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East Kentucky Power Cooperative, Inc.
Normalize Interest Income
Reflects Cushion of Credit Paydown

Investment	Balance as of 12/31/2019	Interest Rate as of 12/31/2019	Test Year Interest Income	Interest Rate as of 07/31/2021	Normalized Interest Income	
U.S. Treasury Securities (2)	\$38,246,728	1.65% - 2.50%	\$843,011	0.05%	\$19,123	Updated as of July 31, 2021
CFC Commercial Paper (2)	\$51,000,000	1.52% - 1.71%	\$1,329,436	0.11%	\$56,100	Updated as of July 31, 2021
Money Market Funds (2):						
Federated Money Market Funds	\$30,000,000	1.52%	\$503,561	0.01%	\$3,000	Updated as of July 31, 2021
Fidelity Money Market Funds	\$30,000,000	1.54%	\$639,346	0.01%	\$3,000	Updated as of July 31, 2021
Funds Held in Misc. Bank Accounts: (2)						
Money Market Deposit Account	\$5,000,000	1.50%	\$168,958	0.00%	\$0	Updated as of July 31, 2021
Insured Cash Sweep Account	\$5,008,501	2.00%	\$45,638	0.36%	\$18,031	Updated as of July 31, 2021
PJM Account	\$1,731,894	1.50%	\$35,818	0.01%	\$173	Updated as of July 31, 2021
RUS Cushion of Credit (3)	\$697,829	5.00%	\$21,310,987	4.00%	\$27,913	
CFC Securities						
Capital Term Certificates - Gen.	\$6,998,144	5.00%	\$349,907	5.00%	\$349,907	
Capital Term Certificates - CB/RUS	\$657,500	3.00%	\$19,725	3.00%	\$19,725	
Zero Term Certificates	\$426,094	0.00%	\$0	0.00%	\$0	
Subordinated Term Certificates	\$165,000	6.59%	\$10,869	6.59%	\$10,869	Updated as of June 30, 2021
Cooper Debt Service Reserve	\$1,100,000	1.98%	\$22,788	0.00%	\$22	Updated as of June 30, 2021
Member Cooperative Marketing						
Loan Interest:						
Loan #24	\$0	1.50%	\$81	0.00%	\$0	
Loan #25	\$4,436	1.70%	\$99	0.00%	\$0	Updated as of June 30, 2021
Loan #26	\$6,782	1.80%	\$145	1.70%	\$115	
Loan #27	\$50,125	2.20%	\$1,047	1.80%	\$902	
Loan #28	\$146,853	2.80%	\$4,111	2.80%	\$4,112	
Propane Loan Interest	\$411,527	5.00%	\$29,436	2.75%	\$11,317	Updated in Response to PSC DR2 Request 16a-b, filed May 28, 2021
Miscellaneous						
Member Late Power Bill (1)	\$0		\$7,506		\$0	
Interest - KY Sales Tax Refund (1)	\$0		\$1,707		\$0	
Interest from Investment (1)	\$0		\$134		\$0	
TVA Security Deposit - Cap. Proj. (2)	\$667,452	1.67%	\$7,452	0.04%	\$267	Updated as of July 31, 2021
Rounding Adjustment			\$3			
Totals	\$172,318,865		\$25,331,765		\$524,576	
Adjustment to normalize interest income					(\$24,807,189)	

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East Kentucky Power Cooperative, Inc.
Normalize Interest Income
Reflects Cushion of Credit Paydown

55 Notes:

- 56 (1) These items were a source of interest income during the test year but do not reflect investments.
57 (2) The interest rates for these investments are established daily or monthly and fluctuate reflecting current market conditions.
58 In order to determine a reasonable current interest rate, EKPC has applied the approach discussed in the Commission's
59 December 5, 2007 Order in Case No. 2006-00472, specifically footnote 36. The calculation of the applicable interest
60 rates is shown below.

Investment	Balance as of 07/31/2021	Interest Income for July 2021	Blended Interest Rate	Annualized Interest Rate
U.S. Treasury Securities	\$38,763,239	\$1,521	0.004%	0.05%
CFC Commercial Paper	\$81,000,000	\$7,685	0.009%	0.11%
Money Market Funds	\$20,000,000	\$298	0.001%	0.01%
Funds Held in Misc. Bank Accounts:				
Money Market Deposit Account	\$250,000	\$1	0.000%	0.00%
Insured Cash Sweep Account	\$5,001,486	\$1,486	0.030%	0.36%
PJM Account	\$1,738,321	\$15	0.001%	0.01%
TVA Security Deposit - Cap. Proj.	\$1,105,591	\$38	0.003%	0.04%

78 (3) Changes in the balance in the Cushion of Credit account between January 1, 2020 and September 9, 2020

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Date	Accrued Interest	Quarterly FFB Payment	Principal Paydown	Balance
Beginning Balance, January 1, 2020				\$349,593,355.60
January 31, 2020	\$1,484,574.52			\$351,077,930.12
February 28, 2020	\$1,380,944.79			\$352,458,874.91
March 31, 2020	\$1,480,518.31	(\$40,077,552.07)		\$313,861,841.15
April 30, 2020	\$1,286,319.02			\$315,148,160.17
May 31, 2020	\$1,329,196.32			\$316,477,356.49
June 30, 2020	\$1,286,319.02			\$317,763,675.51
July 31, 2020	\$1,345,720.48			\$319,109,395.99
August 31, 2020	\$1,345,720.48			\$320,455,116.47
September 9, 2020			(\$320,149,976.61)	\$305,139.86
September 30, 2020	\$392,689.29			\$697,829.15

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