

March 1, 2023

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PUBLIC SERVICE
COMMISSION

Ms. Linda C. Bridwell, P.E.
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Re: *Application of East Kentucky Power Cooperative, Inc., for Approval of the Authority to Issue up to \$300,000,000 of Secured Private Placement Debt and/or Secured Tax Exempt Bonds and for the Use of Interest Rate Management Instruments- Case No. 2018-00115*

Dear Ms. Bridwell:

Enclosed, please find for filing, East Kentucky Power Cooperative, Inc.'s updated information pursuant to the Commission's February 23, 2023 Order regarding confidential treatment in the above-styled case.

This is to certify that the electronic filing has been transmitted to the Commission on March 1, 2023 and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means. Pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085 no paper copies of this filing will be made.

Please do not hesitate to contact me with any questions or concerns.

Sincerely,



L. Allyson Honaker

Enclosure

**Responses of East Kentucky Power Cooperative, Inc. to the
Commission's July 24, 2018 Order in Case No. 2018-00115,
Ordering Paragraph No. 6**

1. Private Placement Debt Issuance

On April 18, 2019, EKPC entered into a new \$150,000,000 Private Placement issuance that was marketed to several investors via an auction process. The interest rate is 4.45%. The maturity date for this issuance is April 19, 2049. A placement fee of \$750,000, or 0.50% of the principal amount of the issuance, was paid to the Placement Agents in connection with the Private Placement issuance in addition to estimated legal fees, filing fees, and other expenses of \$200,000. Amortizing these fees over the life of the issuance has an effect of about 0.02% on the effective interest rate. The interest rate of the issuance was based on a 30-year final maturity and a 15.5-year average life. The issuance priced at the 10-year Treasury benchmark yield of 2.75% plus a 1.70% spread, consisting of a credit spread based on EKPC's credit rating and risk profile plus a premium for the longer tenor. The issuance was marketed to several investors via an auction process, ensuring that the lowest cost providers of funds were utilized.

2. National Rural Utilities Cooperative Finance Corporation ("NRUCFC") Bilateral Loan Agreement Issuance

On April 19, 2019, EKPC entered into a new \$100,000,000 bilateral loan agreement issuance with NRUCFC. The interest rate was 4.30%. The maturity date for this issuance is April 30, 2049. There were no underwriting or placement fees charged by NRUCFC. Legal fees and filing fees are estimated to be \$75,000, which has an effect on the effective interest rate of less than 0.005%. The interest rate was based on the 10-year Treasury benchmark of 2.75% plus a 1.55% spread, consisting of a credit spread based on EKPC's credit rating and risk profile plus a premium for the longer tenor. NRUCFC was EKPC's lowest cost source of funds, but was limited in the total funding it could provide to EKPC.