hereafter be implemented as follows:

- a. EKPC will provide its calendar year 2011 audited financial statements to the Commission and Parties no later than March 31, 2012.
- b. EKPC agrees to file a base rate case as soon as practical, but no less than one year in the event EKPC’s TIER exceeds 1.50, after 2011 financial results are known in order for the Commission to determine that rates are appropriate. This base rate case will also allow the Parties an opportunity, through discovery, to review EKPC’s expenditures. If the results of the base rate case produce an increase or decrease to rates, such increases or decreases will be allocated proportionally to all eligible rate schedules so as to produce an equal percentage increase or decrease in the total rates of all eligible rate schedules.
- c. If EKPC earns greater than a 1.50 Times Interest Earned Ratio (“TIER”) based on its calendar year 2011 audited financial statements, EKPC shall refund the amount in excess of the 1.50 TIER in a proportional manner according to the allocation established in “Exhibit 1,” attached hereto, by way of a Surcredit Application to be filed with the Commission; and,

WHEREAS, concerning this provision of the Settlement Agreement, the Commission noted in its January 14, 2011 Order at page 21:

Second, the Settlement established an over-earning mechanism under which EKPC would file a surcredit application to refund any excess earnings if its

TIER exceeds 1.50 for calendar year 2011. As EKPC's 16 member distribution cooperatives were not parties to this proceeding and were not signatories to the Settlement, the individual distribution cooperatives are not bound by any of the terms contained in the Settlement. To ensure that any excess earnings achieved by EKPC which would trigger the over-earning mechanism established by the Settlement would be refunded to retail ratepayers, the Commission will require EKPC to obtain written verification from each of its 16 member distribution cooperatives, acknowledging and affirming their agreement that, should EKPC file a surcredit application pursuant to the over-earning provision of the Settlement, the distribution cooperatives would file concurrent application to refund such excess earnings to their respective ratepayers; and,

WHEREAS, Ordering paragraph 5 of the Commission's January 14, 2011 Order requires EKPC to file fully executed verification and acknowledgement statements from each of its 16 member distribution cooperatives affirming the intent of the over-earning mechanism within 10 days of January 14, 2011.

NOW, THEREFORE, in compliance with the Commission's Order, Jackson Energy Cooperative does hereby verify, acknowledge, and affirm that in the event EKPC files a surcredit application pursuant to the terms of Article I, paragraph 6 of the Settlement Agreement filed in Case No. 2010-00167 and approved by the Commission on January 14, 2011, it will concurrently file an application to the Commission requesting to refund such excess earnings to its ratepayers.

By: Donald R. Schaefer

Print Name: Donald R. Schaefer P.E.

Title: President and CEO

Date: January 19, 2011

STATE OF KENTUCKY

COUNTY OF Jackson

SUBSCRIBED AND SWORN to before me by Donald P. Schaefer on this the
19th day of January, 2011.

My Commission Expires: 01-19-14.

Trisa Baker #411515
NOTARY PUBLIC

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER) CASE NO.
COOPERATIVE, INC. FOR GENERAL) 2010-00167
ADJUSTMENT OF ELECTRIC RATES)

**VERIFICATION AND ACKNOWLEDGEMENT OF
LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION**

WHEREAS, on January 14, 2011, the Public Service Commission (“Commission”) entered an Order approving the provisions of the Settlement Agreement submitted in this case; and,

WHEREAS, Article I, paragraph 6 of that Settlement Agreement states:

The Parties hereto recognize and agree that the 2010 load forecast, which was developed and filed subsequent to the completion of discovery in the instant action, represents a significant change to EKPC’s projected load, and which also has a significant effect on EKPC’s finances. The Parties therefore agree to the establishment of an “over-earning mechanism” which will hereafter be implemented as follows:

- a. EKPC will provide its calendar year 2011 audited financial statements to the Commission and Parties no later than March 31, 2012.
- b. EKPC agrees to file a base rate case as soon as practical, but no less than one year in the event EKPC’s TIER exceeds 1.50, after 2011 financial results are known in order for the Commission to determine that rates are appropriate. This base rate case will also allow the Parties an opportunity, through discovery, to review EKPC’s expenditures. If the results of the base rate case produce an increase or decrease to rates, such increases or decreases will be allocated proportionally to all eligible rate schedules so as to produce an equal percentage increase or decrease in the total rates of all eligible rate schedules.
- c. If EKPC earns greater than a 1.50 Times Interest Earned Ratio (“TIER”) based on its calendar year 2011 audited financial statements, EKPC shall refund the amount in excess of the 1.50 TIER in a proportional manner according to the allocation established in “Exhibit 1,” attached hereto, by way of a Surcredit Application to be filed with the Commission; and,

WHEREAS, concerning this provision of the Settlement Agreement, the Commission noted in its January 14, 2011 Order at page 21:

Second, the Settlement established an over-earning mechanism under which EKPC would file a surcredit application to refund any excess earnings if its

TIER exceeds 1.50 for calendar year 2011. As EKPC's 16 member distribution cooperatives were not parties to this proceeding and were not signatories to the Settlement, the individual distribution cooperatives are not bound by any of the terms contained in the Settlement. To ensure that any excess earnings achieved by EKPC which would trigger the over-earning mechanism established by the Settlement would be refunded to retail ratepayers, the Commission will require EKPC to obtain written verification from each of its 16 member distribution cooperatives, acknowledging and affirming their agreement that, should EKPC file a surcredit application pursuant to the over-earning provision of the Settlement, the distribution cooperatives would file concurrent application to refund such excess earnings to their respective ratepayers; and,

WHEREAS, Ordering paragraph 5 of the Commission's January 14, 2011 Order requires EKPC to file fully executed verification and acknowledgement statements from each of its 16 member distribution cooperatives affirming the intent of the over-earning mechanism within 10 days of January 14, 2011.

NOW, THEREFORE, in compliance with the Commission's Order, Licking Valley Rural Electric Cooperative Corporation does hereby verify, acknowledge, and affirm that in the event EKPC files a surcredit application pursuant to the terms of Article I, paragraph 6 of the Settlement Agreement filed in Case No. 2010-00167 and approved by the Commission on January 14, 2011, it will concurrently file an application to the Commission requesting to refund such excess earnings to its ratepayers.

By:  _____

Print Name: Kerry K. Howard _____

Title: General Manager/CEO _____

Date: January 21, 2011 _____

STATE OF KENTUCKY

COUNTY OF Morgan

SUBSCRIBED AND SWORN to before me by Kerry K. Howard on this the
21st day of January, 2011.

My Commission Expires: 6-30-2012.

Kendra H. Bell
NOTARY PUBLIC

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER	)	CASE NO.
COOPERATIVE, INC. FOR GENERAL	)	2010-00167
ADJUSTMENT OF ELECTRIC RATES)	

VERIFICATION AND ACKNOWLEDGEMENT OF
NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION

WHEREAS, on January 14, 2011, the Public Service Commission (“Commission”) entered an Order approving the provisions of the Settlement Agreement submitted in this case; and,

WHEREAS, Article I, paragraph 6 of that Settlement Agreement states:

The Parties hereto recognize and agree that the 2010 load forecast, which was developed and filed subsequent to the completion of discovery in the instant action, represents a significant change to EKPC’s projected load, and which also has a significant effect on EKPC’s finances. The Parties therefore agree to the establishment of an “over-earning mechanism” which will hereafter be implemented as follows:

- a. EKPC will provide its calendar year 2011 audited financial statements to the Commission and Parties no later than March 31, 2012.
- b. EKPC agrees to file a base rate case as soon as practical, but no less than one year in the event EKPC’s TIER exceeds 1.50, after 2011 financial results are known in order for the Commission to determine that rates are appropriate. This base rate case will also allow the Parties an opportunity, through discovery, to review EKPC’s expenditures. If the results of the base rate case produce an increase or decrease to rates, such increases or decreases will be allocated proportionally to all eligible rate schedules so as to produce an equal percentage increase or decrease in the total rates of all eligible rate schedules.
- c. If EKPC earns greater than a 1.50 Times Interest Earned Ratio (“TIER”) based on its calendar year 2011 audited financial statements, EKPC shall refund the amount in excess of the 1.50 TIER in a proportional manner according to the allocation established in “Exhibit 1,” attached hereto, by way of a Surcredit Application to be filed with the Commission; and,

WHEREAS, concerning this provision of the Settlement Agreement, the Commission noted in its January 14, 2011 Order at page 21:

Second, the Settlement established an over-earning mechanism under which EKPC would file a surcredit application to refund any excess earnings if its

TIER exceeds 1.50 for calendar year 2011. As EKPC's 16 member distribution cooperatives were not parties to this proceeding and were not signatories to the Settlement, the individual distribution cooperatives are not bound by any of the terms contained in the Settlement. To ensure that any excess earnings achieved by EKPC which would trigger the over-earning mechanism established by the Settlement would be refunded to retail ratepayers, the Commission will require EKPC to obtain written verification from each of its 16 member distribution cooperatives, acknowledging and affirming their agreement that, should EKPC file a surcredit application pursuant to the over-earning provision of the Settlement, the distribution cooperatives would file concurrent application to refund such excess earnings to their respective ratepayers; and,

WHEREAS, Ordering paragraph 5 of the Commission's January 14, 2011 Order requires EKPC to file fully executed verification and acknowledgement statements from each of its 16 member distribution cooperatives affirming the intent of the over-earning mechanism within 10 days of January 14, 2011.

NOW, THEREFORE, in compliance with the Commission's Order, Nolin Rural Electric Cooperative Corporation does hereby verify, acknowledge, and affirm that in the event EKPC files a surcredit application pursuant to the terms of Article I, paragraph 6 of the Settlement Agreement filed in Case No. 2010-00167 and approved by the Commission on January 14, 2011, it will concurrently file an application to the Commission requesting to refund such excess earnings to its ratepayers.

By: Michael L. Miller

Print Name: Michael L. Miller

Title: President & CEO

Date: January 20, 2011

STATE OF KENTUCKY

COUNTY OF Hardin SUBSCRIBED AND SWORN to before me by
Michael L. Miller on this the 20th day of January, 2011.

My Commission Expires: August 27, 2012.

Rebecca S. Coffey
NOTARY PUBLIC

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER) CASE NO.
COOPERATIVE, INC. FOR GENERAL) 2010-00167
ADJUSTMENT OF ELECTRIC RATES)

VERIFICATION AND ACKNOWLEDGEMENT OF
OWEN ELECTRIC COOPERATIVE, INC.

WHEREAS, on January 14, 2011, the Public Service Commission (“Commission”) entered an Order approving the provisions of the Settlement Agreement submitted in this case; and,

WHEREAS, Article I, paragraph 6 of that Settlement Agreement states:

The Parties hereto recognize and agree that the 2010 load forecast, which was developed and filed subsequent to the completion of discovery in the instant action, represents a significant change to EKPC’s projected load, and which also has a significant effect on EKPC’s finances. The Parties therefore agree to the establishment of an “over-earning mechanism” which will hereafter be implemented as follows:

- a. EKPC will provide its calendar year 2011 audited financial statements to the Commission and Parties no later than March 31, 2012.
- b. EKPC agrees to file a base rate case as soon as practical, but no less than one year in the event EKPC’s TIER exceeds 1.50, after 2011 financial results are known in order for the Commission to determine that rates are appropriate. This base rate case will also allow the Parties an opportunity, through discovery, to review EKPC’s expenditures. If the results of the base rate case produce an increase or decrease to rates, such increases or decreases will be allocated proportionally to all eligible rate schedules so as to produce an equal percentage increase or decrease in the total rates of all eligible rate schedules.
- c. If EKPC earns greater than a 1.50 Times Interest Earned Ratio (“TIER”) based on its calendar year 2011 audited financial statements, EKPC shall refund the amount in excess of the 1.50 TIER in a proportional manner according to the allocation established in “Exhibit 1,” attached hereto, by way of a Surcredit Application to be filed with the Commission; and,


WHEREAS, concerning this provision of the Settlement Agreement, the Commission noted in its January 14, 2011 Order at page 21:

Second, the Settlement established an over-earning mechanism under which EKPC would file a surcredit application to refund any excess earnings if its

TIER exceeds 1.50 for calendar year 2011. As EKPC's 16 member distribution cooperatives were not parties to this proceeding and were not signatories to the Settlement, the individual distribution cooperatives are not bound by any of the terms contained in the Settlement. To ensure that any excess earnings achieved by EKPC which would trigger the over-earning mechanism established by the Settlement would be refunded to retail ratepayers, the Commission will require EKPC to obtain written verification from each of its 16 member distribution cooperatives, acknowledging and affirming their agreement that, should EKPC file a surcredit application pursuant to the over-earning provision of the Settlement, the distribution cooperatives would file concurrent application to refund such excess earnings to their respective ratepayers; and,

WHEREAS, Ordering paragraph 5 of the Commission's January 14, 2011 Order requires EKPC to file fully executed verification and acknowledgement statements from each of its 16 member distribution cooperatives affirming the intent of the over-earning mechanism within 10 days of January 14, 2011.

NOW, THEREFORE, in compliance with the Commission's Order, Owen Electric Cooperative does hereby verify, acknowledge, and affirm that in the event EKPC files a surcredit application pursuant to the terms of Article I, paragraph 6 of the Settlement Agreement filed in Case No. 2010-00167 and approved by the Commission on January 14, 2011, it will concurrently file an application to the Commission requesting to refund such excess earnings to its ratepayers.

By:  _____

Print Name: Mark A. Stallons

Title: President & CEO

Date: January 21, 2011

STATE OF KENTUCKY

COUNTY OF (State-at-Large)

SUBSCRIBED AND SWORN to before me by Mark R. Stallard on this the
21st day of January, 2011.

My Commission Expires: July 7, 2014.

Shawna Coldiron
NOTARY PUBLIC

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER	)	CASE NO.
COOPERATIVE, INC. FOR GENERAL	)	2010-00167
ADJUSTMENT OF ELECTRIC RATES)	

VERIFICATION AND ACKNOWLEDGEMENT OF
SALT RIVER ELECTRIC COOPERATIVE CORPORATION

WHEREAS, on January 14, 2011, the Public Service Commission ("Commission") entered an Order approving the provisions of the Settlement Agreement submitted in this case; and,
WHEREAS, Article I, paragraph 6 of that Settlement Agreement states:

The Parties hereto recognize and agree that the 2010 load forecast, which was developed and filed subsequent to the completion of discovery in the instant action, represents a significant change to EKPC's projected load, and which also has a significant effect on EKPC's finances. The Parties therefore agree to the establishment of an "over-earning mechanism" which will hereafter be implemented as follows:

- a. EKPC will provide its calendar year 2011 audited financial statements to the Commission and Parties no later than March 31, 2012.
- b. EKPC agrees to file a base rate case as soon as practical, but no less than one year in the event EKPC's TIER exceeds 1.50, after 2011 financial results are known in order for the Commission to determine that rates are appropriate. This base rate case will also allow the Parties an opportunity, through discovery, to review EKPC's expenditures. If the results of the base rate case produce an increase or decrease to rates, such increases or decreases will be allocated proportionally to all eligible rate schedules so as to produce an equal percentage increase or decrease in the total rates of all eligible rate schedules.
- c. If EKPC earns greater than a 1.50 Times Interest Earned Ratio ("TIER") based on its calendar year 2011 audited financial statements, EKPC shall refund the amount in excess of the 1.50 TIER in a proportional manner according to the allocation established in "Exhibit 1," attached hereto, by way of a Surcredit Application to be filed with the Commission; and,

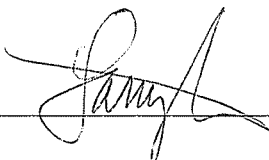
WHEREAS, concerning this provision of the Settlement Agreement, the Commission noted in its January 14, 2011 Order at page 21:

Second, the Settlement established an over-earning mechanism under which EKPC would file a surcredit application to refund any excess earnings if its

TIER exceeds 1.50 for calendar year 2011. As EKPC's 16 member distribution cooperatives were not parties to this proceeding and were not signatories to the Settlement, the individual distribution cooperatives are not bound by any of the terms contained in the Settlement. To ensure that any excess earnings achieved by EKPC which would trigger the over-earning mechanism established by the Settlement would be refunded to retail ratepayers, the Commission will require EKPC to obtain written verification from each of its 16 member distribution cooperatives, acknowledging and affirming their agreement that, should EKPC file a surcredit application pursuant to the over-earning provision of the Settlement, the distribution cooperatives would file concurrent application to refund such excess earnings to their respective ratepayers; and,

WHEREAS, Ordering paragraph 5 of the Commission's January 14, 2011 Order requires EKPC to file fully executed verification and acknowledgement statements from each of its 16 member distribution cooperatives affirming the intent of the over-earning mechanism within 10 days of January 14, 2011.

NOW, THEREFORE, in compliance with the Commission's Order, Salt River Electric does hereby verify, acknowledge, and affirm that in the event EKPC files a surcredit application pursuant to the terms of Article I, paragraph 6 of the Settlement Agreement filed in Case No. 2010-00167 and approved by the Commission on January 14, 2011, it will concurrently file an application to the Commission requesting to refund such excess earnings to its ratepayers.

By:  _____

Print Name: Larry Hicks _____

Title: President and CEO _____

Date: January 21, 2011 _____

STATE OF KENTUCKY

COUNTY OF Nelson

21st SUBSCRIBED AND SWORN to before me by Larry Hicks on this the
day of January, 2011.

My Commission Expires: December 16, 2014

Kathy Brown
NOTARY PUBLIC

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER) CASE NO.
COOPERATIVE, INC. FOR GENERAL) 2010-00167
ADJUSTMENT OF ELECTRIC RATES)

VERIFICATION AND ACKNOWLEDGEMENT OF
SHELBY ENERGY COOPERATIVE, INC.

WHEREAS, on January 14, 2011, the Public Service Commission (“Commission”) entered an Order approving the provisions of the Settlement Agreement submitted in this case; and,

WHEREAS, Article I, paragraph 6 of that Settlement Agreement states:

The Parties hereto recognize and agree that the 2010 load forecast, which was developed and filed subsequent to the completion of discovery in the instant action, represents a significant change to EKPC’s projected load, and which also has a significant effect on EKPC’s finances. The Parties therefore agree to the establishment of an “over-earning mechanism” which will hereafter be implemented as follows:

- a. EKPC will provide its calendar year 2011 audited financial statements to the Commission and Parties no later than March 31, 2012.
- b. EKPC agrees to file a base rate case as soon as practical, but no less than one year in the event EKPC’s TIER exceeds 1.50, after 2011 financial results are known in order for the Commission to determine that rates are appropriate. This base rate case will also allow the Parties an opportunity, through discovery, to review EKPC’s expenditures. If the results of the base rate case produce an increase or decrease to rates, such increases or decreases will be allocated proportionally to all eligible rate schedules so as to produce an equal percentage increase or decrease in the total rates of all eligible rate schedules.
- c. If EKPC earns greater than a 1.50 Times Interest Earned Ratio (“TIER”) based on its calendar year 2011 audited financial statements, EKPC shall refund the amount in excess of the 1.50 TIER in a proportional manner according to the allocation established in “Exhibit 1,” attached hereto, by way of a Surcredit Application to be filed with the Commission; and,

WHEREAS, concerning this provision of the Settlement Agreement, the Commission noted in its January 14, 2011 Order at page 21:

Second, the Settlement established an over-earning mechanism under which EKPC would file a surcredit application to refund any excess earnings if its

TIER exceeds 1.50 for calendar year 2011. As EKPC's 16 member distribution cooperatives were not parties to this proceeding and were not signatories to the Settlement, the individual distribution cooperatives are not bound by any of the terms contained in the Settlement. To ensure that any excess earnings achieved by EKPC which would trigger the over-earning mechanism established by the Settlement would be refunded to retail ratepayers, the Commission will require EKPC to obtain written verification from each of its 16 member distribution cooperatives, acknowledging and affirming their agreement that, should EKPC file a surcredit application pursuant to the over-earning provision of the Settlement, the distribution cooperatives would file concurrent application to refund such excess earnings to their respective ratepayers; and,

WHEREAS, Ordering paragraph 5 of the Commission's January 14, 2011 Order requires EKPC to file fully executed verification and acknowledgement statements from each of its 16 member distribution cooperatives affirming the intent of the over-earning mechanism within 10 days of January 14, 2011.

NOW, THEREFORE, in compliance with the Commission's Order, Shelby Energy Cooperative, Inc. does hereby verify, acknowledge, and affirm that in the event EKPC files a surcredit application pursuant to the terms of Article I, paragraph 6 of the Settlement Agreement filed in Case No. 2010-00167 and approved by the Commission on January 14, 2011, it will concurrently file an application to the Commission requesting to refund such excess earnings to its ratepayers.

By: Debra J. Martin

Print Name: Debra J. Martin

Title: President + CEO

Date: 1/20/11

STATE OF KENTUCKY

COUNTY OF Shelby

SUBSCRIBED AND SWORN to before me by Debbie Martin on this the
20 day of January, 2011.

My Commission Expires: March 28, 2014.

Mary Gay Jennill
NOTARY PUBLIC
Certificate ID 157770

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER	)	CASE NO.
COOPERATIVE, INC. FOR GENERAL	)	2010-00167
ADJUSTMENT OF ELECTRIC RATES)	

**VERIFICATION AND ACKNOWLEDGEMENT OF
SOUTH KENTUCKY RECC**

WHEREAS, on January 14, 2011, the Public Service Commission (“Commission”) entered an Order approving the provisions of the Settlement Agreement submitted in this case; and,

WHEREAS, Article I, paragraph 6 of that Settlement Agreement states:

The Parties hereto recognize and agree that the 2010 load forecast, which was developed and filed subsequent to the completion of discovery in the instant action, represents a significant change to EKPC’s projected load, and which also has a significant effect on EKPC’s finances. The Parties therefore agree to the establishment of an “over-earning mechanism” which will hereafter be implemented as follows:

- a. EKPC will provide its calendar year 2011 audited financial statements to the Commission and Parties no later than March 31, 2012.
- b. EKPC agrees to file a base rate case as soon as practical, but no less than one year in the event EKPC’s TIER exceeds 1.50, after 2011 financial results are known in order for the Commission to determine that rates are appropriate. This base rate case will also allow the Parties an opportunity, through discovery, to review EKPC’s expenditures. If the results of the base rate case produce an increase or decrease to rates, such increases or decreases will be allocated proportionally to all eligible rate schedules so as to produce an equal percentage increase or decrease in the total rates of all eligible rate schedules.
- c. If EKPC earns greater than a 1.50 Times Interest Earned Ratio (“TIER”) based on its calendar year 2011 audited financial statements, EKPC shall refund the amount in excess of the 1.50 TIER in a proportional manner according to the allocation established in “Exhibit 1,” attached hereto, by way of a Surcredit Application to be filed with the Commission; and,

WHEREAS, concerning this provision of the Settlement Agreement, the Commission noted in its January 14, 2011 Order at page 21:

Second, the Settlement established an over-earning mechanism under which EKPC would file a surcredit application to refund any excess earnings if its

TIER exceeds 1.50 for calendar year 2011. As EKPC's 16 member distribution cooperatives were not parties to this proceeding and were not signatories to the Settlement, the individual distribution cooperatives are not bound by any of the terms contained in the Settlement. To ensure that any excess earnings achieved by EKPC which would trigger the over-earning mechanism established by the Settlement would be refunded to retail ratepayers, the Commission will require EKPC to obtain written verification from each of its 16 member distribution cooperatives, acknowledging and affirming their agreement that, should EKPC file a surcredit application pursuant to the over-earning provision of the Settlement, the distribution cooperatives would file concurrent application to refund such excess earnings to their respective ratepayers; and,

WHEREAS, Ordering paragraph 5 of the Commission's January 14, 2011 Order requires EKPC to file fully executed verification and acknowledgement statements from each of its 16 member distribution cooperatives affirming the intent of the over-earning mechanism within 10 days of January 14, 2011.

NOW, THEREFORE, in compliance with the Commission's Order, South Kentucky RECC does hereby verify, acknowledge, and affirm that in the event EKPC files a surcredit application pursuant to the terms of Article I, paragraph 6 of the Settlement Agreement filed in Case No. 2010-00167 and approved by the Commission on January 14, 2011, it will concurrently file an application to the Commission requesting to refund such excess earnings to its ratepayers.

By: Allen Anderson

Print Name: Allen Anderson

Title: President and CEO

Date: 1-20-2011

STATE OF KENTUCKY

COUNTY OF Pulaski

20th SUBSCRIBED AND SWORN to before me by Allen Anderson on this the
day of January, 2011.

My Commission Expires: June 23, 2014.

Amy Aiston
NOTARY PUBLIC

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER) CASE NO.
COOPERATIVE, INC. FOR GENERAL) 2010-00167
ADJUSTMENT OF ELECTRIC RATES)

**VERIFICATION AND ACKNOWLEDGEMENT OF
TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

WHEREAS, on January 14, 2011, the Public Service Commission (“Commission”) entered an Order approving the provisions of the Settlement Agreement submitted in this case; and,

WHEREAS, Article I, paragraph 6 of that Settlement Agreement states:

The Parties hereto recognize and agree that the 2010 load forecast, which was developed and filed subsequent to the completion of discovery in the instant action, represents a significant change to EKPC’s projected load, and which also has a significant effect on EKPC’s finances. The Parties therefore agree to the establishment of an “over-earning mechanism” which will hereafter be implemented as follows:

- a. EKPC will provide its calendar year 2011 audited financial statements to the Commission and Parties no later than March 31, 2012.
- b. EKPC agrees to file a base rate case as soon as practical, but no less than one year in the event EKPC’s TIER exceeds 1.50, after 2011 financial results are known in order for the Commission to determine that rates are appropriate. This base rate case will also allow the Parties an opportunity, through discovery, to review EKPC’s expenditures. If the results of the base rate case produce an increase or decrease to rates, such increases or decreases will be allocated proportionally to all eligible rate schedules so as to produce an equal percentage increase or decrease in the total rates of all eligible rate schedules.
- c. If EKPC earns greater than a 1.50 Times Interest Earned Ratio (“TIER”) based on its calendar year 2011 audited financial statements, EKPC shall refund the amount in excess of the 1.50 TIER in a proportional manner according to the allocation established in “Exhibit 1,” attached hereto, by way of a Surcredit Application to be filed with the Commission; and,

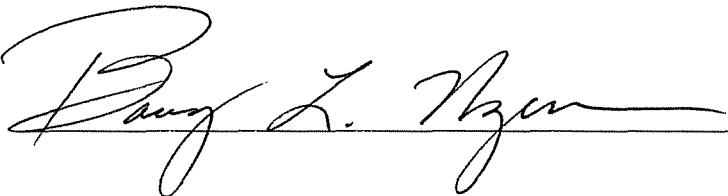
WHEREAS, concerning this provision of the Settlement Agreement, the Commission noted in its January 14, 2011 Order at page 21:

Second, the Settlement established an over-earning mechanism under which EKPC would file a surcredit application to refund any excess earnings if its

TIER exceeds 1.50 for calendar year 2011. As EKPC's 16 member distribution cooperatives were not parties to this proceeding and were not signatories to the Settlement, the individual distribution cooperatives are not bound by any of the terms contained in the Settlement. To ensure that any excess earnings achieved by EKPC which would trigger the over-earning mechanism established by the Settlement would be refunded to retail ratepayers, the Commission will require EKPC to obtain written verification from each of its 16 member distribution cooperatives, acknowledging and affirming their agreement that, should EKPC file a surcredit application pursuant to the over-earning provision of the Settlement, the distribution cooperatives would file concurrent application to refund such excess earnings to their respective ratepayers; and,

WHEREAS, Ordering paragraph 5 of the Commission's January 14, 2011 Order requires EKPC to file fully executed verification and acknowledgement statements from each of its 16 member distribution cooperatives affirming the intent of the over-earning mechanism within 10 days of January 14, 2011.

NOW, THEREFORE, in compliance with the Commission's Order, Taylor Co. RECC does hereby verify, acknowledge, and affirm that in the event EKPC files a surcredit application pursuant to the terms of Article I, paragraph 6 of the Settlement Agreement filed in Case No. 2010-00167 and approved by the Commission on January 14, 2011, it will concurrently file an application to the Commission requesting to refund such excess earnings to its ratepayers.

By:  _____

Print Name: BARRY L. MYERS _____

Title: MANAGER _____


Date: 1/20/11 _____

STATE OF KENTUCKY

COUNTY OF Taylor

20th SUBSCRIBED AND SWORN to before me by Barry L. Myers on this the
day of January, 2011.

My Commission Expires: 5/6/2013.



NOTARY PUBLIC