East Kentucky Power Cooperative

Spurlock Power Station - Gilbert Unit 3 & 4

Quarterly Coal Contract Escalation Schedule

for

B & N Coal, Inc. - 824

Escalation of delivered price per million BTU to be used for coal received by E.K.P. FEB 01 - FEB 28, 2018

Base Price: 1.950 (11,100 BTU)

Escalatable Fuel Base 0.4875

No. 2 diesel fuel WPU 0573-03 (not seasonally adjusted)

 August-12
 323.3

 Jan-18
 231.0

Difference -92.3

Percent Change in Price Index: -92.3 \div 323.3 = -28.5%

Fuel Adjustment to Base -28.5% x 0.4875 = (\$0.1389)

Base Price - \$1.9500 Fuel Escalation + (\$0.1389)

Escalated Price Effective FEB 01 - FEB 28, 2018 <u>1.8111</u> /MMBtu

Truck surcharge <u>0.00</u> /Ton