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January 30, 2024

VIA ELECTRONIC TARIFF FILING SYSTEM

Ms. Linda Bridwell, P.E.
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

RE: Environmental Surcharge Tariff Filing – Case No. 2023-00177

Dear Ms. Bridwell:

Please find attached for electronic filing via the Commission's electronic tariff filing system, East Kentucky Power Cooperative, Inc.'s ("EKPC") revised Rate ES - Environmental Surcharge tariff pursuant to the Commission's January 11, 2024 Order in Case No. 2023-00177.

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

Sincerely,



L. Allyson Honaker

MEMORANDUM

TO: Member System CEO's

FROM: Anthony S. Campbell

DATE: January 30, 2024

SUBJECT: East Kentucky Power Cooperative, Inc. Environmental Surcharge Tariff

Today, East Kentucky Power Cooperative, Inc. ("EKPC") filed with the Kentucky Public Service Commission ("PSC"), revised tariffs regarding the Environmental Surcharge. The tariff has a proposed effective date of March 1, 2024.

The PSC approved additions and amendments to EKPC's Environmental Compliance plan in case 2023-00177. A portion of these additions were already being recovered through EKPC's base rates. To avoid double recovery of these projects, the Base Environmental Surcharge Factor (BESF) is being updated from 0% to 0.34%. The BESF is subtracted from the Monthly Environmental Surcharge Factor (MESF). This change reduces the overall MESF to avoid double recovery of projects.

A person may examine this tariff filing at the offices of EKPC located at 4775 Lexington Road, Winchester, Kentucky. This tariff filing may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Commission's Web site at <http://psc.ky.gov>. Any comments regarding this tariff filing may be submitted to the Public Service Commission through its Web site or by mail to Public Service Commission, P. O. Box 615, Frankfort, Kentucky 40602.

A person may submit a timely written request for intervention to the Public Service Commission, P. O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication or mailing of the notice, the Commission may take final action on the tariff filing.

Rate ES – Environmental Surcharge

Applicability

In all territories of owner-members of EKPC.

Availability

This rate schedule shall apply to EKPC Rates B, C, E, and G and all special contracts with rates subject to adjustment upon the approval of the Commission.

Rate

The Environmental Surcharge shall provide for monthly adjustments based on a percent of revenues equal to the difference between the environmental compliance costs in the base period and in the current period based on the following formula:

$$\text{CESF} = \text{E(m)} / \text{R(m)}$$

$$\text{MESF} = \text{CESF} - \text{BESF}$$

MESF = Monthly Environmental Surcharge Factor

CESF = Current Environmental Surcharge Factor

BESF = Base Environmental Surcharge Factor of ~~0%~~ 0.34%

where E(m) is the total of each approved environmental compliance plan revenue requirement of environmental costs for the current expense month and R(m) is the revenue for the current expense month as expressed below.

Definitions

1. $E(m) = [(\text{RB}/12)(\text{RORB}) + \text{OE} - \text{BAS} + (\text{Over})\text{Under Recovery}$

where:

- a. RB is the Environmental Compliance Rate Base, defined as electric plant in service for applicable environmental projects adjusted for accumulated depreciation, CWIP, cash working capital, spare parts and limestone inventory, emission allowance inventory;
- b. RORB is the Rate of Return on the Environmental Compliance Rate Base, designated as the average cost of debt for environmental compliance plan projects approved by the Commission plus application of a times-interest-earned ratio of 1.475;

DATE OF ISSUE: ~~April 1, 2021~~ *January 30, 2024*

DATE EFFECTIVE: ~~Service Bills rendered on and after October 1, 2021~~ *March 1, 2024*

ISSUED BY:

 Anthony S. Campbell,
 President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. ~~2021-00403~~ *2023-00177* dated ~~September 30, 2021~~ *January 11, 2024*.

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DATE OF ISSUE: January 30, 2024

DATE EFFECTIVE: Bills rendered on and after ~~March 1, 2024~~

ISSUED BY:


Anthony S. Campbell,
President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2023-00177 dated January 11, 2024.