

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**ELECTRONIC APPLICATION OF EAST)
KENTUCKY POWER COOPERATIVE, INC.)
FOR A GENERAL ADJUSTMENT OF RATES,)
APPROVAL OF DEPRECIATION STUDY,)
AMORTIZATION OF CERTAIN REGULATORY)
ASSETS, AND OTHER GENERAL RELIEF)**

**CASE NO.
2021-00103**

**INITIAL DATA REQUESTS OF THE ATTORNEY GENERAL AND NUCOR TO
EAST KENTUCKY POWER COOPERATIVE, INC.
DATED MAY 14, 2021**

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF EAST)	
KENTUCKY POWER COOPERATIVE, INC.)	
FOR A GENERAL ADJUSTMENT OF RATES,)	CASE NO.
APPROVAL OF DEPRECIATION STUDY,)	2021-00103
AMORTIZATION OF CERTAIN REGULATORY)	
ASSETS, AND OTHER GENERAL RELIEF)	

CERTIFICATE

STATE OF MINNESOTA)
)
 COUNTY OF WASHINGTON)

Richard J. Macke, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Initial Data Requests of the Attorney General and Nucor in the above-referenced case dated May 14, 2021, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

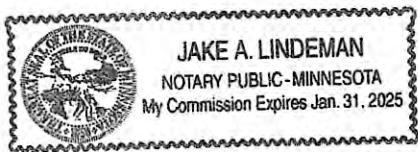
Richard J. Macke

Subscribed and sworn before me on this 26 day of May, 2021.

Jake A. Lindeman

Notary Public - # 114050810034

Commission expires - 01/31/2025



**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE**

**AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 1**

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 1. Provide EKPC's TIER and DSC computations for each annual period from 2016 through 2020 reflecting each individual component of the computation for each period.

Request 1. Please see page 2 of this response for the TIER and DSC calculations.

0 AG-Nucor DR1 Response 1.xlsx

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East Kentucky Power Cooperative, Inc.
Times Interest Earned Ratio (TIER) and Debt Service Coverage (DSC)

2016 2017 2018 2019 2020

	2016	2017	2018	2019	2020
Depreciation Expense	\$104,514,690	\$119,666,990	\$117,885,485	\$120,875,227	\$126,023,614
Interest Expense on Long Term Debt	\$113,041,720	\$114,915,472	\$115,438,974	\$112,361,640	\$100,921,595
Net Margins	\$53,708,181	\$22,142,265	\$40,668,788	\$44,204,037	\$28,691,908
Principal Payments	\$90,703,068	\$87,982,981	\$88,218,915	\$85,839,772	\$86,999,412
TIER Calculation:					
Interest Expense on Long Term Debt	\$113,041,720	\$114,915,472	\$115,438,974	\$112,361,640	\$100,921,595
Net Margins	\$53,708,181	\$22,142,265	\$40,668,788	\$44,204,037	\$28,691,908
Total	\$166,749,901	\$137,057,737	\$156,107,762	\$156,565,677	\$129,613,503
Divided by Interest Expense	\$113,041,720	\$114,915,472	\$115,438,974	\$112,361,640	\$100,921,595
TIER	1.48	1.19	1.35	1.39	1.28
DSC Calculation:					
Depreciation Expense	\$104,514,690	\$119,666,990	\$117,885,485	\$120,875,227	\$126,023,614
Interest Expense on Long Term Debt	\$113,041,720	\$114,915,472	\$115,438,974	\$112,361,640	\$100,921,595
Net Margins	\$53,708,181	\$22,142,265	\$40,668,788	\$44,204,037	\$28,691,908
Total	\$271,264,591	\$256,724,727	\$273,993,247	\$277,440,904	\$255,637,117
Interest Expense on Long Term Debt	\$113,041,720	\$114,915,472	\$115,438,974	\$112,361,640	\$100,921,595
Principal Payments	\$90,703,068	\$87,982,981	\$88,218,915	\$85,839,772	\$86,999,412
Total	\$203,744,788	\$202,898,453	\$203,657,889	\$198,201,412	\$187,921,007
DSC	1.33	1.27	1.35	1.40	1.36

Amounts reflect actual period results with no adjustments.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE**

**AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 2**

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 2. Provide a computation of the equity as a percent of capitalization at the end of each of the years 2016, 2017, 2018, 2019, 2020, and for each month in 2021 with available information.

Response 2. Please see EKPC's response to the Commission Staff's First Request for Information dated March 4, 2021, Request 2, page 2 of 3, Schedule A1 for the equity as a percent of capitalization for the calendar years 2016 through 2020. The same information for the four months of 2021 is shown on page 2 of this response.

AG-Nucor DR1 Response 2.xlsx

East Kentucky Power Cooperative, Inc. Case No. 2021-00103									
Equity as a Percentage of Capitalization Months of January through April 2021 *000 Omitted*									
Line No.	Type of Capital	January 2021		February 2021		March 2021		April 2021	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long-Term Debt	\$2,544,551	77.08%	\$2,519,549	76.64%	\$2,516,609	76.72%	\$2,498,273	76.67%
2	Short-Term Debt	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
3	Preferred & Preference Stock	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
4	Common Equity (See Note)	\$756,459	22.92%	\$767,990	23.36%	\$763,687	23.28%	\$760,348	23.33%
5	Other (Itemize by type)	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
6	Total Capitalization	\$3,301,010	100.00%	\$3,287,539	100.00%	\$3,280,296	100.00%	\$3,258,621	100.00%

Note: Common Equity reflects Total Margins and Equities, which includes Memberships, Patronage Capital, and Other Margins and Equity.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE**

**AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 3**

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 3. Provide a computation of the cash general funds level as a percentage of total utility plant at the end of each of the years 2016, 2017, 2018, 2019, 2020, and for each month in 2021 with available information.

Response 3. Please see page 2 of this response and corresponding Excel spreadsheet *AG & Nucor DRI Response 3.xlsx* for the computation of general fund cash as a percentage of total utility plant at the end of years 2016 through 2020 and for the end of each month closed in 2021. It should be noted that the data utilized for this computation was derived from Rural Utilities Services (“RUS”) Form 12 Balance Sheet Line 15, Cash-General Funds, and Line 3, Total Utility Plant.

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
Cash-General Funds as a Percentage of Total Utility Plant
December 31, 2016-2020 and Each Month in 2021

	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	January 31, 2021	February 28, 2021	March 31, 2021	April 30, 2021
Cash General Funds	20,153,240	8,455,457	29,438,493	19,792,278	24,272,365	15,787,782	10,320,163	31,746,784	24,270,803
Total Utility Plant	4,147,295,010	4,236,617,629	4,291,349,389	4,429,358,792	4,627,405,580	4,628,750,676	4,633,802,890	4,640,874,313	4,647,028,423
Cash General Funds as a Percentage of Total Utility Plant	0.49%	0.20%	0.69%	0.45%	0.52%	0.34%	0.22%	0.68%	0.52%

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 4

RESPONSIBLE PERSON: Thomas J. Stachnik

COMPANY: East Kentucky Power Cooperative, Inc.

Request 4. Indicate the date and amount of any loan draws received from each loan provider during 2020 and to date during 2021. In addition, provide all projections of future loan draws through 2021.

Response 4. The loan draws from FFB are summarized in *AG Nucor DRI Responses 4, 5 & 44* Tab “#4 FFB Advances”. Loan draws from the syndicated credit facility are addressed in Response 44.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 5

RESPONSIBLE PERSON: Thomas J. Stachnik

COMPANY: East Kentucky Power Cooperative, Inc.

Request 5. Provide a schedule of principal payments on long term debt made during 2019, 2020, 2021 actual to date, and 2021 budget/forecast for remainder of calendar year.

Response 5. The loan draws from FFB are summarized in *AG Nucor DRI Responses 4, 5 & 44* Tab “#5 Principal Payments”.

EKPC would note that it has filed its rate case utilizing a historic test year rather than a forecasted test year. The standard for adjustments to a historic test year is that the adjustment is “known and measurable”. Rate cases utilizing a forecasted test year rely on budgets and forecasts for adjustments.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21

REQUEST 6

RESPONSIBLE PERSON: Ann Bridges / Craig A. Johnson / Mary Jane Warner

COMPANY: East Kentucky Power Cooperative, Inc.

Request 6. Provide copies of the 2021 Operating and Capital Budgets. In addition, indicate when the 2022 Operating and Capital Budgets will be prepared and finalized.

Response 6. A copy of the 2021 operating budget was provided in Exhibit AFB-2 of the testimony of Ann Bridges. The 2021 capital budget is provided on pages 3 through 6 of this response. The 2022 operating and capital budgets will be prepared in the summer of 2021 and finalized and approved in either November or December 2021.

EKPC would note that it has filed its rate case utilizing a historic test year rather than a forecasted test year. The standard for adjustments to a historic test year is that the adjustment is “known and measurable”. Rate cases utilizing a forecasted test year rely on budgets and forecasts for adjustments.

Request 6a. Provide a copy of EKPC's most recent new construction budget, as well as the most recent RUS-approved construction budget.

Response 6a. The most recent production and transmission three-year work plans, along with the RUS approval letters, are provided on pages 7 through 19 of this response.

Request 6b. If any forecasted spending for environmental compliance capital projects is not included in the budgets discussed in subpart a., above, provide the most recent budget forecast for environmental compliance capital projects.

Response 6b. All forecasted spending for environmental compliance capital projects is included in the information provided in the response to 6a.



East Kentucky Power Cooperative
Capital Summary
(Excludes Taxes & Benefits, Preliminary Investigations)

	<u>Business Unit</u>	<u>In-Service Date</u>	<u>2020 Current Estimate</u>	<u>2021 Budget</u>
Executive			\$ 54,104	\$ 4,104
	Vehicle	Various	50,000	
	Appraisers, Witnesses, Filing Fees, etc.	Various	4,104	4,104
Finance & Corporate Services			\$ 3,798,862	\$ 4,479,746
	Vehicles	Various	50,000	90,000
	Forklifts	Various	45,000	85,000
	Motorized Carts	Various		30,000
	Financial Forecasting & Budgeting Software	5/31/2020	426,362	
	SCM Analytics	10/31/2020	50,000	
	Pole Barns	12/31/2020	650,000	
	Contract & Project Management Software	5/31/2021	100,000	285,000
	Spurlock Warehouse - New	7/31/2021	456,422	925,800
	Accounts Payable Automation	10/31/2021		250,000
	Winchester Warehouse	7/31/2022		437,500
	GPS/RFID Equipment & Tags	9/30/2022	250,000	276,446
	IT Application/Database Servers	Various	996,558	805,000
	HCM Analytics	Various		250,000
	Replace Backup Data Center - Smith	Various	474,352	200,000
	Misc. Equipment	Various		50,000
	Misc. IT Equipment	Various	300,168	795,000
HR & Support Services			\$ -	\$ 40,000
	Vehicles	4/30/2021		40,000
Power Supply			\$ 365,000	\$ 88,000
	Vehicles	Various	0	72,000
	Adapt 2 Software	1/31/2020	350,000	
	Misc. Equipment	Various	15,000	16,000
Power Delivery & System Operations			\$ 3,107,205	\$ 15,621,447
	Vehicles	Various	8,729	763,000
	Cranes	Various	1,000,000	
	Bucket Trucks	Various	435,901	
	Dozers	Various	251,313	380,000
	Digger Derricks	Various		550,000
	Mobile Substations & Trailer	Various	900,000	5,200,000
	Trailers	Various	90,796	75,000
	Track Hoe	Various		200,000
	Service Trucks	Various	68,503	610,000
	Routine Sub/Line Maintenance	Various		6,338,447
	Warehouse B Addition	12/31/2021		250,000
	Offices for Heavy Equipment	11/30/2021		200,000
	Electronic Mapboard	11/30/2021		595,000
	Misc. Tools & Equipment	Various	351,963	460,000



East Kentucky Power Cooperative
Capital Summary
(Excludes Taxes & Benefits, Preliminary Investigations)

	<u>Business Unit</u>	<u>In-Service Date</u>	2020 Current Estimate	2021 Budget
Power Production			\$ 8,478,372	\$ 1,123,406
	Vehicles	Various	141,955	284,100
	Misc. Tools & Equipment - Cooper	Various	23,595	21,500
	Spurlock Unit 2 Absorber Spray Header	12/6/2020	6,411,046	
	660 SJ Boom Lift - Spurlock	3/31/2021		141,955
	Misc. Capital Spares - Spurlock	Various	229,629	
	Misc. Tools & Equipment - Spurlock	Various	1,481,203	420,851
	Misc. Tools & Equipment - Smith	Various	64,902	110,000
	Misc. Tools & Equipment - Bluegrass	3/31/2020	70,437	
	Simulator - Bluegrass	4/30/2021		145,000
	Misc. Tools & Equipment - Landfill Gas	Various	55,605	
Engineering & Construction			\$ 221,189,359	\$ 142,707,547
	Vehicles	Various	35,977	181,000
	Excavator	Various		225,000
	Misc. Tools & Equipment	Various	31,548	105,000
	Capital Projects - Production			
	Centralized PI Servicer - Headquarters	3/9/2021	240,548	125,200
	Misc. Projects - Cooper	Various	88	
	Replace Unit 3 Air Heater Basket - Spurlock	4/19/2020	562,324	
	Unit 3 Baghouse Liner - Spurlock	4/24/2020	860,938	
	Replace Unit 1 Cooling Tower - Spurlock	5/10/2020	7,600,000	
	Remote Fast Degas System - Spurlock	6/1/2020	1,000,000	
	Replace Plant CO2 System - Spurlock	9/1/2020	1,500,000	
	Unit 3 & 4 FBAC & FBHE Blower Starters - Spurlock	11/1/2020	585,586	
	Replace Unit 1 Absorber Spray Header - Spurlock	12/25/2020	2,531,196	
	Unit 2 Feedwater Heater - Spurlock	12/31/2020	1,350,000	
	Landfill Haul Road Paving - Spurlock	12/31/2020	1,750,000	
	Unit 2 Boiler Ignition System - Spurlock	12/31/2020	729,106	
	Unit 2 Boiler Blowdown Flash Tank - Spurlock	12/31/2021	72,295	651,216
	Fly Ash Silo Exhausters - Spurlock	12/31/2020	921,716	
	Unit 4 Boiler Pipe Hanger - Spurlock	12/31/2020	430,000	
	Equipment Fueling Station - Spurlock	12/31/2020	250,000	
	Landfill Area C - Spurlock	11/12/2021	140,000	4,969,000
	Replace Unit 2 SH Pendant Platen - Spurlock	12/31/2021	200,000	11,451,652
	Coal Pile Runoff Pond Supplemental Storage - Spurlock	12/31/2021	6,500,000	240,000
	Unit 2 Simulator - Spurlock	12/31/2021	901,445	579,833
	Unit 3 Auxillary Steam Supply - Spurlock	12/31/2021	321,716	209,863
	Replace CBU Jib Crane - Spurlock	12/31/2021	536,000	536,028
	Replace Ignition Fuel Oil Pipe - Spurlock	7/30/2022	80,000	396,388
	Landfill Area D Construction - Spurlock	10/28/2022	320,000	2,976,100
	Replace Unit 2 Cooling Tower - Spurlock	12/31/2022	2,172,100	19,097,410
	Air Heater Wash Collection & Treatment - Spurlock	12/31/2022	103,306	1,465,000
	Unit 1, 3, 4 Boiler Blowdown Flash Tanks - Spurlock	12/31/2022	23,290	
	Unit 2 Cast-Coil Sub & Precip Transformers - Spurlock	12/31/2022		803,108



East Kentucky Power Cooperative

Capital Summary

(Excludes Taxes & Benefits, Preliminary Investigations)

<u>Business Unit</u>	<u>In-Service Date</u>	<u>2020 Current Estimate</u>	<u>2021 Budget</u>
CCR/ELG - Spurlock	11/30/2024	70,436,515	22,952,511
Misc. Projects - Spurlock	Various	3,798,072	1,519,845
Unit 10 Hot Section Upgrade - Smith	6/29/2020	4,700,000	
Replace Unit 9 & 10 Remote Turbine I/O Block - Smith	6/30/2020	1,399,904	
Replace Units 1, 2, 3 Batteries - Smith	12/31/2021		322,368
New Water Intake - Smith	12/20/2022	230,000	1,354,278
New Demineralized Water Storage Tank - Smith	12/20/2023	125,000	546,047
Misc. Projects - Smith	Various	25,605	55,738
Dual Fuel Addition - Bluegrass	4/1/2021	30,227,136	2,300,159
Units 1,2,3 Hot Gas Path Inspection - Bluegrass	12/31/2020	18,046,002	
Peak Shave Battery Storage - Bluegrass	12/31/2021	250,000	6,015,500
Misc. Projects - Bluegrass	Various	(37,766)	
Battery Storage - Solar Farm	12/31/2022		1,460,000
Capital Projects - Transmission			
Monticello Substation & Homestead Tap Rebuild	12/1/2021	7,096,242	96,646
South Marion Industrial 161kV New Substation & Tap Line	11/1/2020	6,100,000	
Land Mobile Radio System	12/31/2020	4,078,900	
New TVA 161kV Interconnection to TVA E. Bowling Green	12/1/2022	3,940,948	11,855,338
N. Sharkey 138-25kV 30 MVA Substation & 138kV tap line	6/15/2020	3,300,000	
Lancaster MVA 69-13.2kV Substation & Tap Rebuild	12/1/20200	3,246,166	71,000
Hope - Hillsboro 69 kV Rebuild	12/1/2020	2,977,910	89,700
Green County Control Building & Transmission Substation Upgrade	12/31/2020	2,943,259	
Bluegrass Plant Spare GSU	12/1/2020	2,800,000	
Marion County Upgrade & Control House Replacement	6/1/2020	1,852,269	
Elizabethtown - Nelson County 69 kV Rebuild	12/31/2020	1,775,000	1,855,997
Leon - Airport Rd - Newfoundland - Mazie 69 kV Rebuild	11/30/2020	1,600,000	
Beattyville Distribution Substation Rebuild	12/31/2020	1,554,007	
Transformer Replacements-2020	Various	1,295,670	
Alcan #1 Transformer Upgrade to 12/16/20 MVA	12/31/200	1,075,000	
KU Etown-Kargle Tharp Double Circuit Rebuild	6/30/2020	1,066,025	
SCADA Master Upgrade	12/31/2020	912,000	
Freedom Tower Communications Building Replacement	12/31/2020	900,000	
Retire Dale-Hunt Lines & Add New Tap & Hunt 138-69kV Station	12/31/2019	850,000	
Breaker Replacement Program 2020	Various	700,000	
Broughtontown - New Distribution Substation & Tap Line	12/1/2021	700,000	6,292,060
Add Summersshade 161kV Station & Replace Control Building	12/1/2020	647,549	
RFL Channel Bank Replacements	12/31/2020	600,000	
McKinney Corner 69kV Distribution Substation Rebuild	5/5/2021	531,244	1,697,898
Redbush - Thelma Line Relocation	12/1/2020	505,000	
Steel Pole Replacement Program 2019	Various	500,000	
International Paper #1 & #2 Substation Rebuild	12/31/2021	40,000	4,675,238
Miller's Creek Distribution Substation Rebuild to 161kV	12/31/2021	110,000	4,000,000
Mineola Pike 138-13.2kV 12/16/20 MVA Sub & Tap (options only)	12/31/2022	170,000	3,775,238
Grants Lick-Griffin Jct 69kV Line Rebuild	12/1/2021	50,000	3,331,361



East Kentucky Power Cooperative
Capital Summary
(Excludes Taxes & Benefits, Preliminary Investigations)

<u>Business Unit</u>	<u>In-Service Date</u>	<u>2020 Current Estimate</u>	<u>2021 Budget</u>
Goddard Switchyard-Skaggs-Mazie Switchyard OPGW Installation	12/1/2021	10,000	2,767,032
Boone County-Williamstown Reconductor	12/31/2023	30,000	2,633,554
Patriot Parkway 69kV (Formerly Rineyville Jct.) Switching Station	12/31/2021	400,000	2,531,387
Brodhead-Three Links Jct. 69kV Line Rebuild	12/1/2022	25,050	2,307,903
Hodgenville - Magnolia 69kV Line Rebuild	5/31/2022	40,685	2,093,350
Boone-Bullittsville 69kV Line Rebuild	5/31/2022	35,000	1,799,499
Rebuild East Bardstown Distribution Substation	12/31/2021	100,000	1,791,344
New Griffin 138kV Distribution Substation & Tap Line	12/1/2023	40,000	1,609,513
Three Links - Three Links Jct 69kV Line Rebuild	7/31/2024	14,593	1,135,328
Bekaert-LGE/KU Simpsonville/Shelbyville 69 kV Line	7/30/2021	474,652	1,089,746
Fawkes-West Berea OPGW Installation	12/1/2021	8,650	820,000
New Castle Communications Building Replacement	12/31/2021		576,000
Distribution Stations: New/Modifications/Upgrades	Various	1,072,760	784,397
Line Rebuilds/Reconductors/Upgrades	Various	1,390,247	
Routine Maintenance	Various	1,526,705	657,326
System Protection	Various	648,235	743,264
Telecom	Various	1,978	802,770
Transmission Station Modifications/Upgrades	Various	503,967	286,414
Environmental		\$ 205,240	\$ 509,000
Vehicles	6/30/2020		107,000
Misc. Tools & Equipment	Various	205,240	402,000
Total Capital		\$ 237,198,142	\$ 164,573,250
Regulatory Assets			
Insulation/Emergent Work/Outage Support - Bluegrass	10/31/2020	2,030,000	
Rebuild Unit 2B Pulverizer Gearbox - Spurlock	12/31/2021		1,500,000
Unit 2 C-Inspection - Smith	6/30/2021		1,800,000
Rebuild Unit 2D Pulverizer Gearbox - Spurlock	12/31/2022		1,500,000
Total Regulatory Assets		\$ 2,030,000	\$ 4,800,000
ARO Projects			
CCR/ELG Ash Pond - Spurlock	8/31/2027	1,600,000	12,425,978
Total ARO Projects		\$ 1,600,000	\$ 12,425,978
Grand Total		\$ 240,828,142	\$ 181,799,228



United States Department of Agriculture

Rural Development

February 9, 2021

Rural Utilities Service

1400 Independence
Ave SW, Room 0221
Stop 1567
Washington, DC
20250

Voice 202.720.1430
Fax 1.844.496.7794

Mr. Denver J. York
Senior Vice President – Power Delivery
East Kentucky Power Cooperative, Inc.
P.O. Box 707
Winchester, Kentucky 40392-0707

Dear Mr. York:

The Rural Utilities Service (RUS) has completed its review of the 2021-2023 Generation Construction Work Plan (GCWP) submitted by East Kentucky Power Cooperative, Inc. with letter from Ms. Jane Warner to Mr. Kenneth Solano dated January 26, 2021. The 2021-2023 GCWP estimated total project cost is \$437,999,820 which includes constructions for Headquarters, Renewable Energy/Storage, and projects at the Smith Power Station, Bluegrass Power Station and Spurlock Power Station. All projects listed in the 2021–2023 GCWP as submitted have been determined acceptable from a technical standpoint and are hereby granted Rural Utilities Service (RUS) engineering approval.

Note that this letter does not constitute RUS environmental approval of any of the projects included in the 2021–2023 GCWP. The results of the RUS environmental review for the projects will be provided in separate correspondences by the RUS environmental staff.

Thank you for your submittal. Please do not hesitate to contact me should you have any questions. I can be contacted at kenneth.solano@wdc.usda.gov or (202) 205-9702.

Sincerely,

Kenneth Solano

KENNETH SOLANO
Chief, Engineering Branch
Office of Loan Origination and Approval
Electric Program-Rural Utilities Service

USDA is an equal opportunity provider, employer, and lender.



January 26, 2021

Mr. Kenneth Solano, Engineering Branch Chief
Office of Loan Origination and Approval
Rural Development/Rural Utilities Services/Electric Program
Mail Stop 1567 – Room 0221-S
1400 Independence Avenue South West
Washington, DC 20250-1567

Subject: East Kentucky Power Cooperative, Inc.
Transmission and Power Production – Power Plants, Combustion Turbines,
Renewable Energy, Environmental, and Construction
Three-Year Construction Work Plans for 2021-2023

Dear Mr. Solano:

Enclosed please find the certified Power Production and Transmission Three-Year Construction Work Plans for 2021-2023 for your review and approval. These are capital expenditures for Transmission, Power Plants, Combustion Turbines, Renewable Energy, Environmental, and Construction. Also enclosed are related EKPC Board Resolutions and the proposed environmental classifications for each project. This year, based on RUS feedback, we have also included a list noting which projects have been included in previous work plans, amended during 2020, or are new projects being submitted for the first time.

Please contact Mary Jane Warner at 859/745-9344 should you have any questions.

Sincerely,



Mary Jane Warner, P.E.
VP of Engineering & Construction

Enclosures

C: Chendi Zhang – via electronic mail
Tony Campbell, CEO – via electronic mail
Don Mosier, COO – via electronic mail
Ann Bridges, Interim CFO – via electronic mail
Tom Stachnik, VP – via electronic mail
Ryan Pearl, Assist. Treasurer – via electronic mail
Jerry Purvis, VP – via electronic mail
Mary Jane Warner, VP – via electronic mail
Brad Young, Director – via electronic mail
Steven Musgrave, Supervisor – via electronic mail

4775 Lexington Road 40391
P.O. Box 707, Winchester
Kentucky 40392-0707

Tel. (859) 744-4812
Fax: (859) 744-6008
<http://www.ekpc.coop>

**FROM THE MINUTE BOOK OF PROCEEDINGS
OF THE BOARD OF DIRECTORS OF
EAST KENTUCKY POWER COOPERATIVE, INC.**

At a regular meeting of the Board of Directors of East Kentucky Power Cooperative, Inc. held via Zoom web conference, on Tuesday, December 8, 2020 at 8:30 a.m., EST, the following business transacted:

Approval of the Power Production Three-Year Construction Work Plan for Years 2021 through 2023

After review of the applicable information, Strategic Issues Committee Chairman Bill Shearer made the motion to approve the Power Production Three-Year Construction Work Plan for Years 2021 through 2023, and passed by the full Board.

Whereas, submission of an East Kentucky Power Cooperative, Inc. (“EKPC”) Power Production Three-Year Construction Work Plan (“Power Production CWP”), following EKPC Board of Directors’ (“Board”) approval, is required by the Rural Utilities Service (“RUS”) on an annual basis; and

Whereas, a Power Production CWP is used to plan capital projects and capital equipment purchases for areas or teams involved in power production, construction, renewable energy, and environmental affairs within three years; and

Whereas, Board approval of the Power Production CWP does not obviate the need to obtain any required approvals by the Board for the individual projects of which it is comprised; and

Whereas, the RUS–required Power Production CWP for years 2021 through 2023, consisting of all capital expenditures, totals \$437,999,820; now, therefore, be it

Resolved, that the Board approves the Power Production CWP for years 2021 through 2023 as presented, and its submission to RUS.

The foregoing is a true and exact copy of a resolution passed at a meeting called pursuant to proper notice at which a quorum was present and which now appears in the Minute Book of Proceedings of the Board of Directors of the Cooperative, and said resolution has not been rescinded or modified.

Witness my hand and seal this 8th day of December 2020.



Jody E. Hughes, Secretary

Corporate Seal

Executive Summary
EKPC's Power Production Three-Year Construction Work Plan (2021-2023)

EKPC's Three-Year Construction Work Plan (2021-2023) was developed to plan capital projects and capital equipment purchases for Production, Construction, Renewable Energy, and Environmental over the next three years. Only capital projects or equipment estimated to be over \$500,000 are required by RUS but all capital projects have been included this year.

This document is required by Rural Utilities Services and will be forwarded to RUS for approval after approval of the East Kentucky Power Cooperative, Inc. ("EKPC") Board.

Plant	Capital Expenditure
Bluegrass	\$69,230,000
HQ	\$7,605,528
Smith	\$20,770,011
Spurlock	\$340,394,281
Total (including 2020 Amendments)	\$437,999,820

Note: All locations are listed under Construction. Approval was given from Mr. Kenneth Solano of RUS for the added projects. Those projects were added to the information for the 2021-2023 Power Production Three Year Construction Work Plan.

I hereby certify this 2021-2023 Power Production Construction Work Plan was prepared by me or under my direct supervision. I also certify I am a duly registered Professional Engineer under the laws of the Commonwealth of Kentucky.

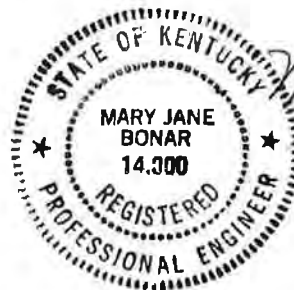
Registration No.

14,000

Mary Jane Warner

Vice President

of Engineering & Construction



Executive Summary
EKPC's Power Production Three-Year Construction Work Plan (2021-2023)

EKPC's Three-Year Construction Work Plan (2021-2023) was developed to plan capital projects and capital equipment purchases for Production, Construction, Renewable Energy, and Environmental over the next three years. Only capital projects or equipment estimated to be over \$500,000 are required by RUS but all capital projects have been included this year.

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I hereby certify this 2021-2023 Power Production Construction Work Plan was prepared by me or under my direct supervision. I also certify I am a duly registered Professional Engineer under the laws of the Commonwealth of Kentucky.

Registration No.

Mary Jane Warner

**Vice President
of Engineering & Construction**

Power Production Three-Year Construction Work Plan
2021-2023

The Three-Year Construction Work Plan ("CWP") total estimated project cost for 2020-2022 was \$513,249,275. The 2021-2023 CWP estimated total project cost spend for these years is \$159,707,935, the total work plan cost is \$437,999,820 and includes Construction (which is made up of HQ, Smith, Renewable Energy, Bluegrass, and Spurlock). The following is a summary of projects and equipment that are scheduled for 2021-2023 (Includes projects that are more than three year projects. Spend prior to 2021 or after 2023 is what makes up the difference between what is shown on the three year columns and what is shown as the total estimated project cost.)

Note: Approval was given by Mr. Kenneth Solano of RUS to complete the emergency projects listed below in red. These projects have been added to the 2021-2023 Power Production Three Year Construction Work Plan and are listed under Construction. Totals in the Three Year Work Plan include these costs. Submittal Type: Previously Approved, Amendment, New Submittal

Project List	2021-2023 Cost	Estimated Total Project Cost	Energization/COD Scheduled	
Construction Department-HQ				
Headquarters - Centralized PI Server	\$ 126,000	\$ 605,528	3/9/2021	Previously Approved
	\$ 126,000	\$ 605,528		
Smith - Combustion Turbines				
Smith BOP Battery Replacement	\$ 58,258	\$ 58,258	3/26/2021	Previously Approved
Smith New Demineralized Water Storage Tank	\$ 5,317,886	\$ 5,691,636	5/26/2022	Previously Approved
Smith New Water Intake	\$ 13,757,875	\$ 14,693,375	9/30/2024	Previously Approved
Smith U1 Battery Replacement	\$ 108,914	\$ 108,914	3/26/2021	Previously Approved
Smith U2 Battery Replacement	\$ 108,914	\$ 108,914	3/31/2021	Previously Approved
Smith U3 Battery Replacement	\$ 108,914	\$ 108,914	4/11/2021	Previously Approved
	\$ 19,460,761	\$ 20,770,011		
Bluegrass				
Bluegrass Dual Fuel Addition	\$ 2,363,159	\$ 62,800,000	3/1/2021	Previously Approved
	\$ 2,363,159	\$ 62,800,000		
Renewable Energy / Storage				
Solar Farm Battery Storage	\$ 7,000,000	\$ 7,000,000	12/1/2022	Previously Approved
Bluegrass Peak Shave Battery Storage	\$ 6,015,500	\$ 6,430,000	10/7/2021	Previously Approved
	\$ 13,015,500	\$ 13,430,000		
Spurlock Power Station				
Spurlock Air Heater Wash Collection and Treatment	\$ 8,150,000	\$ 8,750,000	12/31/2022	Previously Approved
Spurlock CCR/ELG Compliance WMB Pond	\$ 11,250,000	\$ 11,275,904	6/30/2023	Previously Approved
Spurlock CCR/ELG WWT/BOP	\$ 5,000,000	\$ 117,324,409	12/31/2021	Previously Approved
Spurlock Coal Pile Runoff Pond Supplemental Storage	\$ 250,000	\$ 7,554,227	12/31/2021	Previously Approved
Spurlock Ignition Fuel Oil Pipe Replacement	\$ 8,534,696	\$ 9,034,696	5/30/2022	Previously Approved
Spurlock Install Catwalk on River Side of UC4 Conveyor	\$ 469,000	\$ 469,000	12/31/2021	Previously Approved
Spurlock Landfill - Area C Phase 5	\$ 5,016,000	\$ 5,136,000	10/30/2021	Previously Approved
Spurlock Landfill - Area D Phase 1 Construction	\$ 5,352,000	\$ 5,832,000	10/28/2022	Previously Approved
Spurlock Landfill Area D Construction - Ponds and Stream Mitigation	\$ 3,954,480	\$ 8,750,000	11/12/2021	Previously Approved
Spurlock Unit 1 Blowdown Flash Tank	\$ 782,402	\$ 813,452	12/31/2022	Previously Approved
Spurlock Unit 2 Boiler Blowdown Flash tank	\$ 651,216	\$ 651,216	12/31/2021	Previously Approved
Spurlock Unit 2 Cooling Tower Replacement Project	\$ 20,656,629	\$ 22,933,284	12/31/2021	Previously Approved/ 2020 Amendment #2
Spurlock Unit 3 Aux Steam Supply	\$ 210,663	\$ 462,495	12/31/2021	Previously Approved
Spurlock Unit 3 Blowdown Flash Tank	\$ 782,402	\$ 813,452	12/31/2022	Previously Approved
Spurlock Unit 4 Blowdown Flash Tank	\$ 782,402	\$ 813,452	12/31/2022	Previously Approved
Spurlock Units 1 and 2 CCR/ELG Compliance	\$ 15,171,366	\$ 89,726,687	11/30/2021	Previously Approved
Spurlock Ash Pond Closure-CCR/ELG Compliance	\$ 23,550,000	\$ 31,750,000	6/31/2027	New Submittal
Spurlock CBU Jib Crane Replacement		\$ 539,808	12/31/2020	2020 Amendment #2
Spurlock Digital Camera New Installations-Coal Yard Operations	\$ 240,299	\$ 240,299	12/31/2021	New Submittal
Spurlock U2 Simulator	\$ 563,833	\$ 1,485,278	6/1/2021	2020 Amendment #1
Spurlock Lagoon Re-circulation Pumps		\$ 800,000	12/31/2020	2020 Amendment #2
Spurlock Site Wide Service Water Project, Phase 1		\$ 1,165,000	1/31/2021	2020 Amendment #2
Spurlock Ash Haul Bridge Expansion Joint Plate Protectors		\$ 350,000	12/31/2020	2020 Amendment #2
Spurlock Unit 2 Cast-Coil Sub & Precip Transformers 2021	\$ 803,108	\$ 803,108	12/31/2021	New Submittal
Spurlock Unit 2 Cast-Coil Sub & Precip Transformers 2022	\$ 388,338	\$ 388,338	12/30/2022	New Submittal
Spurlock Unit 2 Pulverizer Vibration Monitoring System		\$ 249,995	12/31/2020	2020 Amendment #2
Spurlock Unit 2 Replacing Generator Relay Panels	\$ 663,681	\$ 782,181	12/1/2021	New Submittal
Spurlock Unit 2 SH Pendant Platen Replacement	\$ 11,500,000	\$ 11,500,000	12/31/2021	New Submittal
	\$ 124,742,515	\$ 340,394,281		
Grand Total for Power Production	\$ 159,707,935	\$ 437,999,820		



United States Department of Agriculture

Rural Development

February 8, 2020

Rural Utilities Service

1400 Independence
Ave SW, Room 0221
Stop 1567
Washington, DC
20250

Voice 202.720.1430
Fax 1.844.496.7794

Mr. Denver J. York
Senior Vice President – Power Delivery
East Kentucky Power Cooperative, Inc.
P.O. Box 707
Winchester, Kentucky 40392-0707

Dear Mr. York:

The Office of Loan Origination and Approval has completed the review of the 2021-2023 Transmission Construction Work Plan (TCWP) submitted by East Kentucky Power Cooperative, Inc. with letter from Ms. Jane Warner to Mr. Kenneth Solano dated January 26, 2021. The 2021-2023 TCWP estimated total project cost as submitted is \$269,086,117 which includes Transmission-related capital projects and capital equipment procurements over the specified three-year period. All projects listed in the 2021–2023 TCWP as submitted have been determined acceptable from a technical standpoint and are hereby granted Rural Utilities Service (RUS) engineering approval.

Note that this letter does not constitute RUS environmental approval of any of the projects included in the 2021–2023 TCWP. The results of the RUS environmental review for the projects will be provided in separate correspondences by the RUS environmental staff.

Thank you for your submittal. Please do not hesitate to contact me should you have any questions. I can be contacted at kenneth.solano@wdc.usda.gov or (202) 205-9702.

Sincerely,

Kenneth Solano

KENNETH SOLANO
Chief, Engineering Branch
Office of Loan Origination and Approval
Electric Program-Rural Utilities Service

USDA is an equal opportunity provider, employer, and lender.



January 26, 2021

Mr. Kenneth Solano, Engineering Branch Chief
Office of Loan Origination and Approval
Rural Development/Rural Utilities Services/Electric Program
Mail Stop 1567 – Room 0221-S
1400 Independence Avenue South West
Washington, DC 20250-1567

Subject: East Kentucky Power Cooperative, Inc.
Transmission and Power Production – Power Plants, Combustion Turbines,
Renewable Energy, Environmental, and Construction
Three-Year Construction Work Plans for 2021-2023

Dear Mr. Solano:

Enclosed please find the certified Power Production and Transmission Three-Year Construction Work Plans for 2021-2023 for your review and approval. These are capital expenditures for Transmission, Power Plants, Combustion Turbines, Renewable Energy, Environmental, and Construction. Also enclosed are related EKPC Board Resolutions and the proposed environmental classifications for each project. This year, based on RUS feedback, we have also included a list noting which projects have been included in previous work plans, amended during 2020, or are new projects being submitted for the first time.

Please contact Mary Jane Warner at 859/745-9344 should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mary Jane Warner', is written over a horizontal line.

Mary Jane Warner, P.E.
VP of Engineering & Construction

Enclosures

- C: Chendi Zhang – via electronic mail
Tony Campbell, CEO – via electronic mail
Don Mosier, COO – via electronic mail
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**FROM THE MINUTE BOOK OF PROCEEDINGS
OF THE BOARD OF DIRECTORS OF
EAST KENTUCKY POWER COOPERATIVE, INC.**

At a regular meeting of the Board of Directors of East Kentucky Power Cooperative, Inc. held via Zoom web conference, on Tuesday, December 8, 2020 at 8:30 a.m., EST, the following business transacted:

Approval of the Transmission Three-Year Construction Work Plan for Years 2021 through 2023

After review of the applicable information, Strategic Issues Committee Chairman Bill Shearer made the motion to approve the Transmission Three-Year Construction Work Plan for Years 2021 through 2023, and passed by the full Board.

Whereas, submission of an East Kentucky Power Cooperative, Inc. (“EKPC”) Power Transmission Three-Year Construction Work Plan (“Transmission CWP”), following EKPC Board of Directors’ (“Board”) approval, is required by the Rural Utilities Service (“RUS”) on an annual basis; and

Whereas, the Transmission CWP is developed to plan transmission-related capital projects and capital equipment purchases over a specified three-year period; and


Whereas, Board approval of the Transmission CWP does not obviate the need to obtain any required approvals by the Board for the individual projects of which it is comprised; and

Whereas, the RUS–required Transmission CWP, consisting of all capital expenditures for years 2021 through 2023, totals \$269,086,117; now, therefore, be it

Resolved, that the Board approves the Transmission CWP for years 2021 through 2023 as presented, and its submission to RUS.

The foregoing is a true and exact copy of a resolution passed at a meeting called pursuant to proper notice at which a quorum was present and which now appears in the Minute Book of Proceedings of the Board of Directors of the Cooperative, and said resolution has not been rescinded or modified.

Witness my hand and seal this 8th day of December 2020.


Jody E. Hughes, Secretary

Corporate Seal

Executive Summary

EKPC’s Transmission Three-Year Construction Work Plan Expenditure for Years 2021-2023

EKPC’s Three-Year Construction Work Plan (2021-2023) was developed to plan capital projects and capital equipment purchases for Transmission over the next three years. Only capital projects or equipment estimated to be over \$500,000 are required by RUS but all capital projects have been included this year.

This document is required by Rural Utilities Services and will be forwarded to RUS for approval after approval of the East Kentucky Power Cooperative, Inc. (“EKPC”) Board.

Project Type	Capital Expenditure
Capacitor Banks	\$ 345,999
Dist Station Modification/Upgrade	\$ 63,479,115
Line Rebuilds/Reconductor	\$ 96,082,959
Line Upgrades	\$ 3,567,583
Maintenance	\$ 18,823,898
Miscellaneous	\$ 8,074,924
New Distribution Substation	\$ 55,958,257
New Switching/Transmission Station	\$ 3,036,820
System Protection	\$ 9,555,029
Telecom	\$ 9,845,686
Transmission Station Modification/Upgrade	\$ 315,847
Total (including 2020 Amendments)	\$ 269,086,117

I hereby certify this 2021-2023 Transmission Construction Work Plan was prepared by me or under my direct supervision. I also certify I am a duly registered Professional Engineer under the laws of the Commonwealth of Kentucky.

Registration No.

14,000

Mary Jane Warner

Vice President

of Engineering & Construction



Executive Summary

EKPC's Transmission Three-Year Construction Work Plan Expenditure for Years 2021-2023

EKPC's Three-Year Construction Work Plan (2021-2023) was developed to plan capital projects and capital equipment purchases for Transmission over the next three years. Only capital projects or equipment estimated to be over \$500,000 are required by RUS but all capital projects have been included this year.

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Registration No.

Mary Jane Warner

Vice President
of Engineering & Construction

Transmission Three-Year Construction Work Plan
2021-2023

The Three-Year Construction Work Plan ("CWP") total estimated project cost for 2020-2022 was \$242,157,614. The 2021-2023 CWP estimated total project cost spend for these years is \$203,108,510, the total work plan cost is \$269,086,117. The following is a summary of projects and equipment that are scheduled for 2021-2023 (includes projects that are more than three year projects. Spend prior to 2021 or after 2023 is what makes up the difference between what is shown on the three year columns and what is shown as the total estimated project cost.)

Note: Approval was given by Mr. Kenneth Solano of RUS to complete the emergency projects listed below in red. These projects have been added to the 2021-2023 Transmission Three Year Construction Work Plan and are listed under Construction Totals in the Three Year Work Plan include these costs.

Submittal Type:
Previously Approved,
Amendment, New
Submittal

Project List	2021-2023 Cost	Estimated Total Project Cost	energization/COD Schedule	Submittal
Capacitor Banks				
Distribution Capacitor Banks, Switches & Controls	\$ 240,000	\$ 345,999	12/31/2023	Previously Approved
	\$ 240,000	\$ 345,999		
Substations (New, Additions, Modifications)				
Baker Lane Switching Station, 69 KV Breaker Addition	\$ 304,754	\$ 315,847	6/1/2021	Previously Approved
Lees Lick 69kV Substation Rebuild & Upgrade to 12/16/20 MVA	\$ 2,409,668	\$ 2,419,292	12/31/2022	Previously Approved
McKinney Corner 69kV Distribution Substation Rebuild	\$ 1,747,197	\$ 2,388,203	5/5/2021	Previously Approved
Munk 69kV Distribution Substation Rebuild	\$ 2,467,192	\$ 2,467,192	12/31/2022	Previously Approved
Newfoundland 69kV Distribution Substation Rebuild to 69-13.2kV 12/16/20 MVA	\$ 2,420,076	\$ 2,679,798	12/31/2022	Previously Approved
Rockholds 69 kV Distribution Substation Rebuild	\$ 2,304,048	\$ 2,325,088	12/1/2022	Previously Approved
Patrol Parkway 69kV (Formerly Rineyville Jct.) Switching Station	\$ 2,603,585	\$ 3,036,820	12/31/2021	Previously Approved
3M #1 Transformer Upgrade to 15/20/25 MVA	\$ 758,000	\$ 758,000	12/31/2023	New Submittal
Albany Distribution Substation Rebuild to 69-13.2 12/16/20 MVA	\$ 2,716,344	\$ 2,716,344	12/31/2023	New Submittal
Avon Lighting Protection Addition	\$ 374,924	\$ 374,924	12/1/2021	New Submittal
East Bardstown Distribution Substation 69/13.2 kV 12/16/20 MVA Rebuild	\$ 1,832,742	\$ 1,863,185	12/31/2021	New Submittal
Elizabethtown #1 Substation Modification - Serve Distribution from Main Bus	\$ 77,400	\$ 77,400	12/31/2021	New Submittal
International Paper #1 & #2 Substation Rebuild (on new site)	\$ 4,752,145	\$ 4,852,145	12/31/2021	New Submittal
Miller's Creek Distribution Substation (161-13.2 kV 12/16/20 MVA) Rebuild to 161kV	\$ 4,000,000	\$ 4,020,983	12/1/2021	New Submittal
Murphysville Substation Modification - Serve Distribution from Main Bus	\$ 113,200	\$ 113,200	12/31/2021	New Submittal
Penn Switching/Distribution Substation 69/13.2 kV 12/16/20 MVA Rebuild & Remove old Penn Substation	\$ 5,316,404	\$ 5,343,511	11/30/2022	New Submittal
Redbush Distribution Substation 69/13.2 kV 12/16/20 MVA Rebuild	\$ 2,629,218	\$ 3,119,218	12/31/2022	New Submittal
Rice Substation Rebuild to 69-13.2 kV 12/16/20 MVA	\$ 2,636,042	\$ 2,636,042	12/31/2022	New Submittal
Taylorville Distribution Substation Rebuild to 161-13.2kV (New Location)	\$ 4,133,253	\$ 4,168,253	12/31/2023	New Submittal
Thelma Distribution Substation 69/13.2 kV 12/16/20 MVA Rebuild	\$ 1,429,168	\$ 1,454,303	12/1/2022	New Submittal
Alico #1 Transformer Upgrade to 12/16/25 MVA	\$ 1,075,000	\$ 1,075,000	12/31/2020	Amendment #1 2020
	\$ 45,026,360	\$ 48,202,746		
Transmission Lines (New, Additions, Modifications)				
Brodhead-Three Links Jct. 69kV Line Rebuild	\$ 4,701,906	\$ 4,741,906	12/1/2022	Previously Approved
Elizabethtown - Nelson County 69 kV Rebuild	\$ 2,434,000	\$ 7,870,143	12/31/2021	Previously Approved
Grants Lick-Griffin Jct 69kV Line Rebuild	\$ 3,359,390	\$ 3,567,583	12/1/2021	Previously Approved
Hope - Hillsboro 69 kV Rebuild	\$ 100,728	\$ 8,328,774	12/1/2020	Previously Approved
KU Wofford-McCreary Co. Jct 69kV Rebuild	\$ 11,534,973	\$ 15,036,391	12/31/2024	Previously Approved
Boone County-Williamstown Reconnector	\$ 13,449,826	\$ 13,446,539	12/31/2023	Amendment #2 2020
Boone-Bullitsville 69kV Line Rebuild	\$ 3,686,198	\$ 3,691,198	5/31/2022	New Submittal
Goddard - Charters 69kV Line Rebuild	\$ 7,687,977	\$ 9,730,096	9/30/2024	New Submittal
Hodgenville - Magnolia 69kV Line Rebuild	\$ 4,275,846	\$ 4,315,846	5/31/2022	New Submittal
KU Carrollton - Milton 69kV Line Rebuild	\$ 5,615,216	\$ 7,156,954	12/31/2024	New Submittal
Milton - EK Bedford 69kV Line Rebuild	\$ 1,079,861	\$ 5,167,016	12/31/2025	New Submittal
Norwood Jct-Shoppville 69kV Line Rebuild	\$ 3,375,160	\$ 3,375,160	12/31/2023	New Submittal
Summersville - Magnolia 69kV Line Rebuild	\$ 7,259,498	\$ 7,259,498	12/31/2023	New Submittal
Three Links - Three Links Jct 69kV Line Rebuild	\$ 4,353,901	\$ 5,550,406	7/31/2024	New Submittal
Walnut Grove (2) 69kV Breaker Addition (614 & 624)	\$ 506,332	\$ 506,332	12/31/2021	New Submittal
West Bardstown Jct 69kV Breaker Addition (624)	\$ 279,352	\$ 279,352	12/31/2021	New Submittal
	\$ 73,677,164	\$ 99,923,196		
Substations & Transmission Lines (New, Additions, Modifications)				
Bekarr-LGE/KU Simpsonville/Shelbyville 69 kV Line (Including New KU West Shelby Station)	\$ 1,117,676	\$ 7,037,943	7/30/2021	Previously Approved
Broughontown 69-26.4 kV, 12/16/20 MVA New Distribution Substation & Tap Line	\$ 6,411,358	\$ 8,374,037	12/1/2021	Previously Approved
Highland Distribution Substation & Tap Rebuild - 69-25 kV 12/16/20 MVA	\$ 2,503,690	\$ 2,553,690	12/1/2022	Previously Approved
Lancaster 12/16/20 MVA 69-13.2kV Substation & Tap Rebuild	\$ 71,000	\$ 3,652,590	12/1/2020	Previously Approved
Mineola Pike 138-13.2kV 12/16/20 MVA Sub & Tap (options only)	\$ 7,666,030	\$ 7,966,708	12/31/2022	Previously Approved
Monticello Substation 69-26.4 kV & Homestead 69 kV Tap Rebuild	\$ 100,238	\$ 7,050,000	12/1/2020	Previously Approved
New Griffin 138kV Distribution Substation & Tap Line (Griffin Rebuild)	\$ 7,845,470	\$ 8,093,905	12/1/2023	Previously Approved
New TVA 161kV Interconnection to the TVA East Bowling Green Tap from the TVA Summer Shade to Bowling Green line, including TVA Substation Work and Fox Hollow Substation Addition	\$ 12,084,272	\$ 20,269,415	12/1/2021	Previously Approved
Pekin Pike 69-13.2kV, 12/16/20 MVA Distribution Substation & 6.4 Mile Tap	\$ 6,922,000	\$ 6,986,643	5/1/2023	Previously Approved
White Oak 69-13.2 kV 12/16/20 MVA Distribution Substation and Tap and Retirement of the South Fork Distribution Substation	\$ 2,862,734	\$ 2,996,986	12/31/2023	Previously Approved
	\$ 47,614,464	\$ 74,962,217		
Metering, Relaying & System Support				
Argentine Relay Replacement & 138 kV Breaker Addition & Control House Replacement	\$ 1,972,168	\$ 1,972,168	12/31/2022	Previously Approved
Bullitt Co Relay Replacement	\$ 265,125	\$ 265,125	12/31/2022	Previously Approved
Fayette Relay Replacement	\$ 280,328	\$ 280,328	12/31/2022	Previously Approved
Gallatin Co Relay Replacement	\$ 75,174	\$ 75,174	12/31/2022	Previously Approved
Laurel Co Relay Replacement	\$ 287,439	\$ 287,439	12/31/2023	Previously Approved
Magoffin County Control Building Replacement/Upgrade & Breaker Addition	\$ 1,489,892	\$ 1,489,892	12/30/2023	Previously Approved
Owen County Control Building Replacement/Upgrade	\$ 1,956,478	\$ 1,956,478	12/30/2023	Previously Approved
Sewellon Jct Relay Replacement	\$ 328,729	\$ 328,729	12/31/2022	Previously Approved
Russell County Control Building Replacement/Upgrade	\$ 1,450,618	\$ 1,450,618	12/29/2022	New Submittal
Three Links Jct Relay Replacement	\$ 307,394	\$ 307,394	12/31/2023	New Submittal
	\$ 8,393,345	\$ 8,393,345		
Telecommunications				
Dix Dam Tower Communications Building Replacement	\$ 420,000	\$ 420,000	12/31/2023	Previously Approved
Goddard Switchyard-Skaggs-Maze Switchyard OPGW Installation	\$ 2,864,249	\$ 3,270,164	12/1/2021	Previously Approved
JK Smith Underground Fiber Installation	\$ 400,000	\$ 400,000	12/31/2022	Previously Approved
Maysville Tower Communications Building Replacement	\$ 420,000	\$ 420,000	12/31/2022	Previously Approved
New Castle Communications Building Replacement	\$ 600,000	\$ 600,000	12/31/2021	Previously Approved
Taylor Knob Tower Communications Building Replacement	\$ 420,000	\$ 420,000	12/31/2022	Previously Approved
Zion Ridge Tower Communications Building Replacement	\$ 420,000	\$ 420,000	12/31/2021	Previously Approved
Analog Phone Upgrade	\$ 250,000	\$ 250,000	12/31/2023	New Submittal
Burnside Tower Communications Building Replacement	\$ 420,000	\$ 420,000	12/31/2023	New Submittal
Fawkes-West Berea OPGW Installation	\$ 845,000	\$ 930,522	12/1/2021	New Submittal
Ford Tower Communications Building Replacement	\$ 420,000	\$ 420,000	12/31/2021	New Submittal
SCADA Frequency Purchase	\$ 875,000	\$ 875,000	12/31/2019	Amendment #2 2020
Freedom Tower Communications Building Replacement	\$ 900,000	\$ 900,000	12/31/2020	Amendment #1 2020
	\$ 7,479,249	\$ 9,846,666		
Miscellaneous System Additions & Replacements				
Battery Bank Replacements	\$ 806,400	\$ 806,400	12/31/2023	Previously Approved
Battery Energy Storage System Demonstration	\$ 1,700,000	\$ 7,700,000	6/1/2024	Previously Approved
Cap Bank Replacements	\$ 144,000	\$ 144,000	12/31/2023	Previously Approved
Cap/Circuit Switcher Replacements	\$ 720,000	\$ 720,000	12/31/2023	Previously Approved

Capacitor Bank Control Replacement Program 2021	\$ 188,000	\$ 188,000	12/31/2021	Previously Approved
Capacitor Bank Control Replacement Program 2022	\$ 188,000	\$ 188,000	12/31/2022	Previously Approved
Circuit Breaker Replacements	\$ 1,296,000	\$ 1,296,000	12/31/2023	Previously Approved
Conductor/Static Replacements	\$ 288,000	\$ 288,000	12/31/2023	Previously Approved
CT/PT/Power PT Replacements	\$ 432,000	\$ 432,000	12/31/2023	Previously Approved
Cynthiana-Renaker Pole Replacement	\$ 180,030	\$ 180,030	12/31/2022	Previously Approved
Distribution Feeder Additions	\$ 288,000	\$ 288,000	12/31/2023	Previously Approved
Kelman DGA Gas Monitors	\$ 345,800	\$ 345,800	12/31/2023	Previously Approved
Recloser Replacements	\$ 864,000	\$ 864,000	12/31/2023	Previously Approved
Replace TSP-1 Structures on AP, J & AS Lines	\$ 48,000	\$ 333,000	6/1/2021	Previously Approved
Regulator Replacements	\$ 576,000	\$ 576,000	12/31/2023	Previously Approved
Substation Animal Fences	\$ 288,000	\$ 288,000	12/31/2023	Previously Approved
Substation Switch Replacements	\$ 288,000	\$ 288,000	12/31/2023	Previously Approved
Transformer Replacements	\$ 2,016,000	\$ 2,016,000	12/31/2023	Previously Approved
Transmission Line Steel Pole Replacements	\$ 5,760,000	\$ 5,760,000	12/31/2023	Previously Approved
Transmission Line Switch Replacements	\$ 432,000	\$ 432,000	12/31/2023	Previously Approved
Transmission Line Wood Pole Replacements	\$ 1,152,000	\$ 1,152,000	12/31/2023	Previously Approved
Transmission Motor Operator Installation/Replacement	\$ 288,000	\$ 288,000	12/31/2023	Previously Approved
Breaker Replacement Program 2021	\$ 960,000	\$ 960,000	12/31/2021	New Submittal
Breaker Replacement Program 2022	\$ 960,000	\$ 960,000	12/31/2022	New Submittal
Pation Road Jct Three Way Switch Install	\$ 220,898	\$ 220,898	12/31/2021	New Submittal
H 1 Adams Switch & MCIAB Additions		\$ 350,000	12/15/2020	Amendment #2 2020
Lorenz Reinstate FD-2 Structure		\$ 99,000	12/15/2019	Amendment #2 2020
Warehouse B Addition	\$ 250,000	\$ 250,000	12/31/2021	New Submittal
	\$ 20,676,928	\$ 27,412,928		
Grand Total for Transmission	\$ 203,106,610	\$ 269,056,117		

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REQUEST 7

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 7. Provide the annual amounts of revenue recorded for each revenue category (electric base without fuel and without environmental, base fuel, base environmental, FAC, ES, etc., and steam), and account and subaccount, customer class, and each industrial customer (numbered to maintain confidentiality in the public response, but named in the confidential response) on a side-by-side basis for 2018, 2019, 2020, 2021 actual to date, and 2021 budget/forecast for remainder of calendar year.

Response 7. Please see the Excel spreadsheet *AG Nucor DRI Response 7 CONFIDENTIAL.xlsx*, which is subject to a motion for confidential treatment.

EKPC does not separate or record its base revenues between with and without fuel. To provide that separation in this analysis would require the recalculation of 3,400 bills (85 customers x 40 months). Providing this information will require extensive original work that does not currently exist. In addition, EKPC does not separate or record its base revenues between with and without environmental, as there is

no need to do so from a regulatory or accounting perspective. Consequently, the requested separations are not available and not provided in the analysis.

Revenues for all sales except green power and steam are recorded in Account 447100 – Sales/Resale – RUS Borrowers – Member Cooperatives. The revenue accruals for these sales related to the FAC are recorded in Account 447142 while the revenue accruals for these sales related to the environmental surcharge are recorded in Account 447143. Green power revenues are recorded in Account 447103 – Sales/Resale – RUS Borrowers – Members – Green Power. Steam revenues are recorded in Account 456010, Other Electric Revenues-Steam Sales, while revenue accruals related to the fuel adjustment clause and the environmental surcharge for steam sales are recorded in Accounts 456042 and 456043, respectively.

EKPC objects to providing a public version of this analysis. The analysis is provided by owner-members and in some instances there is only one or two industrial customers listed under the particular rate schedule. With little effort, an entity could determine who the industrial customer was. The Attorney General and Nucor have both signed confidentiality agreements with EKPC and will have full access to the confidential version of the analysis. A confidentiality agreement has been sent to AppHarvest Morehead Farm, LLC for its review and signature. Further, requiring EKPC to create a public version requiring the concealment of the identity of 85 industrial customers is unreasonable and unwarranted.

EKPC would note that it has filed its rate case utilizing a historic test year rather than a forecasted test year. The standard for adjustments to a historic test year is that the adjustment is “known and measurable”. Rate cases utilizing a forecasted test year rely on budgets and forecasts for adjustments. In addition, with the exception of the Contract and Rate G customers, EKPC does not separately budget or forecast the revenues from the industrial customers in Rate B and C. Consequently, the requested 2021 budget/forecast information is not available for the major of the industrial customers shown in this analysis. As this case was filed utilizing a historic test year, the 2021 budget/forecast information for the Contract and Rate G customers is not included in this analysis.

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**AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 8**

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 8. Identify all steam customers in the test year.

Response 8. EKPC has only one steam customer, the International Paper Company, the successor to the interests of the Inland Container Corporation. The customer is served by Fleming-Mason Energy Cooperative (“Fleming-Mason”) and has been a customer since 1990.

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REQUEST 9

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 9. Describe the Company's accounting and identify the accounts/subaccounts used for steam revenues and the related costs. Explain whether cost responsibility for O&M on pipes used for delivering steam to steam customers is EKPC's, or the steam customers.

Response 9. Steam Revenues are recorded in Account 456010, Other Electric Revenues-Steam Sales, while revenue accruals related to the fuel adjustment clause and the environmental surcharge for steam sales are recorded in Accounts 456042 and 456043, respectively. Maintenance on the reboiler and associated equipment is charged to Account 511000, Maintenance of Structures-Steam Plant, and Account 512000, Maintenance of Boiler Plant-Steam. As specified in the Steam Services Agreement, costs associated with asset additions, retirements, renewals or replacements of EKPC-owned equipment are billable to the steam customer. In addition, all non-routine, unanticipated or extraordinary repair costs greater than \$25,000 per occurrence, to a maximum of \$100,000 annually, are also the responsibility of the steam customer.

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REQUEST 10

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 10. Explain in detail why the Company did not allocate any of its revenue deficiency to Rate TGP.

Response 10. Rate TGP is the designation for the special contracts with the Tennessee Gas Pipeline Company (“TGP”). TGP has pipeline facilities served by Fleming-Mason and Taylor County Rural Electric Cooperative Corporation (“Taylor County”). A series of special contracts exists between EKPC, Fleming-Mason, Taylor County, and TGP governing the provision and pricing of service for the pipeline facilities. There is no provision in the special contracts providing that the pricing of service can be adjusted during a base rate case proceeding. Consequently, EKPC did not allocate any of its revenue deficiency to TGP in its cost of service study. This treatment is consistent with the approach followed in EKPC’s three previous base rate cases.

Request 10a. Does the Rate TGP off-peak energy charge of \$22.270/MWh recover EKPC's variable production costs? Please explain your answer with reference to EKPC's base FAC factor of \$26.24/MWh.

Response 10a. Please see the response to Request 10d for links to the special contracts. Pursuant to the terms of the special contracts with TGP, the off-peak period is defined as all other hours within the calendar year, which covers all weekdays from 2300 to 0700 Eastern Prevailing Time, all weekends, and all NERC approved holidays. The energy provided and within the Deviation Band of the scheduled energy for that hour, will be priced on the basis of EKPC's Incremental Energy Cost, as defined in Schedule A, for supplying TGP's scheduled energy for that hour, plus losses, plus \$3.00 per MWh. EKPC's Incremental Energy Cost is defined as EKPC's highest incremental cost to serve one megawatt for each hour. The referenced off-peak energy charge of \$22.270 / MWh was taken from the cost of service study and reflects a calculated average rate for the year. As the special contracts state the off-peak energy charges are to be the highest incremental cost to serve one megawatt for each hour, plus losses and an adder of \$3.00 / MWh, EKPC believes that its variable production costs are recovered.

Request 10b. Does the Rate TDP demand charge of \$1.75/Kw/month recover the fixed generation and transmissions costs to serve the TDP customer(s).

Response 10b. Pursuant to the terms of the special contracts with TGP, the charge of \$1.75 / kW/month is a transmission charge only. The contracts also have minimum billing demand requirements – 25,000 kW for the Fleming-Mason contract and 12,000 kW for the Taylor County contract. As noted previously, there is no provision in the contracts to adjust the pricing of the components during a base rate case.

Request 10c. Please explain why the FAC does not apply to Rate TDP?

Response 10c. Pursuant to the provisions of the special contracts, the on-peak energy is priced on the basis of the AEP-Dayton Hub Daily Index published in Platts Megawatt Daily (per contract amendment in 2012), plus losses. The off-peak energy is priced at EKPC's incremental energy cost plus losses and a fixed adder. The energy pricing for the special contracts is not the same as the embedded cost energy charges in EKPC's other rate schedules. Consequently the application of the FAC would not be appropriate for the TGP contracts. In addition, there is no provision in the special contracts to apply EKPC's FAC to TGP.

Request 10d. If the customer(s) served on Rate TGP is party to a special contract, please provide the contract.

Response 10d. The series of special contracts associated with providing service to TGP can be found at the following links:

EKPC and Fleming-Mason

Special Wholesale Industrial Power Agreement

https://psc.ky.gov/tariffs/Electric/East%20Kentucky%20Power%20Cooperative,%20Inc/Contracts/Fleming-Mason%20RECC/2000-09-28_Special%20Wholesale%20Industrial%20Power%20Agreement.pdf

Amendment No. 1 to the Special Wholesale Industrial Power Agreement

https://psc.ky.gov/tariffs/Electric/East%20Kentucky%20Power%20Cooperative,%20Inc/Contracts/Fleming-Mason%20RECC/Tennessee%20Gas%20Pipeline%20Company/2006-12-20_Amendment%20to%20Special%20Wholesale%20Industrial%20Power%20Agreement.pdf

Amendment No. 2 to the Special Wholesale Industrial Power Agreement

https://psc.ky.gov/tariffs/Electric/East%20Kentucky%20Power%20Cooperative,%20Inc/Contracts/Fleming-Mason%20RECC/2012-05-01_Amendment%20to%20Special%20Wholesale%20Industrial%20Power%20Agreement.pdf

Fleming-Mason and TGP

Special Industrial Power Agreement

https://psc.ky.gov/tariffs/Electric/East%20Kentucky%20Power%20Cooperative,%20Inc/Contracts/Fleming-Mason%20RECC/Tennessee%20Gas%20Pipeline%20Company/2000-09-21_Special%20Industrial%20Power%20Agreement.pdf

Amendment No. 1 to Special Industrial Power Agreement

https://psc.ky.gov/tariffs/Electric/East%20Kentucky%20Power%20Cooperative,%20Inc/Contracts/Fleming-Mason%20RECC/Tennessee%20Gas%20Pipeline%20Company/2006-12-20_Amendment%20to%20Special%20Industrial%20Power%20Agreement.pdf

Amendment No. 2 to the Special Industrial Power Agreement – This amendment is identical to Amendment No. 2 to the Special Wholesale Industrial Power Agreement between EKPC and Fleming-Mason.

EKPC and Taylor County

Special Wholesale Industrial Power Agreement

https://psc.ky.gov/tariffs/Electric/East%20Kentucky%20Power%20Cooperative,%20Inc/Contracts/Taylor%20County%20RECC/2000-09-28_Special%20Wholesale%20Industrial%20Power%20Agreement.pdf

Amendment No. 1 to Special Wholesale Industrial Power Agreement

https://psc.ky.gov/tariffs/Electric/East%20Kentucky%20Power%20Cooperative,%20Inc/Contracts/Taylor%20County%20RECC/2012-05-01_Amendment%20to%20Special%20Wholesale%20Industrial%20Power%20Agreement.pdf

Taylor County and TGP

Special Industrial Power Agreement

https://psc.ky.gov/tariffs/Electric/East%20Kentucky%20Power%20Cooperative,%20Inc/Contracts/Taylor%20County%20RECC/2000-09-21_Special%20Industrial%20Power%20Agreement.pdf

Amendment No. 1 to the Special Industrial Power Agreement – This amendment is

identical to Amendment No. to the Special Wholesale Industrial Power Agreement
between EKPC and Taylor County

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REQUEST 11

RESPONSIBLE PERSON: Michelle K. Carpenter
COMPANY: East Kentucky Power Cooperative, Inc.

Request 11. Refer to Application Exhibit 29, FR 807 KAR 5:001, Section 16(4)(k), p. 24 of 50 wherein it is stated that a long-term account receivable was created for debt due from a steam customer to reimburse EKPC for repairs it made to the steam system, and that the amount is being reimbursed to EKPC over 41 months at an interest rate of 4.5%. Provide all expenses EKPC incurred for the repair of the steam system, together with applicable interest rates.

Response 11. A summary of all costs incurred in 2018 to repair the steam system is provided below. This amount, plus interest at a rate of 4.5%, is being repaid to EKPC over 41 months with the final payment due in January 2022. The agreement is on file with the Commission (Filing No. TFS2018-00292).

	<u>Amount</u>
Reboiler Vessel Replacement	\$ 2,134,351
Temporary Steam Line	208,000
Instrumentation/Controls	875,313
EKPC - Spurlock Station Labor	265,305
EKPC - Spurlock Station Inventory	7,347
Outside Contract Labor	17,907
	<u><u>\$3,508,223</u></u>

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REQUEST 12

RESPONSIBLE PERSON: Barry Lindeman

COMPANY: East Kentucky Power Cooperative, Inc.

Request 12. Refer to Application Exhibit 29, FR 807 KAR 5:001, Section 16(4)(k), p. 24 of 50. Confirm that EKPC provides SERP to certain executives, under a defined contribution plan. If so confirmed: (i) explain whether EKPC contributes any sums toward these SERP accounts, and if so provide all amounts thereof; and (ii) explain whether any portion of those sums are included for recovery in the revenue requirement of the instant case.

Response 12. Yes, EKPC does provide a defined contribution plan, 457(f) Supplemental Executive Retirement Plan (SERP) for certain executives.

- (i) All SERP contributions are funded solely by EKPC. The total amount contributed by EKPC in 2019 was \$526,933.28 for all participants.
- (ii) EKPC is not seeking any sum from recovery in the revenue requirement of this rate case.

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REQUEST 13

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 13. Confirm that the Company did not normalize its revenue for normal weather/temperatures. If confirmed, then explain why it did not do so.

Response 13. EKPC confirms. EKPC did not normalize its revenues for normal weather or temperatures for the simple reason that the Commission has never accepted an electric weather normalization adjustment in a litigated historic test year proceeding.¹ Given this history, EKPC did not consider it worth developing such an adjustment.

¹ See *In the Matter of General Adjustment in Electric and Gas Rates for Louisville Gas and Electric Company*, Case No. 8284, Order (Ky. P.S.C. Jan. 4, 1982); *In the Matter of General Adjustment in Electric and Gas Rates of Louisville Gas and Electric Company*, Case No. 8616, Order (Ky. P.S.C. Mar. 2, 1983); *In the Matter of General Adjustment in Electric and Gas Rates of Louisville Gas and Electric Company*, Case No. 8924, Order (Ky. P.S.C. May 16, 1984); *In the Matter of Adjustment of Gas and Electric Rates of Louisville Gas and Electric Company*, Case No. 10064, Order (Ky. P.S.C. Jul. 1, 1988); *In the Matter of Application of The Union Light, Heat and Power Company to Adjust Electric Rates*, Case No. 1991-00370, Order (Ky. P.S.C. May 5, 1992); *In the Matter of Application of Louisville Gas and Electric Company for Approval of an Alternative Method of Regulation of Its Rates and Service*, Case No. 1998-00426, Order (Ky. P.S.C. Jan. 7, 2000); *In the Matter of The Application of Kentucky Utilities Company for Approval of an Alternative Method of Regulation of Its Rates and Service*, Case No. 1998-00474, Order (Ky. P.S.C. Jan. 7, 2000); *In the Matter of Application of Kentucky Utilities Company for an Adjustment of Base Rates*, Case No. 2009-00548, Order (Ky. P.S.C. Jul. 30, 2010); and *In the Matter of Application of Louisville Gas and Electric Company for an Adjustment of Electric and Gas Rates*, Case No. 2009-00549, Order (Ky. P.S.C. Jul. 30, 2010).

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REQUEST 14

RESPONSIBLE PERSON: Isaac S. Scott
COMPANY: East Kentucky Power Cooperative, Inc.

Request 14. Provide calculations of adjustments necessary to normalize test year revenues for normal weather/temperatures. Provide all supporting assumptions, data, and calculations, including electronic workpapers in live format with all formulas intact.

Response 14. In light of the fact that the Commission has never accepted an electric weather normalization adjustment in a litigated historic test year proceeding, EKPC respectfully declines to provide the requested adjustments. The request would require EKPC to undertake original work not previously performed or contemplated. Given the previous Commission decisions on this subject, the requested adjustments would likely not be accepted. Thus, the request would require EKPC to expend considerable effort for no reasonable purpose.

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AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 15

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 15. Confirm that the Company did not annualize its revenues for changes in customers and usage through proforma adjustments. If confirmed, then explain why it did not do so.

Response 15. EKPC confirms. EKPC did not annualize its revenues for changes in customers or usage primarily because it did not appear to be reasonable due to the effects of the COVID-19 pandemic. EKPC was aware of some customer changes, but overall did not consider them to be significant.

During 2019 EKPC had two small existing Rate B customers move back to Rate E as well as the addition of the Nucor galvanizing line to the existing Nucor operations. However, the galvanizing line was under construction for most of that year, becoming operational sometime in September 2019. It would not have been reasonable to annualize the experience of three months of operations for an adjustment.

When filing a historic test year, the Commission has traditionally allowed for the recognition of known and measurable adjustments occurring in the six months after the end of the test year. During the first six months of 2020, EKPC saw two small industrial customers move to Rate B, one from Rate C and one from Rate E. Another small industrial customer was added to Rate B. There was an expansion of a larger industrial customer that became operational for Rate B. Finally, one small industrial customer moved from Rate B to Rate E.

However, EKPC was also very aware of the effects of the COVID-19 pandemic on its owner-members and their retail customers. As shown in the analysis provided in response to Request 7, a comparison of billed demand between calendar years 2019 and 2020 showed reductions for Rate B, Rate C, Rate E, Rate G, Nucor, and Steam. For the same period, a comparison of billed energy usage showed reductions for Rate B, Rate C, Rate E, and Rate G. While any adjustment for customers and usage would have only gone out six months beyond test year end, EKPC believed the overall reductions in demand and energy reflected the effects of the COVID-19 pandemic and hopefully did not reflect reasonable, on-going levels of sales. EKPC further believed that the effects of the COVID-19 pandemic overshadowed the changes in customers identified during 2019 and the first six months of 2020. Consequently, EKPC concluded the test year actual sales information reflected a reasonable on-going level of sales and no other adjustments were necessary.

Concerning the addition of the Nucor galvanizing line, while this was a large addition, when examined as part of the total sales to Nucor, the impacts were less pronounced. As shown in the analysis provided in the response to Request 7, between calendar years 2019 and 2020 the billed demand went down by 1.48% and the billed energy went up by only 1.56%. And this comparison would reflect a full year of operation of the galvanizing line.

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AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 16

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 16. Provide calculations of adjustments to annualize test year revenues for changes in customers and usage. Provide all supporting assumptions, data, and calculations, including electronic workpapers in live format with all formulas intact.

Response 16. Please see the Excel spreadsheet *AG Nucor DRI Response 16 CONFIDENTIAL.xlsx*, which is subject to a motion for confidential treatment. The requested calculations reflect only the impacts to base rates – demand and energy – as the FAC and environmental surcharge have been removed from the test year. The energy revenues reflect the annualization of the change in the energy rates to reflect the roll-in of base fuel costs effective in February 2020. The revenues have been annualized by taking the actual sales data for each of the first six months of 2020, applying the applicable rates, and then doubling the recalculated revenues from the first six months of 2020.

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AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 17

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 17. Confirm that Nucor added a new galvanizing line near the end of September 2019 and that the revenues in the test year reflect only 25% or less of the revenues from this new line in the test year.

Response 17. EKPC confirms its understanding that Nucor started construction on a new galvanizing line in early 2019 (based on the M5 meter readings) and this expansion became operational sometime in September 2019. EKPC cannot confirm the statement “revenues in the test year reflect only 25% or less of the revenues from this new line in the test year”. The M5 meter readings indicate that there was demand and energy usage during all of 2019, although the majority of that time would be prior to the galvanizing line becoming operational. EKPC would agree that the galvanizing line was apparently fully operational for the last three months of 2019, which would represent 25% of that year.

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**AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 18**

RESPONSIBLE PERSON: Michelle K. Carpenter / Isaac S. Scott
COMPANY: East Kentucky Power Cooperative, Inc.

Request 18. In a confidential response, provide the Company's actual revenues for the Nucor new galvanizing line for each calendar year 2019, 2020, and budgeted/forecast for 2021 by category of revenue (base without fuel or environmental, base fuel, base environmental, FAC, ES, etc.).

Response 18. As outlined in the Nucor contract amendment, the galvanized line is separately metered on M5, but solely for the purpose of calculating the galvanized line discount. For all other components of the Nucor invoice related to usage, the M5 meter is included with the other metering totals to produce one charge for each billing component. Accordingly, EKPC does not maintain reports or record revenue specific to the galvanized line usage. Similarly, EKPC budgets for the various revenue components of Nucor in the aggregate and the galvanized line is not separately identified.

To meet the spirit of the above request regarding actual revenues, a manual calculation was prepared to estimate what revenue the M5 line would have

produced if it had been billed and recorded separately. It should be noted that M5 meter readings began in January 2019 and the galvanized line discount, which became effective in March 2020, was included in base revenues without fuel. See results below.

Year	Base Revenue without Fuel	Base Fuel Revenue	Fuel Adjustment	Environmental Surcharge	Total Revenue
2019	\$ 265,624	\$ 379,304	\$ (63,403)	\$ 102,786	\$ 684,311
2020	\$ 746,034	\$1,480,048	\$ (371,943)	\$ 352,097	\$2,206,236

EKPC would note that it has filed its rate case utilizing a historic test year rather than a forecasted test year. The standard for adjustments to a historic test year is that the adjustment is “known and measurable”. Rate cases utilizing a forecasted test year rely on budgets and forecasts for adjustments.

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**AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 19**

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 19. Refer to the Summary Statement of Operations provided for the test year in Exhibit ISS-1. Provide in the same format the actual results for 2020 and for each actual month in 2021 with available data.

Response 19. Please see page 2 to this response.

0 AG-Nucor DR 1 Response 19.xlsx

ISS Exhibit 1

East Kentucky Power Cooperative, Inc.
Statement of Operations
Calendar Year 2020 and Months January through April 2021

Accounts	2020 Balances	January 2021 Balances	February 2021 Balances	March 2021 Balances	April 2021 Balances
9 Operating Revenues:					
10 Power Sales to Members	\$742,351,832	\$78,407,574	\$87,511,861	\$63,394,879	\$57,334,662
11 Power Sales Off System	\$29,205,675	\$1,592,558	\$4,780,024	\$2,148,456	\$3,669,118
12 Income Leased Property - Net	\$161,066	\$22,839	(\$7,761)	\$26,145	\$12,444
13 Other Operating Revenue	\$15,524,188	\$1,287,518	\$1,472,038	\$1,414,379	\$1,365,306
14 Total Operating Revenues	<u>\$787,242,761</u>	<u>\$81,310,489</u>	<u>\$93,756,163</u>	<u>\$66,983,859</u>	<u>\$62,381,529</u>
15					
16 Expenses:					
17 Operation Expenses -					
18 Production Costs Excluding Fuel	\$72,283,204	\$6,421,916	\$6,552,845	\$6,158,204	\$6,735,953
19 Fuel Accounts	\$172,123,918	\$19,941,415	\$27,691,139	\$14,015,918	\$18,812,186
20 Other Power Supply	\$120,344,901	\$12,266,343	\$17,691,075	\$12,048,959	\$4,496,770
21 Transmission	\$40,604,221	\$4,143,345	\$3,700,595	\$4,185,913	\$3,938,777
22 Regional Market Expenses	\$4,671,657	\$610,630	\$584,633	\$458,097	\$394,037
23 Distribution	\$1,645,856	\$140,155	\$105,520	\$125,483	\$135,475
24 Customer Accounts	\$0	\$0	\$0	\$0	\$0
25 Customer Service & Information	\$4,645,582	\$286,537	\$325,659	\$357,541	\$372,831
26 Sales	\$46,606	\$2,259	\$10,114	\$2,625	\$10,714
27 Administration & General	\$37,321,109	\$3,213,951	\$2,468,599	\$3,931,747	\$3,084,021
28 Total Operation Expenses	<u>\$453,687,054</u>	<u>\$47,026,552</u>	<u>\$59,130,179</u>	<u>\$41,284,488</u>	<u>\$37,980,764</u>
29 Maintenance Expenses -					
30 Production	\$76,260,584	\$2,938,797	\$4,294,416	\$10,395,924	\$7,737,794
31 Transmisssion	\$8,256,749	\$454,605	\$555,798	\$902,115	\$1,075,929
32 Distribution	\$2,667,830	\$78,789	\$109,071	\$216,057	\$281,425
33 General Plant	\$1,990,660	\$75,624	\$129,561	\$167,546	\$342,426
34 Total Maintenance Expenses	<u>\$89,175,823</u>	<u>\$3,547,815</u>	<u>\$5,088,846</u>	<u>\$11,681,642</u>	<u>\$9,437,574</u>
35 Operating Expenses -					
36 Depreciation/Amortization	\$126,023,614	\$11,015,808	\$11,068,430	\$10,981,073	\$11,052,866
37 Taxes	\$267,711	\$10,657	\$10,657	\$10,657	\$5,481
38 Interest on Long Term Debt	\$100,921,595	\$7,475,808	\$6,877,094	\$7,424,430	\$7,183,861
39 Interest on Construction	\$0	\$0	\$0	\$0	\$0
40 Other Interest Expense	\$6,498	\$471	\$3,914	\$5,548	\$15,970
41 Asset Retirement Obligations	\$538,256	\$44,855	\$44,855	\$44,855	\$44,855
42 Other Deductions	\$1,845,894	\$77,398	\$72,259	\$74,859	\$72,159
43 Total Operating Expenses	<u>\$229,603,567</u>	<u>\$18,624,997</u>	<u>\$18,077,209</u>	<u>\$18,541,421</u>	<u>\$18,375,191</u>
44 Total Cost of Electric Service	<u>\$772,466,444</u>	<u>\$69,199,364</u>	<u>\$82,296,233</u>	<u>\$71,507,551</u>	<u>\$65,793,528</u>
45					
46 Operating Margins	\$14,776,317	\$12,111,125	\$11,459,930	(\$4,523,692)	(\$3,411,999)
47					
48 Non-Operating Items:					
49 Interest Income	\$12,735,131	\$51,514	\$47,561	\$52,094	\$48,339
50 Allowance for Funds Used during Construction	\$0	\$0	\$0	\$0	\$0
51 Other Non-Operating Income	\$488,255	\$5,970	\$35,776	\$20,081	\$5,589
52 Other Capital Credits/Patronage Dividends	\$692,205	\$248	\$0	\$143,382	\$11,397
53 Total Non-Operating Items	<u>\$13,915,590</u>	<u>\$57,732</u>	<u>\$83,337</u>	<u>\$215,557</u>	<u>\$65,325</u>
54					
55 Net Patronage Capital & Margins	<u>\$28,691,907</u>	<u>\$12,168,857</u>	<u>\$11,543,267</u>	<u>(\$4,308,135)</u>	<u>(\$3,346,674)</u>
56					
57 Times Interest Earned Ratio (TIER)	1.28	2.63	2.68	0.42	0.53
58 [(Line 38 + Line 55) / Line 38]				<i>TIERs based on a single month of information fluctuate wildly</i>	
59					
60 Debt Service Coverage (DSC)					
61 Principal Payments	\$86,999,412				
62 DSC Ratio	1.36			<i>DSC Ratios based on a single month have not been calculated</i>	
63 [(Line 36 + Line 38 + Line 55) / (Line 38 + Line 61)]					
64					

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 20

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 20. Provide a monthly trial balance schedule for each month in 2018, 2019, 2020, and 2021 to date listing all accounts and subaccounts and month-end balances. Provide annual sums for each of the accounts and subaccounts and in total for each calendar year requested. In addition, provide the data in electronic format with all formulas intact and provide data in a monthly side by side comparison if possible.

Response 20. Please see pages 3 through 10 of this response and corresponding Excel spreadsheet *AG Nucor DRI Response 20.xlsx* for all general ledger account balances for the years ended December 31, 2018, 2019, and 2021 to date. It should be noted that EKPC only provided year-end balances for 2018 through 2020 and year-to-date 2021 as its standard monthly trial balance reports provide year-to-date balances of all revenue and expense accounts, not monthly activity. However, monthly RUS Form 12 information, including operating statements, for 2019 through April 2021 have been provided in Response 40.

EKPC objects to the request for 40 months of trial balances as this is duplicative of financial information already provided in this case, responses to this and other current requests for information, or information available from annual and auditor's reports available on the Commission's website. Without waiving its objection, EKPC is providing its annual trial balances for 2018, 2019, 2020, and the first four months of 2021.

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
Trial Balance Schedule

As of and for the Years Ending 2018, 2019, 2020 and Four Months Ending 4/30/2021

ACCOUNT	Year Ending 12/31/2018	Year Ending 12/31/2019	Year Ending 12/31/2020	Period Ending 04/30/2021
105000 Elec Plant Held for Future Use	27,461.55	27,461.55	27,461.55	27,461.55
106000 Complt'd Const Not Classfd-Elec	95,227,803.20	111,390,347.73	283,657,429.61	264,865,463.99
106001 Equipment Purchases	946,026.63	1,603,534.00	6,875,505.50	574,483.80
107200 WIP-Construction & Contract	93,330,427.58	247,392,629.69	192,838,014.87	198,402,305.30
108110 Accum Deprec-Steam-Lab	(1,264,894.02)	(1,303,406.37)	(1,343,651.74)	(1,357,066.86)
108130 Accum Deprec-Steam-Cooper	(189,058,747.84)	(205,497,782.74)	(222,748,018.96)	(228,494,602.04)
108140 Accum Deprec-Steam-Splk Common	(16,310,440.30)	(19,138,436.93)	(22,517,855.81)	(23,939,577.30)
108141 Accum Deprec-Steam-Splk 1	(207,311,323.63)	(216,105,542.33)	(226,792,486.76)	(230,862,818.43)
108142 Accum Deprec-Steam-Splk 2	(308,654,812.50)	(320,872,613.52)	(333,893,608.57)	(338,846,362.55)
108143 Accum Deprec-Steam-Gilbert	(141,658,671.40)	(152,053,571.21)	(162,036,349.78)	(165,671,528.26)
108144 Accum Deprec-Steam-Splk 4	(126,189,141.13)	(119,812,241.77)	(130,805,938.58)	(134,913,474.71)
108410 Accum Deprec-Oth Prd-SM CT Com	(31,478,584.82)	(33,342,242.04)	(35,166,460.47)	(35,786,060.19)
108411 Accum Deprec-Oth Prd-SM CT 1	(15,864,598.84)	(16,444,425.26)	(17,144,342.88)	(17,378,122.24)
108412 Accum Deprec-Oth Prd-SM CT 2	(15,242,840.18)	(15,760,082.33)	(16,397,774.12)	(16,611,333.38)
108413 Accum Deprec-Oth Prd-SM CT 3	(15,680,765.99)	(16,232,333.63)	(16,918,330.37)	(17,144,736.32)
108414 Accum Deprec-Oth Prd-SM CT 4	(16,886,983.87)	(17,735,688.15)	(18,614,478.77)	(18,907,408.97)
108415 Accum Deprec-Oth Prd-SM CT 5	(14,713,208.95)	(15,466,657.93)	(16,219,263.65)	(16,470,132.13)
108416 Accum Deprec-Oth Prd-SM CT 6	(8,184,547.49)	(8,759,356.31)	(9,333,439.22)	(9,524,800.54)
108417 Accum Deprec-Oth Prd-SM CT 7	(8,097,538.85)	(8,665,390.67)	(9,232,516.63)	(9,421,558.87)
108419 Accum Deprec-Oth Prd-SM CT 9	(14,235,681.32)	(15,911,637.14)	(17,663,676.56)	(17,794,961.42)
108420 Accum Deprec-Oth Prd-SM CT 10	(15,129,779.64)	(16,676,540.38)	(17,400,209.47)	(17,252,973.18)
108450 Accum Depr-Oth Prd-OC CT Com	(5,431,864.38)	(5,837,669.70)	(6,542,386.13)	(7,744,537.05)
108451 Accum Depr-Oth Prd-OC CT 1	(25,418,254.08)	(26,964,792.97)	(28,532,366.53)	(29,160,018.30)
108452 Accum Depr-Oth Prd-OC CT 2	(24,269,940.71)	(25,812,116.49)	(27,399,211.37)	(28,021,447.76)
108453 Accum Depr-Oth Prd-OC CT 3	(22,890,077.41)	(24,282,772.08)	(25,743,508.90)	(26,342,222.32)
108460 Accum Deprec-Oth Prd-Landfill	(8,844,340.70)	(9,085,206.58)	(9,832,993.08)	(10,082,277.06)
108465 Accum Deprec-Oth Prd-Solar	(830,666.13)	(1,512,215.12)	(2,210,160.54)	(2,442,808.98)
108490 Accum Deprec-Oth Prd-Diesl Gen	(1,474,056.11)	(1,554,212.20)	(1,615,229.85)	(1,635,569.09)
108500 Accum Deprec-Transmission Plnt	(213,381,155.33)	(221,082,673.12)	(228,047,657.49)	(229,840,807.91)
108600 Accum Deprec-Distribution Plnt	(94,194,967.33)	(99,648,607.08)	(105,214,721.04)	(107,299,875.47)
108700 Accum Deprec-General Plant	(84,419,843.49)	(90,240,506.71)	(87,900,302.07)	(85,862,741.96)
108705 Accum Deprec-Software	(15,775,549.73)	(16,399,856.63)	(16,947,272.15)	(17,111,070.67)
108800 Retirement Work in Progress	9,834,456.98	17,438,512.59	17,900,948.82	13,622,502.69
108902 AccDepr AssetRetOblig	(19,792,009.52)	(18,907,453.70)	(24,157,389.57)	(25,161,498.41)
108911 AccDepr AssetRetCost-Lab	92,613.55	92,613.55	92,613.55	92,613.55
108913 AccDepr AssetRetCost-Cooper	850,753.08	1,174,145.24	1,174,145.24	1,174,145.24
108914 AccDepr AssetRetCost-Splk	59,623,935.90	61,480,441.40	62,002,522.14	62,063,925.75
108915 AccDepr AssetRetCost-Gilbert	9,988,425.75	66,910,266.92	71,830,043.32	71,830,043.32
108917 AccDepr AssetRetCost-CT Units	3,248,324.59	4,308,327.96	7,561,734.20	10,971,486.34
108918 AccDepr AssetRetCost-LF Units	13,754.46	1,057,660.74	1,057,660.74	1,057,660.74
108950 AccDepr AssetRetCost-Trns Plt	17,316,036.21	22,206,360.67	24,248,623.24	28,014,422.61
108960 AccDepr AssetRetCost-Dist Plt	7,924,918.22	8,301,815.03	10,999,111.99	11,577,392.49
108970 AccDepr AssetRetCost-Genrl PI	902,482.59	1,025,565.13	2,570,164.56	3,518,548.61
111000 Accum Amort-Elec Utility Plant	(1,206,246.47)	(1,126,863.04)	(1,184,037.44)	(1,203,095.56)
111700 Accum Amort-Elect Leased Plant	-	(7,657.03)	(53,599.20)	(68,913.24)
114000 Electric Plant Acquisition Adj	4,019,664.03	4,019,664.03	4,019,664.03	4,019,664.03
115000 Accum Amort-Elec Plnt Acq Adj	(535,955.20)	(714,606.93)	(893,258.67)	(952,809.23)
121001 Nonutility Property-Transm	819.75	819.75	819.75	819.75
123100 Patronage Cap from Assoc Coop	2,001,321.64	2,311,809.99	2,637,867.52	2,682,091.59
123221 Invstmt in CFC Cap Subord Trm	8,210,939.68	8,124,519.38	7,373,483.49	7,287,063.19
123230 Oth Invst in Assoc Organizatns	626,724.56	626,724.56	626,724.56	626,724.56
123231 Oth Invst-Low Int Ln Prg-Coops	93,935.64	208,195.82	241,118.13	258,847.83
123234 Oth Invst-Coop Propane Buyout	929,005.48	411,527.43	163,874.48	106,165.94
124005 Oth Invst-Lake Cumberlnd Devlp	100.00	100.00	100.00	100.00
124006 Oth Invst-PatCap Assgn Nonassc	114,228.28	113,506.06	112,425.16	112,425.16
124053 Oth Invst-Poll Ctrl Bnd-Cooper	1,089,132.48	1,104,819.17	1,103,107.08	1,103,052.04
124054 Oth Invst-Poll Bnd Disc-Cooper	(2,552.01)	(1,641.01)	(25.73)	(7.26)

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
Trial Balance Schedule

As of and for the Years Ending 2018, 2019, 2020 and Four Months Ending 4/30/2021

ACCOUNT	Year Ending 12/31/2018	Year Ending 12/31/2019	Year Ending 12/31/2020	Period Ending 04/30/2021
124080 Oth Invest-LT Rec-InInd Contain	3,242,204.76	2,260,924.20	1,202,062.64	838,407.31
128001 Oth Spec Fnds-Defrd Compensatn	4,286,015.85	3,446,519.58	4,490,710.39	4,659,441.16
128002 Oth Spec Fnds-Resrv Defrd Comp	(4,286,015.85)	(3,446,519.58)	(4,490,710.39)	(4,659,441.16)
128005 Oth Spec Fnds-Escr Dep Brnk One	40,086,484.55	38,311,156.24	38,865,950.69	38,875,867.59
128006 Oth Spec Fnds-TVA Deposit	-	667,451.52	1,105,407.57	1,105,534.98
128007 Oth Spec Fnds-Escr BG Oldham	3,000,000.00	-	-	-
131101 Cash-Genrl-PNC Bank Kentucky	17,575,858.17	8,670,323.37	17,564,343.59	17,055,111.71
131102 Cash-Genrl-PNC Prop Casualty	8,650.56	12,023.80	21,187.96	34,125.49
131103 Cash-Genrl-PNC Payroll	7,594.57	7,594.57	7,594.57	7,594.57
131104 Cash-Genrl-PNC Coop Solar	3,249.25	15,111.42	36,966.67	41,851.22
131105 Cash-MMDA-USBank	10,000,000.00	5,000,000.00	250,000.00	250,000.00
131106 Cash-MMDA-TraditionalBank	-	5,008,501.22	5,001,486.57	5,001,438.48
131200 Cash-Construction Fund-Trustee	500.00	500.00	500.00	500.00
131201 Cash-Construction Fund-Solar	-	-	-	-
134001 Other Special Deposits	425.00	425.00	425.00	425.00
134002 Special Deposit-PJM	2,196,076.52	1,731,894.47	1,738,175.15	1,738,277.06
135000 Working Funds	7,215.30	7,215.30	7,215.30	7,215.30
135002 Workng Fnds-Spec ROW Procuremt	15,411.53	31,164.24	22,283.44	15,424.29
135005 Workng Fnds-Medical Insurance	1,250,898.32	459,930.67	757,599.94	1,246,876.16
135006 Workng Fnds-Self Funded Dental	478,716.69	478,716.69	478,716.69	478,716.69
135007 Workng Fnds-Sec 125 Flex Spend	90,898.86	101,696.91	124,970.15	132,449.49
136001 Temp Cash Invest-Treasury Bills	95,000,000.00	111,000,000.00	100,000,000.00	95,000,000.00
142100 Cust Accounts Receivable-Elec	85,357,327.42	80,926,647.25	83,332,571.89	58,860,522.00
143001 Oth Accts Rec-General	1,790,894.83	112,492.46	295,948.26	450,551.14
143003 Oth Accts Rec-Coop Loan Prgm	-	-	-	-
143004 Oth Ac/Rec-Coop Propane Buyout	-	-	3,504.61	-
143005 Oth Accts Rec-Job Orders	10,950.17	125,740.86	282,426.77	1,929,416.88
143006 Oth Accts Rec-Workers Comp Ins	1,222,000.00	2,771,000.00	3,296,000.00	3,296,000.00
143011 Oth Accts Rec-Coop Med Insurnc	(247,835.24)	1,196,479.04	1,217,850.20	299,608.37
143028 Oth Accts Rec-COBRA	-	-	-	2,314.20
151002 Fuel Stock-Cooper	12,409,014.65	17,263,148.69	14,226,745.39	9,611,653.47
151006 Fuel Stock-Inventory Adjustmnt	1,952,347.39	(2,487,507.36)	-	-
151007 Fuel Stock-Limestone Inv Adj	26,437.78	49,280.41	174,417.10	58,139.03
151008 Fuel Stock-Coal-Miscellaneous	3,048,636.85	5,334,632.66	2,840,009.92	-
151010 Fuel Stock-Oil-Smith CT	3,236,667.00	3,221,492.16	3,176,396.50	3,813,333.11
151017 Fuel Stock-Oil-Bluegrass	-	-	1,306,985.58	1,677,815.31
151018 Fuel Stock-Gilbert	11,802,837.42	16,988,753.32	10,815,736.28	10,454,411.25
151020 Fuel Stock-Scrubber Coal	13,726,373.65	24,628,469.74	12,140,790.15	11,292,526.57
151028 Fuel Stock-Limestone-Gilbert	287,366.72	392,334.96	249,015.79	208,580.02
151029 Fuel Stock-Limestone-Sp 2 Scrub	210,515.35	210,126.30	210,066.56	262,508.47
151038 Fuel Stock-TDF Gilbert	-	7,557.90	2,975.02	9,029.71
151040 Fuel Stock-Mercontrol 8034	124,163.02	115,742.54	103,785.52	149,086.33
151041 Fuel Stock-Mercontrol 7895	18,444.64	19,249.29	64,827.09	64,827.09
151050 Fuel Stock-Ammonia Spurlock	91,373.77	52,132.94	14,349.72	32,176.09
151090 Fuel Stock (CB)	564,387.18	377,942.24	434,827.55	651,334.08
152000 Fuel Stock Exps Undistributed	665,150.02	696,937.69	893,533.54	659,759.22
154000 Plnt Matls/Op Supp-General	56,865,918.91	56,318,422.20	71,903,314.26	69,936,214.57
154001 Plnt Matls/Op Supp-Poles	424,377.02	439,621.64	409,457.72	673,826.95
154003 Plnt Matls/Op Supp-OCR	1,816,966.49	1,469,336.38	742,220.45	970,120.28
154004 Plnt Matls/Op Supp-Tran Reg	5,876,732.27	5,552,043.67	4,877,191.36	6,224,169.54
154006 Plnt Matls/Op Supp-ETS Hrdwr	30,682.95	30,017.46	30,063.48	30,669.81
154011 Plnt Matls/Op Supp-EK Computrs	2,499.26	2,658.26	2,282.76	2,282.76
154020 Plnt Matls/Op Supp-Gasoline	45,033.42	22,633.76	23,481.28	29,061.64
154099 Temp Asset Recd/Not Stocked	(193,053.86)	(101,809.69)	(293,109.82)	(293,109.82)
158100 Allowance Inventory	589,394.89	561,307.44	536,676.87	529,090.23
165100 Prepayments-Insurance	3,838,557.04	4,399,647.76	4,179,348.18	1,705,430.03
165102 Prepymts-24Hr Businss Trvl Ins	-	-	-	271.68
165103 Prepymts-Term Life Insurance	-	-	-	295,733.91

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
Trial Balance Schedule

As of and for the Years Ending 2018, 2019, 2020 and Four Months Ending 4/30/2021

ACCOUNT	Year Ending 12/31/2018	Year Ending 12/31/2019	Year Ending 12/31/2020	Period Ending 04/30/2021
165200 Oth Prepymts-Misc Exp-Subsq Yr	8,096,087.52	7,818,947.87	2,514,202.47	4,248,429.18
171000 Int/Div Rec-CFC	93,167.57	93,167.57	87,954.82	28,759.50
171001 Int/Div Rec-Genrl Fnd Investmt	105,956.40	89,377.24	1,148.76	3,551.67
171008 Int/Div Rec-Poll Contrl-Cooper	3,237.80	2,739.67	2,235.42	568.51
171009 Int/Div Rec-Pledged Escrow	457.76	452.87	-	-
175000 Derivative Instrument Assets	(495,124.35)	(77,693.02)	(2,359.56)	(1,166.36)
181001 Unamrt Debt Exp-Private PI Bon	917,364.43	881,121.43	844,878.43	830,464.11
181005 Unamrt Debt Exp-Coopr PC IssCs	46,395.69	36,364.29	26,332.89	23,726.45
181006 Unamrt Debt Exp-Sr Cr Facility	1,281,772.04	1,229,215.52	878,011.04	706,961.40
181007 Unamrt Debt Exp-CREB's	221,410.04	177,128.12	132,846.20	118,085.56
181008 Unamrt Debt Exp-Priv Plac 2019	-	1,083,912.35	1,047,139.79	1,032,548.95
182200 Unrecovered Plant-Dale	262,065.47	-	-	-
182201 Unrecovered Plant-Dale-ES	749,484.07	749,484.07	749,484.07	749,484.07
182302 Other Regulatory Asset-FAC	-	-	1,424,317.65	-
182303 Other Regulatory Asset-ES	-	-	-	546,226.00
182306 Other Regulatory Asset-SM CFB	123,506,200.73	88,847,396.40	64,796,705.59	60,884,390.85
182320 Oth Reg A - Dale 1&2 Asbestos	942,592.15	325,657.58	325,657.58	325,657.58
182321 Oth Reg A - Dale 3&4 Asbestos	4,571,241.79	1,034,892.92	1,034,892.92	1,034,892.92
182322 Oth Reg A - Cooper Asbestos	122,715.96	453,247.87	787,910.91	900,895.95
182330 Oth Reg A-Dale Ash	14,070,332.55	12,614,780.91	11,159,229.27	10,674,045.39
182331 Oth Reg A-Spur Ash Pond	13,382,100.80	18,012,148.99	22,682,788.34	23,404,865.44
182332 Oth Reg A-Spur Landfill	3,241,746.52	3,707,515.49	4,096,717.60	4,232,699.56
182333 Oth Reg A-Cooper Landfill	1,529,309.75	1,651,043.10	1,626,105.62	1,619,977.93
182334 Other Reg A-Dale Ash Hauling	-	-	-	-
182335 Oth Reg A-Smith Landfill	168,691.99	256,958.81	348,000.64	379,315.57
182350 Oth Reg A-Spurlock 2019 Major	-	7,244,183.74	6,338,661.00	6,036,820.00
183000 Prelim Survey/Invstgation Chgs	536,541.38	579,028.58	742,109.80	619,325.39
184100 Clearing-Transportation Exps	-	-	-	41,190.01
186050 Misc Def Debit-Other	466,249.65	958,700.39	1,306,638.34	518,814.70
186060 Misc Def Debt-Solar Lic O&M	1,631.00	4,210.95	4,659.95	3,349.95
189001 Unamort Loss Reaquir Debt- RUS	6,333,367.53	6,135,449.85	5,937,532.17	5,871,559.61
200000 Memberships Issued	(1,600.00)	(1,600.00)	(1,600.00)	(1,600.00)
201101 Patronage Capital Credits	(648,671,724.00)	(691,061,470.00)	(713,799,202.90)	(713,799,202.90)
201201 Patronage Capital Assignable	40,668,788.40	44,204,037.47	28,691,907.88	-
208001 Donated Capital	(3,034,924.10)	(3,034,924.10)	(3,034,924.10)	(3,034,924.10)
209001 Accum Oth Comprehensive Income	(12,123,030.00)	(21,209,309.00)	(27,454,700.00)	(27,454,700.00)
215101 Unrealzd Gn/Loss-Debt/Eqty Sec	41,408.63	(64,341.36)	(1,032.57)	(401.75)
221000 Bonds	(207,225,999.68)	(350,873,465.12)	(339,507,055.94)	(329,059,305.01)
224121 Oth LTD-CFC	-	(100,000,000.00)	(96,666,666.67)	(93,333,333.34)
224122 Oth LTD-NCSC	(7,411,270.00)	(5,575,041.00)	(4,239,219.00)	(3,860,553.20)
224140 Oth LTD-Misc-Gfathered Sick Lv	(188,698.51)	(130,773.57)	-	-
224150 Oth LTD-Sr Credit Facility	(320,000,000.00)	(185,000,000.00)	(245,000,000.00)	(200,000,000.00)
224300 LTD-RUS Notes Executed	(2,537,158,389.80)	(2,280,401,967.02)	(2,384,863,320.45)	(2,367,414,992.12)
224400 RUS Notes Exec-Constr-Debit	145,378,000.00	108,495,000.00	508,814,000.00	494,681,000.00
224600 Advance Pmts Unappld-LTD-Debit	505,654,386.67	349,593,355.60	704,845.57	714,137.63
227000 Capital Lease Obl-Non-current	-	(180,141.91)	(136,835.54)	(122,095.66)
228300 Pens/Bnfts-Resve-Retire Medcal	(66,053,264.93)	(57,552,923.14)	(51,150,942.46)	(51,331,285.10)
228301 Pens/Bnfts-Resve-Deferred Comp	(653,419.72)	(587,675.71)	(552,125.17)	(442,103.62)
228303 Pens/Bnfts-Resv-Annuity,LTD,WC	(1,610,000.00)	(3,286,000.00)	(3,656,000.00)	(3,656,000.00)
228304 Pens/Bnfts-Resve-Dental Insur	(40,000.00)	(36,000.00)	(33,000.00)	(32,066.69)
228305 Pens/Bnfts-Flex Spend Hea Care	(87,164.58)	(98,111.27)	(115,060.80)	(126,498.82)
228306 Pens/Bnfts-Flex Spend Dep Care	(3,174.77)	(2,575.11)	(8,825.09)	(4,650.98)
228307 Pens/Bnfts-401K Employee Contr	(76,871.55)	(74,741.66)	(78.91)	(75,478.34)
228308 Pens/Bnfts-401K 4% Emplr Contr	(91,803.87)	(106,343.15)	-	(120,709.72)
228311 Pens/Bnfts-401K Employer Contr	(14,772.09)	(13,810.92)	5,122.76	(13,070.31)
228312 Pens/Bnfts-401K 4% Emplr Contr	(48,273.99)	(53,226.08)	-	(62,579.15)
228313 Pens/Bnfts-401K 6% Emplr Contr	(78,431.20)	(84,340.65)	-	(97,919.59)
228330 Pens/Bnfts-Med PPO	(641,566.72)	(904,994.33)	(841,618.65)	(1,973,850.76)

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
Trial Balance Schedule

As of and for the Years Ending 2018, 2019, 2020 and Four Months Ending 4/30/2021

ACCOUNT	Year Ending 12/31/2018	Year Ending 12/31/2019	Year Ending 12/31/2020	Period Ending 04/30/2021
228331 Pens/Bnfts-Retiree Med-PPO	(249,029.58)	(268,119.10)	(118,099.32)	(282,184.91)
228360 Pens/Bnfts-Drug Chg-Active	(3,295.77)	(8,042.99)	(3,046.57)	556,840.34
228361 Pens/Bnfts-Drug Chg-Retiree	(2,866.56)	(7,353.99)	(405.53)	97,101.21
228362 Pens/Bnfts-Vision	(24,000.00)	(29,000.00)	(27,000.00)	(8,765.26)
228363 Pens/Bnfts-Allstate Pln	61.64	(89.80)	(475.43)	(263.50)
228364 Pens/Bnfts-Sh.Term Disability	(16,193.35)	-	-	-
228368 HSA Employee Contribution	-	(360.00)	325.00	-
228369 HSA Employer Contribution	-	2,600.00	3,400.00	3,920.00
230002 Asset Retirement Oblig-Steam	(9,013,684.14)	(2,833,555.00)	(2,943,765.79)	(2,981,933.43)
230003 Asset Retirement Oblg-Ash	(48,137,591.36)	(50,007,480.23)	(42,269,998.15)	(42,443,114.65)
230004 Asset Retirement Oblg-LFPostCl	(3,128,895.85)	(3,478,181.38)	(3,637,296.16)	(3,692,762.16)
232100 Accounts Payable-General	(80,199,859.04)	(115,447,673.53)	(83,278,590.83)	(67,791,509.92)
232102 Misc Liability Rec Insp	(576,587.69)	(534,761.59)	(536,812.90)	(913,665.42)
232103 Expenses Payable	(14,239.61)	(10,622.34)	(8,145.60)	(1,000.47)
236100 Accrued Property Taxes	(144,152.40)	(268,000.00)	(496,149.20)	(4,491,787.48)
236200 Accrued FUTA	(603.07)	(684.71)	(600.07)	(218.20)
236300 Accrued FICA/SS Medicare	(5,921.84)	(13,024.07)	(25,147.20)	(441,329.11)
236400 Accrued SUTA	(1,072.05)	(1,793.48)	(1,637.54)	(1,822.52)
236500 Accrued State Sales Tax	(176,350.43)	(254,675.83)	(324,904.74)	(92,029.46)
237000 Interest Accrued	(4,047,489.67)	(8,090,065.61)	(7,585,996.32)	(7,627,837.19)
241000 Tax Coll Payable-FIT	(309.80)	(309.80)	(35,688.10)	(361,362.79)
241005 Tax Coll Payable-SIT	(121,125.69)	(4,584.32)	(5,563.55)	(127,569.45)
241011 Tax Coll Payable-Clark PR	18.00	18.00	18.00	(53,324.23)
241012 Tax Coll Payable-Pulaski PR	(19,986.12)	(20,162.94)	(18,944.12)	(6,925.49)
241013 Tax Coll Payable-Mason PR	(115,431.69)	(126,123.10)	(141,957.88)	(56,817.32)
241014 Tax Coll Payable-Nelson PR	(83.77)	(60.58)	(85.24)	(109.13)
241015 Tax Coll Payable-Laurel PR	(211.69)	(267.80)	(260.09)	(106.87)
241016 Tax Coll Payable-Boone PR	-	(168.02)	(18.18)	(85.87)
241017 Tax Coll Payable-Pendleton PR	(102.19)	(31.17)	(231.64)	(85.95)
241018 Tax Coll Payable-Frankfort PR	(693.98)	(296.32)	(379.37)	(108.51)
241019 Tax Coll Payable-Grant Co PR	(634.93)	(543.23)	(510.75)	(233.38)
242200 Accrued Payroll	(1,538,435.16)	(1,878,705.52)	(2,605,012.05)	(1,078,635.40)
242300 Accrd Empl Compensated Absnces	(1,716,806.97)	(1,849,850.49)	(3,518,558.58)	(3,518,558.58)
242500 Oth Curr/Accr Liab-Svg Bond PR	(400.00)	(400.00)	(400.00)	(400.00)
242502 Oth Curr/Accr Liab-Un Fnd PR	15,640.00	1,600.00	1,600.00	-
242503 Other Curr/Accr Liab-EAssoc PR	-	20.00	-	-
242504 Oth Curr/Accr Liab-Misc	(68,546.80)	(3,000.00)	(199,168.67)	(199,168.67)
242505 Oth Curr/Accr Liab-401K Ln PR	(48,311.25)	(50,075.96)	238.96	(50,731.68)
242506 Oth Curr/Accr Liab-Homestead	1,200.00	1,200.00	875.00	1,200.00
242508 Oth Curr/Accr Liab-ACRE	(69.94)	(1,049.54)	(69.94)	(689.98)
242510 Oth Curr/Accr Liab-Supple Life	-	-	-	106,530.39
242512 Oth Curr/Accr Liab-Family AD&D	-	-	-	29,622.15
242513 Other Curr/Accr Liab-FTR	(45,208.83)	(2,411.56)	3,739.18	712.22
243000 Capital Lease Obl-Current	-	(43,306.37)	(43,306.37)	(43,306.37)
252000 Customer Advances-Construction	-	-	-	(5,695,490.71)
253007 Oth Defd Cr-Solar Pnl Lic Fee	(400,069.29)	(416,485.75)	(421,500.07)	(426,560.07)
253008 Oth Defd Cr-Solar Lic Energy	(445.00)	(388.00)	(431.00)	(1,189.00)
253009 Oth Defd Cr-Solar Lic REC	(1,960.00)	(5,085.65)	(5,097.65)	(4,021.65)
253010 Oth Defd Cr-Solar Lic Capacity	-	363.00	-	-
253130 Other Defd Capacity Prepays	-	-	-	-
254002 Other Regulatory Liab-FAC	(3,676,285.00)	(2,740,919.00)	-	(2,094,561.12)
254003 Other Regulatory Liab-ES	(873,985.00)	(1,032,992.00)	(2,389,225.00)	-
301000 Organization	5,040.43	5,040.43	5,040.43	5,040.43
303001 Misc Intang Plnt-Ghent Trn Twr	27,405.00	27,405.00	27,405.00	27,405.00
303002 Misc Intang Plnt-TVA Int Summe	210,302.40	210,302.40	210,302.40	210,302.40
303003 Misc Intang Plnt-Pleasant Gr M	51,387.36	51,387.36	51,387.36	51,387.36
303004 Misc Intang Plnt-KU Lynch Sw	573,252.35	547,151.21	547,151.21	547,151.21
303005 Misc Intang Plnt-Wolfe St Corp	13,225.80	13,225.80	13,225.80	13,225.80

As of and for the Years Ending 2018, 2019, 2020 and Four Months Ending 4/30/2021

ACCOUNT	Year Ending 12/31/2018	Year Ending 12/31/2019	Year Ending 12/31/2020	Period Ending 04/30/2021
303006	Misc Intang Plnt-KU/Lake Reba	849,440.38	849,440.38	849,440.38
303007	Misc Intang Plnt-N Madison Tap	66,238.90	66,238.90	66,238.90
303008	Misc Intang Plnt-Zimmer	159,000.00	159,000.00	159,000.00
303009	Misc Intang Plnt-Stuart	409,160.00	409,160.00	409,160.00
303010	Misc Intang Plnt-LGE Tolling	146,000.00	-	-
310000	Land/Land Rights-Steam Prd	35,119,191.80	35,252,142.07	39,996,027.11
311000	Struct & Improvemts-Steam Prd	388,627,867.82	389,165,111.36	394,092,442.29
312000	Boiler Plant Equip-Steam Prd	1,577,030,095.59	1,574,736,513.36	1,589,361,807.09
314000	Turbogenerator Unit-Steam Prd	318,970,611.82	253,537,266.81	278,497,130.90
315000	Accessory Elec Equip-Steam Prd	114,787,888.51	114,287,420.43	115,678,520.24
316000	Misc Pwr Plant Equip-Steam Prd	13,344,011.42	15,703,954.91	15,882,149.90
317000	Asset Retire Costs-Steam Prod	9,367,767.34	2,668,860.62	2,668,860.62
317001	Asset Retire Costs-Ash	45,728,775.48	47,245,172.00	38,294,734.72
317002	Asset Retire Costs-LFPostClos	2,864,152.00	3,069,547.00	3,069,547.00
340000	Land & Land Rights-Oth Pwr Prd	5,924,091.19	5,964,035.69	5,964,035.69
341000	Struct & Improvmts-Oth Pwr Prd	51,973,228.63	52,871,798.04	52,931,816.51
342000	Fuel Hldrs/Accessr-Oth Pwr Prd	20,033,575.25	20,033,575.25	20,033,575.25
343000	Prime Movers-Oth Pwr Prd	405,884,096.97	406,211,866.10	406,525,614.99
344000	Generators-Oth Pwr Prd	86,690,134.57	103,150,557.26	103,150,557.26
345000	Accessory Elec Eq-Oth Pwr Prd	37,512,599.27	38,288,055.69	38,310,828.65
346000	Misc Pwr Plt Equip-Oth Pwr Prd	15,990,208.41	15,990,208.41	16,264,537.20
350000	Land/Land Rights-Transm Plant	4,688,859.26	4,688,859.26	4,688,859.26
350010	Land/Lnd Rghts-Easemts-TransPI	55,533,399.23	55,719,148.42	56,677,637.86
353000	Station Equipment-Trans Plant	257,918,882.60	259,426,782.31	271,329,998.86
353010	Station Equip-ECS-Trans Plant	9,655,734.89	9,476,611.16	9,906,956.69
354000	Towers & Fixtures-Trans Plant	3,853,520.91	3,853,520.91	3,853,520.91
355000	Poles & Fixtures-Trans Plant	148,734,704.13	150,851,436.29	157,775,914.45
356000	Overhd Conductors/Devices-Tran	130,459,690.62	132,608,503.00	132,934,424.23
359000	Roads and Trails-Trans Plant	23,287.65	23,287.65	23,287.65
360000	Land/Land Rights-Distr Plant	10,334,487.10	10,063,490.41	10,063,490.41
362000	Station Equipment-Distr Plant	203,756,634.89	212,368,871.92	222,294,086.85
362001	Station Equip-SCADA-Distr Plnt	5,946,980.39	5,957,706.56	7,376,293.13
368000	Line Transformers-Distr Plant	1,985,006.09	1,985,006.09	2,413,995.98
389000	Land/Land Rights-General Plant	1,381,311.62	1,381,311.62	1,381,311.62
389001	Land/Land Rights-Radio Towers	454,290.88	454,290.88	454,290.88
390000	Struct & Improvmts-General Plt	17,033,657.12	17,176,820.18	17,229,528.61
391000	Office Furn & Equip-Genrl Plnt	9,646,381.81	10,667,305.83	12,227,570.67
391001	Office Furn & Equip-PeopleSoft	17,080,999.94	17,298,493.67	17,577,003.88
391100	Office Furn & Equip - Leased	-	229,710.85	229,710.85
392000	Transportation Equip-Genrl Plt	16,015,571.74	17,294,890.14	18,797,214.65
393000	Stores Equipment-General Plant	126,083.46	132,973.46	132,973.46
394000	Tools, Shop & Garage Equipment	2,038,281.38	2,313,149.79	2,449,002.46
395000	Lab Equipment-General Plant	5,179,718.87	5,311,175.70	5,467,980.30
396000	Power Operated Equip-Genrl Plt	19,946,551.38	20,685,598.42	21,314,969.33
397000	Communication Equip-Genrl Plnt	40,586,849.45	41,370,762.43	37,084,056.21
397001	Communication Eq-ECS-Genrl Plt	642,538.48	642,538.48	612,404.47
398000	Misc Equipment-General Plant	2,415,833.71	2,428,472.92	2,630,483.76
403100	Deprec Exp-Steam Plant	65,830,306.78	65,596,902.10	67,540,541.81
403410	Deprec Exp-Oth Prd Plt-CT's	13,448,630.38	14,425,071.37	15,525,524.31
403420	Deprec Exp-Oth Prd Plt-Ldfills	634,639.36	697,589.69	662,904.56
403430	Deprec Exp-Oth Prd Plt-Dsl Gen	81,358.01	80,156.09	61,017.65
403440	Deprec Exp-Oth Prd Plt-Solar	722,240.78	681,548.99	697,945.42
403500	Deprec Exp-Transm Plant	9,624,436.03	9,697,504.32	9,908,603.34
403600	Deprec Exp-Distrib Plant	7,245,631.68	7,512,194.35	7,932,786.14
403700	Deprec Exp-Generl Plant	7,220,740.94	7,930,028.51	9,196,113.03
403702	Deprec Exp-Generl Plant-Nonreg	643.92	643.92	643.92
403800	Deprec Exp-Asset Retire Costs	451,842.73	2,025,756.88	2,358,892.66
404000	Amortization-Leased Elec Plant	-	7,657.03	45,942.17

As of and for the Years Ending 2018, 2019, 2020 and Four Months Ending 4/30/2021

ACCOUNT	Year Ending 12/31/2018	Year Ending 12/31/2019	Year Ending 12/31/2020	Period Ending 04/30/2021
405000 Amortization-Intangible Plant	57,920.11	52,016.55	57,174.40	19,058.12
407000 Amortization-Unrecovered Plant	12,567,094.65	12,168,157.44	12,035,524.68	3,599,757.13
408700 Taxes-Other	190,098.88	118,995.07	266,510.62	36,251.16
409120 Income Taxes-Other States	1,200.00	1,200.00	1,200.00	1,200.00
411100 Accretion Expense	(21,102.06)	390,859.64	538,256.28	179,418.79
411600 Gains/Disposition of Util Plnt	(404,962.50)	(1,308,876.32)	-	-
411800 Gains/Disposition of Allownces	(45.11)	(43.00)	(15.25)	-
412000 Rev Elec Plnt Leased to Others	(10,831,974.60)	(4,008,204.02)	(590,777.00)	(194,903.00)
413100 Oper Exp Plt Leased Excl Fuel	1,129,957.63	463,473.12	127,410.12	44,045.63
413101 Oper Exp Plt Leased Oth-Fuel	112,718.87	111,717.09	130,457.05	41,463.56
413102 Oper Exp Plt Leased Prop Tax	204,626.92	182,077.06	13,064.13	1,092.00
413200 Maintenance Exp Plnt Lease Oth	557,290.79	229,853.94	73,897.89	26,340.45
413300 Depr Exp Plnt Leased Oth	1,596,256.50	587,725.29	84,881.94	28,294.05
413400 Amort Exp Plnt Leased Oth	43,800.00	14,600.02	-	-
417101 Exps/Nonutil Oper-Other/ACES	2,651.29	1,724.36	182.85	-
417103 Exps/Nonutil Oper-Envision	33,457.38	31,169.71	35,435.74	19,422.83
419000 Int/Div Income-Regulated	(27,658,512.54)	(25,302,329.08)	(12,643,410.24)	(182,206.10)
419002 Interst Income-Inlnd Container	(42,383.77)	(122,038.20)	(80,079.68)	(15,991.75)
419010 Int/Div Income-Nonregulated	(43,630.06)	(29,436.28)	(11,640.87)	(1,309.90)
421000 Misc Nonoper Incm-Other-Reg	1,364,136.10	1,178,734.28	(330,013.11)	(67,712.03)
421100 Gain/Disposition of Prop-Reg	(147,814.37)	(70,799.34)	(203,341.85)	(19,126.10)
421200 Loss/Disposition of Prop-Reg	21,286.38	46,492.16	9,481.72	-
424000 Oth Cap Creds & Patr Cap Alloc	(233,047.14)	(634,843.00)	(692,204.79)	(155,026.93)
425000 Miscellaneous Amortization	178,651.74	178,651.73	178,651.74	59,550.56
426100 Donations	165,280.00	160,655.84	130,786.37	10,500.00
426200 Life Insurance	(2,944.77)	-	-	-
426300 Penalties	-	-	-	-
426400 Civic,Political & Related Actv	27,550.40	12,251.71	12,255.76	1,139.86
426500 Oth Deductns-Regulated	622,385.80	694,242.01	847,763.89	-
427000 Interest on Long-Term Debt	115,438,973.90	112,361,639.67	100,921,594.54	28,961,192.75
428001 Amrt Debt Disc/Exp-Priv.PIBond	36,243.00	36,243.00	36,243.00	12,081.00
428005 Amrt Debt Disc/Exp-PCB-Cooper	10,031.40	10,031.40	10,031.40	3,343.80
428006 Amrt Debt Disc/Exp-Sr Cr Facil	376,144.14	358,712.52	351,204.48	117,068.16
428007 Amrt Debt Disc/Exp-CREB	44,281.92	44,281.92	44,281.92	14,760.64
428008 Amrt Debt Disc/Exp-Priv.PI2019	-	27,308.21	36,772.56	12,257.52
428101 Amort Loss Required Debt- RUS	6,037.53	197,917.68	197,917.68	65,972.56
431010 Other Interest Exps-Regulated	11.00	57.00	101.00	-
431020 Other Interest Exps-Nonreg	-	-	-	24,075.20
431030 Other Interest Exps-Leased	-	1,054.80	6,396.55	1,827.76
447100 Sales/Resale-RUS Borr-Mbr Coop	(845,982,608.00)	(813,897,219.00)	(743,008,399.00)	(284,926,565.00)
447103 Sales/Resale-RUS Borr-Mbr-GPwr	(61,641.00)	(49,170.00)	(46,575.00)	(15,155.00)
447142 Sales/Resale-MbrCoop-Accrd FAC	5,128,862.00	(922,108.00)	(676,769.00)	1,177,216.00
447143 Sales/Resale-MbrCoop-Accrd ES	(1,183,950.00)	164,922.00	1,379,911.00	(2,884,472.00)
447250 Sales/Resale-Non RUS-Off Sys	(28,549,317.35)	(19,579,619.44)	(18,340,495.49)	(9,115,502.43)
447251 Misc Capacity Sales	(3,508,025.78)	(6,330,055.95)	(10,865,179.82)	(3,074,653.16)
451001 Misc Service Revenues-Reg	33.01	(3,987.54)	(4,107.45)	6,191.04
454001 Rent from Elec Property-Reg	(191,559.14)	(171,398.80)	(169,316.82)	(63,061.73)
456003 Oth Elec Rev-Sales Tax Compens	(600.00)	(600.00)	(600.00)	(200.00)
456010 Oth Elec Rev-Steam Sales-Inlnd	(11,124,024.00)	(10,687,040.00)	(10,399,384.00)	(4,005,670.00)
456042 Oth Elec Rev-Steam-Accrd FAC	85,825.00	(13,258.00)	(17,258.00)	27,523.00
456043 Oth Elec Rev-Steam-Accrd ES	(37,711.00)	(5,915.00)	(23,678.00)	(50,979.00)
456054 Facility Chgs-Cagles	(43,200.00)	(43,200.00)	(43,200.00)	(14,400.00)
456057 Facility Chgs-Big Sandy-Inez	(54,870.96)	(54,870.96)	(54,870.96)	(18,290.32)
456080 Oth Elec Rev-Solar Pnl License	(13,872.51)	(17,310.24)	(18,784.18)	-
456101 TS Revenue-Wheeling	(141,447.00)	(106,774.50)	(110,839.50)	(43,465.50)
456130 TS Revenue-Non Firm Pt to Pt	(2,896,984.22)	(3,470,050.11)	(3,258,169.79)	(746,540.58)
456131 TS Revenue-Anc Svc-Sched 3.1	(162,435.95)	(141,300.16)	(172,869.09)	(72,806.39)
456132 TS Revenue-Anc Svc-Sched 3.2	(88,331.47)	(87,601.85)	(77,099.39)	(26,886.88)

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
Trial Balance Schedule

As of and for the Years Ending 2018, 2019, 2020 and Four Months Ending 4/30/2021

ACCOUNT	Year Ending 12/31/2018	Year Ending 12/31/2019	Year Ending 12/31/2020	Period Ending 04/30/2021
459000 Rev/Sale of Renewbl Engy Credt	(630,780.64)	(697,751.65)	(1,174,010.37)	(530,664.50)
500000 Oper Supv/Engr-Steam Gen	7,520,384.87	8,546,343.43	9,233,986.38	3,200,205.66
501010 Fuel-Steam Generation-Coal	181,683,181.84	141,669,184.38	158,362,040.13	68,304,942.22
501020 Fuel-Steam Generation-Oil	3,191,450.14	3,247,009.87	1,755,464.58	847,312.92
501060 Fuel-Steam Generation-TDF	998,399.25	595,356.65	705,709.09	344,117.86
502000 Steam Expenses-Steam Gen	11,751,846.54	11,892,275.94	11,699,692.95	3,909,821.28
505000 Electric Expenses-Steam Gen	5,512,248.68	5,916,155.27	6,196,374.00	2,129,470.01
506001 Misc Steam Power Exps	27,073,806.82	22,992,426.53	25,812,888.17	10,600,328.31
506002 Misc Steam Power Exps-Environ	5,054,523.56	5,258,343.71	5,186,079.09	1,282,259.36
509000 Allowances	22,866.45	28,087.45	24,630.57	7,586.64
510000 Mntc Supv/Engr-Steam Gen	3,197,975.56	3,310,824.94	3,413,566.42	1,151,950.95
511000 Mntc of Structures-Steam Gen	5,975,328.81	6,286,688.00	5,135,413.29	1,431,281.85
512000 Mntc of Boiler Plant-Steam Gen	57,601,659.98	56,898,527.66	50,449,925.59	14,581,314.87
513000 Mntc of Elec Plant-Steam Gen	7,468,664.57	10,909,960.49	8,408,959.44	1,979,166.87
546000 Oper Supv/Engr-Oth Power Gen	2,317,411.69	3,287,392.90	3,247,861.12	1,099,381.11
547020 Fuel-Oth Power Gen-Oil	430,270.77	15,174.84	45,095.66	304,676.49
547030 Fuel-Oth Power Gen-Natural Gas	22,331,518.39	16,431,545.57	10,535,810.31	10,410,365.04
547040 Fuel-Oth Power Gen-Methane Gas	737,389.48	645,363.39	720,598.03	248,119.50
547050 Fuel-Oth Power Gen-Diesel	3,008.59	3,238.36	(799.52)	1,124.39
548000 Generation Exps-Oth Power Gen	5,082,726.09	5,783,337.64	6,590,042.40	2,376,925.16
549001 Misc Other Power Gen Expenses	1,498,368.46	2,257,183.82	2,274,690.00	682,693.86
549002 Misc Oth Pwr Gen Exps-Environ	1,594,610.56	1,639,395.78	2,016,958.86	580,246.67
551000 Mntc Supv/Engr-Oth Power Gen	364,010.22	416,604.16	532,019.75	205,648.65
552000 Mntc of Structures-Oth Pwr Gen	902,026.19	828,318.08	1,104,872.45	204,387.67
553000 Mntc of Gen&Elec Equip-Oth Gen	11,209,792.07	8,765,788.41	7,215,827.06	5,813,179.38
555000 Purchased Power	171,730,934.52	176,617,390.77	109,217,461.24	42,784,754.27
555001 Purchased Power-Solar License	12,180.00	15,399.38	14,518.00	4,352.00
556000 System Ctrl & Load Dispatching	4,512,322.19	4,821,880.41	5,340,768.51	1,900,500.88
557001 Oth Pwr Supp Ex-LTerm Pwr Supp	2,503,021.45	2,519,452.69	2,794,289.59	877,397.11
557002 Oth Pwr Supp Ex-Load Forecastg	807,393.62	699,835.58	645,532.65	161,649.09
557003 Oth Pwr Supp Ex-Broker Fees	2,258,900.22	2,282,256.00	2,331,993.96	774,493.68
559000 Renewable Energy Cred Expenses	-	1,154.72	337.25	-
560000 Oper Supv/Engr-Transm Expenses	10,270,225.05	10,174,845.25	10,706,984.98	3,363,706.44
561000 Trans Exp-Load Dispatching	3,337,022.18	4,007,823.70	4,273,254.58	1,342,388.77
562000 Trans Exp-Station Expenses	3,066,127.86	2,915,004.55	2,575,345.44	859,009.10
563000 Trans Exp-Overhead Line Exps	5,777,113.56	6,617,560.68	6,191,540.99	2,665,529.07
565000 Transmission of Elec By Others	8,689,706.17	8,713,043.09	15,602,396.24	7,325,450.15
566000 Misc Transmission Expenses	416,023.53	389,702.96	822,795.06	322,045.26
567000 Transmission Expense-Rents	446,268.84	446,268.84	431,903.28	90,501.84
568000 Mntc Supv/Engr-Transm Exps	298,891.82	224,852.43	222,632.21	50,894.71
570000 Mntc of Station Equip-Trans Ex	2,187,717.56	2,843,300.50	2,403,540.83	952,239.40
571000 Mntc of Ovhead Lines-Trans Exp	5,846,890.12	6,096,952.78	5,558,732.30	1,968,049.83
573000 Mntc of Misc Transmission Plnt	161,342.98	176,042.47	71,843.36	17,262.68
575700 Mrkt Admin.Monitor/Compliance	5,243,735.56	4,746,963.93	4,671,657.11	2,047,397.52
581000 Distrib Exp-Load Dispatching	230,723.14	226,841.71	212,586.55	68,116.80
582000 Distrib Exp-Station Expenses	1,297,462.39	1,511,689.10	1,433,269.58	438,516.34
592000 Mntc of Station Equip-Dist Exp	2,227,789.68	2,929,641.12	2,667,829.84	685,342.40
908000 Cust Assistance Exps-Regulated	9,575,935.45	6,223,953.12	4,551,012.07	1,328,549.28
909000 Info/Instr Advrtg-Sfty,Tech,Co	39,988.37	42,859.44	46,263.76	13,358.95
910000 Info/Instr Advrtg-Env Educ-Reg	-	24,906.67	48,305.85	660.63
913000 Sales Exps-Advrtg Exp-Regultd	60,943.48	68,233.29	46,605.61	25,711.27
920000 Administrative/Generl Salaries	17,921,225.17	18,272,350.89	19,645,596.14	6,982,389.19
921000 Gen/Admin Offc Supplies & Exps	8,651,601.50	8,563,344.13	6,965,662.82	2,513,326.92
923001 Outside Services-Regulated	3,534,120.01	2,314,944.21	2,443,678.65	934,354.68
925000 Injuries and Damages	1,110,694.70	1,140,505.94	1,286,938.87	403,170.54
926000 Employee Pensions and Benefits	2,801,716.32	2,606,666.54	1,038,508.38	433,846.64
928000 Regulatory Commisn Exps-KY PSC	1,642,804.69	1,699,128.57	1,668,748.48	-
929001 Dupl Chgs-CR-Electric HD WH	(517,549.00)	(476,963.00)	(411,229.00)	(167,017.00)

As of and for the Years Ending 2018, 2019, 2020 and Four Months Ending 4/30/2021

ACCOUNT	Year Ending 12/31/2018	Year Ending 12/31/2019	Year Ending 12/31/2020	Period Ending 04/30/2021
930100 General Advertising Expense	768,999.54	658,804.07	290,087.47	148,804.05
930200 Misc Gen Exps-Directors Fees	779,465.17	790,621.35	623,224.25	241,370.19
930201 Misc Gen Exps-Dues-Regulated	2,194,647.30	2,335,391.07	2,400,800.65	863,272.60
930202 Misc Gen Exps-Member PR-Regltd	990,297.34	812,715.18	668,981.24	186,602.87
930203 Misc Gen Exps-Tax Ins Alloc	579,562.87	520,933.90	515,297.09	138,273.08
930204 Misc Gen Exps-Labor Exp RD-Reg	111,698.00	136,882.87	184,814.38	19,925.04
935000 Maint/General Plant-Winchester	3,034,297.66	2,732,236.33	1,990,660.37	715,157.05

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 21

RESPONSIBLE PERSON: **John J. Spanos**

COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 21. Refer to Exhibit JJS-1 and further to Schedule VI-4 which shows that there is zero book depreciation reserve for the following plant balances in account 310.10: Cooper Common – Landfill, Cooper Common Access Road, Spurlock Common – Landfill, and Spurlock Common - Ammonia Containment.

Request 21a. Explain all reasons why there has been zero depreciation expense recorded on the books for each of these plant items through the end of 2019.

Response 21a. All of these locations were assets that were added after the current rates were approved and there was no previous asset base to apply a depreciation rate. The assets in Account 310.10 are depreciable assets that should have a separate life characteristic than the other steam assets.

Request 21b. Indicate whether there has been any depreciation recorded related to each of these asset amounts during 2020 and 2021 to date. If so, provide all amounts recorded by month.

Response 21b. No, there has not been any depreciation related to each of these assets during 2020 and 2021 to date. Once a rate is established and approved then depreciation for these asset amounts by location will begin.

Request 21c. Explain all reasons why the Company is seeking to begin recording depreciation expense for each of these items, as reflected in the depreciation study, given that no depreciation has been recorded at least through the end of 2019.

Response 21c. These assets are depreciable assets and should be recovered during the time the assets are in service. Most of the assets have only been in service for a few years and it is not appropriate to depreciate assets that do not have an approved depreciation rate.

Request 21d. For each of these plant items, provide the plant balances at the end of each year for which the plant has been in service.

Response 21d. There have been no retirements recorded in this account through December 31, 2019. The amounts by location and vintage are set forth on pages IX-3 and IX-4 of the Depreciation Study. For example, on page IX-3, the amount for Cooper Common – Landfill is \$5,325,571.56 and all of the amount was placed in service in 2015.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 22

RESPONSIBLE PERSON: **John J. Spanos**

COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 22. Refer to Exhibit JJS-1 and the table of Depreciable life spans and estimated retirement dates for each of the generating units. Explain all reasons why the depreciable life spans for Spurlock Unit 3 and Unit 4 reflect only 40-year life spans while Spurlock Unit 1 and Unit 2 reflect life spans of 60 years.

Response 22. As discussed in Spanos direct testimony, life spans are determined based on various factors which include technology of the facility, management plans, outlook for the facility, type of construction, condition of the facility, regulations and estimates of similar facilities within the electric industry. For steam facilities, life spans have generally been expected to be in the 50-60-year range, which would include a major rehabilitation of the facility during that period of time. The more recent units have had life spans in the 40-50-year range, with many of them having a scrubber installed during initial construction which will be a consideration for the overall life span. Therefore, based on EKPC plans for all the Spurlock units, it is expected that retirement/rehabilitation will occur for the units between 2040 and 2049. One of the primary determinants is the

overall expected life of the scrubbers, which generally can operate efficiently for 25-35 years.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE**

**AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 23**

RESPONSIBLE PERSON: John J. Spanos

COMPANY: East Kentucky Power Cooperative, Inc.

Request 23. Refer to Exhibit JJS-1 and the table of depreciable life spans and estimated retirement dates for each of the production plants. Explain all reasons why the depreciable life spans for Smith Unit 1, Unit 2, and Unit 3 reflect only 35-year life spans while Smith Units 4-10 all reflect life spans of 40 years.

Response 23. Similar to the process for steam facilities, life spans are determined based on various factors, which include technology of the facility, management plans, outlook for the facility, type of construction, condition of the facility, regulations and estimates of similar facilities within the electric industry. For combustion turbines, life spans have generally been expected to be in the 30-40-year range; however, these units are generally peaking. Therefore, based on EKPC plans for all the Smith units, the efficiencies of the units and how each is utilized in the overall generation fleet, it is expected that Smith Units 1, 2 & 3 will be retired/rehabilitated after 35 years while the others will have a 40-year life span. Demand of these peaking units is also a consideration for these units.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 24

RESPONSIBLE PERSON: **John J. Spanos**

COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 24. Provide a side by side comparison of the existing and proposed depreciation rates by plant account and by generating unit, similar to those listed in Exhibit JJS-1 at pages VI-4 through VI-8.

Response 24. The attached schedule, *AG-Nucor DRI Response 24-comparison.xlsx*, sets forth a side-by-side comparison of existing and proposed depreciation rates by plant account and where appropriate by generating unit, similar to those listed in Exhibit JJS-1, pages VI-4 through VI-8.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

**AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 25**

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 25. Provide a copy of the depreciation study or analysis performed that was used to set existing depreciation rates and describe when the existing depreciation rates were adopted, citing to the specific Commission Orders or other relevant authorizations.

Response 25. The requested depreciation study was submitted to the Commission in Case No. 2006-00236. The application, which includes the depreciation study, can be found at https://psc.ky.gov/PSCSCF/2006%20cases/2006-00236/EKPC_Application_060206.pdf.

The Commission issued its final Order in the case on November 29, 2006, see https://psc.ky.gov/order_vault/Orders_2006/200600236_11292006.pdf.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 26

RESPONSIBLE PERSON: John J. Spanos

COMPANY: East Kentucky Power Cooperative, Inc.

Request 26. Provide a summary of probable retirement dates and remaining life spans for each generating unit by plant account that were used in the determination of existing depreciation rates.

Response 26. Please see the schedule attached to data request *AG-Nucor DRI Response 24- comparison.xlsx* as provided in the response 24.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

**AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 27**

RESPONSIBLE PERSON: John J. Spanos

COMPANY: East Kentucky Power Cooperative, Inc.

Request 27. Provide a side by side summary comparison of mortality characteristics used in the development of existing and current study proposed depreciation rates for each plant account and by generating unit to include at a minimum average service life in years, Iowa curve selected, salvage factor, cost of removal factor, and net salvage factor.

Response 27. Please see the schedule attached to data request *AG-Nucor DRI Response 24- comparison.xlsx*, as provided in the response 24.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 28

RESPONSIBLE PERSON: **John J. Spanos**

COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 28. Refer to the Direct Testimony of Mr. Spanos at page 16 wherein he discussed unrecovered book depreciation reserve amortization for certain general plant accounts. Refer also to the reflection of those amounts and the related amortization of such over 10 years by plant account.

Request 28a. Explain how the unrecovered depreciation reserve amounts were determined and provide the calculation workpapers in electronic format with all formulas intact.

Response 28a. The unrecovered depreciation reserve amounts are not separate amounts but reflect a segregation of the current accumulated depreciation (book reserve) by account. Therefore, based on the age of surviving plant and full implementation of general plant amortization, the book reserve by account needs to be segregated into three components. First, the assets that need and will be retired due to age beyond amortization period must have a reserve equal to the plant value. Second, the assets by

vintage that are within the amortization period must have a reserve at a level that will produce the proper amortization rate for existing and future assets in the account. Third, since you cannot change the reserve amount, the difference between the first two amounts and the total reserve by account must be recovered separately to ensure that both EKPC and customers recover the proper amount, no more, no less. Please note that if the unrecovered reserve amount is positive, then a reduction in annual expense by account needs to be recorded, and if the unrecovered reserve amount is negative, then an increase in the annual expense by account is needed.

Request 28b. Explain in detail what the unrecovered depreciation reserve amounts represent for each general plant account.

Response 28b. Please see the response to part 28a. However, it is important to note that this is only appropriate for the respective general plant accounts that are subject to amortization accounting. Amortization accounting has been utilized by many others beginning in the 1990s, and full implementation is needed in order to ensure full recovery and avoid swings in depreciation expense from year to year for these types of assets.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 29

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 29. Refer to Exhibit JJS-1, pages 69 and 146 of 245, which report data related to retirements for plant account 314 *Turbogenerator Units*. Page 69 lists retirements during age interval 9.5 years as \$73,776,163. Page 146 lists retirements during 2019 of \$73,792,664.

Request 29a. Provide a description and the amount of each retirement recorded on the books during 2019 for plant account 314 for each generating unit.

Response 29a. A summary of Account 314000 retirements by generating unit is provided on Page 3 of this response. The majority of these retirements were related to the scheduled Spurlock Unit 4 turbine overhaul. It should be noted that compatible Smith Unit 1 Regulatory Asset parts valued at approximately \$20.6 million were used in the turbine overhaul project, thereby negating the need for additional cash outlay and also reducing the balance of the regulatory asset to be recovered in this rate case proceeding.

Request 29b. Provide copies of the journal entries made to record the retirements of plant in plant account 314 during 2019 for each generating unit.

Response 29b. Please see pages 4 through 7 of this response for copies of the retirement journal entries for Account 314000 that occurred in 2019.

Request 29c. Provide the plant in service and accumulated depreciation balances at the end of each month during 2019 associated with plant account 314 for each generating unit.

Response 29c. Please see page 8 of this response and corresponding *AG Nucor DRI Response 29c.xlsx* for a schedule of Account 314000 plant in-service and accumulated depreciation by generating unit for each month in 2019. It should be noted that the December 2019 balance also includes balances in Account 106000, Completed Construction not Classified, that pertain to account 314000.

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
Account 314000 Retirements
Test Year 2019

Journal ID	Account	Unit	Amount	Asset ID	Asset Description
RET0046307	314000	SP02	\$ 24,699.15	12943	Lube Oil Storage Tank
RET0049268	314000	SP04	\$ 23,118,165.58	142704	Turbine, LP Rotor
RET0049269	314000	SP04	\$ 23,958,826.20	142647	Generator Stator
RET0049269	314000	SP04	\$ 3,362,642.27	142685	Stop Valve, Combined Reheat
RET0049269	314000	SP04	\$ 840,660.57	142686	Stop Valve, Main Stream
RET0049269	314000	SP04	\$ 1,471,156.00	142695	Turbine, HP Diaphragms
RET0049269	314000	SP04	\$ 12,609,908.53	142699	Turbine, HP/IP Rotor and Assembly
RET0049269	314000	SP04	\$ 8,406,605.68	142700	Turbine, IP Diaphragms
Total			<u>\$ 73,792,663.98</u>		



East Kentucky Power Cooperative, Inc.

Report ID: GLX7501

PeopleSoft Financials

JOURNAL ENTRY DETAIL REPORT

Unit: EKPC
Journal ID: RET0046307
Journal Date: 1/31/19
Description: Asset Retirements

Ledger Group: ACTUALS
Source: AM
Reversal: None
Reversal Date:

Foreign Currency: USD
Rate Type:
Effective Date: 1/31/19
Exchange Rate: 1.00000000
Ledger: ACTUALS

Line #	Account	Oper Unit	Dept	Budget Cd	PC Bus Unit	Project	Activity	Source Type	Category	Sub Cat	Base Amount	Statistic Amt
1	108142	----	----	----	----	----	----	----	----	----	20,261.85 USD	
	Description: Retire assets from plant											
2	108800	----	----	----	EKPC	0S363	995	74	92405	00000	-40,441.33 USD	
	Description: Retire assets from plant											
3	108914	----	----	----	----	----	----	----	----	----	44,878.63 USD	
	Description: Retire assets from plant											
4	314000	SP02	----	----	----	----	----	----	----	----	-24,699.15 USD	
	Description: Retire assets from plant											

Business Unit	Total Lines	Total Base Debits	Total Base Credits
EKPC	4	65,140.48	65,140.48

Prepared by: [Signature] 2/14/19
 Supervisor Review: [Signature] 2/15/19
 Controller Review: _____
 Posted by: _____



Unit: EKPC	Ledger Group: ACTUALS	Foreign Currency: USD
Journal ID: RET0049268	Source: AM	Rate Type:
Journal Date: 12/31/19	Reversal: None	Effective Date: 12/31/19
Description: Asset Retirements	Reversal Date:	Exchange Rate: 1.00000000
		Ledger: ACTUALS

Line #	Account	Oper Unit	Dept	Budget Code	PC Bus Unit	Project	Activity	Source Type	Category	Sub Cat	Base Amount	Statistic Amt
1	108144	---	---	---	---	---	---	---	---	---	5,839,371.01 USD	
	Description: Retire assets from plant											
2	108800	---	---	---	EKPC	0S480	995	74	92405	00000	-274,570.74 USD	
	Description: Retire assets from plant											
3	108915	---	---	---	---	---	---	---	---	---	17,553,365.31 USD	
	Description: Retire assets from plant											
4	314000	SP04	---	---	---	---	---	---	---	---	-23,118,165.58 USD	
	Description: Retire assets from plant											

Business Unit	Total Lines	Total Base Debits	Total Base Credits
EKPC	4	23,392,736.32	23,392,736.32

Prepared by: Jan 1/21/2020
 Supervisor: De 1/21/2020
 Review: MLC
 Controller: _____
 Review: _____
 Posted by: _____



East Kentucky Power Cooperative, Inc.

Report ID: GLX7501

PeopleSoft Financials
JOURNAL ENTRY DETAIL REPORT

Page: 1 of 1

Run Date: 1/21/20

Run Time: 12:08:23 PM

Unit: EKPC	Ledger Group: ACTUALS	Foreign Currency: USD
Journal ID: RET0049269	Source: AM	Rate Type:
Journal Date: 12/31/19	Reversal: None	Effective Date: 12/31/19
Description: Asset Retirements	Reversal Date:	Exchange Rate: 1.00000000
		Ledger: ACTUALS

Line #	Account	Oper Unit	Dept	Budget Code	PC Bus Unit	Project	Activity	Source Type	Category	Sub Cat	Base Amount	Statistic Amt
1	108144	---	---	---	---	---	---	---	---	---	12,793,531.13 USD	
	Description: Retire assets from plant											
2	108800	---	---	---	EKPC	0S480	995	74	92405	00000	-434,320.99 USD	
	Description: Retire assets from plant											
3	108915	---	---	---	---	---	---	---	---	---	38,290,589.11 USD	
	Description: Retire assets from plant											
4	314000	SP04	---	---	---	---	---	---	---	---	-50,649,799.25 USD	
	Description: Retire assets from plant											

<u>Business Unit</u>	<u>Total Lines</u>	<u>Total Base Debits</u>	<u>Total Base Credits</u>
EKPC	4	51,084,120.24	51,084,120.24

Prepared by: [Signature] 1/21/2020
 Supervisor Review: [Signature] 1/21/2020
 Controller Review: [Signature]
 Posted by: _____



East Kentucky Power Cooperative, Inc.

Report ID: GLX7501

PeopleSoft Financials

JOURNAL ENTRY DETAIL REPORT

Page: 1 of 1

Run Date: 1/23/20

Run Time: 12:02:59 PM

Unit: EKPC	Ledger Group: ACTUALS	Foreign Currency: USD
Journal ID: 0000049302	Source: LM	Rate Type: CRRNT
Journal Date: 12/31/19	Reversal: None	Effective Date: 12/31/19
Description: Correct project on RET0049268 and RET0049269	Reversal Date:	Exchange Rate: 1.00000000
		Ledger: ACTUALS

Line #	Account	Oper Unit	Dept	Budget Code	PC Bus Unit	Project	Activity	Source Type	Category	Sub Cat	Base Amount	Statistic Amt
1	108800	---	---	----	EKPC	0S480	995	74	92405	00000	708,891.73 USD	
	Description: Corr Proj fr 0S480 to 0S510											
2	108800	---	---	----	EKPC	0S510	995	74	92405	00000	-708,891.73 USD	
	Description: Corr Proj fr 0S480 to 0S510											

<u>Business Unit</u>	<u>Total Lines</u>	<u>Total Base Debits</u>	<u>Total Base Credits</u>
EKPC	2	708,891.73	708,891.73

Prepared by: BM 1/23/2020
 Supervisor Review: DC 1/23/2020
 Controller Review: _____
 Posted by: HV 1/24/2020

East Kentucky Power Cooperative, Inc. Case No. 2021-00103 314000 Plant in Service, Accumulated Depreciation, and Net Book Value by Generating Unit												
	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Spurlock Unit 1												
Plant In Service Balance	\$ 33,699,815.29	\$ 33,699,815.29	\$ 33,699,815.29	\$ 33,699,815.29	\$ 33,699,815.29	\$ 33,699,815.29	\$ 33,699,815.29	\$ 33,699,815.29	\$ 33,699,815.29	\$ 33,699,815.29	\$ 33,699,815.29	\$ 33,699,815.29
Accumulated Depreciation	\$ 26,341,874.74	\$ 26,370,504.87	\$ 26,399,135.00	\$ 26,427,765.13	\$ 26,456,395.26	\$ 26,485,025.39	\$ 26,513,655.52	\$ 26,542,285.65	\$ 26,570,915.78	\$ 26,599,545.91	\$ 26,628,176.04	\$ 26,656,805.96
Net Book Value	\$ 7,357,940.55	\$ 7,329,310.42	\$ 7,300,680.29	\$ 7,272,050.16	\$ 7,243,420.03	\$ 7,214,789.90	\$ 7,186,159.77	\$ 7,157,529.64	\$ 7,128,899.51	\$ 7,100,269.38	\$ 7,071,639.25	\$ 7,043,009.33
Spurlock Unit 2												
Plant In Service Balance	\$ 51,449,697.48	\$ 60,137,136.60	\$ 60,137,136.60	\$ 60,137,136.60	\$ 60,137,136.60	\$ 60,137,136.60	\$ 60,137,136.60	\$ 60,137,136.60	\$ 60,137,136.60	\$ 60,137,136.60	\$ 60,137,136.60	\$ 60,137,136.60
Accumulated Depreciation	\$ 36,590,389.35	\$ 37,085,003.63	\$ 37,167,332.64	\$ 37,249,661.65	\$ 37,331,990.66	\$ 37,414,319.67	\$ 37,496,648.68	\$ 37,578,977.69	\$ 37,661,306.70	\$ 37,743,635.71	\$ 37,825,964.72	\$ 37,908,294.20
Net Book Value	\$ 14,859,308.13	\$ 23,052,132.97	\$ 22,969,803.96	\$ 22,887,474.95	\$ 22,805,145.94	\$ 22,722,816.93	\$ 22,640,487.92	\$ 22,558,158.91	\$ 22,475,829.90	\$ 22,393,500.89	\$ 22,311,171.88	\$ 22,228,842.40
Spurlock Unit 3												
Plant In Service Balance	\$ 80,408,959.55	\$ 80,408,959.55	\$ 80,408,959.55	\$ 80,408,959.55	\$ 80,408,959.55	\$ 80,408,959.55	\$ 80,408,959.55	\$ 80,408,959.55	\$ 80,408,959.55	\$ 80,408,959.55	\$ 80,408,959.55	\$ 80,408,959.55
Accumulated Depreciation	\$ 27,365,008.14	\$ 27,532,339.41	\$ 27,699,670.68	\$ 27,867,001.95	\$ 28,034,333.22	\$ 28,201,664.49	\$ 28,368,995.76	\$ 28,536,327.03	\$ 28,703,658.30	\$ 28,870,989.57	\$ 29,038,320.84	\$ 29,205,649.91
Net Book Value	\$ 53,043,951.41	\$ 52,876,620.14	\$ 52,709,288.87	\$ 52,541,957.60	\$ 52,374,626.33	\$ 52,207,295.06	\$ 52,039,963.79	\$ 51,872,632.52	\$ 51,705,301.25	\$ 51,537,969.98	\$ 51,370,638.71	\$ 51,203,309.64
Spurlock Unit 4												
Plant In Service Balance	\$ 129,736,588.09	\$ 129,736,588.09	\$ 129,736,588.09	\$ 129,736,588.09	\$ 129,736,588.09	\$ 129,938,368.22	\$ 129,938,368.22	\$ 129,938,368.22	\$ 129,938,368.22	\$ 129,938,368.22	\$ 129,938,368.22	\$ 129,938,368.22
Accumulated Depreciation	\$ 31,619,475.98	\$ 31,888,719.93	\$ 32,157,963.88	\$ 32,427,207.83	\$ 32,696,451.78	\$ 32,975,811.35	\$ 33,245,587.70	\$ 33,515,364.05	\$ 33,785,140.40	\$ 34,054,916.75	\$ 34,324,693.10	\$ 34,594,479.55
Net Book Value	\$ 98,117,112.11	\$ 97,847,868.16	\$ 97,578,624.21	\$ 97,309,380.26	\$ 97,040,136.31	\$ 96,962,556.87	\$ 96,692,780.52	\$ 96,423,004.17	\$ 96,153,227.82	\$ 95,883,451.47	\$ 95,613,675.12	\$ 95,343,888.67
Cooper												
Plant In Service Balance	\$ 23,875,381.59	\$ 23,875,381.59	\$ 23,875,381.59	\$ 23,875,381.59	\$ 23,875,381.59	\$ 23,875,381.59	\$ 23,875,381.59	\$ 23,875,381.59	\$ 23,875,381.59	\$ 23,875,381.59	\$ 23,875,381.59	\$ 23,875,381.59
Accumulated Depreciation	\$ 18,088,649.69	\$ 18,130,888.67	\$ 18,173,127.65	\$ 18,215,366.63	\$ 18,257,605.61	\$ 18,299,844.59	\$ 18,342,083.57	\$ 18,384,322.55	\$ 18,426,561.53	\$ 18,468,800.51	\$ 18,511,039.49	\$ 18,553,278.47
Net Book Value	\$ 5,786,731.90	\$ 5,744,492.92	\$ 5,702,253.94	\$ 5,660,014.96	\$ 5,617,775.98	\$ 5,575,537.00	\$ 5,533,298.02	\$ 5,491,059.04	\$ 5,448,820.06	\$ 5,406,581.08	\$ 5,364,342.10	\$ 5,322,103.12
Totals												
Plant In Service Balance	\$ 319,170,442.00	\$ 327,857,881.12	\$ 327,857,881.12	\$ 327,857,881.12	\$ 327,857,881.12	\$ 328,059,661.25	\$ 328,059,661.25	\$ 328,059,661.25	\$ 328,059,661.25	\$ 328,059,661.25	\$ 328,059,661.25	\$ 328,059,661.25
Accumulated Depreciation	\$ 140,005,397.90	\$ 141,007,456.51	\$ 141,597,229.85	\$ 142,187,003.19	\$ 142,776,776.53	\$ 143,376,665.49	\$ 143,966,971.23	\$ 144,557,276.97	\$ 145,147,582.71	\$ 145,737,888.45	\$ 146,328,194.19	\$ 146,918,503.93
Net Book Value	\$ 179,165,044.10	\$ 186,850,424.61	\$ 186,260,651.27	\$ 185,670,877.93	\$ 185,081,104.59	\$ 184,682,995.76	\$ 184,092,690.02	\$ 183,502,384.28	\$ 182,912,078.54	\$ 182,321,772.80	\$ 181,731,467.06	\$ 181,141,157.32

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 30

RESPONSIBLE PERSON: John J. Spanos

COMPANY: East Kentucky Power Cooperative, Inc.

Request 30. Refer to the 2019 Annual Report at page 45 which reads “Depreciation for the generating plants and transmission facilities is provided on the basis of estimated useful lives at straight-line composite rates.”

Request 30a. Indicate whether the reflection of interim net salvage is a component of the calculation of existing depreciation rates. If interim net salvage is included as a component, indicate whether the determined interim net salvage is applied to total plant in service or only the amount of retirements. If not, please explain.

Response 30a. The current or existing depreciation rates do not have a net salvage component for generating assets based on past expectations. However, there is a net salvage component built into the depreciation rate for other mass accounts, which is identified as net salvage, not interim net salvage. This component for net salvage is applied to the total plant in service as the asset class is determined as a whole. In the case

of proposed rates, the weighted net salvage is applied to total plant in service; however, the weighting applies interim net salvage to interim retirements and terminal net salvage to the assets anticipated to be retired on a terminal basis.

Request 30b. Indicate whether terminal net salvage is a component of the calculation of existing depreciation rates. If not, please explain.

Response 30b. Similar to the response to 30a., terminal net salvage built is not built into the current or existing depreciation rates. Again, for the mass property accounts there is just net salvage and that is applied to the total plant in service as is appropriate for recovery of the full service value under the guidance of the Uniform System of Accounts.

Request 30c. Indicate whether the selection of Iowa survivor curves was utilized as part of the process to determine existing depreciation rates. If not, please explain.

Response 30c. Survivor curves were utilized as part of the process of determining the existing depreciation rates. There were some accounts in Other Production Plant where a survivor curve was not selected because there were no anticipated interim retirements for the combustion turbines at the time of the last study.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 31

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 31. Provide a schedule showing the 2016, 2017, 2018, 2019, and 2020 power production maintenance expenses recorded by plant/unit and by O&M expense account and subaccount.

Response 31. Please see pages 2 and 3 of this response and corresponding Excel spreadsheet *AG NUCOR DRI Response 31.xlsx* for a schedule of production maintenance expenses by account and by operating unit for the years ended December 31, 2016 through 2020. It should be noted that maintenance expense-related generating units subject to operating leases is charged to Account 413100 during the term of the lease.

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103

Production Maintenance Expense by Account, Subaccount, Plant and Operating Unit

Production Maint by Account/Oper Unit	2016	2017	2018	2019	2020
LF07 - Glasgow LFGTE	45,580.33	45,835.05	65,640.57	78,467.91	73,897.89
OC00 - Bluegrass Oldham Co-Common	217,337.16	365,077.18	311,040.50	113,989.09	-
OC03 - Bluegrass Oldham Co-3	235,378.03	(86,479.66)	180,609.72	37,396.94	-
413200 - Maint. Exp Plant Lease Oth Total	498,295.52	324,432.57	557,290.79	229,853.94	73,897.89
CP00 - Cooper Station-Common	147,512.09	153,676.86	148,989.97	28,211.13	16,305.31
DA00 - Dale Station-Common	52,444.13	-	-	-	-
SP00 - Spurlock Station-Common	3,025,836.48	2,998,718.19	3,048,985.59	3,282,613.81	3,397,261.11
510000 - Maint. Supv/Engr-Steam Gen	3,225,792.70	3,152,395.05	3,197,975.56	3,310,824.94	3,413,566.42
CP00 - Cooper Station-Common	1,316,763.30	1,681,955.13	1,248,357.54	811,860.55	803,304.23
CP01 - Cooper-Unit 1	17,147.92	10,370.10	3,921.17	2,775.99	741.92
CP02 - Cooper-Unit 2	274.05	15,413.09	70,816.78	87,910.31	1,270.75
DA00 - Dale Station-Common	6,990.85	-	-	-	-
SP00 - Spurlock Station-Common	4,300,825.35	4,851,922.34	4,361,886.69	5,013,428.30	4,277,521.96
SP01 - Spurlock-Unit 1	367.34	9,115.41	279,204.73	328,840.23	305.90
SP02 - Spurlock-Unit 2	211.32	6,908.56	9,100.00	-	44,524.71
SP03 - Spurlock-Unit 3	346.01	44,775.76	2,041.90	24,573.33	1,012.42
SP04 - Spurlock-Unit 4	1,060.23	825.95	-	17,299.29	6,731.40
SP20 - Spurlock Scrubbers-Common	-	-	-	-	-
511000 - Maint. of Structures-Steam Gen	5,643,986.37	6,621,286.34	5,975,328.81	6,286,688.00	5,135,413.29
CP00 - Cooper Station-Common	2,787,419.99	2,470,505.05	3,419,440.03	2,234,539.89	1,385,899.62
CP01 - Cooper-Unit 1	1,216,778.16	955,980.33	1,165,294.01	1,106,371.48	575,564.66
CP02 - Cooper-Unit 2	1,146,796.79	977,303.16	2,553,762.31	799,992.83	220,199.27
CP22 - Cooper-Scrubber 2	526,177.73	1,207,234.00	767,251.68	679,988.13	677,403.26
DA00 - Dale Station-Common	26,153.31	-	-	-	-
SM50 - Smith CT's-Common	-	12,424.96	223,067.78	254,883.13	78,557.86
SP00 - Spurlock Station-Common	7,199,241.52	7,089,926.93	8,964,566.26	6,285,494.39	6,295,966.63
SP01 - Spurlock-Unit 1	5,821,595.84	5,495,824.37	6,537,277.46	7,396,304.65	6,653,977.43
SP02 - Spurlock-Unit 2	8,209,742.43	13,662,193.66	11,187,093.19	12,773,635.83	13,441,390.16
SP03 - Spurlock-Unit 3	8,395,940.75	10,093,234.19	9,496,747.34	9,792,131.57	6,865,222.17
SP04 - Spurlock-Unit 4	6,583,544.05	7,421,241.05	7,693,226.50	9,384,211.29	8,891,147.39
SP20 - Spurlock Scrubbers-Common	801,649.35	783,999.22	1,273,687.10	1,773,048.88	835,722.10
SP21 - Spurlock-Scrubber 1	1,436,908.55	1,452,661.39	1,497,906.64	1,816,661.08	1,703,644.17
SP22 - Spurlock-Scrubber 2	2,667,872.32	2,135,758.60	2,822,339.68	2,601,264.51	2,825,230.87
512000 - Maint. of Boiler Plant-Steam Gen	46,819,820.79	53,758,286.91	57,601,659.98	56,898,527.66	50,449,925.59
CP00 - Cooper Station-Common	685,388.23	1,368,588.18	600,758.23	990,961.29	573,066.54
CP01 - Cooper-Unit 1	399,644.05	210,174.19	78,056.54	994,994.96	146,989.78
CP02 - Cooper-Unit 2	88,688.83	1,065,064.84	829,707.11	365,663.87	376,451.32
DA00 - Dale Station-Common	1,899.36	-	-	-	-
SP00 - Spurlock Station-Common	317,421.42	135,904.09	311,557.05	494,809.42	351,126.69
SP01 - Spurlock-Unit 1	1,026,080.74	755,773.74	2,245,062.81	2,076,204.65	2,137,047.39
SP02 - Spurlock-Unit 2	1,759,898.49	7,418,912.38	1,780,251.26	3,081,445.77	1,787,261.30
SP03 - Spurlock-Unit 3	922,283.87	807,420.27	1,022,406.02	770,954.86	1,946,508.08
SP04 - Spurlock-Unit 4	694,404.39	548,874.80	600,865.55	2,134,925.67	1,090,508.34
513000 - Maint. of Elec Plant-Steam Gen	5,895,709.38	12,310,712.49	7,468,664.57	10,909,960.49	8,408,959.44
OC00 - Bluegrass Oldham Co-Common	45,988.09	76,380.05	112,345.00	158,507.12	179,742.98
SM50 - Smith CT's-Common	74,961.00	249,387.18	251,665.22	258,097.04	352,276.77
551000 - Maint. Supv/Engr-Oth Power Gen	120,949.09	325,767.23	364,010.22	416,604.16	532,019.75
LF01 - Green Valley LFGTE	-	7,883.40	-	3,546.51	224,847.70
LF02 - Laurel Ridge LFGTE	-	3,816.00	-	96,000.00	69,988.22
LF03 - Bavarian LFGTE	-	-	-	16,724.65	150,247.13
LF05 - Pendleton County LFGTE	5,492.75	-	-	-	-
OC00 - Bluegrass Oldham Co-Common	22,848.33	312,667.40	235,570.71	250,757.81	138,787.09
SM50 - Smith CT's-Common	711,495.24	696,949.87	666,455.48	461,289.11	521,002.31
552000 - Maint. of Structures-Oth Pwr Gen	739,836.32	1,021,316.67	902,026.19	828,318.08	1,104,872.45

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103

Production Maintenance Expense by Account, Subaccount, Plant and Operating Unit

Production Maint by Account/Oper Unit	2016	2017	2018	2019	2020
DG01 - Cooper Diesel Generator	17,965.07	5,809.06	24,604.81	76,555.06	14,044.64
DG02 - Cagle's Diesel Generator	32,841.10	57,802.94	36,126.91	98,104.36	31,854.50
LF01 - Green Valley LFGTE	304,230.52	336,934.83	165,421.33	283,825.35	370,271.00
LF02 - Laurel Ridge LFGTE	450,773.87	250,243.63	274,670.96	731,626.71	266,247.83
LF03 - Bavarian LFGTE	614,174.62	648,351.96	560,993.62	827,482.73	714,746.10
LF04 - Hardin County LFGTE	333,090.74	46,891.48	88,202.33	44,298.79	213,938.04
LF05 - Pendleton County LFGTE	391,255.30	168,445.63	107,909.24	359,287.69	715,089.86
LF07 - Glasgow LFGTE	-	-	-	-	-
OC00 - Bluegrass Oldham Co-Common	365,837.70	340,858.48	274,165.26	430,497.09	1,077,563.37
OC01 - Bluegrass Oldham Co-1	36,175.10	156,647.99	217,562.89	202,496.27	187,235.64
OC02 - Bluegrass Oldham Co-2	28,925.58	432,592.03	228,369.13	365,360.36	383,748.02
OC03 - Bluegrass Oldham Co-3	-	-	-	737,510.35	135,343.88
SF01 - Solar Facility-Coop 1	-	-	16,061.70	38,725.32	31,556.57
SM50 - Smith CT's-Common	490,940.85	497,598.04	1,024,411.02	701,187.73	746,268.13
SM51 - Smith CT-Unit 1	2,671,697.19	105,048.75	21,743.38	120,790.61	100,568.20
SM52 - Smith CT-Unit 2	183,932.33	453,735.60	964,573.50	737,068.12	383,339.45
SM53 - Smith CT-Unit 3	135,560.67	124,080.07	4,733,919.68	490,756.97	100,936.39
SM54 - Smith CT-Unit 4	173,804.12	93,590.68	67,219.88	179,356.60	73,519.77
SM55 - Smith CT-Unit 5	140,541.52	209,084.52	146,872.82	514,052.36	58,569.99
SM56 - Smith CT-Unit 6	255,723.80	(110,696.78)	766,539.78	191,928.70	356,497.96
SM57 - Smith CT-Unit 7	171,824.23	1,380,599.39	143,846.30	499,976.55	92,865.00
SM59 - Smith CT-Unit 9	536,941.00	235,529.92	724,807.59	416,349.13	241,347.81
SM60 - Smith CT-Unit 10	463,448.58	389,983.94	621,769.94	718,551.56	920,274.91
553000 - Maint. of Gen&Elec Equip-Oth Gen	7,799,683.89	5,823,132.16	11,209,792.07	8,765,788.41	7,215,827.06
Grand Total	70,744,074.06	83,337,329.42	87,276,748.19	87,646,565.68	76,334,481.89

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 32

RESPONSIBLE PERSON: Michelle K. Carpenter
COMPANY: East Kentucky Power Cooperative, Inc.

Request 32. For each year from 2018-2020 and budget/forecast 2021, provide the amount of purchase power expense that was not recoverable through the fuel adjustment clause. Separately identify how much of purchase power expense was deferred for later recovery, if any.

Response 32. Please refer to Exhibit ISS-1, Schedule 1.23 for highest cost unit exclusions and disallowed forced outages for 2018 and 2019. Highest cost unit exclusions and disallowed forced outages for 2020 are provided in Response 61. EKPC does not budget for non-recoverable purchased power. Therefore, there is no budget/forecast information to provide for 2021. No purchased power excluded from the FAC was deferred for future recovery.

EKPC would note that it has filed its rate case utilizing a historic test year rather than a forecasted test year. The standard for adjustments to a historic test year is that the adjustment is “known and measurable”. Rate cases utilizing a forecasted test year rely on budgets and forecasts for adjustments.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 33

RESPONSIBLE PERSON: Thomas J. Stachnik

COMPANY: East Kentucky Power Cooperative, Inc.

Request 33. Refer to Exhibit ISS-1 Schedule 1.04 for the list of outstanding balances, interest rates, and interest expense by loan. Indicate whether the interest rates or interest expense is affected by such things as amortization of discounts, amortization of premiums, or gains and losses on reacquisition. If so, explain how those amounts are determined and utilized to record interest expense and provide an updated list of any unamortized amounts for each loan and in total.

Response 33. Exhibit ISS-1 Schedule 1.04 details the gross amount of debt before adjusting for current maturities and unamortized debt issuance costs, and the calculated interest expense does not include the amortization of these costs. Amortization of debt issue costs is not included in interest expense, but is a separate line item on EKPC's financial statements.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 34

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 34. Refer to Exhibit ISS-2, which represents the test year-end balance sheet before and after the Company’s proforma adjustments. The test year-end balance of “Investment in Assoc. Org. – Patronage Capital” is depicted as \$2,311,810.

Request 34a. Describe all separate amounts included in this balance and provide the amount as of December 31, 2019 by account/subaccount.

Request 34a. This balance is comprised of Account 123100 and represents the patronage capital EKPC holds by virtue of its membership in associated organizations. These organizations include cooperative banks, national utility associations, statewide organizations, and distribution electric cooperatives. A detail of the balances at December 31, 2019 is provided on page 3 of this response.

Request 34b. Provide copies of any contracts, agreements, or policies in regards to each of the amounts included in this balance.

Response 34b. The majority of these balances originated from membership agreements. Those agreements are not readily available.

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
Investment in Assoc. Org - Patronage Capital
2019 Test Year

<u>Account</u>	<u>Associated Organization</u>	<u>Balance</u>
123100	CoBank Patronage Capital	\$ 530,137
123100	Cumberland Valley Eclectic Patronage Capital	22
123100	Fleming-Mason Energy Patronage Capital	1,589
123100	Grayson RECC Patronage Capital	101
123100	Harrison RECC Patronage Capital	737
123100	Inter-County Energy Cooperative Patronage Capital	357
123100	Jackson Energy Cooperative Patronage Capital	593
123100	KAEC Patronage Capital	88,334
123100	Licking Valley RECC Patronage Capital	454
123100	NRCO Patronage Capital	19,613
123100	NRUCFC Patronage Capital	1,523,503
123100	Nolin RECC Patronage Capital	171
123100	South Kentucky RECC Patronage Capital	791
123100	Taylor County RECC Patronage Capital	655
123100	Touchstone Energy Patronage Capital	5,808
123100	United Utility Supply Patronage Capital	138,945
		<u>\$ 2,311,810</u>

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 35

RESPONSIBLE PERSON: Ann Bridges

COMPANY: East Kentucky Power Cooperative, Inc.

Request 35. Refer to Application Exhibit 29, FR 807 KAR 5:001, Section 16(4)(k), p. 21 of 50, wherein it is stated that in 2019, EKPC's Board of Directors authorized retirement of \$1.8 million in patronage capital.

Request 35a. Confirm this amount.

Response 35a. EKPC confirms that its Board of Directors authorized a retirement of \$1.8 million in patronage capital. A breakdown by member system is provided as an attachment to the board resolution in the response to Request 35g.

Request 35b. Provide the amount of patronage capital retired or otherwise returned to the 16 members for each of the years 2016 through 2020 and during 2021 to date.

Response 35b. As indicated in the testimony of Ann Bridges, the \$1.8 million retirement of patronage capital in 2019 was the first retirement in EKPC's history. Therefore, retirements in years 2016-2018 were \$0. EKPC retired \$5.9 million of capital credits in 2020. No capital credits have been retired in 2021 to date.

Request 35c. If available, provide the projected amount of patronage capital to be retired or otherwise returned to the 16 members for calendar year 2021 if not done already.

Response 35c. There has not been a decision regarding the retirement of capital credits in calendar year 2021.

Request 35d. Refer to the response to subpart b. Provide the allocation of the patronage capital by member for each of the years listed in which patronage capital was retired or otherwise returned to the members.

Response 35d. Patronage capital allocations by member for calendar years ending 2018 and 2019 are provided on pages 7 and 10 of this response. Please note that capital credit retirements in 2019 and 2020 directly related to the equity percentage associated with calendar years 2018 and 2019, respectively.

Request 35e. In regards to the patronage capital amounts retired or otherwise returned back to members, indicate whether the members are required to refund those amounts back to the ultimate consumers or whether the members have complete discretion on how to appropriate those funds.

Response 35e. Each member has discretion on how to utilize EKPC's capital credit retirements.

Request 35f. Provide copies of all EKPC policies in regards to patronage capital, including but not limited to, the appropriate or minimum equity levels, how amounts are rotated back to members, and when amounts are rotated back to members.

Response 35f. Section 9.02 of EKPC's bylaws addresses patronage capital matters. Please see pages 11 and 12 of this response.


Request 35g. For each month during 2019, provide all EKPC Board minutes and all handouts or presentations given to the Board.

Response 35g. Please see the following information relayed to the Board regarding the 2019 patronage capital retirement:

- April 2019 Board Executive Summary and Resolution (pages 13 through 16)

- Remarks of Board Chairman Joe Spalding at the June 2019 Annual Meeting (pages 17 through 26)
- Presentation by Tony Campbell at the June 2019 Annual Meeting (pages 27 through 65)
- Cover letters to member system CEOs regarding the patronage capital retirement (pages 66 through 81)



TO: Member System Chief Executive Officers
FROM: Mike McNalley 
DATE: April 29, 2019
SUBJECT: 2018 Assignment of Capital Credits (Final)

Attached is the final capital credit allocation for 2018. The allocation was based on the contribution-to-gross-margins method, as approved by the Board at its November 2001 meeting.

Please note that additional year-end entries made after the issuance of the preliminary capital credit allocation on February 7, 2019 decreased our final margin to \$40,668,788.40 for the year ended December 31, 2018. The independent audit of East Kentucky Power Cooperative, Inc. resulted in no change to margin.

mm/ss

Attachment

c: Member System Finance/Office
Managers By PDF Email

EAST KENTUCKY POWER COOPERATIVE, INC.

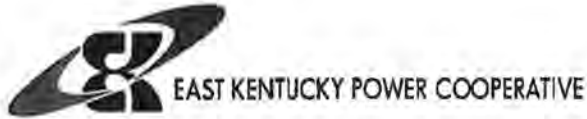
REVISED SCHEDULE ASSIGNING 2018 MARGINS TO MEMBERS


	2017 Patronage Capital (Cumulative)	2018 Margin (Final)	2018 Patronage Capital (Cumulative)
Big Sandy RECC	\$ 14,971,562.08	\$ 827,425.13	\$ 15,798,987.21
Blue Grass Energy	\$ 66,839,515.63	\$ 4,656,756.45	\$ 71,496,272.08
Clark Energy	\$ 25,244,776.90	\$ 1,659,283.73	\$ 26,904,060.63
Cumberland Valley Electric	\$ 28,420,452.74	\$ 1,617,902.15	\$ 30,038,354.89
Farmers RECC	\$ 27,365,699.12	\$ 1,790,646.26	\$ 29,156,345.38
Fleming Mason Energy	\$ 45,181,032.74	\$ 3,025,968.30	\$ 48,207,001.04
Grayson RECC	\$ 14,847,624.20	\$ 923,462.87	\$ 15,771,087.07
Inter-County Energy	\$ 25,683,241.07	\$ 1,761,150.90	\$ 27,444,391.97
Jackson Energy	\$ 52,956,158.16	\$ 3,277,300.77	\$ 56,233,458.93
Licking Valley RECC	\$ 15,636,923.64	\$ 913,730.32	\$ 16,550,653.96
Nolin RECC	\$ 39,224,354.67	\$ 2,618,010.75	\$ 41,842,365.42
Owen Electric	\$ 75,054,515.97	\$ 5,284,940.48	\$ 80,339,456.45
Salt River Electric	\$ 57,105,417.46	\$ 4,234,873.36	\$ 61,340,290.82
Shelby Energy	\$ 23,108,736.39	\$ 1,627,038.20	\$ 24,735,774.59
South Kentucky RECC	\$ 69,328,850.03	\$ 4,692,998.16	\$ 74,021,848.19
Taylor County RECC	\$ 27,034,074.80	\$ 1,757,300.57	\$ 28,791,375.37
Totals	<u>\$ 608,002,935.60</u>	<u>\$ 40,668,788.40</u>	<u>\$ 648,671,724.00</u>

EAST KENTUCKY POWER COOPERATIVE, INC.

COMPARISON OF FINAL ASSIGNMENT TO ORIGINAL ASSIGNMENT

	Final 2018 Margin Assigned	Original 2018 Margin Assigned	Difference - Decrease in Assignment
Big Sandy RECC	\$ 827,425.13	\$ 830,906.04	\$ (3,480.91)
Blue Grass Energy	\$ 4,656,756.45	\$ 4,676,393.94	\$ (19,637.49)
Clark Energy	\$ 1,659,283.73	\$ 1,666,259.35	\$ (6,975.62)
Cumberland Valley Electric	\$ 1,617,902.15	\$ 1,624,710.10	\$ (6,807.95)
Farmers RECC	\$ 1,790,646.26	\$ 1,798,192.73	\$ (7,546.47)
Fleming Mason Energy	\$ 3,025,968.30	\$ 3,038,992.69	\$ (13,024.39)
Grayson RECC	\$ 923,462.87	\$ 927,349.51	\$ (3,886.64)
Inter-County Energy	\$ 1,761,150.90	\$ 1,768,560.99	\$ (7,410.09)
Jackson Energy	\$ 3,277,300.77	\$ 3,291,092.41	\$ (13,791.64)
Licking Valley RECC	\$ 913,730.32	\$ 917,575.50	\$ (3,845.18)
Nolin RECC	\$ 2,618,010.75	\$ 2,629,054.07	\$ (11,043.32)
Owen Electric	\$ 5,284,940.48	\$ 5,307,593.63	\$ (22,653.15)
Salt River Electric	\$ 4,234,873.36	\$ 4,252,722.63	\$ (17,849.27)
Shelby Energy	\$ 1,627,038.20	\$ 1,633,908.80	\$ (6,870.60)
South Kentucky RECC	\$ 4,692,998.16	\$ 4,712,752.51	\$ (19,754.35)
Taylor County RECC	\$ 1,757,300.57	\$ 1,764,765.27	\$ (7,464.70)
Totals	\$ 40,668,788.40	\$ 40,840,830.17	\$ (172,041.77)



TO: Member System Chief Executive Officers
FROM: Mike McNalley 
DATE: May 26, 2020
SUBJECT: 2019 Assignment of Capital Credits (Final)

Attached is the final capital credit allocation for 2019. The allocation was based on the contribution-to-gross-margins method, as approved by the Board at its November 2001 meeting.

Please note that additional year-end entries made after the issuance of the preliminary capital credit allocation on February 6, 2020 decreased our final margin to \$44,204,037.47 for the year ended December 31, 2019. The independent audit of East Kentucky Power Cooperative, Inc. resulted in no change to margin.

mm/ss

Attachment

c: Member System Finance/Office
Managers By PDF Email

(M/FinDiv/General/Capital Credits to Members-Memo)

EAST KENTUCKY POWER COOPERATIVE, INC.

REVISED SCHEDULE ASSIGNING 2019 MARGINS TO MEMBERS

	2018 Patronage Capital (Cumulative)	Patronage Capital Retired	2019 Margin (Final)	2019 Patronage Capital (Cumulative)
Big Sandy RECC	\$ 15,798,987.21	\$ (7,431.27)	\$ 893,777.83	\$ 16,685,333.77
Blue Grass Energy	\$ 71,496,272.08	\$ (188,328.39)	\$ 5,103,100.41	\$ 76,411,044.10
Clark Energy	\$ 26,904,060.63	\$ (91,629.89)	\$ 1,808,489.47	\$ 28,620,920.21
Cumberland Valley Electric	\$ 30,038,354.89	\$ (70,450.42)	\$ 1,710,949.63	\$ 31,678,854.10
Farmers RECC	\$ 29,156,345.38	\$ (160,079.55)	\$ 1,937,134.80	\$ 30,933,400.63
Fleming Mason Energy	\$ 48,207,001.04	\$ (109,142.94)	\$ 3,077,378.17	\$ 51,175,236.27
Grayson RECC	\$ 15,771,087.07	\$ (10,035.08)	\$ 1,008,271.57	\$ 16,769,323.56
Inter-County Energy	\$ 27,444,391.97	\$ (120,387.35)	\$ 1,917,052.03	\$ 29,241,056.65
Jackson Energy	\$ 56,233,458.93	\$ (177,720.12)	\$ 3,562,873.14	\$ 59,618,611.95
Licking Valley RECC	\$ 16,550,653.96	\$ (79,288.65)	\$ 988,576.27	\$ 17,459,941.58
Nolin RECC	\$ 41,842,365.42	\$ (106,606.14)	\$ 2,839,491.65	\$ 44,575,250.93
Owen Electric	\$ 80,339,456.45	\$ (142,051.45)	\$ 5,952,149.26	\$ 86,149,554.26
Salt River Electric	\$ 61,340,290.82	\$ (96,181.01)	\$ 4,675,525.50	\$ 65,919,635.31
Shelby Energy	\$ 24,735,774.59	\$ (85,075.95)	\$ 1,800,867.11	\$ 26,451,565.75
South Kentucky RECC	\$ 74,021,848.19	\$ (201,317.92)	\$ 5,084,682.92	\$ 78,905,213.19
Taylor County RECC	\$ 28,791,375.37	\$ (168,565.34)	\$ 1,843,717.71	\$ 30,466,527.74
Totals	<u>\$ 648,671,724.00</u>	<u>\$ (1,814,291.47)</u>	<u>\$ 44,204,037.47</u>	<u>\$ 691,061,470.00</u>

EAST KENTUCKY POWER COOPERATIVE, INC.

COMPARISON OF FINAL ASSIGNMENT TO ORIGINAL ASSIGNMENT

	Final 2019 Margin Assigned	Original 2019 Margin Assigned	Difference - Decrease in Assignment
Big Sandy RECC	\$ 893,777.83	\$ 897,982.14	\$ (4,204.31)
Blue Grass Energy	\$ 5,103,100.41	\$ 5,127,124.62	\$ (24,024.21)
Clark Energy	\$ 1,808,489.47	\$ 1,816,994.62	\$ (8,505.15)
Cumberland Valley Electric	\$ 1,710,949.63	\$ 1,718,999.24	\$ (8,049.61)
Farmers RECC	\$ 1,937,134.80	\$ 1,946,252.13	\$ (9,117.33)
Fleming Mason Energy	\$ 3,077,378.17	\$ 3,091,961.81	\$ (14,583.64)
Grayson RECC	\$ 1,008,271.57	\$ 1,013,015.05	\$ (4,743.48)
Inter-County Energy	\$ 1,917,052.03	\$ 1,926,071.01	\$ (9,018.98)
Jackson Energy	\$ 3,562,873.14	\$ 3,579,636.35	\$ (16,763.21)
Licking Valley RECC	\$ 988,576.27	\$ 993,227.19	\$ (4,650.92)
Nolin RECC	\$ 2,839,491.65	\$ 2,852,860.55	\$ (13,368.90)
Owen Electric	\$ 5,952,149.26	\$ 5,980,321.47	\$ (28,172.21)
Salt River Electric	\$ 4,675,525.50	\$ 4,697,534.50	\$ (22,009.00)
Shelby Energy	\$ 1,800,867.11	\$ 1,809,349.54	\$ (8,482.43)
South Kentucky RECC	\$ 5,084,682.92	\$ 5,108,607.00	\$ (23,924.08)
Taylor County RECC	\$ 1,843,717.71	\$ 1,852,428.21	\$ (8,710.50)
Totals	<u>\$ 44,204,037.47</u>	<u>\$ 44,412,365.43</u>	<u>\$ (208,327.96)</u>

Section 8.02. Issue of Membership Certificates. No membership certificates shall be issued for less than the membership fee fixed in these Bylaws, nor until such membership fee has been fully paid in cash.

Section 8.03. Lost Certificate. In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefore upon such terms and such indemnity to the Corporation as the Board of Directors may prescribe.

ARTICLE IX

NON-PROFIT OPERATION

Section 9.01. Interest or Dividends on Capital Prohibited. The Corporation shall at all times be operated on a cooperative, non-profit basis for the mutual benefit of its members. No interest or dividends shall be paid or payable by the Corporation on any capital furnished by its members.

Section 9.02. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy the Corporation's operations shall be so conducted that all members will through their patronage furnish capital for the Corporation. In order to induce patronage and to assure that the Corporation will operate on a non-profit basis, the Corporation is obligated to account on a patronage basis to all its members for all amounts received and receivable from the furnishing of electric energy plus any non-operating revenue in excess of the sum of: (a) operating costs and expenses properly chargeable against the furnishing of electric energy plus any non-operating costs, and (b) amounts required to offset any losses incurred during the current or any prior fiscal year. The books and records of the Corporation shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital

account of each member and the Corporation shall within a reasonable time after the close of the fiscal year notify each member of the amount of capital so credited to its account. All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Corporation corresponding amounts of capital. In the event of dissolution or liquidation of the Corporation, after all outstanding indebtedness of the Corporation shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine by majority vote that the financial condition of the Corporation will not be impaired thereby, the capital then credited to members' accounts may be retired in full or in part. Any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Corporation being first retired. In no event, however, may any such capital be retired unless, after the proposed retirement, the capital of the Corporation shall equal at least twenty percent (20%) of the total assets of the Corporation.

The members of the Corporation, by dealing with the Corporation, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Corporation and each member, and both the Corporation and the members are bound by such contract, as fully as though each member had individually signed a separate instrument containing such terms and provisions.

Section 9.03. Patronage Refunds in Connection with Furnishing Other Services. In the event that the Corporation should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs

Board Agenda Item -VOTE

APRIL

TO: EKPC Board of Directors
FROM: Anthony S. Campbell
DATE: March 29, 2019
SUBJECT: EKPC's Recommendation to Payout Capital Credits

Background

For background, capital credits are the allocations of margins (in this case, of East Kentucky Power Cooperative ("EKPC")), to individual patrons (in this case, the Owner-Members of EKPC), based on the patron's proportionate contributions to the margins realized.

Section 9.1 of the EKPC By-Laws provides that in the event the EKPC Board of Directors ("EKPC Board") determines by majority vote that the financial condition of EKPC will not be impaired thereby, the capital credit then credited to the Owner-Members' accounts may be retired in full or in part. Further, any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by EKPC being first retired. The By-Law further mandates that no capital can be retired unless, after the proposed retirement, the capital of EKPC shall equal at least twenty percent (20%) of the total assets of EKPC.

EKPC's equity has now exceeded 20% of the total assets of EKPC and pursuant to the authorization, set forth in EKPC's governing By-Laws, capital credits can now be properly retired insofar as the retirement will not cause EKPC's equity level to fall below 20%.

The traditional and most common method of capital retirements has been that of First-In, First-Out (FIFO). Under this approach, retirements of capital credit occur in the order of the year of receipt into each Owner-Members' capital account.

EKPC has determined that capital credits of up to \$2,090,949 can be paid (retired), based on the above requirements and the audited 2018 financial statements. EKPC prefers to pay an amount that matches a year-end balance so that partial year allocation of the payment is unnecessary. Accordingly, EKPC recommends paying capital credits on margins assigned from inception through 1967 totaling \$1,814,291.47. This amount will be paid to Owner-Members in accordance with the attached schedule.

Board Agenda Item -VOTE

APRIL

Justification and Strategic Analysis

EKPC has achieved a financial position that now allows it under its corporate governance to retire up to \$1,814,291.47 in capital credits to its Owner-Members based on their allocated share and in accordance with the attached schedule.

Recommendation

EKPC recommends the Board authorize management to pay capital credits to Owner-Members totaling \$1,814,291.47 in accordance with the attached schedule.

ASC/mm/rc

Resolution - VOTE

APRIL

EKPC'S RECOMMENDATION TO PAYOUT CAPITAL CREDITS

Whereas, capital credits are the allocations of margins (in this case, of East Kentucky Power Cooperative ("EKPC")), to individual patrons (in this case, the Owner-Members of EKPC), based on the patron's proportionate contributions to the margins realized; and

Whereas, Section 9.1 of the EKPC By-Laws provides that in the event the EKPC Board of Directors ("EKPC Board") determines by majority vote that the financial condition of EKPC will not be impaired thereby, the capital credit then credited to the Owner-Members' accounts may be retired in full or in part. Further, any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by EKPC being first retired. The By-Law further mandates that no capital can be retired unless, after the proposed retirement, the capital of EKPC shall equal at least twenty percent (20%) of the total assets of EKPC; and

Whereas, EKPC's equity has now exceeded 20% of the total assets of EKPC and pursuant to the authorization, set forth in EKPC's governing By-Laws, capital credits can now be properly retired insofar as the retirement will not cause EKPC's equity level to fall below 20%.; and

Whereas, EKPC has determined that capital credits of up to \$2,090,949 can be paid (retired), based on the above requirements and the audited 2018 financial statements. EKPC prefers to pay an amount that matches a year-end balance so that partial year allocation of the payment is unnecessary. Accordingly, EKPC recommends paying capital credits on margins assigned from inception through 1967 totaling \$1,814,291.47. This amount will be paid to Owner-Members in accordance with the attached schedule; and

Whereas, EKPC has achieved a financial position that now allows it under its corporate governance to retire up to \$1,814,291.47 in capital credits to its Owner-Members based on their allocated share and in accordance with the attached schedule; now, therefore, be it

Resolved, the Board hereby authorizes EKPC management to pay capital credits to Owner-Members totaling \$1,814,291.47 in accordance with the attached schedule.

<u>Cumulative</u>	<u>1967</u>
Big Sandy	\$7,431.27
Blue Grass	\$44,670.97
Fox Creek	\$59,699.21
Harrison	\$83,958.21
Total BG	\$188,328.39
Clark	\$91,629.89
Cumberland Valley	\$70,450.42
Farmers	\$160,079.55
Fleming-Mason	\$109,142.94
Grayson	\$10,035.08
Inter-County	\$120,387.35
Jackson	\$177,720.12
Licking Valley	\$79,288.65
Nolin	\$106,606.14
Owen	\$142,051.45
Salt River	\$96,181.01
Shelby	\$85,075.95
South Kentucky	\$201,317.92
Taylor County	\$168,565.34
	<hr/>
	\$1,814,291.47

Together Transforming
Chairman of the Board Remarks
2019 EKPC Annual Meeting

Ladies and gentlemen, members of the Board, and honored guests.

On behalf of the Board of East Kentucky Power Cooperative, welcome to the 2019 Annual Meeting.

Today, I want to talk about the changes that are dramatically impacting our cooperative family and to take a look ahead. As many of you know, over the past several decades many changes have reshaped rural communities across Kentucky and the nation, and I have good news: East Kentucky Power Cooperative along with the 16 Owner-Members together have adapted well to the transformation of our service areas.

As you know, I've been on the Inter-County Board for twenty-four years. I'm in my eighth year on East Kentucky Power's Board, and most of my life I've sold milk and burley tobacco from my family farm in Marion County.

Like most of my classmates, when I graduated from high school I didn't initially seek work in Marion County. We went to Jefferson County to the General Electric plant to find work because the opportunities were limited at home. At that time, nearly 23,000 people worked at GE. I knew one family from Marion County with five brothers who worked there.

Back then, there were three places you could get a factory job in Marion County: Lebanon Flooring, DEPCOR and Kentucky Cooperage, which is still

making barrels for the bourbon industry today. At that time, the bourbon industry was going through a hard time and was tearing down rick houses where they age the bourbon. I've got two barns built from rick houses that were torn down from that time.

Now, let's fast forward in time. Today, we have 14 factories in Marion County. The cooperage is so busy they're going to three shifts and opening a place in Morehead. The bourbon industry in Kentucky cannot build rick houses fast enough.

I sit on the Marion County Industrial Foundation, and when someone on the board says we need to do something for agriculture, I always say we are doing something for agriculture. With the new businesses that have started our people don't have to go to Louisville to

get a job any more. Our factories in Marion County have enabled people to continue farming. My brother works at TG Kentucky which employs more than 1,000 people. His job allows him to farm on the side.

I'm pleased that this positive trend is continuing. Last year, Diageo announced plans to build a new \$130 million distilled spirits factory in Lebanon. It's going to bring 30 good paying jobs to the county, and it will help tourism and agriculture because they are going to buy a lot of corn. Diageo had more than 200 sites they were going to look at for the new factory, but when they got out of the car in Marion County one of their people said, "Why do we need to look anywhere else? This has everything we need, water, gas and electricity." Everything fell into place.

Many, many good things are falling into place for electric co-ops. Here are three big ones from last year:

1. Businesses in our co-op service areas announced projects worth \$2.5 billion and nearly 3,000 jobs.
2. About half of the projects announced in Kentucky were in areas served by our Owner-Members.
3. The three largest projects — Nucor Steel Gallatin, Makers Mark and Jim Beam — are served Owner-Member co-ops.

One word of caution. While we're happy about those projects, we know there's a lot to do, especially in Eastern Kentucky. That's why our SOAR-STEM program is working to create a workforce in Eastern KY

trained in science, technology, engineering and math, or STEM for short. Last summer, 63 teachers from the region graduated with advanced certifications in STEM, and more will graduate this year. They will bring STEM education to thousands of students through the fabulous hands-on, Project Lead the Way curriculum. It's a long-term effort with a big goal: create the world's biggest technology-trained workforce right here in Kentucky.

Let's talk a minute about improvements in governance.

I want to commend our Board of Directors for the leadership they have provided in governance, especially in developing EKPC's Strategic Plan, the roadmap that directors wrote and that've we've followed have led EKPC to much success. Our directors are focused on the vision of this company, continue to

research and attend trainings to help them understand this complex business and are working hard to ensure future success. The Board has also done excellent work reviewing, updating and developing our policies, and making sure everyone is working as a team and following the best business practices.

One of the greatest results of everyone working together is that we've become very competitive. There was a time when local real estate agents back home used to advertise that the homes they were selling were served by the local investor owned-utility... They don't talk about that any more. Real estate people today want homes to be served by electric co-ops because there is little or no difference in price. This is absolutely phenomenal. With our rural territories, we only serve about ten people per mile, while the investor-owned

utilities have more than 30 people per mile. That is something for all of us to be proud of. It's a transformation has taken place because of operational excellence, membership in the PJM and steady financial progress.

With the strengthening of EKPC's finances, for the first time in our history, the Board this past April approved paying capital credits to the 16 Owner-Members. So we've gotten strong financially and we are returning revenue back to the Owner-Members.

Bill Prather from Farmers RECC said there were two things he never thought he would see in our lifetimes. He never thought co-ops would be the same — or even less in price in some cases — than investor-owned competitors, which for many years had some of the

lowest rates in the nation. Bill also said he never thought EKPC would pay capital credits.

We are going to pay capital credits because we've gotten strong financially, and we're going to stay competitive. For that, I thank the Board, Tony, the Executive Staff, the employees and the Owner-Members. I believe they all deserve a big round of applause.

[Pause to let audience clap]

We've come far...but we cannot stop. We had a great year in safety last year, but need to be vigilant and do even better. The Board enhanced the Strategic Plan, and now we must make sure we adapt it as new technologies emerge.

Last year, EKPC worked closely with our KY representatives in Congress on changes that enabled the Board to suspend the need for a rate case, but we must stay on the path for even greater prosperity. We have upgraded our transmission system, but there's a lot more work to do. We had a banner year in economic development, yes. But many more challenges remain to improve our local economies.

So, we can't stop, and we aren't ever going to stop making life better for the 1.1 million people we serve. Together, we are positioning EKPC and our Owner-Members for continued success. Let's continue working together to improve and to make lives better. That's what our electric cooperatives are all about.



TOGETHER
TRANS
FORM
ING



East Kentucky Power Cooperative
2019 Annual Meeting

Tony Campbell,
President and CEO



Electric co-ops all across
our great country are
in the process of transformation

TOGETHER TRANSFORMING

EKPC is changing rapidly
along with its Owner-Members



TOGETHER TRANSFORMING for the future



EKPC is changing:

- Safety
- Power Supply
- Operations
- The Economy
- The Workplace
- Finances
- The Future





TRANSFORMING
SAFETY



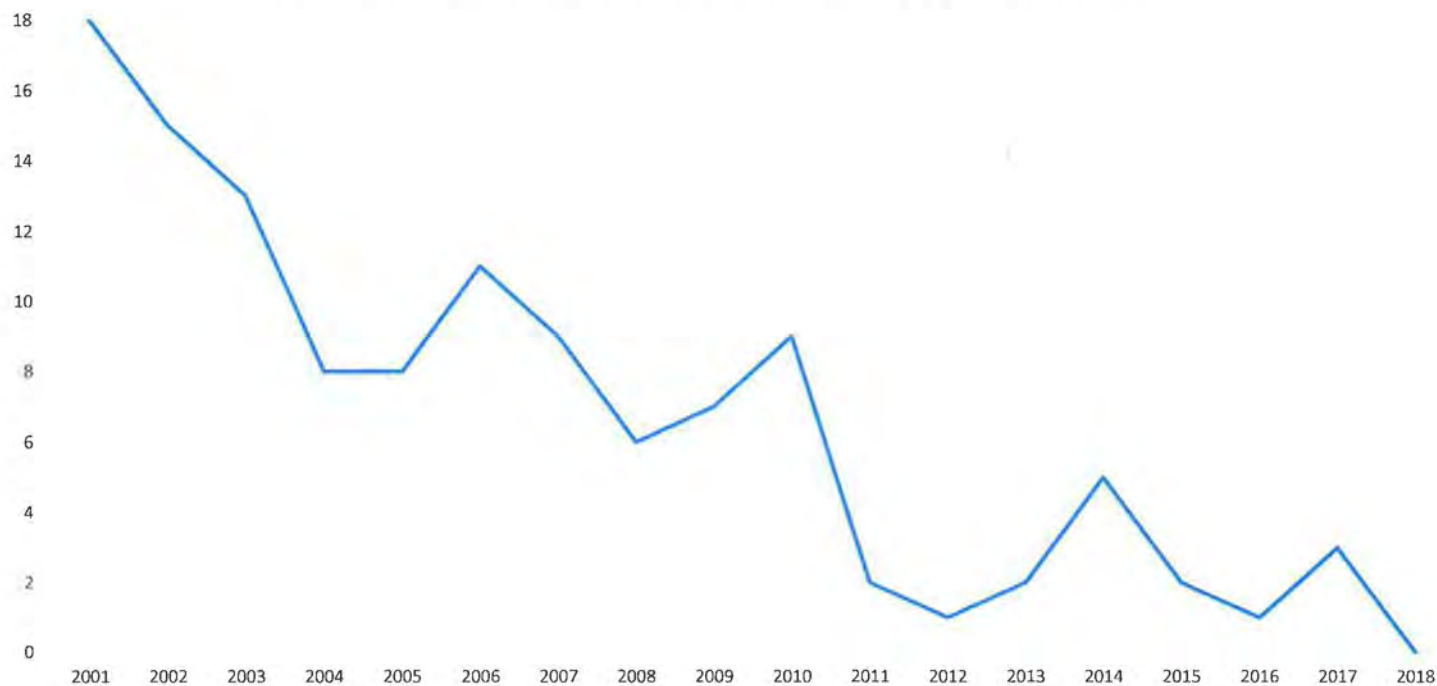
TRANSFORMING SAFETY

- In 2018, there were no lost-time incidents for the first time ever



TRANSFORMING SAFETY

Lost Time Incidents 2001-2018 | 100 Employees





TRANSFORMING SAFETY

- In 2018, EKPC had the lowest rate ever for incidents that restrict work time
- National safety attention at conferences
- National safety awards





TRANSFORMING SAFETY

- While we celebrate, please remember:
 1. Safety is not about numbers
 2. It's not about awards
 3. It's about preventing pain and suffering of our employees and their families
 4. Moral duty to share our gift of safety with others



TRANSFORMING SAFETY

- We must remain vigilant
- One incident can forever change lives

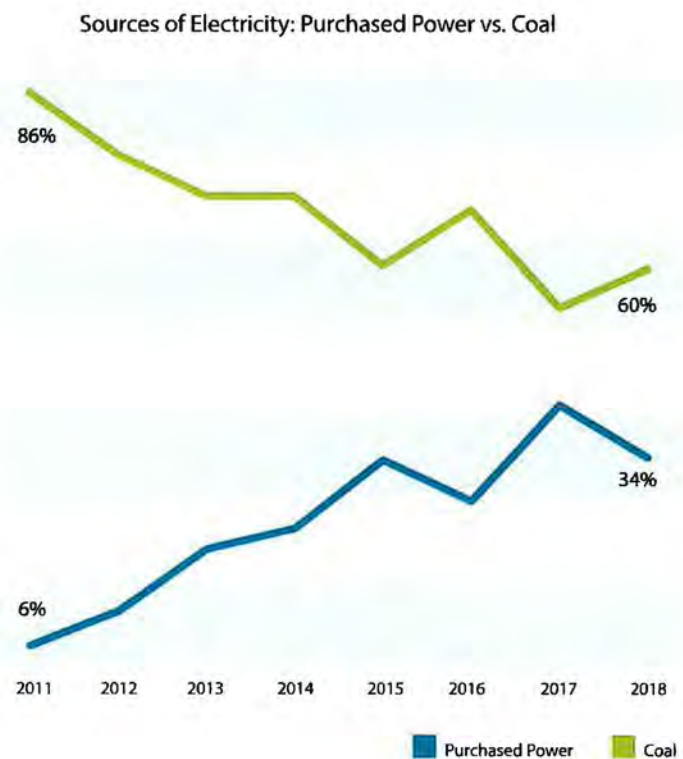




TRANSFORMING
POWER SUPPLY

TRANSFORMING POWER SUPPLY

- Coal use has declined; power purchases have increased





Kentucky's Touchstone Energy Cooperatives
Cooperative Solar



TRANSFORMING OPERATIONS





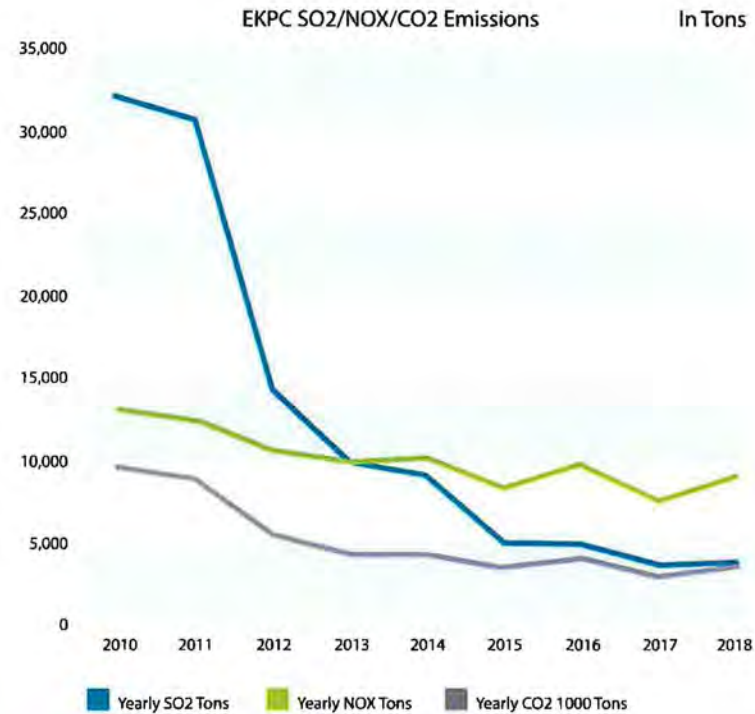
TRANSFORMING OPERATIONS

- PJM provides access to a large power market
- In 2018, the PJM capacity auction for three years out resulted in much higher clearing prices
- This will provide an additional revenue boost and help EKPC to offset costs by selling excess generation at higher prices
- Bluegrass Unit #3 is returning to EKPC



TRANSFORMING OPERATIONS

- EKPC emissions of carbon, nitrogen and sulfur dioxide have declined





TRANSFORMING
THE ECONOMY



TRANSFORMING THE ECONOMY

- Owner-Members and EKPC are leaders in Economic Development (ED)
- We are recognized for developing technologies to bring jobs to Kentucky



TRANSFORMING THE ECONOMY

- We are recognized by the state Economic Development Cabinet and the governor for our ED
- We have been given numerous awards for our ED initiatives



TRANSFORMING THE WORKPLACE



TRANSFORMING THE WORKPLACE

- Mentoring programs
- Leadership training
- Upward mobility for all-star employees



TRANSFORMING FINANCES





TRANSFORMING FINANCES



- Net margin of \$40.7 million in 2018
- Congress passed, and the president signed, the Farm Bill which:
 1. Enabled EKPC to prepay RUS debt without penalty
 2. Improved our financial measures
 3. Avoided a 2019 rate increase
 4. Enabled the Board to approve paying capital credits





TRANSFORMING FINANCES

- For approval of the Farm Bill,
we owe a debt of gratitude to:

Senate Majority Leader **Mitch McConnell**

Congressman **Hal Rogers**

Congressman **James Comer**

Congressman **Andy Barr**

Congressman **Brett Guthrie**





TRANSFORMING
THE FUTURE



TRANSFORMING THE FUTURE

The Challenges Ahead

- Environmental issues are key
 1. Carbon emissions will be an important issue
 2. Coal generation will continue to be challenged
 3. Renewable generation is destined to increase
 4. Public opinion will have an impact





TRANSFORMING THE FUTURE

The Challenges Ahead

- New technologies in batteries and other areas
- Maintaining high system reliability
- Managing the changing workforce:
 1. Low unemployment
 2. Recruiting and retaining the best employees



TRANSFORMING THE FUTURE

—— While we all like autonomy ——
TOGETHER WE ARE STRONGER!



THE POWER OF TEAMWORK

“If you could get all the people in the organization rowing in the same direction, you could dominate any industry, in any market, against any competition, at any time.”

—— Author Patrick Lencioni ——



TRANSFORMING THE FUTURE

Our Challenging Journey

- Only one rate increase during this past decade, while we:
 1. Settled two existing consent decrees, including a \$40 million penalty
 2. Added Bluegrass Station (567 MW) for \$130 million
 3. Are absorbing the \$150 million cost of the cancelled Smith Unit #1



TRANSFORMING THE FUTURE

Our Challenging Journey

- Only one rate increase nearly a decade ago, while we:
 1. Endured the largest recession since the Great Depression
 2. Increased equity from the low of 5.7% (\$96.1 million) to more than 20% (\$663.7 million) of assets
 3. Approved paying capital credits for the first time ever

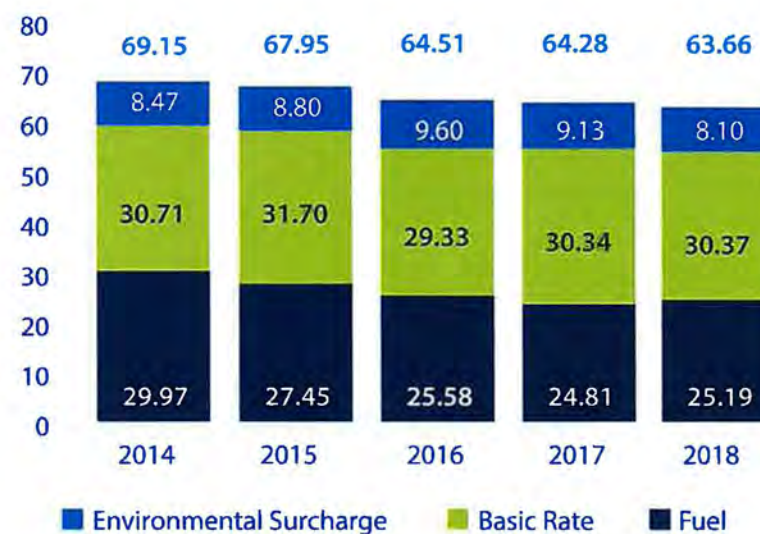


TRANSFORMING THE FUTURE

Our Challenging Journey

- Only one rate increase during this past decade, while we:
 4. Continued to lower the cost to members

Power Cost to Members Mills/kWh





TRANSFORMING THE FUTURE

Fitch Downgrade

- From A- stable to BBB+ stable.
- **EKPC's financials have not declined.**
- **EKPC's financials continue on a positive trend in the right direction.**
- Downgrade is due to changes in Fitch's criteria.



TRANSFORMING THE FUTURE

Fitch Downgrade

- In April, Fitch changed its rating criteria for G&Ts.
- Fitch's analysis is now mostly quantitative; little qualitative input.
- When EKPC was upgraded to A- in 2016, co-op's leverage ratio was 9.
- EKPC's current leverage ratio is better, at 8.1.
- Under new Fitch criteria, 8.0 is the threshold between A- and BBB+
- Capital credits do not impact the leverage ratio. They are considered discretionary.



TRANSFORMING THE FUTURE



Capital Credits

I know it's a small amount, but it is the beginning



THE POWER OF TEAMWORK

I can't tell you how proud I am of:

The EKPC Board

The EKPC Executive Team

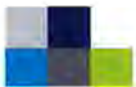
And most of all, EKPC's employees

—— CEO Tony Campbell ——



TOGETHER TRANSFORMING for the future

It gives me great pleasure
to turn over the podium to
Mr. Alan Ahrman to distribute
the capital credit checks:





EAST KENTUCKY POWER COOPERATIVE

A Touchstone Energy Cooperative 





June 11, 2019

Mr. Bruce Aaron Davis
President and General Manager
Big Sandy Rural Electric Cooperative Corporation
504 Eleventh Street
Paintsville, KY 41240-1422

Dear Mr. Davis:

I am pleased to announce that East Kentucky Power Cooperative, Inc. (EKPC) has achieved a financial position that now allows it to retire capital credits for the first time in the history of the Cooperative. The Board of Directors authorized EKPC to retire capital credits in the amount of \$1,814,291.47, which represents margins allocated to Owner-Members from the inception of the Cooperative through 1967.

The enclosed check in the amount of \$7,431.27 represents your cooperative's portion of EKPC's retirement of capital credits from the inception of the Cooperative through 1967. A summary of your cooperative's capital credit activity is shown below.

	<u>Balance</u> 12/31/2018	<u>Retirement on</u> 6/11/2019	<u>Balance</u> 6/11/2019
Big Sandy RECC	\$ 15,798,987.21	\$ 7,431.27	\$ 15,791,555.94

If you have any questions regarding this capital credit retirement or your ending balance, please contact me at (859)745-9209.

Sincerely,

A handwritten signature in black ink, appearing to read 'McNalley', is written over a horizontal line.

Michael A. McNalley
Executive Vice President & CFO

Enclosure



June 11, 2019

Mr. Mike Williams
President and CEO
Blue Grass Energy Cooperative Corporation
PO Box 990
Nicholasville, KY 40356

Dear Mr. Williams:

I am pleased to announce that East Kentucky Power Cooperative, Inc. (EKPC) has achieved a financial position that now allows it to retire capital credits for the first time in the history of the Cooperative. The Board of Directors authorized EKPC to retire capital credits in the amount of \$1,814,291.47, which represents margins allocated to Owner-Members from the inception of the Cooperative through 1967.

The enclosed check in the amount of \$188,328.39 represents your cooperative's portion (including Fox Creek RECC and Harrison County RECC) of EKPC's retirement of capital credits from the inception of the Cooperative through 1967. A summary of your cooperative's capital credit activity is shown below.

	<u>Balance</u> 12/31/2018	<u>Retirement on</u> 6/11/2019	<u>Balance</u> 6/11/2019
Blue Grass Energy	\$ 71,496,272.08	\$ 188,328.39	\$ 71,307,943.69

If you have any questions regarding this capital credit retirement or your ending balance, please contact me at (859)745-9209.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael A. McNalley'.

Michael A. McNalley
Executive Vice President & CFO

Enclosure



June 11, 2019

Mr. Chris Brewer
President and CEO
Clark Energy Cooperative, Inc.
PO Box 748
Winchester, KY 40392-0748

Dear Mr. Brewer:

I am pleased to announce that East Kentucky Power Cooperative, Inc. (EKPC) has achieved a financial position that now allows it to retire capital credits for the first time in the history of the Cooperative. The Board of Directors authorized EKPC to retire capital credits in the amount of \$1,814,291.47, which represents margins allocated to Owner-Members from the inception of the Cooperative through 1967.

The enclosed check in the amount of \$91,629.89 represents your cooperative's portion of EKPC's retirement of capital credits from the inception of the Cooperative through 1967. A summary of your cooperative's capital credit activity is shown below.

	<u>Balance</u> 12/31/2018	<u>Retirement on</u> 6/11/2019	<u>Balance</u> 6/11/2019
Clark Energy	\$ 26,904,060.63	\$ 91,629.89	\$ 26,812,430.74

If you have any questions regarding this capital credit retirement or your ending balance, please contact me at (859)745-9209.

Sincerely,

A handwritten signature in cursive script, appearing to read 'McNalley', is written over a horizontal line.

Michael A. McNalley
Executive Vice President & CFO

Enclosure



June 11, 2019

Mr. Ted Hampton
President and CEO
Cumberland Valley Electric
PO Box 440
Gray, KY 40734-0440

Dear Mr. Hampton:

I am pleased to announce that East Kentucky Power Cooperative, Inc. (EKPC) has achieved a financial position that now allows it to retire capital credits for the first time in the history of the Cooperative. The Board of Directors authorized EKPC to retire capital credits in the amount of \$1,814,291.47, which represents margins allocated to Owner-Members from the inception of the Cooperative through 1967.

The enclosed check in the amount of \$70,450.42 represents your cooperative's portion of EKPC's retirement of capital credits from the inception of the Cooperative through 1967. A summary of your cooperative's capital credit activity is shown below.

	<u>Balance</u> 12/31/2018	<u>Retirement on</u> 6/11/2019	<u>Balance</u> 6/11/2019
Cumberland Valley Electric	\$ 30,038,354.89	\$ 70,450.42	\$ 29,967,904.47

If you have any questions regarding this capital credit retirement or your ending balance, please contact me at (859)745-9209.

Sincerely,



Michael A. McNalley
Executive Vice President & CFO

Enclosure



June 11, 2019

Mr. Bill Prather
President and CEO
Farmers Rural Electric Cooperative Corporation
PO Box 1298
Glasgow, KY 42142-1298

Dear Mr. Prather:

I am pleased to announce that East Kentucky Power Cooperative, Inc. (EKPC) has achieved a financial position that now allows it to retire capital credits for the first time in the history of the Cooperative. The Board of Directors authorized EKPC to retire capital credits in the amount of \$1,814,291.47, which represents margins allocated to Owner-Members from the inception of the Cooperative through 1967.

The enclosed check in the amount of \$160,079.55 represents your cooperative's portion of EKPC's retirement of capital credits from the inception of the Cooperative through 1967. A summary of your cooperative's capital credit activity is shown below.

	<u>Balance</u> 12/31/2018	<u>Retirement on</u> 6/11/2019	<u>Balance</u> 6/11/2019
Farmers RECC	\$ 29,156,345.38	\$ 160,079.55	\$ 28,996,265.83

If you have any questions regarding this capital credit retirement or your ending balance, please contact me at (859)745-9209.

Sincerely,



Michael A. McNalley
Executive Vice President & CFO

Enclosure



June 11, 2019

Mrs. Joni Hazelrigg
President and CEO
Fleming-Mason Energy Cooperative, Inc.
PO Box 328
Flemingsburg, KY 41041

Dear Mrs. Hazelrigg:

I am pleased to announce that East Kentucky Power Cooperative, Inc. (EKPC) has achieved a financial position that now allows it to retire capital credits for the first time in the history of the Cooperative. The Board of Directors authorized EKPC to retire capital credits in the amount of \$1,814,291.47, which represents margins allocated to Owner-Members from the inception of the Cooperative through 1967.

The enclosed check in the amount of \$109,142.94 represents your cooperative's portion of EKPC's retirement of capital credits from the inception of the Cooperative through 1967. A summary of your cooperative's capital credit activity is shown below.

	<u>Balance</u> <u>12/31/2018</u>	<u>Retirement on</u> <u>6/11/2019</u>	<u>Balance</u> <u>6/11/2019</u>
Fleming Mason Energy	\$ 48,207,001.04	\$ 109,142.94	\$ 48,097,858.10

If you have any questions regarding this capital credit retirement or your ending balance, please contact me at (859)745-9209.

Sincerely,

A handwritten signature in cursive script, appearing to read 'McNalley', is written over the typed name.

Michael A. McNalley
Executive Vice President & CFO

Enclosure



June 11, 2019

Mrs. Carol Ann Fraley
President and CEO
Grayson Rural Electric Cooperative Corporation
109 Bagby Park
Grayson, KY 41143

Dear Mrs. Fraley:

I am pleased to announce that East Kentucky Power Cooperative, Inc. (EKPC) has achieved a financial position that now allows it to retire capital credits for the first time in the history of the Cooperative. The Board of Directors authorized EKPC to retire capital credits in the amount of \$1,814,291.47, which represents margins allocated to Owner-Members from the inception of the Cooperative through 1967.

The enclosed check in the amount of \$10,035.08 represents your cooperative's portion of EKPC's retirement of capital credits from the inception of the Cooperative through 1967. A summary of your cooperative's capital credit activity is shown below.

	<u>Balance</u> 12/31/2018	<u>Retirement on</u> 6/11/2019	<u>Balance</u> 6/11/2019
Grayson RECC	\$ 15,771,087.07	\$ 10,035.08	\$ 15,761,051.99

If you have any questions regarding this capital credit retirement or your ending balance, please contact me at (859)745-9209.

Sincerely,

A handwritten signature in cursive script, appearing to read 'M. McNalley'.

Michael A. McNalley
Executive Vice President & CFO

Enclosure



June 11, 2019

Mr. Jerry Carter
President and CEO
Inter-County Energy Cooperative Corporation
PO Box 87
Danville, KY 40423-0087

Dear Mr. Carter:

I am pleased to announce that East Kentucky Power Cooperative, Inc. (EKPC) has achieved a financial position that now allows it to retire capital credits for the first time in the history of the Cooperative. The Board of Directors authorized EKPC to retire capital credits in the amount of \$1,814,291.47, which represents margins allocated to Owner-Members from the inception of the Cooperative through 1967.

The enclosed check in the amount of \$120,387.35 represents your cooperative's portion of EKPC's retirement of capital credits from the inception of the Cooperative through 1967. A summary of your cooperative's capital credit activity is shown below.

	<u>Balance</u> 12/31/2018	<u>Retirement on</u> 6/11/2019	<u>Balance</u> 6/11/2019
Inter-County Energy	\$ 27,444,391.97	\$ 120,387.35	\$ 27,324,004.62

If you have any questions regarding this capital credit retirement or your ending balance, please contact me at (859)745-9209.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Michael A. McNalley'.

Michael A. McNalley
Executive Vice President & CFO

Enclosure



June 11, 2019

Mrs. Carol Wright
President and CEO
Jackson Energy Cooperative
115 Jackson Energy Lane
McKee, KY 40447

Dear Mrs. Wright:

I am pleased to announce that East Kentucky Power Cooperative, Inc. (EKPC) has achieved a financial position that now allows it to retire capital credits for the first time in the history of the Cooperative. The Board of Directors authorized EKPC to retire capital credits in the amount of \$1,814,291.47, which represents margins allocated to Owner-Members from the inception of the Cooperative through 1967.

The enclosed check in the amount of \$177,720.12 represents your cooperative's portion of EKPC's retirement of capital credits from the inception of the Cooperative through 1967. A summary of your cooperative's capital credit activity is shown below.

	<u>Balance</u> <u>12/31/2018</u>	<u>Retirement on</u> <u>6/11/2019</u>	<u>Balance</u> <u>6/11/2019</u>
Jackson Energy	\$ 56,233,458.93	\$ 177,720.12	\$ 56,055,738.81

If you have any questions regarding this capital credit retirement or your ending balance, please contact me at (859)745-9209.

Sincerely,

A handwritten signature in cursive script, appearing to read 'McNalley', is written over a light blue horizontal line.

Michael A. McNalley
Executive Vice President & CFO

Enclosure



June 11, 2019

Mr. Kerry Howard
President and CEO
Licking Valley Rural Electric Cooperative Corporation
PO Box 605
West Liberty, KY 41472

Dear Mr. Howard:

I am pleased to announce that East Kentucky Power Cooperative, Inc. (EKPC) has achieved a financial position that now allows it to retire capital credits for the first time in the history of the Cooperative. The Board of Directors authorized EKPC to retire capital credits in the amount of \$1,814,291.47, which represents margins allocated to Owner-Members from the inception of the Cooperative through 1967.

The enclosed check in the amount of \$79,288.65 represents your cooperative's portion of EKPC's retirement of capital credits from the inception of the Cooperative through 1967. A summary of your cooperative's capital credit activity is shown below.

	<u>Balance</u> 12/31/2018	<u>Retirement on</u> 6/11/2019	<u>Balance</u> 6/11/2019
Licking Valley RECC	\$ 16,550,653.96	\$ 79,288.65	\$ 16,471,365.31

If you have any questions regarding this capital credit retirement or your ending balance, please contact me at (859)745-9209.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Michael A. McNalley'.

Michael A. McNalley
Executive Vice President & CFO

Enclosure



June 11, 2019

Mr. Greg Lee
President and CEO
Nolin Rural Electric Cooperative Corporation
411 Ring Road
Elizabethtown, KY 42701

Dear Mr. Lee:

I am pleased to announce that East Kentucky Power Cooperative, Inc. (EKPC) has achieved a financial position that now allows it to retire capital credits for the first time in the history of the Cooperative. The Board of Directors authorized EKPC to retire capital credits in the amount of \$1,814,291.47, which represents margins allocated to Owner-Members from the inception of the Cooperative through 1967.

The enclosed check in the amount of \$106,606.14 represents your cooperative's portion of EKPC's retirement of capital credits from the inception of the Cooperative through 1967. A summary of your cooperative's capital credit activity is shown below.

	Balance 12/31/2018	Retirement on 6/11/2019	Balance 6/11/2019
Nolin RECC	\$ 41,842,365.42	\$ 106,606.14	\$ 41,735,759.28

If you have any questions regarding this capital credit retirement or your ending balance, please contact me at (859)745-9209.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Michael A. McNalley'.

Michael A. McNalley
Executive Vice President & CFO

Enclosure



June 11, 2019

Mr. Mark Stallons
President and CEO
Owen Electric Cooperative, Inc.
PO Box 400
Owenton, KY 40359-0400

Dear Mr. Stallons:

I am pleased to announce that East Kentucky Power Cooperative, Inc. (EKPC) has achieved a financial position that now allows it to retire capital credits for the first time in the history of the Cooperative. The Board of Directors authorized EKPC to retire capital credits in the amount of \$1,814,291.47, which represents margins allocated to Owner-Members from the inception of the Cooperative through 1967.

The enclosed check in the amount of \$142,051.45 represents your cooperative's portion of EKPC's retirement of capital credits from the inception of the Cooperative through 1967. A summary of your cooperative's capital credit activity is shown below.

	<u>Balance</u> <u>12/31/2018</u>	<u>Retirement on</u> <u>6/11/2019</u>	<u>Balance</u> <u>6/11/2019</u>
Owen Electric	\$ 80,339,456.45	\$ 142,051.45	\$ 80,197,405.00

If you have any questions regarding this capital credit retirement or your ending balance, please contact me at (859)745-9209.

Sincerely,



Michael A. McNalley
Executive Vice President & CFO

Enclosure



June 11, 2019

Mr. Tim Sharp
President and CEO
Salt River Electric Cooperative Corporation
PO Box 609
Bardstown, KY 40004-0609

Dear Mr. Sharp:

I am pleased to announce that East Kentucky Power Cooperative, Inc. (EKPC) has achieved a financial position that now allows it to retire capital credits for the first time in the history of the Cooperative. The Board of Directors authorized EKPC to retire capital credits in the amount of \$1,814,291.47, which represents margins allocated to Owner-Members from the inception of the Cooperative through 1967.

The enclosed check in the amount of \$96,181.01 represents your cooperative's portion of EKPC's retirement of capital credits from the inception of the Cooperative through 1967. A summary of your cooperative's capital credit activity is shown below.

	Balance 12/31/2018	Retirement on 6/11/2019	Balance 6/11/2019
Salt River Electric	\$ 61,340,290.82	\$ 96,181.01	\$ 61,244,109.81

If you have any questions regarding this capital credit retirement or your ending balance, please contact me at (859)745-9209.

Sincerely,



Michael A. McNalley
Executive Vice President & CFO

Enclosure



June 11, 2019

Mr. Jack Bragg Jr.
President and CEO
Shelby Energy Cooperative, Inc.
620 Old Finchville Road
Shelbyville, KY 40065

Dear Mr. Bragg:

I am pleased to announce that East Kentucky Power Cooperative, Inc. (EKPC) has achieved a financial position that now allows it to retire capital credits for the first time in the history of the Cooperative. The Board of Directors authorized EKPC to retire capital credits in the amount of \$1,814,291.47, which represents margins allocated to Owner-Members from the inception of the Cooperative through 1967.

The enclosed check in the amount of \$85,075.95 represents your cooperative's portion of EKPC's retirement of capital credits from the inception of the Cooperative through 1967. A summary of your cooperative's capital credit activity is shown below.

	<u>Balance</u> <u>12/31/2018</u>	<u>Retirement on</u> <u>6/11/2019</u>	<u>Balance</u> <u>6/11/2019</u>
Shelby Energy	\$ 24,735,774.59	\$ 85,075.95	\$ 24,650,698.64

If you have any questions regarding this capital credit retirement or your ending balance, please contact me at (859)745-9209.

Sincerely,



Michael A. McNalley
Executive Vice President & CFO

Enclosure



June 11, 2019

Mr. Kevin Newton
Interim President and CEO
South Kentucky Rural Electric Cooperative Corporation
PO Box 910
Somerset, KY 42502-0910

Dear Mr. Newton:

I am pleased to announce that East Kentucky Power Cooperative, Inc. (EKPC) has achieved a financial position that now allows it to retire capital credits for the first time in the history of the Cooperative. The Board of Directors authorized EKPC to retire capital credits in the amount of \$1,814,291.47, which represents margins allocated to Owner-Members from the inception of the Cooperative through 1967.

The enclosed check in the amount of \$201,317.92 represents your cooperative's portion of EKPC's retirement of capital credits from the inception of the Cooperative through 1967. A summary of your cooperative's capital credit activity is shown below.

	<u>Balance</u> 12/31/2018	<u>Retirement on</u> 6/11/2019	<u>Balance</u> 6/11/2019
South Kentucky RECC	\$ 74,021,848.19	\$ 201,317.92	\$ 73,820,530.27

If you have any questions regarding this capital credit retirement or your ending balance, please contact me at (859)745-9209.

Sincerely,



Michael A. McNalley
Executive Vice President & CFO

Enclosure



June 11, 2019

Mr. Barry Myers
Manager
Taylor County Rural Electric Cooperative Corporation
PO Box 100
Campbellsville, KY 42719-0100

Dear Mr. Myers:

I am pleased to announce that East Kentucky Power Cooperative, Inc. (EKPC) has achieved a financial position that now allows it to retire capital credits for the first time in the history of the Cooperative. The Board of Directors authorized EKPC to retire capital credits in the amount of \$1,814,291.47, which represents margins allocated to Owner-Members from the inception of the Cooperative through 1967.

The enclosed check in the amount of \$168,565.34 represents your cooperative's portion of EKPC's retirement of capital credits from the inception of the Cooperative through 1967. A summary of your cooperative's capital credit activity is shown below.

	<u>Balance</u> 12/31/2018	<u>Retirement on</u> 6/11/2019	<u>Balance</u> 6/11/2019
Taylor County RECC	\$ 28,791,375.37	\$ 168,565.34	\$ 28,622,810.03

If you have any questions regarding this capital credit retirement or your ending balance, please contact me at (859)745-9209.

Sincerely,

A handwritten signature in black ink, appearing to read 'McNalley', is written over the typed name.

Michael A. McNalley
Executive Vice President & CFO

Enclosure

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 36

RESPONSIBLE PERSON: Michelle K. Carpenter/Thomas J. Stachnik

COMPANY: East Kentucky Power Cooperative, Inc.

Request 36. Refer to Exhibit ISS-2, which represents the test year-end balance sheet before and after the Company’s proforma adjustments. The test year-end balance of “Investment in Assoc. Org. – Other General Fund” is depicted as \$9,370,967.

Request 36a. Describe all separate amounts included in this balance and provide the amount as of December 31, 2019 by account/subaccount.

Response 36a. Please see page 3 of this response for a detailed schedule of all of the accounts and their associated balances that comprised “Investment in Assoc. Org. – Other General Fund” at December 31, 2019. Approximately \$8.1 million of this balance represents EKPC’s investment in National Rural Utilities Cooperative Finance Corporation (CFC) capital and subordinated term certificates, which were required to be purchased in conjunction with obtaining certain long-term loans. Also included in the balance of Investments in Assoc. Org. are EKPC’s equity in other organizations

(primarily CoBank and ACES), loans made to owner-members for the purposes of providing marketing loans to their customers for energy efficiency improvements, and the buy-out of EKPC's position in a propane venture.

Request 36b. Provide copies of any contracts, agreements, or policies in regards to each of the amounts included in this balance.

Response 36b. Pages 4 through 66 of this response provide the readily available agreements for investments as noted on page 3, Investment in Associated Organizations—Other General Fund. We have requested a search of off-site storage for the remaining agreements and will provide updated support, if located.

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
Investment in Associated Organizations - Other General Fund
Year Ending December 31, 2019

Account	Account Description	Balance 12/31/19
123221	Investment in CFC Capital and Subordinated Term Certificates	
	-General Funds CTC @ 5%	\$ 6,998,144 (2)
	-General Funds P-12 STC @ 0%	14,658 (1)
	-General Funds Charleston Bottoms CTC @ 3%	657,500 (1)
	-Cooper Pollution STC @ 6.5875%	165,000 (1)
	-CREB Loans ZTC @ 0%	289,217 (1)
	Total Account 123221	<u>8,124,519</u>
123230	Other Investments in Associated Organizations	
	-ACES - PM Membership	624,085 (1)
	-CoBank Membership	1,000 (1)
	-Other - various	1,640 (1)
	Total Account 123230	<u>626,725</u>
123231	Other Investments - Member Coops Marketing Loans	
	-Inter-County RECC	208,196 (2)
	Total Account 123231	<u>208,196</u>
123234	Other Investments - Coop Propane Buyout	
	-Farmers Energy Services	248,606 (2)
	-Clark Energy Services	162,921 (2)
	Total Account 123234	<u>411,527</u>
Total of Investment in Associated Organizations - Other General Fund		<u>\$ 9,370,967</u>

(1) Agreement not readily available

(2) Agreement attached

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
Investment in CFC General Funds CTC @ 5% - Detail
Year Ending December 31, 2019

Subscription Capital Term Certificates (SCTCs) as of 12/31/2019

Serial Issue #	Issue Date	Original Amount	Current Balance	Interest Rate	Maturity Date
00692	10/1/1970	277,756	277,756	5.00%	10/1/2070
01068	10/1/1971	277,756	277,756	5.00%	10/1/2070
01773	10/1/1972	277,756	277,756	5.00%	10/1/2070
02629	10/1/1973	230,579	230,579	5.00%	10/1/2070
03582	10/1/1974	142,972	142,972	5.00%	10/1/2070
05312	10/1/1975	308,158	308,158	5.00%	10/1/2075
06155	10/1/1976	322,218	322,218	5.00%	10/1/2075
07004	10/1/1977	315,630	315,630	5.00%	10/1/2075
07841	10/1/1978	387,111	387,111	5.00%	10/1/2075
08561	10/1/1979	487,361	487,361	5.00%	10/1/2075
10188	10/1/1980	514,229	514,229	5.00%	10/1/2080
11030	10/1/1981	629,781	629,781	5.00%	10/1/2080
11879	10/1/1982	789,495	789,495	5.00%	10/1/2080
12729	10/1/1983	916,119	916,119	5.00%	10/1/2080
13586	10/1/1984	1,121,223	1,121,223	5.00%	10/1/2080
Totals		\$ 6,998,144	\$ 6,998,144		

AGREEMENT TO SUBSCRIBE TO CAPITAL TERM CERTIFICATES

OF

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION

The undersigned (herein called the "Applicant") hereby irrevocably subscribes to purchase Capital Term Certificates (herein called "Certificates") of National Rural Utilities Cooperative Finance Corporation, a corporation formed under the District of Columbia Cooperative Association Act (herein called the "Issuer"), all as described in, and in accordance with, the terms of offering set forth in the Issuer's "Invitation to Subscribe to Capital Term Certificates" dated July 1, 1970 (herein called the "Invitation"), receipt of a copy of which is hereby acknowledged by the Applicant. The Applicant agrees to purchase from the Issuer, and by its acceptance hereof the Issuer agrees to sell to the Applicant, at a price of 100% of the principal amount thereof plus accrued interest, Certificates in the principal amounts, and on or prior to the respective dates, set forth below:

Initial Subscription: Principal Amount \$ 833,268.00

The Applicant represents that the amount set forth above has been computed in accordance with the formula applicable to subscribers of the class of which the Applicant is a member as set forth for the initial subscription under "TERMS OF OFFER" in the Invitation after eliminating the cents. The purchase price for such Certificates shall be paid by the Applicant in cash as follows: in one installment on or before October 1, 1970 or in three substantially equal annual installments of \$ 277,756.00 payable on October 1, 1970, \$ 277,756.00 payable on October 1, 1971, and \$ 277,756.00 payable on October 1, 1972.

Annual Subscriptions.

The Applicant hereby further agrees to purchase a principal amount of Certificates, on or before October 1 of each of the years 1973 through 1984, determined in accordance with the formula applicable to subscribers of the class of which the Applicant is a member as set forth for annual subscriptions under "TERMS OF OFFER" in the Invitation after eliminating the cents.

Certificates will be dated their respective dates of issuance, and interest will accrue thereon from October 1, 1970 or from the most recent April 1 or October 1 (the interest payment dates) to which interest has been paid or duly provided for on Capital Term Certificates outstanding on such date; accordingly, the purchase price for Certificates includes interest, if any, accrued thereon. The Issuer agrees to issue Certificates for which payment in full has been made promptly after receipt of such payment; provided, however, that no Certificates will be issued until the Issuer has accepted the Applicant's application for membership in the Issuer, it being a condition to such acceptance that the Applicant shall have paid the full amount of all installments then due on its subscription, as determined in accordance with the terms of the Invitation. Subscription to and issuance of Certificates shall be subject to the terms of the Invitation in all respects, including without limitation in respect of incentives for early payment and premiums and charges for late subscription and late payment as set forth under "TERMS OF OFFER" therein.

The Certificates will carry the terms set forth under "DESCRIPTION OF CAPITAL TERM CERTIFICATES" in the Invitation and shall be in such form as the Issuer shall from time to time determine. Applicant hereby represents to the Issuer that Applicant is taking the Certificates to which it subscribes hereby for its own account, for investment and not with a view to the sale or other disposition thereof, and that Applicant acknowledges the limitations on transferability of the Certificates and agrees to be bound thereby.

This subscription agreement shall be construed in accordance with, and be governed by, the laws of the District of Columbia. This subscription agreement shall not be assigned by either party hereto without the consent of the other party hereto, except that without such consent the Issuer may assign this subscription agreement to any other party a primary purpose of which is consistent with the purposes of the Issuer, in connection with a sale of all or substantially all of the business and assets of the Issuer or in connection with a merger or consolidation involving the Issuer. This subscription agreement shall, when accepted by the Issuer, constitute the entire contract between the Applicant and the Issuer with respect to the purchase and sale of Certificates covered hereby, except that notwithstanding the foregoing, the Applicant acknowledges that, as a condition to borrowings from the Issuer, the Applicant may be required from time to time to subscribe to additional Certificates.

IN WITNESS WHEREOF, the Applicant has caused this subscription agreement to be signed in its corporate name, by its duly authorized officer and its corporate seal to be affixed and attested by its Secretary, this 18 day of August, 1970.

East Kentucky Rural Electric Cooperative Corp.
(Name of Applicant)

(Corporate Seal)

Attest:

James S. Patterson
Secretary

By

Alex B. Decker
Title: President

Accepted and agreed to this 1st day
of October, 1970

NATIONAL RURAL UTILITIES
COOPERATIVE
FINANCE CORPORATION

By

J. Smith
Title: Governor

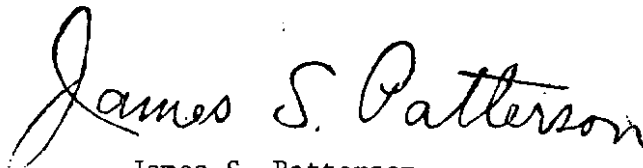
FROM THE MINUTE BOOK
OF PROCEEDINGS OF THE
BOARD OF DIRECTORS
OF THE EAST KENTUCKY RURAL
ELECTRIC COOPERATIVE CORPORATION

At a regular meeting of the Board of Directors of the East Kentucky Rural Electric Cooperative Corporation held at the East Kentucky Office Building, Winchester, Kentucky on Tuesday, August 18, 1970, at 10:00 a.m. (Eastern Daylight Time) the following business transacted:

A motion was made by Ted Adams, seconded by E. E. Curry and passed by the Directors to approve the investment of \$833,268 in CFC Certificates during the next 3 (three) years in accordance with the membership formula for power supply cooperatives.

The foregoing is a true and exact copy of said resolution passed at a meeting called pursuant to proper notice at which a quorum was present and which now appears in the Minute Book of Proceedings of the Board of Directors of the East Kentucky Rural Electric Cooperative Corporation.

Witness my hand and seal this 18th day of August, 1970.



James S. Patterson

Corporate Seal

AMENDMENT

to the

AGREEMENT TO SUBSCRIBE TO CAPITAL TERM CERTIFICATES

We refer to the Agreement to Subscribe to Capital Term Certificates (the "Agreement") between your system and CFC. In consideration of your agreement that the stated maturity of each of the Certificates (as defined in the Agreement) already issued to you be extended to October 1 in the year 50 years after the stated maturity dates set forth in each such Certificate, and that the Certificate to be issued to you on October 1, 1984 mature on October 1, 2080, we agree that the Certificates will bear interest at a rate of 3% per annum from their dates of issuance until September 30, 1985, 4% per annum for the period from October 1, 1985 to September 30, 1992 and 5% per annum thereafter until the principal thereof is paid or duly provided for, computed in the manner set forth in the Certificates. At your request, on surrender of your existing Certificates, we will issue replacement Certificates reflecting these changes.

The Agreement shall in all other aspects remain in full force and effect.

Please signify your consent to these changes by signing and returning to us the enclosed counterpart of this Amendment, whereupon this will become a binding agreement between us.

**NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE CORPORATION**

(Corporate Seal)

by Charles B. Gill
Governor

Attest:

[Signature]
Assistant Secretary

Accepted and agreed to this

7th day of August, 1984

(Corporate Seal)

East Kentucky Power Cooperative, Inc.

Name of CFC Member System

Attest:

by [Signature]
Board President or Chairman

[Signature]
Secretary

FROM THE MINUTE BOOK OF PROCEEDINGS
OF THE BOARD OF DIRECTORS OF
EAST KENTUCKY POWER COOPERATIVE, INC.

At a regular meeting of the Board of Directors of the East Kentucky Power Cooperative, Inc. held at the East Kentucky Office Building, Winchester, Kentucky on Tuesday, August 7, 1984 at 9:30 a.m., E.S.T., the following business was transacted:

Upon recommendation of the staff and Operations Committee and after review of the information included in the Board Books, a motion was made by Delno Tolliver, seconded by Fred Brown, and passed unanimously to approve the CFC Equity Stabilization Plan and Amendment to the Agreement to subscribe to Capital Term Certificates as follows:

WHEREAS: EKP has previously entered into an Agreement to subscribe to Capital Term Certificates (the "Agreement") with National Rural Utilities Cooperative Finance Corporation ("CFC");

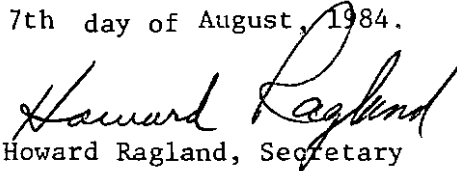
WHEREAS: EKP desires to amend said Agreement in the manner and to the extent set forth in the Amendment to the Agreement (the "Amendment") with CFC, a copy of which has been made available to the Board of Directors;

NOW, THEREFORE, BE IT RESOLVED: That EKP agrees to the Amendment and it is;

FURTHER RESOLVED: That the Amendment presented to the Directors is hereby approved and authorized and the President and General Manager is hereby authorized to execute and deliver said Amendment.

The foregoing is a true and exact copy of a resolution passed at a meeting called pursuant to proper notice at which a quorum was present and which now appears on the Minute Book of Proceedings of the Board of Directors of the Cooperative and said resolution has not been rescinded or modified.

Witness my hand and seal this 7th day of August, 1984.


Howard Ragland, Secretary



NATIONAL RURAL UTILITIES ^{AG-Nucor Request 36}
COOPERATIVE FINANCE CORPORATION ^{Page 10 of 66}

1115 30th STREET, N.W., WASHINGTON, D.C. 20007 • (202) 337-6700

February 17, 1984

(Letter was mailed to the manager of all CFC member systems as of 2/17/84 who had Subscription CTCs. The letters were sent by Certified mail.)

In previous communications, we mentioned that you would be receiving a formal request from CFC to amend the Agreement to Subscribe to Capital Term Certificates. This amendment would be your agreement to extend for an additional fifty years the maturity of Subscription Capital Term Certificates (Subscription CTCs) issued to your system. For those systems agreeing to this extension amendment, the CFC Board has authorized an increase in the interest return. The Certificates you now hold carry an annual interest return of 3%. If your system agrees to extend the maturity of these Subscription CTCs, the interest return will be increased to 4% beginning October 1, 1985 and then to 5% beginning October 1, 1992.

This letter constitutes CFC's formal request to your system to extend the maturity of the Subscription CTCs which you now hold.

Enclosed with this letter are the documents to be executed for your system's extension of the maturity date of your Subscription CTCs.

The documents and instructions for their completion are as follows:

A. One copy of "Certificate of Resolutions"

After consideration and adoption of the Resolutions by the Board, your system's Secretary should sign the Certificate and affix the corporate seal of your system.

B. Two copies of a document entitled "Amendment to the Agreement to Subscribe to Capital Term Certificates"

Both copies of the Amendment have been executed by CFC.

If your system approves the Amendment, your system's President or Chairman should sign both copies and have each attested by your Secretary. Please enter the date of the approval and the name of your system in the appropriate spaces.

CFC Member System Manager
February 17, 1984
Page two

Please retain one copy of the executed Amendment and attach this copy to your original Subscription CTCs. The second copy should be returned to CFC.

You may use the language contained in the Certificate of Resolutions for your official Board minutes.


The Certificate of Resolutions should be returned to CFC with the executed copy of the Amendment.

A specimen copy of the Agreement to Subscribe to Capital Term Certificates of National Rural Utilities Cooperative Finance Corporation is enclosed for your information only. It is a sample of the Agreement your system originally executed establishing a contract between your system and CFC.

We would like you to consider this matter as soon as you feel you and your Board have adequate information on which to make a decision. In order for your system to receive the full benefit of the increased interest rates of your Subscription CTCs, it will be necessary for your system to act on the extension Amendment prior to October 1984.

Please feel free to contact Loan Officer Gary Gordy, Information and Member Relations Officer Clyde Denton or your CFC Area Representative with any questions you may have regarding the Equity Stabilization Plan or your part in its implementation.

Sincerely,



Charles B. Gill
Governor

CBG/ajr

Enclosures

SEPTEMBER BOARD AGENDA ITEM

TO: Operation Committee and Board of Directors

FROM: Donald R. Norris

SUBJECT: Low-Interest Marketing Loan Program Rate Change
(Executive Summary)

DATE: September 3, 1993

Recommendation

Management recommends that the interest rate established for the Low-Interest Marketing Loan Program be reset annually at a rate equal to the Federal Financing Bank ("FFB") five-year loan rate, as of the last business day of November of the previous year and be effective commencing 1994.

Background

In February 1990, the East Kentucky Power Cooperative, Inc. ("EKPC") Board of Directors established a Low-Interest Marketing Loan Program. The purpose of this program is to assist member systems in encouraging their members to purchase and install residential end-use techniques that have been endorsed and approved by EKPC and are being promoted under the system's marketing program.

Under this program, EKPC makes funds available to the member systems for loans to their consumers. The loan amortization period is five years and the interest rate is set at EKPC's annual budgeted earnings rate. Because the annual budgeted earnings rate is a short-term interest rate and short-term rates have fluctuated significantly over the past several years, this rate is no longer felt to be appropriate for five-year loans.

The FFB five-year loan rate is more appropriate for the loan period allowed under this program. The FFB five-year rate currently is about 5.2% compared to 5% used as the low-interest loan rate for 1993.

DRN:wm

RESOLUTION

Low-Interest Marketing Loan Program Rate Change

Whereas, The East Kentucky Power Cooperative, Inc. ("EKPC") Board of Directors has established a Low-Interest Marketing Loan Program;

Whereas, The interest rate for five-year loans to the member systems under this program is currently set at EKPC's annual budgeted earnings rate; and

Whereas, This rate is no longer appropriate for five-year loans; now, therefore, be it

Resolved, That the interest rate established for the Low-Interest Marketing Loan Program be reset annually at a rate equal to the Federal Financing Bank five-year loan rate, as of the last business day of November of the previous year and that said rate be rounded to the nearest tenth of a percent and be effective commencing 1994.

RESIDENTIAL MARKETING LOAN PROGRAM
REQUEST FOR FUNDS






Member System Name Inter-County Energy
Date Submitted 1-20-2015
Amount Requested \$ 23,686.13

Funds are requested to reimburse member system for loans made during period
beginning January 1, 2014 and ending December 31, 2014
(date) (date)

Funds are requested in advance to cover estimated loans for the period
beginning _____ and ending _____
(date) (date)

Loan Activity During Last Quarter

New Loans made:

<u>Identification No.</u>	<u>Amount of Loan</u>	<u>Term</u>	<u>Program</u>
	<u>\$ 2500.00</u>	<u>4yrs.</u>	<u>HP</u>
	<u>\$ 4400.00</u>	<u>6yrs.</u>	<u>HP</u>
	<u>\$ 8400.00</u>	<u>6yrs.</u>	<u>Geo</u>
	<u>\$ 3181.10</u>	<u>4yrs.</u>	<u>HP</u>
	<u>\$ 5305.13</u>	<u>6yrs</u>	<u>HP</u>
_____	_____	_____	_____
_____	_____	_____	_____

Principal and interest collected on all loans:

\$ _____ principal \$ _____ interest

This request is made in compliance with the guidelines of the EKPC residential marketing loan program. Inter-County Energy agrees to make
(cooperative name)

monthly payments of principal and interest to EKPC to fully repay all funds disbursed to Inter-County Energy under the residential marketing loan program.
(cooperative name)

Interest will be charged at the rate of 1.5 % per annum and will be fixed for a period of two years, with two-year renewals, not to exceed an aggregate of six (6) years.

Monthly principal and interest payments for any disbursement to the named cooperative by EKPC will be based on a six (6) year amortization schedule commencing on the date of such disbursement. There is no prepayment penalty.

Signed Dan Hitchcock

Date 1/21/15

*Rate in effect commencing January 1, 2011

RESIDENTIAL MARKETING LOAN PROGRAM
REQUEST FOR FUNDS

Member System Name Inter County Energy
Date Submitted 1-6-2016
Amount Requested \$ 18,900.00

Funds are requested to reimburse member system for loans made during period beginning January 1, 2015 and ending December 31, 2015
(date) (date)

Funds are requested in advance to cover estimated loans for the period beginning _____ and ending _____
(date) (date)

Loan Activity During Last Quarter

New Loans made:

<u>Identification No.</u>	<u>Amount of Loan</u>	<u>Term</u>	<u>Program</u>
[REDACTED]	<u>\$5900.00</u>	<u>3yrs.</u>	<u>HP</u>
[REDACTED]	<u>\$ 5800.00</u>	<u>3yrs.</u>	<u>HP</u>
[REDACTED]	<u>\$ 3500.00</u>	<u>5yrs.</u>	<u>HP</u>
[REDACTED]	<u>\$ 3700.00</u>	<u>5yrs.</u>	<u>HP</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Principal and interest collected on all loans:

\$ _____ principal \$ _____ interest

18,900.00

This request is made in compliance with the guidelines of the EKPC residential marketing loan program. Inter-County Energy (cooperative name) agrees to make

monthly payments of principal and interest to EKPC to fully repay all funds disbursed to Inter-County Energy (cooperative name) under the residential marketing loan program.

Interest will be charged at the rate of ^{1.7}~~1.5~~ % per annum and will be fixed for a period of two years, with two-year renewals, not to exceed an aggregate of six (6) years.

Monthly principal and interest payments for any disbursement to the named cooperative by EKPC will be based on a six (6) year amortization schedule commencing on the date of such disbursement. There is no prepayment penalty.

Signed Don Hitchcock

Date 1/13/16

*Rate in effect commencing January 1, 2011

**RESIDENTIAL MARKETING LOAN PROGRAM
REQUEST FOR FUNDS**

#27

Member System Name Inter-County Energy
Date Submitted 3-27-2017
Amount Requested \$ 90,308.99

Funds are requested to reimburse member system for loans made during period
beginning Jan 1, 2016 and ending Dec 31, 2016.
(date) (date)

Funds are requested in advance to cover estimated loans for the period
beginning _____ and ending _____.
(date) (date)

Loan Activity During Last Quarter

New Loans made:

<u>Identification No.</u>	<u>Amount of Loan</u>	<u>Term</u>	<u>Program</u>
<u>ATTACHED</u>	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Principal and interest collected on all loans:

\$ _____ principal \$ _____ interest

This request is made in compliance with the guidelines of the EKPC residential marketing loan program. Intee-County Energy agrees to make
(cooperative name)

monthly payments of principal and interest to EKPC to fully repay all funds disbursed to Intee-County Energy under the residential marketing loan program.
(cooperative name)

Interest will be charged at the rate of 1.8 % per annum and will be fixed for a period of two years. Monthly principal and interest payments for any disbursement to the named cooperative by EKPC will be based on a six (6) year amortization schedule commencing on the date of such disbursement. There is no prepayment penalty.

Signed Dan Hitchcock

Date 3-27-17

**RESIDENTIAL MARKETING LOAN PROGRAM
 REQUEST FOR FUNDS**

Member System Name Inter-County Energy
 Date Submitted 1/15/2019
 Amount Requested \$ 101,032.00

Funds are requested to reimburse member system for loans made during period
 beginning JAN 1 2018 and ending Dec 31 2018
(date) (date)

Funds are requested in advance to cover estimated loans for the period
 beginning _____ and ending _____
(date) (date)

Loan Activity During Last Quarter

New Loans made:

<u>Identification No.</u>	<u>Amount of Loan</u>	<u>Term</u>	<u>Program</u>
<u>Attached</u>			

Principal and interest collected on all loans:

\$ _____ principal \$ _____ interest

This request is made in compliance with the guidelines of the EKPC residential marketing loan program. Inter-County Energy
(cooperative name) agrees to make

monthly payments of principal and interest to EKPC to fully repay all funds disbursed to Inter-County Energy
(cooperative name) under the residential marketing loan program.

Interest will be charged at the rate of 2.8 % per annum and will be fixed for a period of two years, with two-year renewals, not to exceed an aggregate of six (6) years.

Monthly principal and interest payments for any disbursement to the named cooperative by EKPC will be based on a six (6) year amortization schedule commencing on the date of such disbursement. There is no prepayment penalty.

Signed Don H. Fink

Date 1/17/19

*Rate in effect commencing January 1, 2011

**RESIDENTIAL MARKETING LOAN PROGRAM
REQUEST FOR FUNDS**

Member System Name Inter-County Energy
Date Submitted 1/17/19
Amount Requested \$ 70,152.00

- Funds are requested to reimburse member system for loans made during period beginning JAN 1 2017 and ending December 31 2017.
(date) (date)
- Funds are requested in advance to cover estimated loans for the period beginning _____ and ending _____.
(date) (date)

Loan Activity During Last Quarter

New Loans made:

<u>Identification No.</u>	<u>Amount of Loan</u>	<u>Term</u>	<u>Program</u>
_____	_____	_____	_____
_____	_____	_____	_____
<u>Attached</u>	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Principal and interest collected on all loans:

\$ _____ principal \$ _____ interest

This request is made in compliance with the guidelines of the EKPC residential marketing loan program. Inter-County Energy agrees to make
(cooperative name)

monthly payments of principal and interest to EKPC to fully repay all funds disbursed to Inter-County Energy under the residential marketing loan program.
(cooperative name)

Interest will be charged at the rate of _____ % per annum and will be fixed for a period of two years, with two-year renewals, not to exceed an aggregate of six (6) years.

Monthly principal and interest payments for any disbursement to the named cooperative by EKPC will be based on a six (6) year amortization schedule commencing on the date of such disbursement. There is no prepayment penalty.

Signed Dan Hitchcock

Date 1/12/19

*Rate in effect commencing January 1, 2011

COMMERCIAL NOTE

\$496,817

June 30, 2015
Winchester, Kentucky

FOR VALUE RECEIVED, FARMERS ENERGY SERVICES CORPORATION, a Kentucky Corporation whose address is 504 South Broadway, Glasgow, Kentucky 42141 (individually or collectively, "Borrower"), promise(s) to pay to the order of **EAST KENTUCKY POWER COOPERATIVE, INC.** whose address is 4775 Lexington Road, P.O. Box 797, Winchester, Kentucky 40392 ("Lender") the principal sum of Four Hundred Ninety-Six Thousand Eight Hundred Seventeen Dollars (\$496,817), together with interest thereon, on or before the "Maturity Date" as that term is defined below. Principal of this Commercial Note (the "Note") and all accrued interest thereon shall be due and payable as follows:

1. **Interest Rate.** This Note shall bear interest from the date hereof until the outstanding principal balance of this Note, all accrued but unpaid interest thereon and all other charges, fees or expenses hereunder have been repaid to Lender in full as follows:

Variable Rate. This Note shall bear interest at an annual rate equal to the "Index Rate" minus one half of one percent (0.50%). "Index Rate" shall mean "Prime Rate" as published in the "Money Rates" section of The Wall Street Journal. The Index Rate shall be adjusted annually on each anniversary of this Note (the "Index Rate Change Date"). The Index Rate as of the date hereof is 3.25 %.

All interest calculations under this Note will be made based on a year of 365 days for the actual number of days in each interest period.

2. **Payments.** The principal of, and all interest on, this Note shall be due and payable as follows:

Principal and Interest (variable rate). Borrower shall make payments of principal and interest on this Note, in an amount sufficient to amortize fully the principal amount of this Note by August 30, 2025. Beginning on September 1, 2015, and continuing on the first (1st) day of each and every month thereafter, each of the payments shall be in the amount of \$ _____, until the first Index Rate Change Date. On each Index Rate Change Date, the principal and interest payments due on the first (1st) day of each month hereunder shall be recalculated based on the interest rate change, if any, so that the payments of principal and interest are sufficient to amortize fully the unpaid principal amount of this Note by August 30, 2025. Notwithstanding anything contained herein to the contrary, the outstanding principal of this Note and all accrued but unpaid interest thereon shall be due and payable in full on the Maturity Date;

3. **Maturity Date.** The outstanding principal of this Note, all accrued but unpaid interest thereon and all other charges, fees or expenses hereunder shall be due and payable in full on or before August 30, 2025 (the "Maturity Date").
4. **Books and Records.** Lender shall record on the books and records of Lender maintained for this Note each payment of principal of this Note made by Borrower. The initial principal balance of this Note, less the principal paid by Borrower and shown on such books and records, shall be the outstanding principal of this Note. The books and records of Lender shall, at any time, be prima facie evidence of the outstanding principal of this Note.
5. **Late Charge and Default Rate of Interest.** If Lender does not receive any payment due under this Note within ten (10) days of the date it is due, then Lender may charge a late charge of five percent (5.00%) of the amount of the overdue payment (the "Late Charge"). Upon maturity, whether by acceleration or otherwise, or upon the occurrence of an Event of Default hereunder, in addition to any and all other remedies to which Lender may be entitled, the applicable rate of interest on this Note shall be increased to five percent (5.00%) per annum in excess of the rate set forth in Section 1, above (the "Default Rate"), but not more than the highest rate permitted by law.
6. **Security.** To secure repayment of this Note, any extensions or renewals thereof and all other existing and future indebtedness of Borrower to Lender (whether direct, indirect, absolute or contingent), Borrower shall grant, and does hereby grant, to Lender a security interest in the following described property: First and prior security interest in all the membership interests of Farmers Energy Propane Plus LLC acquired by Borrower from Lender pursuant to that certain Assignment dated June 30, 2015, as well as any and all other property which is now or hereafter listed in any separate security agreement, pledge agreement, guaranty or mortgage as directly or indirectly securing this Note, and also all money and other property held by Lender on deposit in safekeeping or otherwise for the account of or to the credit of Borrower, or in which Borrower has an interest; provided that Lender will have the right to call for additional security as necessary. All of the documents or instruments that provide a lien or security interest in the collateral described above (the "Collateral"), as well as any and all other documents or instruments now or hereafter executed in connection with this Note and the loan evidenced hereby are referred to herein collectively as the "Security Documents." All of the terms and conditions of the Security Documents are incorporated herein and made a part of this Note as if fully set forth at length herein. Any holder of this Note shall be entitled to the rights, privileges, benefits and remedies provided in the Security Documents and in the real and personal property secured thereby. Borrower represents and warrants to Lender that the Security Documents have been validly executed and delivered to Lender and that the Security Documents are legally valid, binding and enforceable against Borrower (or any other party which has executed any of the Security Documents) in accordance with their respective terms.
7. **Covenants.** Upon request, Borrower will provide financial information in form and substance acceptable to Lender.

8. **Events of Default and Remedies.** The occurrence of any of the following shall be an "Event of Default" hereunder: (a) failure of any Borrower to make any payment when due under this Note or under any other note or obligation of Borrower to Lender; (b) an Event of Default under the Security Documents, or any default under any of the following that does not have a defined set of "Events of Default" and the lapse of any notice or cure period provided therein: any other agreement, document or instrument between Borrower and Lender; (c) if any Borrower or endorsers or Guarantors of this Note shall (i) make an assignment for the benefit of creditors, (ii) have a petition initiating any proceeding under the Bankruptcy Code filed by or against one or more of them, (iii) have a receiver, trustee, or custodian appointed for all or any material part of their respective assets, or (iv) seek to make an adjustment, settlement or extension of their respective debts with his, her or its (as the case may be) creditors generally; (d) a default with respect to any other indebtedness of any Borrower or any Guarantor for borrowed money; (e) a proceeding being filed by or commenced against any Borrower or any Guarantor of this Note for dissolution or liquidation, or any Borrower or any Guarantor of this Note voluntarily or involuntarily terminating or dissolving or being terminated or dissolved; (f) in the event a judgment or writ or order of attachment or garnishment is made and issued against any Borrower or any Borrower's property; (g) in the event that this Note or any guaranty executed by any Guarantor is secured, the failure of Borrower or any Guarantor to provide Lender with additional collateral if in the opinion of Lender at any time or times, the market value of any of the collateral securing this Note or any guaranty has depreciated; (h) the revocation or attempted revocation, in whole or in part, of any guaranty by any Guarantor; (i) any representation or warranty made by any Borrower or Guarantor to Lender in any document, including but not limited to the Security Documents, or any other documents now or in the future securing the obligations of any Borrower or any Guarantor to Lender, is false or erroneous in any material respect; (j) the failure of any Borrower or any Guarantor to observe or perform any covenant or other agreement with Lender contained in any document executed in connection with this Note or any of the Security Documents; (k) in the event Lender in good faith deems itself insecure with respect to payment of this Note, or in good faith believes the prospect of payment is impaired, or Lender determines in the exercise of its sole judgment that Lender's perfection in any of the Collateral is impaired; (l) the failure of any Borrower or any Guarantor to observe or perform any covenant or other agreement with Lender contained in any document, including but not limited to the Security Documents or any documents now or in the future securing the obligations of any Borrower or any Guarantor to Lender; or (m) any Change of Control shall occur. As used herein, the term "Guarantor" will mean any guarantor of the obligations of Borrower to Lender whether existing on the date of this Note or arising in the future, or any person who pledges particular Collateral for the security of this Note whether or not the debt itself is guaranteed, existing on the date of this Note or arising in the future. As used herein, the term "Change of Control" will mean any of the following: (i) Farmers Rural Electric Cooperative Corporation ceases to own and control, of record and beneficially, 100% of all classes of outstanding stock in Borrower; (ii) Borrower ceases to own and control, of record and beneficially, 100% of all membership interests in Farmers Energy Propane Plus LLC; (iii) Borrower, Farmers Rural Electric Cooperative Corporation or Farmers Energy Propane Plus LLC merges or consolidates with or into any other entity or

leases, sells or otherwise disposes of all, or substantially all, of its respective property, assets and business; or (iv) there is a change in the ownership or management of Borrower or Farmers Rural Electric Cooperative Corporation. Upon the occurrence of an Event of Default: (i) the outstanding principal balance hereunder together with any additional amounts secured by the Security Documents, at the option of the holder and without demand or notice of any kind (which are hereby expressly waived), may be accelerated and become immediately due and payable, (ii) this Note, together with all arrearages of interest will from the date of the occurrence of the Event of Default bear interest at the Default Rate, (iii) Borrower will pay to Lender all reasonable attorneys' fees, court costs and expenses incurred by Lender in connection with Lender's efforts to collect the indebtedness evidenced by the Note, and (iv) Lender may exercise from time to time any of the rights and remedies available to the holder under the Security Documents or under applicable law.

9. **Prepayment.** All or any part of the outstanding principal of this Note may be prepaid at any time without prepayment penalty or premium.
10. **Cumulative Remedies.** All rights and remedies of the holder of this Note shall be cumulative to the fullest extent allowed by law. Time shall be of the essence for paying interest on the principal of this Note.
11. **Waiver.** All parties to this Note, whether as borrower, endorsers, sureties, guarantors or otherwise connected herein, waive presentment, demand, notice of dishonor, protest, notice of protest, notice of nonpayment or non-acceptance, any other notice and all due diligence or promptness that may otherwise be required by law, all suretyship defenses, and all exemptions to which they may now or hereafter be entitled under the laws of the Commonwealth of Kentucky, the United States of America, or any state thereof. No delay or failure on the part of Lender to exercise any right, remedy or power hereunder, under this Note or any of the Security Documents or under applicable law will impair or waive any such right, remedy or power (or any other right, remedy or power), be considered a waiver of or an acquiescence in any breach, default or Event of Default or affect any other or subsequent breach, default or Event of Default of the same or a different nature. No waiver of any breach, default or Event of Default, nor any modification, waiver, discharge or termination of any provision of this Note, nor consent to any departure by Borrower therefrom, will be established by conduct, custom or course of dealing; and no modification, waiver, discharge, termination nor consent will in any event be effective unless the same is in writing, signed by Lender and specifically refers to this Note, and then such modification, waiver, discharge or termination or consent will be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on Borrower in any case will entitle Borrower to any other or further notice or demand in the same or any similar or other circumstance.
12. **Expenses Incurred by Lender.** If Lender expends sums in defending or otherwise protecting its collateral under this Note or any of the Security Documents prior to an Event of Default, or if any Event of Default occurs under this Note, and this Note is placed in the hands of an attorney for collection, or is collected through any court, including, without limitation, bankruptcy court, then Borrower promises to pay the holder

of this Note the reasonable attorneys' fees and legal costs incurred in collecting or attempting to collect or securing or attempting to secure this Note or enforcing the rights of such holder with respect to any collateral securing this Note, including, without limitation, appraisal fees, costs of environmental audits, site assessments and/or remediation, to the fullest extent allowed by the laws of the Commonwealth of Kentucky or any state in which any collateral for this Note is situated.

13. **Rights of Lender.** Lender may, with or without notice to any party and without affecting the obligations of any Borrower, surety, Guarantor, endorser, accommodation party or any other party to this Note, (a) renew, extend or otherwise postpone the time for payment of either principal of this Note or interest thereon from time to time, (b) release or discharge any one or more parties liable on this Note, (c) suspend the right to enforce this Note with respect to any person(s), including any present or future Guarantor of this Note, (d) change, exchange or release any property in which Lender possesses any interest securing this Note, (e) justifiably or otherwise, impair any collateral securing this Note or suspend the right to enforce against any such collateral, and (f) at any time it deems it necessary or proper, call for and should it be made available, accept, as additional security, the signature(s) of an additional party or a security interest in property of any kind or description or both.
14. **Complete Agreement.** This Note and the Security Documents are the entire and complete agreement of the parties hereto and supersede all previous understandings and agreements relating to the subject matter hereof. This Note and the Security Documents may be amended only by an instrument in writing that explicitly states that it amends this Note or such Security Documents and is signed by Borrower and acknowledged by Lender.
15. **Severability.** The provisions of this Note are intended to be severable. If any provision of this Note shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.
16. **Joint and Several Liability.** In the event more than one individual or entity executes this Note on behalf of Borrower, then the terms and conditions of this Note and the obligations hereunder shall be binding upon each signatory jointly and severally.
17. **Late Charge and Default Rate.**
 - 1.1 The Late Charge and the Default Rate, if any, are imposed as liquidated damages for the purpose of defraying Lender's expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, Lender's exercise of any rights and remedies hereunder, under the other Security Documents or under applicable law, and any fees and expenses of any agents or any reasonable fees and expenses of any attorneys which Lender may employ. In addition, the Default Rate reflects the increased credit risk to Lender of carrying a loan that is in default. Borrower agrees that the Late Charge and Default Rate are reasonable

forecasts of just compensation for anticipated and actual harm incurred by Lender, and that the actual harm incurred by Lender cannot be estimated with certainty and without difficulty.

- 1.2 Nothing contained in this Note regarding late charges or the Default Rate will be construed in any way to extend the due date of any payment or waive any payment default, and each such right is in addition to, and not in lieu of, the other and any other rights and remedies of Lender hereunder, under any of the Security Documents or under applicable law (including, without limitation, the right to interest, reasonable attorneys' fees and other expenses).
18. **Usury.** Without limiting the generality of the foregoing, if from any circumstances whatsoever the fulfillment of any provision of this Note involves transcending the limit of validity prescribed by any applicable usury statute or any other applicable law with regard to obligations of like character and amount, then the obligation to be fulfilled will be reduced to the limit of such validity as provided in such statute or law, so that in no event will any exaction of interest be possible under this Note in excess of the limit of such validity and the right to demand any such excess is hereby expressly waived by Lender. As used in this Section, "applicable usury statute" and "applicable law" mean such statute and law in effect on the date hereof, subject to any change therein that result in a higher permissible rate of interest.
19. **Singular and Plural Terms.** Wherever used herein, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.
20. **Binding Effect.** This Note will bind Borrower and the heirs, executors, administrators, successors and assigns of Borrower, and the benefits hereof will inure to the benefit of Lender and its successors and assigns. All references herein to the "Borrower" and "Lender" will include the respective heirs, administrators, successors and assigns thereof; provided, however, that Borrower may not assign, delegate, or transfer its obligations under this Note in whole or in part without the prior written consent of Lender and Lender at any time may assign this Note in whole or in part (but no assignment by Lender of less than all of this Note will operate to relieve Borrower from any duty to Lender with respect to the unassigned portion of this Note).
21. **Repayment by Lender.** If at any time all or any part of any payment or transfer of any kind received by Lender with respect to all or any part of this Note is repaid, set aside or invalidated by reason of any judgment, decree or order of any court or administrative body, or by reason of any agreement, settlement or compromise of any claim made at any time with respect to the repayment, recovery, setting aside or invalidation of all or any part of such payment or transfer, Borrower's obligations under this Note will continue (and/or be reinstated) and Borrower will be and remain liable, and will indemnify, defend and hold harmless Lender for, the amount or amounts so repaid, recovered, set aside or invalidated and all other claims, demands, liabilities, judgments, losses, damages, costs and expenses incurred in connection therewith. The provisions of this Section will be and remain effective notwithstanding any contrary action which may have been taken by Borrower in reliance upon such payment or transfer, and any such contrary action so

taken will be without prejudice to Lender's rights hereunder and will be deemed to have been conditioned upon such payment or transfer having become final and irrevocable. The provisions of this Section will survive any termination, cancellation or discharge of this Note.

22. **Notices.** All notices, demands, requests, consents or approvals and other communications required or permitted hereunder will be in writing, and, to the extent required by applicable law, will comply with the requirements of the Uniform Commercial Code then in effect, and will be addressed to such party at the address set forth below or to such other address as any party may give to the other in writing for such purpose:

To Lender: East Kentucky Power Cooperative, Inc.
4775 Lexington Road
P.O. Box 707
Winchester, KY 40392-0707

Attn: CFD

To Borrower: Farmers Energy Services Corporation
504 South Broadway
Glasgow, KY 42141

Attn: CEO

All such communications, if personally delivered, will be conclusively deemed to have been received by a party hereto and to be effective when so delivered; if given by mail, on the fourth business day after such communication is deposited in the mail with first-class postage prepaid, return receipt requested; or if sent by overnight courier service, on the day after deposit thereof with such service; or if sent by certified or registered mail, on the third business day after the day on which deposited in the mail.

1. **Governing Law.** This Note has been delivered and accepted at and will be deemed to have been made at Winchester, Kentucky and will be interpreted and the rights and liabilities of the parties hereto determined in accordance with the laws of the Commonwealth of Kentucky, excluding its conflict of laws rules, and will include all matters arising out of or relating to this Agreement, including without limitation claims as to its validity, interpretation, construction, performance, and all claims sounding in tort.
2. **Jurisdiction.** *Borrower hereby irrevocably agrees and submits to the exclusive jurisdiction of any state or federal court located within Clark County, Kentucky; provided that nothing contained in this Agreement will prevent Lender from bringing any action, enforcing any award or judgment or exercising any rights against Borrower individually, against any security or against any property of Borrower within any other county, state, or other foreign or domestic jurisdiction. Lender and Borrower agree that the venue provided above is the most convenient forum for both Lender and Borrower. Borrower waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Agreement.*

3. ***Waiver of Jury Trial. THE PARTIES HERETO EACH WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS AGREEMENT, OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. BORROWER AND LENDER ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.***

4. ***Board Approval.*** Notwithstanding anything else herein contained, this Note shall not be effective unless and until the Note is ratified and approved by East Kentucky Power Cooperative, Inc.'s Board of Directors at the Board's August 2015 meeting.

Borrower acknowledges that Borrower has read and understood all the provisions of this Agreement, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

Remainder of Page Intentionally Left Blank

IN WITNESS WHEREOF, Borrower has executed this Note effective June 30, 2015.

BORROWER

FARMERS ENERGY SERVICES CORPORATION

By: William J. Prather

Print Name: WILLIAM T. PRATHER

Title: Chairman and CEO

Date: 8-27-2015

GUARANTY

In consideration of the foregoing Note in the amount of FOUR HUNDRED NINETY-SIX THOUSAND EIGHT HUNDRED SEVENTEEN DOLLARS (\$496,817) executed by **FARMERS ENERGY SERVICES CORPORATION** ("Borrower"), and to induce **EAST KENTUCKY POWER COOPERATIVE, INC.**, and its successors and assigns (collectively and individually, "Lender") to make, extend or continue the loan evidenced by this Note, the undersigned guarantor ("Guarantor") does hereby irrevocably, absolutely and unconditionally guarantee to Lender, its successors and assigns, the prompt and punctual payment of the principal of and all interest on this Note and any other sums, including interest due after default and late charges, due under this Note (together with all fees payable by Borrower in connection therewith, and all costs and expenses of collection, including reasonable attorneys fees) in full when due, whether by acceleration or otherwise (collectively the "Liabilities"), to Lender, irrespective of the genuineness, validity or enforceability of this Note, or the existence of any security for payment of this Note. Guarantor agrees that if all or any part of any payment previously applied by Lender to any of the Liabilities must be returned by Lender for any reason, whether by court order, administrative order, or settlement, the undersigned shall remain liable for the entire amount returned, as if such amount had never been received by Lender, notwithstanding any termination of this Guaranty or the cancellation of the Note or other agreement evidencing the Liabilities. Guarantor specifically waives all rights of contribution from other sureties, accommodation parties, or guarantors. Guarantor consents and agrees to be bound by all the terms and conditions of this Note (as the same may be modified, extended or renewed at any time and from time to time), which are incorporated herein and made a part hereof by reference, and consents to be bound by any and all modifications, renewals, or extensions of any of the provisions of this Note at any time.

The obligation and liability of Guarantor hereunder is primary and direct and may be enforced without regard to the existence of any other party primarily or secondarily liable for this Note, or the existence of any other collateral, security or guaranty. This is a guaranty of payment and not of collection. Lender may apply or set off any deposit or other indebtedness at any times credited by or due from Lender to Guarantor against any liability of Guarantor hereunder. Such deposit or other indebtedness may at all time be held and treated as collateral security for the payment of any liability of Guarantor under this Guaranty. Guarantor grants to Lender a general lien on and continuing security interest in all property of Guarantor now or at anytime hereafter in the possession of Lender, to secure the payment of any liability of Guarantor under this Guaranty, and Lender shall

have the rights and remedies of a secured party under the Uniform Commercial Code of the Commonwealth of Kentucky in respect to such property, including without limitation thereto, the right to sell or otherwise dispose of any or all of such property. No modifications, renewals or extensions of this Note, no releases or surrenders of any security for this Note or this Guaranty, no releases of any person, primarily or secondarily liable on this Note (including Borrower, or any endorser or guarantor), no delays in the enforcement of payment of this Note or this Guaranty, and no delays or omissions in exercising any right or power under this Note or this Guaranty, shall affect the liability of any Guarantor. Each Guarantor hereby (a) expressly waives presentment of this Note for payment, demand, notice of dishonor, protest, notice of protest, and nonpayment; (b) waives diligence in taking any steps whatsoever to collect any amounts due under this Note from or in bringing suit against Borrower, any Guarantor, or any other party primarily or secondarily liable for the obligations of Borrower under this Note; (c) waives all exemptions and all defenses to the payment of this Note to which Guarantor may now or hereafter be entitled under the laws of this or any other state or of the United States; (d) agrees that Lender shall have the right, without notice, to deal in any way and at any time with Borrower or any or all Guarantors or any other party who is or may become primarily or secondarily liable for this Note, and to grant Borrower any extensions of time for payment of this Note or the period or periods hereof; (e) consents to any other indulgence or forbearance whatsoever; (f) consents to the addition or release of any of Borrower or of any other party who is or may become primarily or secondarily liable for this Note; (g) consents to any substitution, exchange or release of any collateral referred to in the Security Documents or of any additional collateral; (h) waives any right of Guarantor that Borrower be joined in any suit brought against Guarantor on this Guaranty; (i) waives any and all other notice of any kind whatsoever with respect to this Note where notice might otherwise be required, including notice of the acceptance of this Guaranty and of the further extension of credit by Lender to Borrower, and Guarantor covenants and agrees that Guarantor shall remain bound hereunder notwithstanding the lack of any such notice, and (j) guarantees the payment of the Liabilities within the limits provided herein in the hands of any bona fide Lender. Each reference to Guarantor herein also includes any heirs, executors, administrators, legal representatives, successors and assigns of Guarantor.

GUARANTOR

FARMERS ENERGY PROPANE PLUS
LLC

By: William T. Prather
Name: WILLIAM T. PRATHER
Title: Chairman and CEO
Date: 8-27-2015

0000191.0612073 4850-4485-2774v4

PLEDGE AGREEMENT

This PLEDGE AGREEMENT, effective as of June 30, 2015 (as amended, supplemented or otherwise modified from time to time in accordance with the provisions hereof, this "Agreement"), made by and among FARMERS ENERGY SERVICES CORPORATION, a Kentucky corporation (the "Pledgor"), in favor of EAST KENTUCKY POWER COOPERATIVE, INC., (the "Secured Party").

WHEREAS, on the date hereof, the Secured Party has made a loan to the Pledgor in an aggregate unpaid principal amount not exceeding \$496,817 (the "Loan"), evidenced by that certain Commercial Note of even date herewith (as amended, supplemented or otherwise modified from time to time, the "Note") made by the Pledgor and payable to the order of the Secured Party. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Note;

WHEREAS, this Agreement is given by the Pledgor in favor of the Secured Party to secure the payment and performance of all of the Secured Obligations; and

WHEREAS, it is a condition to the obligations of the Lender to make the Loan under the Note that the Pledgor execute and deliver this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

I. Definitions.

(a) Unless otherwise specified herein, all references to Sections and Schedules herein are to Sections and Schedules of this Agreement.

(b) Unless otherwise defined herein, terms used herein that are defined in the UCC shall have the meanings assigned to them in the UCC. However, if a term is defined in Article 9 of the UCC differently than in another Article of the UCC, the term has the meaning specified in Article 9.

(c) For purposes of this Agreement, the following terms shall have the following meanings:

"Collateral" has the meaning set forth in Section 2.

"Event of Default" has the meaning set forth in the Note.

"Pledged Interests" means the membership interests described in Schedule 1 hereto and issued by the issuers named therein, and the certificates, instruments and agreements representing the Pledged Interests and includes any securities or other interests, howsoever evidenced or denominated, received by the Pledgor in exchange for or as a distribution on or otherwise received in respect of the Pledged Interests.

"Proceeds" means "proceeds" as such term is defined in Section 9-102 of the UCC and, in any event, shall include, without limitation, all dividends or other income from the Pledged Interests, collections thereon or distributions with respect thereto.

"Secured Obligations" has the meaning set forth in Section 3.

"UCC" means the Uniform Commercial Code as in effect from time to time in the Commonwealth of Kentucky or, when the laws of any other state govern the method or manner of the perfection or enforcement of any security interest in any of the Collateral, the Uniform Commercial Code as in effect from time to time in such state.

2. Pledge. The Pledgor hereby pledges, assigns and grants to the Secured Party, and hereby creates a continuing first priority lien and security interest in favor of the Secured Party in and to all of its right, title and interest in and to the following, wherever located, whether now existing or hereafter from time to time arising or acquired (collectively, the "Collateral"):

(a) the Pledged Interests; and

(b) all Proceeds and products of the foregoing, all books and records relating to the foregoing, all supporting obligations related thereto, and all accessions to, substitutions and replacements for, and profits and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to the Pledgor from time to time with respect to any of the foregoing.

3. Secured Obligations. The Collateral secures the due and prompt payment and performance of:

(a) the obligations of the Pledgor from time to time arising under the Note, this Agreement or otherwise with respect to the due and prompt payment of (i) the principal of and premium, if any, and interest due on the Loan (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise and (ii) all other monetary obligations, including fees, costs, attorneys' fees and disbursements, reimbursement obligations, contract causes of action, expenses and indemnities, whether primary, secondary, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Pledgor under or in respect of the Note and this Agreement; and

(b) all other covenants, duties, debts, obligations and liabilities of any kind of the Pledgor under or in respect of the Note, this Agreement or any other document made, delivered or given in connection with any of the foregoing, in each case whether evidenced by a note or other writing, whether allowed in any bankruptcy, insolvency, receivership or other similar proceeding, whether arising from an extension of credit, issuance of a letter of credit, acceptance, loan, guaranty, indemnification or otherwise, and whether primary, secondary, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, fixed or

otherwise (all such obligations, covenants, duties, debts, liabilities, sums and expenses set forth in Section 3 being herein collectively called the "Secured Obligations").

4. Perfection of Pledge.

(a) The Pledgor shall, from time to time, as may be required by the Secured Party with respect to all Collateral, immediately take all actions as may be requested by the Secured Party to perfect the security interest of the Secured Party in the Collateral, including, without limitation, with respect to all Collateral over which control may be obtained within the meaning of Section 8-106 of the UCC, the Pledgor shall immediately take all actions as may be requested from time to time by the Secured Party so that control of such Collateral is obtained and at all times held by the Secured Party. All of the foregoing shall be at the sole cost and expense of the Pledgor.

(b) The Pledgor hereby irrevocably authorizes the Secured Party at any time and from time to time to file in any relevant jurisdiction any financing statements and amendments thereto that contain the information required by Article 9 of the UCC of each applicable jurisdiction for the filing of any financing statement or amendment relating to the Collateral, without the signature of the Pledgor where permitted by law. The Pledgor agrees to provide all information required by the Secured Party pursuant to this Section promptly to the Secured Party upon request.

5. Representations and Warranties. The Pledgor represents and warrants as follows:

(a) The Pledged Interests have been validly issued, and are not subject to any options to purchase or similar rights. All information set forth in Schedule 1 relating to the Pledged Interests is accurate and complete.

(b) At the time the Collateral becomes subject to the lien and security interest created by this Agreement, the Pledgor will be the sole, direct, legal and beneficial owner thereof, free and clear of any lien, security interest, encumbrance, claim, option or right of others except for the security interest created by this Agreement.

(c) The pledge of the Collateral pursuant to this Agreement creates a valid and perfected first priority security interest in the Collateral, securing the payment and performance when due of the Secured Obligations.

(d) It has full power, authority and legal right to borrow the Loan and pledge the Collateral pursuant to this Agreement.

(e) Each of this Agreement and the Note have been duly authorized, executed and delivered by the Pledgor and constitutes a legal, valid and binding obligation of the Pledgor enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to equitable principles (regardless of whether enforcement is sought in equity or at law).

(f) No authorization, approval, or other action by, and no notice to or filing with, any governmental authority, regulatory body or any other entity is required for the borrowing of the

Loan and the pledge by the Pledgor of the Collateral pursuant to this Agreement or for the execution and delivery of the Note and this Agreement by the Pledgor or the performance by the Pledgor of its obligations thereunder.

(g) The execution and delivery of the Note and this Agreement by the Pledgor and the performance by the Pledgor of its obligations thereunder, will not violate any provision of any applicable law or regulation or any order, judgment, writ, award or decree of any court, arbitrator or governmental authority, domestic or foreign, applicable to the Pledgor or any of its property, or the organizational or governing documents of the Pledgor or any agreement or instrument to which the Pledgor is party or by which it or its property is bound.

(h) The Pledgor has taken all action required on its part for control (as defined in Section 8-106 of the UCC) to have been obtained by the Secured Party over all Collateral with respect to which such control may be obtained pursuant to the UCC. No person other than the Secured Party has control or possession of all or any part of the Collateral. Without limiting the foregoing, all certificates, agreements or instruments representing or evidencing the Pledged Interests in existence on the date hereof have been delivered to the Secured Party in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank.

6. Distributions and Voting Rights.

(a) The Secured Party agrees that unless an Event of Default shall have occurred and be continuing, the Pledgor may, to the extent the Pledgor has such right as a holder of the Pledged Interests, vote and give consents, ratifications and waivers with respect thereto, except to the extent that, in the Secured Party's reasonable judgment, any such vote, consent, ratification or waiver would detract from the value thereof as Collateral or which would be inconsistent with or result in any violation of any provision of the Note or this Agreement.

(b) The Secured Party agrees that the Pledgor may, unless an Event of Default shall have occurred and be continuing, receive and retain all cash distributions with respect to the Pledged Interests.

7. Further Assurances.

(a) The Pledgor shall, at its own cost and expense, defend title to the Collateral and the first priority lien and security interest of the Secured Party therein against the claim of any person claiming against or through the Pledgor and shall maintain and preserve such perfected first priority security interest for so long as this Agreement shall remain in effect.

(b) The Pledgor agrees that at any time and from time to time, at the expense of the Pledgor, the Pledgor will promptly execute and deliver all further instruments and documents, obtain such agreements from third parties, and take all further action, that may be necessary or desirable, or that the Secured Party may request, in order to create and/or maintain the validity, perfection or priority of and protect any security interest granted or purported to be granted hereby or to enable the Secured Party to exercise and enforce its rights and remedies hereunder or under any other agreement with respect to any Collateral.

(c) The Pledgor will not, without providing at least 30 days' prior written notice to the Secured Party, change its legal name, identity, type of organization, jurisdiction of organization, corporate structure, location of its chief executive office or its principal place of business or its organizational identification number. The Pledgor will, prior to any change described in the preceding sentence, take all actions requested by the Secured Party to maintain the perfection and priority of the Secured Party's security interest in the Collateral.

8. Transfers and Other Liens. The Pledgor agrees that it will not sell, offer to sell, dispose of, convey, assign or otherwise transfer, grant any option with respect to, restrict, or grant, create, permit or suffer to exist any mortgage, pledge, lien, security interest, option, right of first offer, encumbrance or other restriction or limitation of any nature whatsoever on, any of the Collateral or any interest therein except as expressly provided for herein or with the prior written consent of the Secured Party.

9. Secured Party Appointed Attorney-in-Fact. The Pledgor hereby appoints the Secured Party the Pledgor's attorney-in-fact, with full authority in the place and stead of the Pledgor and in the name of the Pledgor or otherwise, from time to time in the Secured Party's discretion to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to receive, endorse and collect all instruments made payable to the Pledgor representing any interest payment or distribution in respect of the Collateral or any part thereof and to give full discharge for the same (but the Secured Party shall not be obligated to and shall have no liability to the Pledgor or any third party for failure to do so or take action). Such appointment, being coupled with an interest, shall be irrevocable. The Pledgor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof.

10. Secured Party May Perform. If the Pledgor fails to perform any obligation contained in this Agreement, the Secured Party may itself perform, or cause performance of, such obligation, and the expenses of the Secured Party incurred in connection therewith shall be payable by the Pledgor; *provided that* the Secured Party shall not be required to perform or discharge any obligation of the Pledgor.

11. Reasonable Care. The Secured Party shall have no duty with respect to the care and preservation of the Collateral beyond the exercise of reasonable care. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property, it being understood that the Secured Party shall not have any responsibility for (a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral, whether or not the Secured Party has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Collateral. Nothing set forth in this Agreement, nor the exercise by the Secured Party of any of the rights and remedies hereunder, shall relieve the Pledgor from the performance of any obligation on the Pledgor's part to be performed or observed in respect of any of the Collateral.

12. Remedies Upon Default.

(a) If any Event of Default shall have occurred and be continuing, the Secured Party may, without any other notice to or demand upon the Pledgor, assert all rights and remedies of a secured party under the UCC or other applicable law, including, without limitation, the right to take possession of, hold, collect, sell, lease, deliver, grant options to purchase or otherwise retain, liquidate or dispose of all or any portion of the Collateral. If notice prior to disposition of the Collateral or any portion thereof is necessary under applicable law, written notice mailed to the Pledgor at its notice address as provided in **Section 15** hereof ten days prior to the date of such disposition shall constitute reasonable notice, but notice given in any other reasonable manner shall be sufficient. So long as the sale of the Collateral is made in a commercially reasonable manner, the Secured Party may sell such Collateral on such terms and to such purchaser(s) as the Secured Party in its absolute discretion may choose, without assuming any credit risk and without any obligation to advertise or give notice of any kind other than that necessary under applicable law. Without precluding any other methods of sale, the sale of the Collateral or any portion thereof shall have been made in a commercially reasonable manner if conducted in conformity with reasonable commercial practices of creditors disposing of similar property. At any sale of the Collateral, if permitted by applicable law, the Secured Party may be the purchaser, licensee, assignee or recipient of the Collateral or any part thereof and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold, assigned or licensed at such sale, to use and apply any of the Secured Obligations as a credit on account of the purchase price of the Collateral or any part thereof payable at such sale. To the extent permitted by applicable law, the Pledgor waives all claims, damages and demands it may acquire against the Secured Party arising out of the exercise by it of any rights hereunder. The Pledgor hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling the Collateral and any other security for the Secured Obligations or otherwise. At any such sale, unless prohibited by applicable law, the Secured Party or any custodian may bid for and purchase all or any part of the Collateral so sold free from any such right or equity of redemption. Neither the Secured Party nor any custodian shall be liable for failure to collect or realize upon any or all of the Collateral or for any delay in so doing, nor shall it be under any obligation to take any action whatsoever with regard thereto.

(b) If any Event of Default shall have occurred and be continuing, all rights of the Pledgor to (i) exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to **Section 6(a)** and (ii) receive the distributions which it would otherwise be entitled to receive and retain pursuant to **Section 6(b)**, shall immediately cease, and all such rights shall thereupon become vested in the Secured Party, which shall have the sole right to exercise such voting and other consensual rights and receive and hold such distributions as Collateral.

(c) If any Event of Default shall have occurred and be continuing, any cash held by the Secured Party as Collateral and all cash Proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied in whole or in part by the Secured Party to the payment of expenses incurred by the Secured Party in connection with the foregoing or incidental to the care or safekeeping of any of

the Collateral or in any way relating to the Collateral or the rights of the Secured Party hereunder, including reasonable attorneys' fees, and the balance of such proceeds shall be applied or set off against all or any part of the Secured Obligations in such order as the Secured Party shall elect. Any surplus of such cash or cash Proceeds held by the Secured Party and remaining after payment in full of all the Secured Obligations shall be paid over to the Pledgor or to whomsoever may be lawfully entitled to receive such surplus. The Pledgor shall remain liable for any deficiency if such cash and the cash Proceeds of any sale or other realization of the Collateral are insufficient to pay the Secured Obligations and the fees and other charges of any attorneys employed by the Secured Party to collect such deficiency.

(d) If the Secured Party shall determine to exercise its rights to sell all or any of the Collateral pursuant to this Section, the Pledgor agrees that, upon request of the Secured Party, the Pledgor will, at its own expense, do or cause to be done all such acts and things as may be necessary to make such sale of the Collateral or any part thereof valid and binding and in compliance with applicable law.

13. No Waiver and Cumulative Remedies. The Secured Party shall not by any act (except by a written instrument pursuant to **Section 14**), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

14. Amendments. None of the terms or provisions of this Agreement may be amended, modified, supplemented, terminated or waived, and no consent to any departure by the Pledgor therefrom shall be effective unless the same shall be in writing and signed by the Secured Party and the Pledgor, and then such amendment, modification, supplement, waiver or consent shall be effective only in the specific instance and for the specific purpose for which made or given.

15. Addresses For Notices. All notices and other communications provided for in this Agreement shall be in writing and shall be given in the manner and become effective as set forth in the Note, and addressed to the respective parties at their addresses as specified on the signature pages hereof or as to either party at such other address as shall be designated by such party in a written notice to each other party.

16. Continuing Security Interest; Further Actions. This Agreement shall create a continuing first priority lien and security interest in the Collateral and shall (a) subject to **Section 17**, remain in full force and effect until payment and performance in full of the Secured Obligations, (b) be binding upon the Pledgor, its successors and assigns, and (c) inure to the benefit of the Secured Party and its successors, transferees and assigns; *provided that* the Pledgor may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Secured Party.

17. Termination; Release. On the date on which all of the Loan and other Secured Obligations have been paid and performed in full, the Secured Party will, at the request and sole expense of the Pledgor, (a) duly assign, transfer and deliver to or at the direction of the Pledgor (without recourse and without any representation or warranty) such of the Collateral as may then remain in the possession of the Secured Party, together with any monies at the time held by the

Secured Party hereunder, and (b) execute and deliver to the Pledgor a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement.

18. Governing Law. This Agreement and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the laws of the Commonwealth of Kentucky. The other provisions of Sections 23, 24 and 25 of the Note are incorporated herein by reference as if a part hereof.

19. Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement and the Note constitute the entire contract among the parties with respect to the subject matter hereof and supersede all previous agreements and understandings, oral or written, with respect thereto.

20. Board Approval. Notwithstanding anything else herein contained, this Agreement shall not be effective unless and until the Note is ratified and approved by East Kentucky Power Cooperative, Inc.'s Board of Directors at the Board's August 2015 meeting.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

FARMERS ENERGY SERVICES CORPORATION, as Pledgor

By William T. Paather

Name: *WILLIAM T. PAATHER*
Title: *Chairman and CEO*

EAST KENTUCKY POWER COOPERATIVE, as Secured Party

By Michael A. McSalley

Name: *Michael A. McSalley*
Title: *EVP & CFO*

THE SCHEDULE
PLEDGED INTERESTS

All of the membership interests owned by Pledgor in Farmers Energy Propane Plus LLC,
together with all interests therein now or hereafter acquired or owned by Pledgor

COMMERCIAL NOTE

\$500,351

June 30, 2015
Winchester, Kentucky

FOR VALUE RECEIVED, CLARK ENERGY SERVICES CORPORATION, a Kentucky Corporation whose address is P.O. Box 748, Winchester, Kentucky 40392-0748 (individually or collectively, "Borrower"), promise(s) to pay to the order of **EAST KENTUCKY POWER COOPERATIVE, INC.** whose address is 4775 Lexington Road, P.O. Box 797, Winchester, Kentucky 40392 ("Lender") the principal sum of Five Hundred Thousand Three Hundred Fifty-One Dollars (\$500,351), together with interest thereon, on or before the "Maturity Date" as that term is defined below. Principal of this Commercial Note (the "Note") and all accrued interest thereon shall be due and payable as follows:

1. **Interest Rate.** This Note shall bear interest from the date hereof until the outstanding principal balance of this Note, all accrued but unpaid interest thereon and all other charges, fees or expenses hereunder have been repaid to Lender in full as follows:

Variable Rate. This Note shall bear interest at an annual rate equal to the "Index Rate" minus one half of one percent (0.50%). "Index Rate" shall mean "Prime Rate" as published in the "Money Rates" section of The Wall Street Journal. The Index Rate shall be adjusted annually on each anniversary of this Note (the "Index Rate Change Date"). The Index Rate as of the date hereof is 3.25 %.

All interest calculations under this Note will be made based on a year of 365 days for the actual number of days in each interest period.

2. **Payments.** The principal of, and all interest on, this Note shall be due and payable as follows:

Principal and Interest (variable rate). Borrower shall make payments of principal and interest on this Note, in an amount sufficient to amortize fully the principal amount of this Note by August 30, 2025. Beginning on September 1, 2015, and continuing on the first (1st) day of each and every month thereafter, each of the payments shall be in the amount of \$ ~~4,739~~ 62 until the first Index Rate Change Date. On each Index Rate Change Date, the principal and interest payments due on the first (1st) day of each month hereunder shall be recalculated based on the interest rate change, if any, so that the payments of principal and interest are sufficient to amortize fully the unpaid principal amount of this Note by August 30, 2025. Notwithstanding anything contained herein to the contrary, the outstanding principal of this Note and all accrued but unpaid interest thereon shall be due and payable in full on the Maturity Date;

3. **Maturity Date.** The outstanding principal of this Note, all accrued but unpaid interest thereon and all other charges, fees or expenses hereunder shall be due and payable in full on or before August 30, 2025 (the "Maturity Date").
4. **Books and Records.** Lender shall record on the books and records of Lender maintained for this Note each payment of principal of this Note made by Borrower. The initial principal balance of this Note, less the principal paid by Borrower and shown on such books and records, shall be the outstanding principal of this Note. The books and records of Lender shall, at any time, be prima facie evidence of the outstanding principal of this Note.
5. **Late Charge and Default Rate of Interest.** If Lender does not receive any payment due under this Note within ten (10) days of the date it is due, then Lender may charge a late charge of five percent (5.00%) of the amount of the overdue payment (the "Late Charge"). Upon maturity, whether by acceleration or otherwise, or upon the occurrence of an Event of Default hereunder, in addition to any and all other remedies to which Lender may be entitled, the applicable rate of interest on this Note shall be increased to five percent (5.00%) per annum in excess of the rate set forth in Section 1, above (the "Default Rate"), but not more than the highest rate permitted by law.
6. **Security.** To secure repayment of this Note, any extensions or renewals thereof and all other existing and future indebtedness of Borrower to Lender (whether direct, indirect, absolute or contingent), Borrower shall grant, and does hereby grant, to Lender a security interest in the following described property: First and prior security interest in all the membership interests of Clark Energy Propane Plus LLC, as well as any and all other property which is now or hereafter listed in any separate security agreement, pledge agreement, guaranty or mortgage as directly or indirectly securing this Note, and also all money and other property held by Lender on deposit in safekeeping or otherwise for the account of or to the credit of Borrower, or in which Borrower has an interest; provided that Lender will have the right to call for additional security as necessary. All of the documents or instruments that provide a lien or security interest in the collateral described above (the "Collateral"), as well as any and all other documents or instruments now or hereafter executed in connection with this Note and the loan evidenced hereby are referred to herein collectively as the "Security Documents." All of the terms and conditions of the Security Documents are incorporated herein and made a part of this Note as if fully set forth at length herein. Any holder of this Note shall be entitled to the rights, privileges, benefits and remedies provided in the Security Documents and in the real and personal property secured thereby. Borrower represents and warrants to Lender that the Security Documents have been validly executed and delivered to Lender and that the Security Documents are legally valid, binding and enforceable against Borrower (or any other party which has executed any of the Security Documents) in accordance with their respective terms.
7. **Covenants.** Upon request, Borrower will provide financial information in form and substance acceptable to Lender.

8. **Events of Default and Remedies.** The occurrence of any of the following shall be an "Event of Default" hereunder: (a) failure of any Borrower to make any payment when due under this Note or under any other note or obligation of Borrower to Lender; (b) an Event of Default under the Security Documents, or any default under any of the following that does not have a defined set of "Events of Default" and the lapse of any notice or cure period provided therein: any other agreement, document or instrument between Borrower and Lender; (c) if any Borrower or endorsers or Guarantors of this Note shall (i) make an assignment for the benefit of creditors, (ii) have a petition initiating any proceeding under the Bankruptcy Code filed by or against one or more of them, (iii) have a receiver, trustee, or custodian appointed for all or any material part of their respective assets, or (iv) seek to make an adjustment, settlement or extension of their respective debts with his, her or its (as the case may be) creditors generally; (d) a default with respect to any other indebtedness of any Borrower or any Guarantor for borrowed money; (e) a proceeding being filed by or commenced against any Borrower or any Guarantor of this Note for dissolution or liquidation, or any Borrower or any Guarantor of this Note voluntarily or involuntarily terminating or dissolving or being terminated or dissolved; (f) in the event a judgment or writ or order of attachment or garnishment is made and issued against any Borrower or any Borrower's property; (g) in the event that this Note or any guaranty executed by any Guarantor is secured, the failure of Borrower or any Guarantor to provide Lender with additional collateral if in the opinion of Lender at any time or times, the market value of any of the collateral securing this Note or any guaranty has depreciated; (h) the revocation or attempted revocation, in whole or in part, of any guaranty by any Guarantor; (i) any representation or warranty made by any Borrower or Guarantor to Lender in any document, including but not limited to the Security Documents, or any other documents now or in the future securing the obligations of any Borrower or any Guarantor to Lender, is false or erroneous in any material respect; (j) the failure of any Borrower or any Guarantor to observe or perform any covenant or other agreement with Lender contained in any document executed in connection with this Note or any of the Security Documents; (k) in the event Lender in good faith deems itself insecure with respect to payment of this Note, or in good faith believes the prospect of payment is impaired, or Lender determines in the exercise of its sole judgment that Lender's perfection in any of the Collateral is impaired; (l) the failure of any Borrower or any Guarantor to observe or perform any covenant or other agreement with Lender contained in any document, including but not limited to the Security Documents or any documents now or in the future securing the obligations of any Borrower or any Guarantor to Lender; or (m) any Change of Control shall occur. As used herein, the term "Guarantor" will mean any guarantor of the obligations of Borrower to Lender whether existing on the date of this Note or arising in the future, or any person who pledges particular Collateral for the security of this Note whether or not the debt itself is guaranteed, existing on the date of this Note or arising in the future. As used herein, the term "Change of Control" will mean any of the following: (i) Clark Energy Cooperative, Inc. ceases to own and control, of record and beneficially, 100% of all classes of outstanding stock in Borrower; (ii) Borrower ceases to own and control, of record and beneficially, 100% of all membership interests in Clark Energy Propane Plus LLC; (iii) Borrower, Clark Energy Cooperative, Inc. or Clark Energy Propane Plus LLC merges or consolidates with or into any other entity or leases, sells or otherwise disposes

of all, or substantially all, of its respective property, assets and business; or (iv) there is a change in the ownership or management of Borrower or Clark Energy Cooperative, Inc. Upon the occurrence of an Event of Default: (i) the outstanding principal balance hereunder together with any additional amounts secured by the Security Documents, at the option of the holder and without demand or notice of any kind (which are hereby expressly waived), may be accelerated and become immediately due and payable, (ii) this Note, together with all arrearages of interest will from the date of the occurrence of the Event of Default bear interest at the Default Rate, (iii) Borrower will pay to Lender all reasonable attorneys' fees, court costs and expenses incurred by Lender in connection with Lender's efforts to collect the indebtedness evidenced by the Note, and (iv) Lender may exercise from time to time any of the rights and remedies available to the holder under the Security Documents or under applicable law.

9. **Prepayment.** All or any part of the outstanding principal of this Note may be prepaid at any time without prepayment penalty or premium.
10. **Cumulative Remedies.** All rights and remedies of the holder of this Note shall be cumulative to the fullest extent allowed by law. Time shall be of the essence for paying interest on the principal of this Note.
11. **Waiver.** All parties to this Note, whether as borrower, endorsers, sureties, guarantors or otherwise connected herein, waive presentment, demand, notice of dishonor, protest, notice of protest, notice of nonpayment or non-acceptance, any other notice and all due diligence or promptness that may otherwise be required by law, all suretyship defenses, and all exemptions to which they may now or hereafter be entitled under the laws of the Commonwealth of Kentucky, the United States of America, or any state thereof. No delay or failure on the part of Lender to exercise any right, remedy or power hereunder, under this Note or any of the Security Documents or under applicable law will impair or waive any such right, remedy or power (or any other right, remedy or power), be considered a waiver of or an acquiescence in any breach, default or Event of Default or affect any other or subsequent breach, default or Event of Default of the same or a different nature. No waiver of any breach, default or Event of Default, nor any modification, waiver, discharge or termination of any provision of this Note, nor consent to any departure by Borrower therefrom, will be established by conduct, custom or course of dealing; and no modification, waiver, discharge, termination nor consent will in any event be effective unless the same is in writing, signed by Lender and specifically refers to this Note, and then such modification, waiver, discharge or termination or consent will be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on Borrower in any case will entitle Borrower to any other or further notice or demand in the same or any similar or other circumstance.
12. **Expenses Incurred by Lender.** If Lender expends sums in defending or otherwise protecting its collateral under this Note or any of the Security Documents prior to an Event of Default, or if any Event of Default occurs under this Note, and this Note is placed in the hands of an attorney for collection, or is collected through any court, including, without limitation, bankruptcy court, then Borrower promises to pay the holder of this Note the reasonable attorneys' fees and legal costs incurred in collecting or

attempting to collect or securing or attempting to secure this Note or enforcing the rights of such holder with respect to any collateral securing this Note, including, without limitation, appraisal fees, costs of environmental audits, site assessments and/or remediation, to the fullest extent allowed by the laws of the Commonwealth of Kentucky or any state in which any collateral for this Note is situated.

13. **Rights of Lender.** Lender may, with or without notice to any party and without affecting the obligations of any Borrower, surety, Guarantor, endorser, accommodation party or any other party to this Note, (a) renew, extend or otherwise postpone the time for payment of either principal of this Note or interest thereon from time to time, (b) release or discharge any one or more parties liable on this Note, (c) suspend the right to enforce this Note with respect to any person(s), including any present or future Guarantor of this Note, (d) change, exchange or release any property in which Lender possesses any interest securing this Note, (e) justifiably or otherwise, impair any collateral securing this Note or suspend the right to enforce against any such collateral, and (f) at any time it deems it necessary or proper, call for and should it be made available, accept, as additional security, the signature(s) of an additional party or a security interest in property of any kind or description or both.
14. **Complete Agreement.** This Note and the Security Documents are the entire and complete agreement of the parties hereto and supersede all previous understandings and agreements relating to the subject matter hereof. This Note and the Security Documents may be amended only by an instrument in writing that explicitly states that it amends this Note or such Security Documents and is signed by Borrower and acknowledged by Lender.
15. **Severability.** The provisions of this Note are intended to be severable. If any provision of this Note shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.
16. **Joint and Several Liability.** In the event more than one individual or entity executes this Note on behalf of Borrower, then the terms and conditions of this Note and the obligations hereunder shall be binding upon each signatory jointly and severally.
17. **Late Charge and Default Rate.**
 - 17.1 The Late Charge and the Default Rate, if any, are imposed as liquidated damages for the purpose of defraying Lender's expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, Lender's exercise of any rights and remedies hereunder, under the other Security Documents or under applicable law, and any fees and expenses of any agents or any reasonable fees and expenses of any attorneys which Lender may employ. In addition, the Default Rate reflects the increased credit risk to Lender of carrying a loan that is in default. Borrower agrees that the Late Charge and Default Rate are reasonable forecasts of just compensation for anticipated and actual harm incurred by Lender,

and that the actual harm incurred by Lender cannot be estimated with certainty and without difficulty.

- 17.2 Nothing contained in this Note regarding late charges or the Default Rate will be construed in any way to extend the due date of any payment or waive any payment default, and each such right is in addition to, and not in lieu of, the other and any other rights and remedies of Lender hereunder, under any of the Security Documents or under applicable law (including, without limitation, the right to interest, reasonable attorneys' fees and other expenses).
18. **Usury.** Without limiting the generality of the foregoing, if from any circumstances whatsoever the fulfillment of any provision of this Note involves transcending the limit of validity prescribed by any applicable usury statute or any other applicable law with regard to obligations of like character and amount, then the obligation to be fulfilled will be reduced to the limit of such validity as provided in such statute or law, so that in no event will any exaction of interest be possible under this Note in excess of the limit of such validity and the right to demand any such excess is hereby expressly waived by Lender. As used in this Section, "applicable usury statute" and "applicable law" mean such statute and law in effect on the date hereof, subject to any change therein that result in a higher permissible rate of interest.
19. **Singular and Plural Terms.** Wherever used herein, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.
20. **Binding Effect.** This Note will bind Borrower and the heirs, executors, administrators, successors and assigns of Borrower, and the benefits hereof will inure to the benefit of Lender and its successors and assigns. All references herein to the "Borrower" and "Lender" will include the respective heirs, administrators, successors and assigns thereof; provided, however, that Borrower may not assign, delegate, or transfer its obligations under this Note in whole or in part without the prior written consent of Lender and Lender at any time may assign this Note in whole or in part (but no assignment by Lender of less than all of this Note will operate to relieve Borrower from any duty to Lender with respect to the unassigned portion of this Note).
21. **Repayment by Lender.** If at any time all or any part of any payment or transfer of any kind received by Lender with respect to all or any part of this Note is repaid, set aside or invalidated by reason of any judgment, decree or order of any court or administrative body, or by reason of any agreement, settlement or compromise of any claim made at any time with respect to the repayment, recovery, setting aside or invalidation of all or any part of such payment or transfer, Borrower's obligations under this Note will continue (and/or be reinstated) and Borrower will be and remain liable, and will indemnify, defend and hold harmless Lender for, the amount or amounts so repaid, recovered, set aside or invalidated and all other claims, demands, liabilities, judgments, losses, damages, costs and expenses incurred in connection therewith. The provisions of this Section will be and remain effective notwithstanding any contrary action which may have been taken by Borrower in reliance upon such payment or transfer, and any such contrary action so taken will be without prejudice to Lender's rights hereunder and will be deemed to have

been conditioned upon such payment or transfer having become final and irrevocable. The provisions of this Section will survive any termination, cancellation or discharge of this Note.

22. **Notices.** All notices, demands, requests, consents or approvals and other communications required or permitted hereunder will be in writing, and, to the extent required by applicable law, will comply with the requirements of the Uniform Commercial Code then in effect, and will be addressed to such party at the address set forth below or to such other address as any party may give to the other in writing for such purpose:

To Lender: East Kentucky Power Cooperative, Inc.
4775 Lexington Road
P.O. Box 707
Winchester, KY 40392-0707

Attn: CFO

To
Borrower: Clark Energy Services Corporation
P.O. Box 748
Winchester, KY 40392-0748

Attn: PRESIDENT

All such communications, if personally delivered, will be conclusively deemed to have been received by a party hereto and to be effective when so delivered; if given by mail, on the fourth business day after such communication is deposited in the mail with first-class postage prepaid, return receipt requested; or if sent by overnight courier service, on the day after deposit thereof with such service; or if sent by certified or registered mail, on the third business day after the day on which deposited in the mail.

23. **Governing Law.** This Note has been delivered and accepted at and will be deemed to have been made at Winchester, Kentucky and will be interpreted and the rights and liabilities of the parties hereto determined in accordance with the laws of the Commonwealth of Kentucky, excluding its conflict of laws rules, and will include all matters arising out of or relating to this Agreement, including without limitation claims as to its validity, interpretation, construction, performance, and all claims sounding in tort.
24. **Jurisdiction.** *Borrower hereby irrevocably agrees and submits to the exclusive jurisdiction of any state or federal court located within Clark County, Kentucky; provided that nothing contained in this Agreement will prevent Lender from bringing any action, enforcing any award or judgment or exercising any rights against Borrower individually, against any security or against any property of Borrower within any other county, state, or other foreign or domestic jurisdiction. Lender and Borrower agree that the venue provided above is the most convenient forum for both Lender and Borrower. Borrower waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Agreement.*

25. Waiver of Jury Trial. *THE PARTIES HERETO EACH WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS AGREEMENT, OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. BORROWER AND LENDER ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.*

Borrower acknowledges that Borrower has read and understood all the provisions of this Agreement, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

Remainder of Page Intentionally Left Blank

IN WITNESS WHEREOF, Borrower has executed this Note effective June 30, 2015.

BORROWER

CLARK ENERGY SERVICES CORPORATION

By: Robert C. Brewer
Print Name: ROBERT CHRIS BREWER
Title: PRESIDENT
Date: 9-4-15

GUARANTY

In consideration of the foregoing Note in the amount of FIVE HUNDRED THOUSAND THREE HUNDRED FIFTY-ONE DOLLARS (\$500,351) executed by **CLARK ENERGY SERVICES CORPORATION** ("Borrower"), and to induce **EAST KENTUCKY POWER COOPERATIVE, INC.**, and its successors and assigns (collectively and individually, "Lender") to make, extend or continue the loan evidenced by this Note, the undersigned guarantor ("Guarantor") does hereby irrevocably, absolutely and unconditionally guarantee to Lender, its successors and assigns, the prompt and punctual payment of the principal of and all interest on this Note and any other sums, including interest due after default and late charges, due under this Note (together with all fees payable by Borrower in connection therewith, and all costs and expenses of collection, including reasonable attorneys fees) in full when due, whether by acceleration or otherwise (collectively the "Liabilities"), to Lender, irrespective of the genuineness, validity or enforceability of this Note, or the existence of any security for payment of this Note. Guarantor agrees that if all or any part of any payment previously applied by Lender to any of the Liabilities must be returned by Lender for any reason, whether by court order, administrative order, or settlement, the undersigned shall remain liable for the entire amount returned, as if such amount had never been received by Lender, notwithstanding any termination of this Guaranty or the cancellation of the Note or other agreement evidencing the Liabilities. Guarantor specifically waives all rights of contribution from other sureties, accommodation parties, or guarantors. Guarantor consents and agrees to be bound by all the terms and conditions of this Note (as the same may be modified, extended or renewed at any time and from time to time), which are incorporated herein and made a part hereof by reference, and consents to be bound by any and all modifications, renewals, or extensions of any of the provisions of this Note at any time.

The obligation and liability of Guarantor hereunder is primary and direct and may be enforced without regard to the existence of any other party primarily or secondarily liable for this Note, or the existence of any other collateral, security or guaranty. This is a guaranty of payment and not of collection. Lender may apply or set off any deposit or other indebtedness at any times credited by or due from Lender to Guarantor against any liability of Guarantor hereunder. Such deposit or other indebtedness may at all time be held and treated as collateral security for the payment of any liability of Guarantor under this Guaranty. Guarantor grants to Lender a general lien on and continuing security interest in all property of Guarantor now or at anytime hereafter in the possession

of Lender, to secure the payment of any liability of Guarantor under this Guaranty, and Lender shall have the rights and remedies of a secured party under the Uniform Commercial Code of the Commonwealth of Kentucky in respect to such property, including without limitation thereto, the right to sell or otherwise dispose of any or all of such property. No modifications, renewals or extensions of this Note, no releases or surrenders of any security for this Note or this Guaranty, no releases of any person, primarily or secondarily liable on this Note (including Borrower, or any endorser or guarantor), no delays in the enforcement of payment of this Note or this Guaranty, and no delays or omissions in exercising any right or power under this Note or this Guaranty, shall affect the liability of any Guarantor. Each Guarantor hereby (a) expressly waives presentment of this Note for payment, demand, notice of dishonor, protest, notice of protest, and nonpayment; (b) waives diligence in taking any steps whatsoever to collect any amounts due under this Note from or in bringing suit against Borrower, any Guarantor, or any other party primarily or secondarily liable for the obligations of Borrower under this Note; (c) waives all exemptions and all defenses to the payment of this Note to which Guarantor may now or hereafter be entitled under the laws of this or any other state or of the United States; (d) agrees that Lender shall have the right, without notice, to deal in any way and at any time with Borrower or any or all Guarantors or any other party who is or may become primarily or secondarily liable for this Note, and to grant Borrower any extensions of time for payment of this Note or the period or periods hereof; (e) consents to any other indulgence or forbearance whatsoever; (f) consents to the addition or release of any of Borrower or of any other party who is or may become primarily or secondarily liable for this Note; (g) consents to any substitution, exchange or release of any collateral referred to in the Security Documents or of any additional collateral; (h) waives any right of Guarantor that Borrower be joined in any suit brought against Guarantor on this Guaranty; (i) waives any and all other notice of any kind whatsoever with respect to this Note where notice might otherwise be required, including notice of the acceptance of this Guaranty and of the further extension of credit by Lender to Borrower, and Guarantor covenants and agrees that Guarantor shall remain bound hereunder notwithstanding the lack of any such notice, and (j) guarantees the payment of the Liabilities within the limits provided herein in the hands of any bona fide Lender. Each reference to Guarantor herein also includes any heirs, executors, administrators, legal representatives, successors and assigns of Guarantor.

GUARANTOR

CLARK ENERGY PROPANE PLUS
LLC

By: Robert C. Brewer

Name: ROBERT CHRIS BREWER

Title: PRESIDENT

Date: 9-4-15

0000191.0612073 4816-1161-6806v5

PLEDGE AGREEMENT

This PLEDGE AGREEMENT, effective as of June 30, 2015 (as amended, supplemented or otherwise modified from time to time in accordance with the provisions hereof, this "**Agreement**"), made by and among **CLARK ENERGY SERVICES CORPORATION**, a Kentucky corporation (the "**Pledgor**"), in favor of **EAST KENTUCKY POWER COOPERATIVE, INC.**, (the "**Secured Party**").

WHEREAS, on the date hereof, the Secured Party has made a loan to the Pledgor in an aggregate unpaid principal amount not exceeding \$500,351 (the "**Loan**"), evidenced by that certain Commercial Note of even date herewith (as amended, supplemented or otherwise modified from time to time, the "**Note**") made by the Pledgor and payable to the order of the Secured Party. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Note;

WHEREAS, this Agreement is given by the Pledgor in favor of the Secured Party to secure the payment and performance of all of the Secured Obligations; and

WHEREAS, it is a condition to the obligations of the Lender to make the Loan under the Note that the Pledgor execute and deliver this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions.

(a) Unless otherwise specified herein, all references to Sections and Schedules herein are to Sections and Schedules of this Agreement.

(b) Unless otherwise defined herein, terms used herein that are defined in the UCC shall have the meanings assigned to them in the UCC. However, if a term is defined in Article 9 of the UCC differently than in another Article of the UCC, the term has the meaning specified in Article 9.

(c) For purposes of this Agreement, the following terms shall have the following meanings:

"**Collateral**" has the meaning set forth in **Section 2**.

"**Event of Default**" has the meaning set forth in the Note.

"**Pledged Interests**" means the membership interests described in Schedule 1 hereto and issued by the issuers named therein, and the certificates, instruments and agreements representing the Pledged Interests and includes any securities or other interests, howsoever evidenced or denominated, received by the Pledgor in exchange for or as a distribution on or otherwise received in respect of the Pledged Interests.

"Proceeds" means "proceeds" as such term is defined in Section 9-102 of the UCC and, in any event, shall include, without limitation, all dividends or other income from the Pledged Interests, collections thereon or distributions with respect thereto.

"Secured Obligations" has the meaning set forth in Section 3.

"UCC" means the Uniform Commercial Code as in effect from time to time in the Commonwealth of Kentucky or, when the laws of any other state govern the method or manner of the perfection or enforcement of any security interest in any of the Collateral, the Uniform Commercial Code as in effect from time to time in such state.

2. Pledge. The Pledgor hereby pledges, assigns and grants to the Secured Party, and hereby creates a continuing first priority lien and security interest in favor of the Secured Party in and to all of its right, title and interest in and to the following, wherever located, whether now existing or hereafter from time to time arising or acquired (collectively, the "Collateral"):

(a) the Pledged Interests; and

(b) all Proceeds and products of the foregoing, all books and records relating to the foregoing, all supporting obligations related thereto, and all accessions to, substitutions and replacements for, and profits and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to the Pledgor from time to time with respect to any of the foregoing.

3. Secured Obligations. The Collateral secures the due and prompt payment and performance of:

(a) the obligations of the Pledgor from time to time arising under the Note, this Agreement or otherwise with respect to the due and prompt payment of (i) the principal of and premium, if any, and interest due on the Loan (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise and (ii) all other monetary obligations, including fees, costs, attorneys' fees and disbursements, reimbursement obligations, contract causes of action, expenses and indemnities, whether primary, secondary, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Pledgor under or in respect of the Note and this Agreement; and

(b) all other covenants, duties, debts, obligations and liabilities of any kind of the Pledgor under or in respect of the Note, this Agreement or any other document made, delivered or given in connection with any of the foregoing, in each case whether evidenced by a note or other writing, whether allowed in any bankruptcy, insolvency, receivership or other similar proceeding, whether arising from an extension of credit, issuance of a letter of credit, acceptance, loan, guaranty, indemnification or otherwise, and whether primary, secondary, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, fixed or

otherwise (all such obligations, covenants, duties, debts, liabilities, sums and expenses set forth in **Section 3** being herein collectively called the "**Secured Obligations**").

4. Perfection of Pledge.

(a) The Pledgor shall, from time to time, as may be required by the Secured Party with respect to all Collateral, immediately take all actions as may be requested by the Secured Party to perfect the security interest of the Secured Party in the Collateral, including, without limitation, with respect to all Collateral over which control may be obtained within the meaning of Section 8-106 of the UCC, the Pledgor shall immediately take all actions as may be requested from time to time by the Secured Party so that control of such Collateral is obtained and at all times held by the Secured Party. All of the foregoing shall be at the sole cost and expense of the Pledgor.

(b) The Pledgor hereby irrevocably authorizes the Secured Party at any time and from time to time to file in any relevant jurisdiction any financing statements and amendments thereto that contain the information required by Article 9 of the UCC of each applicable jurisdiction for the filing of any financing statement or amendment relating to the Collateral, without the signature of the Pledgor where permitted by law. The Pledgor agrees to provide all information required by the Secured Party pursuant to this Section promptly to the Secured Party upon request.

5. Representations and Warranties. The Pledgor represents and warrants as follows:

(a) The Pledged Interests have been validly issued, and are not subject to any options to purchase or similar rights. All information set forth in Schedule 1 relating to the Pledged Interests is accurate and complete.

(b) At the time the Collateral becomes subject to the lien and security interest created by this Agreement, the Pledgor will be the sole, direct, legal and beneficial owner thereof, free and clear of any lien, security interest, encumbrance, claim, option or right of others except for the security interest created by this Agreement.

(c) The pledge of the Collateral pursuant to this Agreement creates a valid and perfected first priority security interest in the Collateral, securing the payment and performance when due of the Secured Obligations.

(d) It has full power, authority and legal right to borrow the Loan and pledge the Collateral pursuant to this Agreement.

(e) Each of this Agreement and the Note have been duly authorized, executed and delivered by the Pledgor and constitutes a legal, valid and binding obligation of the Pledgor enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to equitable principles (regardless of whether enforcement is sought in equity or at law).

(f) No authorization, approval, or other action by, and no notice to or filing with, any governmental authority, regulatory body or any other entity is required for the borrowing of the

Loan and the pledge by the Pledgor of the Collateral pursuant to this Agreement or for the execution and delivery of the Note and this Agreement by the Pledgor or the performance by the Pledgor of its obligations thereunder.

(g) The execution and delivery of the Note and this Agreement by the Pledgor and the performance by the Pledgor of its obligations thereunder, will not violate any provision of any applicable law or regulation or any order, judgment, writ, award or decree of any court, arbitrator or governmental authority, domestic or foreign, applicable to the Pledgor or any of its property, or the organizational or governing documents of the Pledgor or any agreement or instrument to which the Pledgor is party or by which it or its property is bound.

(h) The Pledgor has taken all action required on its part for control (as defined in Section 8-106 of the UCC) to have been obtained by the Secured Party over all Collateral with respect to which such control may be obtained pursuant to the UCC. No person other than the Secured Party has control or possession of all or any part of the Collateral. Without limiting the foregoing, all certificates, agreements or instruments representing or evidencing the Pledged Interests in existence on the date hereof have been delivered to the Secured Party in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank.

6. Distributions and Voting Rights.

(a) The Secured Party agrees that unless an Event of Default shall have occurred and be continuing, the Pledgor may, to the extent the Pledgor has such right as a holder of the Pledged Interests, vote and give consents, ratifications and waivers with respect thereto, except to the extent that, in the Secured Party's reasonable judgment, any such vote, consent, ratification or waiver would detract from the value thereof as Collateral or which would be inconsistent with or result in any violation of any provision of the Note or this Agreement.

(b) The Secured Party agrees that the Pledgor may, unless an Event of Default shall have occurred and be continuing, receive and retain all cash distributions with respect to the Pledged Interests.

7. Further Assurances.

(a) The Pledgor shall, at its own cost and expense, defend title to the Collateral and the first priority lien and security interest of the Secured Party therein against the claim of any person claiming against or through the Pledgor and shall maintain and preserve such perfected first priority security interest for so long as this Agreement shall remain in effect.

(b) The Pledgor agrees that at any time and from time to time, at the expense of the Pledgor, the Pledgor will promptly execute and deliver all further instruments and documents, obtain such agreements from third parties, and take all further action, that may be necessary or desirable, or that the Secured Party may request, in order to create and/or maintain the validity, perfection or priority of and protect any security interest granted or purported to be granted hereby or to enable the Secured Party to exercise and enforce its rights and remedies hereunder or under any other agreement with respect to any Collateral.

(c) The Pledgor will not, without providing at least 30 days' prior written notice to the Secured Party, change its legal name, identity, type of organization, jurisdiction of organization, corporate structure, location of its chief executive office or its principal place of business or its organizational identification number. The Pledgor will, prior to any change described in the preceding sentence, take all actions requested by the Secured Party to maintain the perfection and priority of the Secured Party's security interest in the Collateral.

8. Transfers and Other Liens. The Pledgor agrees that it will not sell, offer to sell, dispose of, convey, assign or otherwise transfer, grant any option with respect to, restrict, or grant, create, permit or suffer to exist any mortgage, pledge, lien, security interest, option, right of first offer, encumbrance or other restriction or limitation of any nature whatsoever on, any of the Collateral or any interest therein except as expressly provided for herein or with the prior written consent of the Secured Party.

9. Secured Party Appointed Attorney-in-Fact. The Pledgor hereby appoints the Secured Party the Pledgor's attorney-in-fact, with full authority in the place and stead of the Pledgor and in the name of the Pledgor or otherwise, from time to time in the Secured Party's discretion to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to receive, endorse and collect all instruments made payable to the Pledgor representing any interest payment or distribution in respect of the Collateral or any part thereof and to give full discharge for the same (but the Secured Party shall not be obligated to and shall have no liability to the Pledgor or any third party for failure to do so or take action). Such appointment, being coupled with an interest, shall be irrevocable. The Pledgor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof.

10. Secured Party May Perform. If the Pledgor fails to perform any obligation contained in this Agreement, the Secured Party may itself perform, or cause performance of, such obligation, and the expenses of the Secured Party incurred in connection therewith shall be payable by the Pledgor; *provided that* the Secured Party shall not be required to perform or discharge any obligation of the Pledgor.

11. Reasonable Care. The Secured Party shall have no duty with respect to the care and preservation of the Collateral beyond the exercise of reasonable care. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property, it being understood that the Secured Party shall not have any responsibility for (a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral, whether or not the Secured Party has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Collateral. Nothing set forth in this Agreement, nor the exercise by the Secured Party of any of the rights and remedies hereunder, shall relieve the Pledgor from the performance of any obligation on the Pledgor's part to be performed or observed in respect of any of the Collateral.

12. Remedies Upon Default.

(a) If any Event of Default shall have occurred and be continuing, the Secured Party may, without any other notice to or demand upon the Pledgor, assert all rights and remedies of a secured party under the UCC or other applicable law, including, without limitation, the right to take possession of, hold, collect, sell, lease, deliver, grant options to purchase or otherwise retain, liquidate or dispose of all or any portion of the Collateral. If notice prior to disposition of the Collateral or any portion thereof is necessary under applicable law, written notice mailed to the Pledgor at its notice address as provided in **Section 15** hereof ten days prior to the date of such disposition shall constitute reasonable notice, but notice given in any other reasonable manner shall be sufficient. So long as the sale of the Collateral is made in a commercially reasonable manner, the Secured Party may sell such Collateral on such terms and to such purchaser(s) as the Secured Party in its absolute discretion may choose, without assuming any credit risk and without any obligation to advertise or give notice of any kind other than that necessary under applicable law. Without precluding any other methods of sale, the sale of the Collateral or any portion thereof shall have been made in a commercially reasonable manner if conducted in conformity with reasonable commercial practices of creditors disposing of similar property. At any sale of the Collateral, if permitted by applicable law, the Secured Party may be the purchaser, licensee, assignee or recipient of the Collateral or any part thereof and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold, assigned or licensed at such sale, to use and apply any of the Secured Obligations as a credit on account of the purchase price of the Collateral or any part thereof payable at such sale. To the extent permitted by applicable law, the Pledgor waives all claims, damages and demands it may acquire against the Secured Party arising out of the exercise by it of any rights hereunder. The Pledgor hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling the Collateral and any other security for the Secured Obligations or otherwise. At any such sale, unless prohibited by applicable law, the Secured Party or any custodian may bid for and purchase all or any part of the Collateral so sold free from any such right or equity of redemption. Neither the Secured Party nor any custodian shall be liable for failure to collect or realize upon any or all of the Collateral or for any delay in so doing, nor shall it be under any obligation to take any action whatsoever with regard thereto.

(b) If any Event of Default shall have occurred and be continuing, all rights of the Pledgor to (i) exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to **Section 6(a)** and (ii) receive the distributions which it would otherwise be entitled to receive and retain pursuant to **Section 6(b)**, shall immediately cease, and all such rights shall thereupon become vested in the Secured Party, which shall have the sole right to exercise such voting and other consensual rights and receive and hold such distributions as Collateral.

(c) If any Event of Default shall have occurred and be continuing, any cash held by the Secured Party as Collateral and all cash Proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied in whole or in part by the Secured Party to the payment of expenses incurred by the Secured Party in connection with the foregoing or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Party hereunder, including reasonable attorneys' fees, and the balance of such proceeds shall be applied

or set off against all or any part of the Secured Obligations in such order as the Secured Party shall elect. Any surplus of such cash or cash Proceeds held by the Secured Party and remaining after payment in full of all the Secured Obligations shall be paid over to the Pledgor or to whomsoever may be lawfully entitled to receive such surplus. The Pledgor shall remain liable for any deficiency if such cash and the cash Proceeds of any sale or other realization of the Collateral are insufficient to pay the Secured Obligations and the fees and other charges of any attorneys employed by the Secured Party to collect such deficiency.

(d) If the Secured Party shall determine to exercise its rights to sell all or any of the Collateral pursuant to this Section, the Pledgor agrees that, upon request of the Secured Party, the Pledgor will, at its own expense, do or cause to be done all such acts and things as may be necessary to make such sale of the Collateral or any part thereof valid and binding and in compliance with applicable law.

13. No Waiver and Cumulative Remedies. The Secured Party shall not by any act (except by a written instrument pursuant to **Section 14**), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

14. Amendments. None of the terms or provisions of this Agreement may be amended, modified, supplemented, terminated or waived, and no consent to any departure by the Pledgor therefrom shall be effective unless the same shall be in writing and signed by the Secured Party and the Pledgor, and then such amendment, modification, supplement, waiver or consent shall be effective only in the specific instance and for the specific purpose for which made or given.

15. Addresses For Notices. All notices and other communications provided for in this Agreement shall be in writing and shall be given in the manner and become effective as set forth in the Note, and addressed to the respective parties at their addresses as specified on the signature pages hereof or as to either party at such other address as shall be designated by such party in a written notice to each other party.

16. Continuing Security Interest; Further Actions. This Agreement shall create a continuing first priority lien and security interest in the Collateral and shall (a) subject to **Section 17**, remain in full force and effect until payment and performance in full of the Secured Obligations, (b) be binding upon the Pledgor, its successors and assigns, and (c) inure to the benefit of the Secured Party and its successors, transferees and assigns; *provided that* the Pledgor may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Secured Party.

17. Termination; Release. On the date on which all of the Loan and other Secured Obligations have been paid and performed in full, the Secured Party will, at the request and sole expense of the Pledgor, (a) duly assign, transfer and deliver to or at the direction of the Pledgor (without recourse and without any representation or warranty) such of the Collateral as may then remain in the possession of the Secured Party, together with any monies at the time held by the Secured Party hereunder, and (b) execute and deliver to the Pledgor a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement.

18. Governing Law. This Agreement and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the laws of the Commonwealth of Kentucky. The other provisions of Sections 23, 24 and 25 of the Note are incorporated herein by reference as if a part hereof.

19. Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement and the Note constitute the entire contract among the parties with respect to the subject matter hereof and supersede all previous agreements and understandings, oral or written, with respect thereto.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

CLARK ENERGY SERVICES
CORPORATION, as Pledgor

By Robert C. Brewer

Name: ROBERT CHRIS BREWER
Title: PRESIDENT

EAST KENTUCKY POWER
COOPERATIVE, as Secured Party

By Michael A. McNally

Name: Michael A. McNally
Title: EIP & CFO

THE SCHEDULE

PLEDGED INTERESTS

All of the membership interests owned by Pledgor in Clark Energy Propane Plus LLC, together with all interests therein now or hereafter acquired or owned by Pledgor.

**REDEMPTION AGREEMENT AND
ASSIGNMENT SEPARATE FROM CERTIFICATE**

This Redemption Agreement and Assignment Separate from Certificate (this "Assignment") is made effective as of June 30, 2015 (the "Effective Date"), by and between **EAST KENTUCKY POWER COOPERATIVE, INC.**, a Kentucky corporation with offices at 4775 Lexington Road, P.O. Box 707, Winchester, Kentucky 40392 ("Shareholder"), and **CLARK ENERGY SERVICES CORPORATION**, a Kentucky corporation with offices at P.O. Box 748, Winchester, Kentucky 40392-0748 (the "Corporation").

WHEREAS, Shareholder owns Three Hundred, Ninety Eight (398) shares of the capital stock of the Corporation, standing in Shareholder's name on the books of the Corporation collectively representing a Twenty-Five Percent (25%) equity interest (the "Interest"); and

WHEREAS, Shareholder desires to sell, and the Corporation wishes to redeem from Shareholder, all of Shareholder's right, title and interest in and to the Interest;

NOW, THEREFORE, for and in consideration of an initial payment in cash of One Hundred Thousand Dollars (\$100,000), together with a Commercial Note in the amount of Five Hundred Thousand Three Hundred Fifty-One Dollars (\$500,351) for total consideration of Six Hundred Thousand Three Hundred Fifty-One Dollars (\$600,351), Shareholder hereby conveys, bargains, sells, assigns and transfers unto the Corporation the Interest, as of the Effective Date, upon the terms and conditions set forth herein.

1. Shareholder's Representations and Warranties. Shareholder represents and warrants unto the Corporation that (i) Shareholder has good and marketable title to the Interest, free and clear of all encumbrances, and (ii) Shareholder has the full right, title, power and authority to convey the Interest to the Corporation. Shareholder hereby expressly disclaims any and all representations or warranties with respect to the Interest or the conveyance thereof, except for those expressly enumerated herein.
2. Intent to Assign Entire Interest. By this Assignment, Shareholder intends to convey, bargain, sell, assign and transfer its entire right, title and interest in and to the Corporation to the Corporation.
3. Indemnification. The Corporation shall indemnify and hold harmless Shareholder from any and all claims and liabilities with respect to the Interest arising from and after the Effective Date.
4. Power of Attorney. Shareholder hereby irrevocably constitutes and appoints each officer of the Corporation attorney to transfer the stock representing the Interest on the books of the Corporation, with full power of substitution.
5. Choice of Law; Jurisdiction. This Assignment shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, without giving effect to its conflict of laws principles. All claims arising in connection with this Assignment shall be brought solely in the courts of the Commonwealth of Kentucky, and the parties hereby submit to the exclusive jurisdiction thereof.

6. Entire Agreement. This Assignment represents the entire understanding of the parties with respect to the subject matter addressed herein. This Assignment supersedes all prior oral or written communications, contracts, or agreements between the parties with respect to the subject matter addressed herein.

7. Counterparts. This Assignment may be executed in counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same instrument. Delivery of an executed counterpart of this Assignment by facsimile, including without limitation by electronic delivery in PDF format, shall be equally effective as delivery of a manually executed counterpart thereof.

[Remainder of page intentionally left blank.]

IN TESTIMONY WHEREOF, witness the signatures of the duly authorized officers or representatives of Shareholder and the Corporation as of the Effective Date.

SHAREHOLDER:

EAST KENTUCKY POWER COOPERATIVE, INC.

By: *Lucy*
Name: Michael A. McNalley
Title: EVP & CFO

CORPORATION:

CLARK ENERGY SERVICES CORPORATION

By: *Robert C. Brewster*
Name: ROBERT CHRIS BREWER
Title: PRESIDENT

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 37

RESPONSIBLE PERSON: Michelle K. Carpenter/Thomas J. Stachnik

COMPANY: East Kentucky Power Cooperative, Inc.

Request 37. Refer to Exhibit ISS-2, which represents the test year-end balance sheet before and after the Company's proforma adjustments. The test year-end balance of "Other Investments" is depicted as \$3,477,708.

Request 37a. Describe all separate amounts included in this balance and provide the amount as of December 31, 2019 by account/subaccount.

Response 37a. Please see page 3 of this response for a schedule of all of the accounts and their associated balances that comprised "Other Investments" at December 31, 2019. Approximately \$2.3 million of this balance represents the long-term accounts receivable due from EKPC's steam customer for reboiler repairs as also described in Response 11. Also included in the balance of Other Investments is the debt service reserve fund of \$1.1 million that is required to be on deposit with a trustee throughout the term of EKPC's Solid Waste Disposal Revenue Bonds, Series 1993B.

Request 37b. Provide copies of any contracts, agreements, or policies in regards to each of the amounts included in this balance.

Response 37b. Pages 4 through 14 of this response provide excerpts pertaining to the debt service reserve requirement from the Series 1993B Solid Waste Disposal Revenue Bonds issuance documents, while pages 15 through 16 contain the International Paper agreement. We have requested a search of off-site storage records for the remaining agreements and will provide updated support, if located.

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
Schedule of Other Investments
Year Ending December 31, 2019

<u>Account</u>	<u>Account Description</u>	<u>Balance</u> <u>12/31/2019</u>
124005	Lake Cumberland Development (1)	\$ 100
124006	Patronage Capital Assignments from Non-Associated Organizations (1)	
	- National Rural Telecomm Coop (NRTC)	64,714
	- South Central Rural Telephone	21,087
	- Foothills Rural Telephone	12,297
	- Highland Telephone Coop, Inc.	8,226
	- Duo County Telephone Coop, Inc.	6,204
	- People's Rural Telephone	376
	- Adams Rural Electric	287
	- Central Area Data Processing	123
	- National Information Solutions Coop (NISC)	98
	- Southern States Gateway Gas & Oil	91
	- Southern States Maysville	3
	Total Account 124006	<u>113,506</u>
124053	Debt Service Reserve-Pollution Control Bond - Cooper (2)	1,104,819
124054	Pollution Control Bond - Cooper - Bond Discount	(1,641)
124080	Long-Term A/R - International Paper Company (2)	<u>2,260,924</u>
		<u><u>\$ 3,477,708</u></u>

(1) Agreements or contracts for these investments not readily available

(2) Agreements or contracts for these investments are provided in attachments

AG Nucor DR1 Response 37b - Cooper Pollution Control Bonds -
Debt Service Reserve Requirement

PULASKI COUNTY, KENTUCKY
NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE CORPORATION
GUARANTEED SOLID WASTE DISPOSAL REVENUE BONDS
(EAST KENTUCKY POWER COOPERATIVE, INC. PROJECT)
POOLED SERIES 1993B

East Kentucky Power Cooperative, Inc.

Law Offices of

CHAPMAN AND CUTLER

Theodore S. Chapman
1877-1943
Henry E. Cutler
1879-1959

111 West Monroe Street, Chicago, Illinois 60603-4080
TWX 910-221-2103 Telex 206281
FAX (312) 701-2361
Telephone (312) 845-3000

2 North Central Avenue
Phoenix, Arizona 85004
(602) 256-4060

50 South Main Street
Salt Lake City, Utah 84144
(801) 533-0066

January 10, 1994

MEMORANDUM TO THE PERSONS
ON THE ATTACHED DISTRIBUTION LIST

Re: Pulaski County, Kentucky
National Rural Utilities Cooperative Finance Corporation
Guaranteed Solid Waste Disposal Revenue Bonds
(East Kentucky Power Cooperative, Inc. Project)
Pooled Series 1993B

Ladies / Gentlemen:

Enclosed are complete copies of the closing transcript for the above-referenced bond issue.

Michele Niermann and I certainly enjoyed working with you on this transaction, and we look forward to the opportunity to work together again soon.

Very truly yours,

CHAPMAN AND CUTLER

By: Robert W. Ollis, Jr.
Robert W. Ollis, Jr.

RWO/tmp
enclosure

- 2.4. A copy of evidence of payment by the Company to the Guarantor in immediately available funds in the amount of the Debt Service Reserve Requirement with respect to the Bonds.
- 2.5. A copy of evidence of payment by the Guarantor to the Bond Trustee in immediately available funds in the amount of the Debt Service Reserve Requirement with respect to the Bonds.

III. EXECUTION COPIES OF THE FOLLOWING BASIC DOCUMENTS:

- 3.1 Financing Agreement.
- 3.2 Indenture of Trust relating to the Bonds (the "*Bond Indenture*") between the Issuer and the Bond Trustee.
- 3.3 Pool Indenture.
- 3.4 Series 1993B Supplemental Indenture to Pool Indenture.
- 3.5 Guaranty, Assignment and Agency Agreement. [RECORDED]
- 3.6 CFC-Company Agreement.
- 3.7 Copy of Guaranty Note of the Company to the Guarantor.
- 3.8 Restated and Consolidated Mortgage and Security Agreement (the "*Mortgage*") dated as of November 25, 1993, among the Company, the United States of America and the Guarantor.
- 3.9 Copy of Project Note. (Original delivered by the Company to the Guarantor; endorsed in blank by the Guarantor and delivered to the Bond Trustee.)
- 3.10 Purchase Agreement (the "*Purchase Agreement*") between the Issuer and Lehman Brothers Inc. and Goldman, Sachs & Co. (the "*Underwriters*").
- 3.11 Remarketing Agreement for SAVRS Mode, Flexible Period Mode and Weekly Mode Bonds.
- 3.12 Remarketing Agreement for all other types of Bonds.

KENTUCKY

CFC DIRECTION TO TRUSTEE

December 15, 1993

Bankers Trust Company, as Bond Trustee
under an Indenture of Trust dated as of
November 1, 1993 (the "Bond Indenture")
between it and Pulaski County, Kentucky

Ladies and Gentlemen:

Terms defined in the Bond Indenture have the same meanings when used herein.

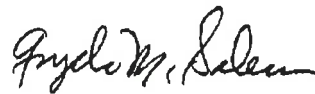
We hereby direct you to pay from the Construction Fund to the Company at its address as set forth in the Bond Indenture \$1,062,000 constituting an amount equal to the Debt Service Reserve Requirement with respect to the Bonds of the Pooled Series 1993B issued under the Bond Indenture. We hereby certify that the Company has certified to us (i) that none of the payments for which the payment is proposed to be made has formed the basis for any payment or reimbursement heretofore made from the Construction Fund; (ii) that each item for which payment is proposed to be made is necessary in connection with the project; (iii) that substantially all the proceeds of the Bonds (to and including such disbursement) have been or are being used to provide for Costs of the Project; and (iv) that such payment is in accordance with any applicable provisions of the Financing Agreement, the Tax Exemption Certificate and Agreement, the Mortgage and the CFC-Company Agreement and any procedures established by REA.

Very truly yours,

NATIONAL RURAL UTILITIES COOPERATIVE
FINANCE CORPORATION

By

Title



Governor

KENTUCKY

December 15, 1993

National Rural Utilities Cooperative
Finance Corporation
2201 Cooperative Way
Herndon, Virginia 22071-3025
Attn: Diane Hawk

Re: Pulaski County, Kentucky
National Rural Utilities Cooperative Finance Corporation
Guaranteed Solid Waste Disposal Revenue Bonds
(East Kentucky Power Cooperative, Inc. Project)
Pooled Series 1993B

Dear Ms. Hawk:

Please be advised that \$1,062,000 has been received from East Kentucky Power Cooperative, Inc. Project and credited to National Rural Utilities Cooperative Finance Corporation's account for the debt service reserve requirement for the above-referenced bond issue.

Very truly yours,

BANKERS TRUST COMPANY,
as Bond Trustee

By 
Authorized Officer

KENTUCKY

December 15, 1993

National Rural Utilities Cooperative
Finance Corporation
2201 Cooperative Way
Herndon, Virginia 22071-3025
Attn: Diane Hawk

Re: Pulaski County, Kentucky
National Rural Utilities Cooperative Finance Corporation
Guaranteed Solid Waste Disposal Revenue Bonds
(East Kentucky Power Cooperative, Inc. Project)
Pooled Series 1993B

Dear Ms. Hawk:

Please be advised that \$1,062,000 has been received today from National Rural Utilities Cooperative Finance Corporation for the debt service reserve requirement for the above-referenced bond issue, and has been deposited into the related Debt Service Reserve Fund.

Very truly yours,

BANKERS TRUST COMPANY,
as Bond Trustee

By J. Adams
Authorized Officer

under the Bond Indenture, including without limitation, a default under Section 9.01(e) thereof, within five days after the Company learns of the existence of such default.

Section 5.9. Paying Agents. If at any time any Paying Agent shall be appointed under the Bond Indenture, the Company will cause such Paying Agent to deliver to the Bond Trustee and the Pool Trustee the instrument required by Section 10.10 of the Bond Indenture.

Section 5.10. Pledge of Interest in the Construction Fund and the Debt Service Reserve Fund. In consideration for the issuance of the Bonds, the Company hereby pledges to the Issuer any interest which it may now have or hereafter acquire in and to any cash or obligations now or hereafter on deposit in the Construction Fund (other than moneys held by the Bond Trustee to be used to redeem a Prior Series of bonds identified in Schedule I) or the Debt Service Reserve Fund and in any earnings on or appreciation thereof until there shall have been paid (or provision for payment shall have been made in accordance with the provisions of Article VIII of the Bond Indenture) to or for the benefit of the owners of the Bonds, the principal of and premium, if any, and interest due or to become due thereon at the times and in the manner stipulated therein.

Section 5.11. Payment of Taxes. The Company agrees to pay and discharge promptly any lawful taxes, assessments and other governmental charges or levies imposed upon the Project, or upon a part thereof, as well as all claims of any kind (including claims for labor, materials and supplies) which, if unpaid, might by law become a lien or charge upon the Project; *provided, however,* that the Company shall not be required to pay any such tax, assessment, charge, levy or claim if (i) the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings promptly initiated and diligently conducted, (ii) the Company shall have set aside on its books reserves (*segregated* to the extent required by generally accepted accounting principles) with respect thereto deemed adequate by the Company and (iii) failure to make such payment will not impair the use of the Project by the Company.

Section 5.12. Insurance. The Company agrees to maintain, or cause to be maintained, all insurance with respect to the Project in accordance with the applicable provisions of the Mortgage. In any event, the Company agrees to pay the cost of keeping the Project properly and continuously insured against such risks as are customarily insured against by the Company with respect to similar facilities owned by the Company.

Section 5.13. Maintenance and Repair. The Company agrees to (i) maintain or cause to be maintained the Project in as reasonably safe condition as its operations shall permit and (ii) maintain or cause to be maintained the Project in good repair and in good operating condition, ordinary wear and tear excepted, making from time to time all necessary repairs thereto and renewals and replacements thereof.

Section 5.14. No Warranty of Condition or Suitability by Issuer. THE ISSUER MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AS TO

SPECIMEN

KENTUCKY

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION

DEBT SERVICE RESERVE CERTIFICATE

Amount: \$1,062,000
Payee: East Kentucky Power Cooperative, Inc.
Series of Bonds: Pulaski County, Kentucky National Rural Utilities Cooperative Finance Corporation Guaranteed Solid Waste Disposal Revenue Bonds (East Kentucky Power Cooperative, Inc. Project) Pooled Series 1993B

Date of Issuance: December 15, 1993

No.: 58

National Rural Utilities Cooperative Finance Corporation, a corporation organized under and by virtue of the District of Columbia Cooperative Association Act (herein called the "*Corporation*"), for value received, hereby promises to pay to the above-referenced Payee the amount shown above, without interest, on August 15, 2023. Payment on this Certificate will be made at the office of the Corporation maintained for that purpose in Herndon, Virginia, or such other place as the Corporation may designate, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

This Certificate has been issued in connection with the above-designated series of "*private activity bonds*" (herein called the "*Bonds*"), the payment of principal and interest on which has been guaranteed by the Corporation. By its acceptance hereof, the holder hereof agrees that the Corporation may prepay all or any part hereof if the entire principal amount of the Bonds is prepaid. Prepayment may be made without penalty or premium. Against payment of the entire outstanding principal amount hereof, this Certificate shall be surrendered to the Corporation at said office for payment.

This Certificate, and the payment hereon, shall, to the extent and in the manner hereinafter set forth, be subordinate and subject in right of payment to the prior payment in full of Senior Indebtedness as defined herein; and, by acceptance hereof, the holder hereof agrees, expressly for the benefit of present and future holders of Senior Indebtedness, to be bound by the provisions of this paragraph. The term "*Senior Indebtedness*" shall mean (a) all indebtedness heretofore or hereafter incurred by the Corporation for money borrowed unless by its terms it is provided that such indebtedness is not Senior Indebtedness, (b) all other indebtedness hereafter incurred by the Corporation which by its terms provides that such indebtedness is Senior Indebtedness, (c) all guaranties, endorsements and other contingent obligations in respect to, or obligations to purchase or otherwise acquire or service, indebtedness or obligations of others, and (d) any amendments, modifications, deferrals, renewals or extensions of any such Senior Indebtedness, or debentures, notes or evidences of indebtedness heretofore or hereafter issued in evidence of or exchange for such

Senior Indebtedness. No payment on account of this Certificate shall be made unless full payment of amounts then due for principal of or premium, if any, sinking funds and interest on Senior Indebtedness has been made or fully provided for in money or money's worth. No payment on account of this Certificate shall be made if, at the time of such payment or immediately after giving effect thereto, (i) there shall exist a default in the payment of principal or mandatory prepayments of or premium, if any, sinking funds or interest on any Senior Indebtedness, or (ii) there shall have occurred an event of default (other than a default in the payment of principal, premium, if any, mandatory prepayments, sinking funds or interest) with respect to any Senior Indebtedness as defined herein or in the instrument under which the same is outstanding permitting the holders thereof (or of the indebtedness secured thereby) to accelerate the maturity thereof (or of the indebtedness secured thereby), and such event of default shall not have been cured or waived or shall not have ceased to exist. Upon any payment or distribution of assets of the Corporation of any kind or character, whether in cash, property or securities, to creditors upon any dissolution or winding-up or total or partial liquidation or reorganization of the Corporation, whether voluntary or involuntary or in bankruptcy, insolvency or other proceedings, all principal of and premium, if any, and interest due or to become due upon all Senior Indebtedness shall first be paid in full, or payment thereof provided for in money or money's worth, before any payment is made on account of the indebtedness evidenced by this Certificate, and upon any such dissolution or winding-up or liquidation or reorganization any payment or distribution of assets of the Corporation of any kind or character, whether in cash, property or securities (other than securities of the Corporation or any other corporation provided for by a plan of reorganization or readjustment, the payment of which is subordinated, at least to the extent provided in this paragraph with respect to this Certificate, to the payment in full of all Senior Indebtedness, provided the rights of the holders of Senior Indebtedness are not altered by such reorganization or readjustment) to which the holder hereof would be entitled, except for the provisions hereof, shall be paid by the Corporation or by any receiver, trustee in bankruptcy, liquidating trustee, agent or other person making such payment or distribution, or by the holder hereof if received by it, directly to the holders of Senior Indebtedness (pro rata to each such holder on the basis of the respective amounts of Senior Indebtedness held by such holder) or their representatives, to the extent necessary to pay all Senior Indebtedness in full, in money or money's worth after giving effect to any concurrent payment or distribution to or for the holders of Senior Indebtedness. In the event that any payment or distribution of assets of the Corporation of any kind or character, whether in cash, property or securities, not permitted by the foregoing shall be received by the holder hereof before all Senior Indebtedness is paid in full, or provision made for such payment, in accordance with its terms, such payment or distribution shall be held for the benefit of, and shall be paid over or delivered to, the holders of such Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of such Senior Indebtedness may have been issued or under which such instruments are issued, as their respective interests may appear, for application to the payment of all Senior Indebtedness remaining unpaid to the extent necessary to pay all such Senior Indebtedness in full in accordance with its terms, after giving effect to any concurrent payment or distribution to or for the holders of such Senior Indebtedness. The provisions of this paragraph are solely for the purpose of defining the relative rights of the holders of Senior

Indebtedness on the one hand and the holder hereof on the other hand, and nothing herein shall impair, as between the Corporation and the holder hereof, the obligation of the Corporation, which is unconditional and absolute, to pay to the holder hereof the principal hereof in accordance with the terms hereof, nor shall anything herein prevent the holder hereof from exercising all remedies otherwise permitted by applicable law or hereunder upon default hereunder, all subject to the rights, if any, under this paragraph of holders of Senior Indebtedness to receive cash, property or securities otherwise payable or deliverable to the holder hereof. Each holder hereof by his acceptance hereof acknowledges and agrees that the foregoing subordination provisions are, and are intended to be, an inducement and a consideration to each holder of any Senior Indebtedness, whether such Senior Indebtedness was created or acquired before or after the issuance of this Certificate, to acquire and/or continue to hold such Senior Indebtedness and such holder of Senior Indebtedness shall be deemed conclusively to have relied on such subordination provisions in acquiring and/or continuing to hold such Senior Indebtedness. Subject to the payment in full of all Senior Indebtedness, the holder hereof shall be subrogated to the rights of the holders of Senior Indebtedness to receive payments or distributions of assets of the Corporation applicable to the Senior Indebtedness until this Certificate shall be paid in full, and no such payments or distributions to the holders of Senior Indebtedness shall, as between the Corporation, its creditors other than the holders of Senior Indebtedness and the holder hereof, be deemed to be a payment by the Corporation to or on account of this Certificate. Upon any payment or distribution of assets of the Corporation referred to in this paragraph, the holder hereof shall be entitled to rely upon a certificate of the liquidating trustee or agent or other person making any distribution to the holder hereof for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of the Senior Indebtedness and other indebtedness of the Corporation, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this paragraph. The holder hereof, by his acceptance hereof, authorizes and directs the Corporation on his behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this paragraph and appoints the Corporation his attorney in fact for any and all such purposes.

This Certificate is registered, and the Corporation and any agent of the Corporation may treat the person in whose name this Certificate is registered as the owner hereof for the purposes of receiving payment as herein provided and for all other purposes, whether or not this Certificate be overdue, and neither the Corporation nor any such agent shall be affected by notice to the contrary. This Certificate or any interest herein may not be transferred, assigned, pledged, hypothecated or otherwise disposed of except to a person theretofore approved by the Board of Directors of the Corporation, such approval to be evidenced by a written notice to that effect executed by the Governor, the President, any Vice President, the Secretary or the Treasurer of the Corporation.

By its acceptance hereof, the holder hereof agrees that this Certificate does not constitute a "holding" in the Corporation as contemplated by Sections 29-1126, 29-1127, 29-1128, and 29-1130 of the District of Columbia Cooperative Association Act or any successor, substitute or analogous provision of the laws of the District of Columbia.

No recourse for the payment of this Certificate, or for any claim based hereon or otherwise in respect hereof, and no recourse under or upon any application, covenant or agreement of the Corporation herein contained shall act against any incorporator, member, director or officer, as such, past, present or future, of the Corporation or of any successor corporation, either directly or through the Corporation or any such successor corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, of such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released; provided, however, that nothing herein contained shall be taken to prevent recourse to and the enforcement of the liability, if any, of any member upon or in respect of securities of the Corporation duly subscribed for and not fully paid.

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be signed by its duly authorized officer and its corporate seal to be hereunto affixed.

NATIONAL RURAL UTILITIES COOPERATIVE
FINANCE CORPORATION

By:  Governor
SPECIMEN

(SEAL)



March 2, 2018

Mr. Patrick Wilson
International Paper Company
Senior Energy Buyer/Global Sourcing
6400 Poplar Avenue
Memphis, Tennessee 38197

Re: Facilities charge associated with EKPC reboiler improvements

Dear Mr. Wilson:

In accordance with our email exchanges this week and phone conversations, and in order to comply with the notice provisions of Amendment No. 1 ("Amendment No. 1") to the November 12, 1990 Steam Service Agreement ("Steam Service Agreement") between East Kentucky Power Cooperative ("EKPC"), Fleming-Mason Energy Cooperative, and International Paper Company ("International Paper") (EKPC and International Paper collectively referred hereafter as the "Parties"), this letter will document and confirm the agreement from International Paper Company that it will assume the cost and attendant expenses incurred by EKPC resulting from the necessity to design and rework the reboiler and reboiler controls, the "Project" that will be initiated and expended by EKPC during the IP outage during the months of July and August of 2018 in order to satisfactorily provide steam service to International Paper.

As you know, Amendment No. 1 effectively extends the Term of the Steam Service Agreement until February 1, 2022. Amendment No. 1 also adopts, restates, and reiterates the terms, conditions, and provisions of the Steam Service Agreement. Article II of that latter agreement provides that EKPC will design and construct all necessary systems and control facilities required to deliver steam to International Paper. That same article requires EKPC to disclose the details of the design, construction, and financing of those facilities to International Paper, which includes the Project. Article V of the Steam Service Agreement provides for a fixed facilities charge to be paid by International Paper in order to reimburse EKPC for the facilities designed and constructed by EKPC at its plant site to satisfactorily and adequately serve International Paper.

In order to reimburse EKPC for the Project, the details of which International Paper has reviewed and hereby acknowledges is necessary for the provision of steam to its site, International Paper agrees to pay EKPC a fixed facilities charge. The total capital investment is estimated to be \$2,925,030 and yields an estimated facilities charge of \$77,100.53 per month. EKPC agrees that IP will not be responsible for capital investments in the Project that are greater than 120% of the estimate. The final fixed facilities charge shall include the monthly amount necessary to permit EKPC to recover all costs normally capitalized by EKPC in regard to the design and construction activities, which shall include but are not limited to: the actual design and construction costs, including direct contract cost, interest during construction, direct labor, material, and other items which are expended in the construction of the facilities, including the Project, and are provided by EKPC such as all applicable federal, state and local taxes and insurance that are assessed or charged to EKPC directly as a result of the Project. The actual construction costs and actual facilities charge shall be determined by the Parties following completion of

4775 Lexington Road 40391
P.O. Box 707, Winchester,
Kentucky 40392-0707

Tel. (859) 744-4812
Fax: (859) 744-6008
<http://www.ekpc.coop>

the Project. The Parties agree that the monthly fixed facilities charge for the Project shall be determined by amortizing the total costs described above with a 4.5% interest rate over a period, beginning September 1, 2018 and ending on January 1, 2022. Said charges shall be paid in accordance with the terms and conditions of the Steam Service Agreement. The Parties agree that any future maintenance, local property taxes and insurance costs associated with the Project will be billed and paid annually on an as-occurrence basis.

Please confirm your understanding and agreement to the foregoing terms by having an authorized representative from International Paper sign below.

Thank you for your consideration and commitment to the above.

Very truly yours,



David Crews

Sr. Vice President, Power Supply

International Paper Understands and Agrees to the Foregoing terms set forth in this letter:

By:

Its:

Date:

cc: Mr. Scott Engstrom
International Paper Company
Director Global Energy Sourcing
6400 Poplar Avenue
Memphis, Tennessee 38197

Mr. Doug Wadley
International Paper Company
Maysville Mill Manager
1241 West 2nd Street
Maysville, Kentucky 41056

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 38

RESPONSIBLE PERSON: Michelle K. Carpenter/Thomas J. Stachnik

COMPANY: East Kentucky Power Cooperative, Inc.

Request 38. Refer to Exhibit ISS-2, which represents the test year-end balance sheet before and after the Company’s proforma adjustments. The test year-end balance of “Special Funds” is depicted as \$38,978,608.

Request 38a. Describe all separate amounts included in this balance and provide the amount as of December 31, 2019 by account/subaccount.

Response 38a. Please see page 3 of this response for a detailed schedule of all accounts and their associated balances that comprised “Special Funds” at December 31, 2019.

Request 38b. Provide copies of any contracts, agreements, or policies in regards to each of the amounts included in this balance.

Response 38b. Please see pages 4 through 9 of this response for the TVA agreement, which corresponds with the balance in Account 128006. We believe Page 3 of this response adequately describes the standard investment vehicles used for balances maintained in Account 128005.

Request 38c. Indicate all reasons why the Company holds these assets.

Response 38c. Please see the detailed schedule on page 3 of this response, which also indicates the reasons EKPC holds these balances in “Special Funds”.

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
Schedule of Special Funds
Year Ending December 31, 2019

Account	Account Description	Balance 12/31/2019	Additional Information
128005	Other Special Funds - Escrow (individual items reflected below)		
	- FAS 106 Treasury Bill, matures 7/16/20	20,367,218	Investment funds related to Other Postretirement Employee Benefits that are held for SFAS 106 requirement as prescribed in Case No. 94-336
	- Landfills Zero Coupon Bond, matures 5/15/20	17,335,011	Investments pledged to the Commonwealth of KY, Natural Resources & Environmental Protection Cabinet to fulfill Landfill compliance requirements at the Smith, Spurlock and Cooper locations
	- Longshore & Harbor Federal Reserve Treasury Bill , matures 5/31/20	212,837	Investment pledged to comply with self-insurance requirements with the U.S. Department of Labor for Federal Longshore & Harbor Workers Compensation
	- Self-Insured Auto Zero Coupon Bond, matures 8/15/20	396,090	Investment held for Self-Insured Auto compliance
	Total Account 128005	38,311,156	
128006	Tennessee Valley Authority (TVA) Security Deposit	667,452	Represents required security deposits made to TVA as part of work agreement between EKPC and TVA. TVA is performing modifications to their transmission facilities in order to accommodate EKPC request to establish a new 161-kV transmission system-to-system interconnection point on the Summer Shade to East Bowling Green 161-kV transmission line (EKPC-Fox Hollow). TVA shall hold the security deposit for the duration of the work and then return it in full to EKPC, unless drawn upon due to the default of EKPC of its obligations. While TVA holds it, the security deposit will accrue simple interest at TVA's short-term cost of borrowing
Total Special Funds		38,978,608	



Tennessee Valley Authority, 1101 Market Street, Chattanooga, Tennessee 37402

February 1, 2019

East Kentucky Power Cooperative, Inc.
Attn: Amanda Stacey
4775 Lexington Road
Winchester, Kentucky 40391

Dear Ms. Stacey:

Attached, for your records, is the fully executed copy of the Work Agreement between TVA and East Kentucky Power Cooperative to cover the costs associated with the work to establish a new 161-kV interconnection point on the Summer Shade – East Bowling Green 161-kV Transmission Line.

If you have any questions, please contact me at 423-751-2376.

Sincerely,

A handwritten signature in blue ink that reads 'W. Chris Methvin'.

W. Chris Methvin
Senior Program Manager
Stakeholder Services & Contracts

Enclosure

cc (Enclosure):

Heather L. Burnette
Robin C. Griffin
Brett A. Guy
Megan McDonald
Richard T. Saas
Scott Scharf
Sharanda Thomas
Contract Files (IPP-Utility/East Kentucky Power Cooperative, Inc.)
ECM

Work Agreement
Between
TENNESSEE VALLEY AUTHORITY (“TVA”)
And
EAST KENTUCKY POWER COOPERATIVE, INC. (“Company”)

Contract No. 13942

Date of Agreement: January 31, 2019

Location of Work: TVA will perform modifications to transmission facilities in order to accommodate Company’s request to establish a new 161-kV transmission system-to-transmission system interconnection point on the Summer Shade to East Bowling Green 161-kV transmission line.

1. Company plans to establish a new 161-kV transmission system-to-transmission system interconnection point (“Tie Line”) with TVA on the Summer Shade – East Bowling Green 161-kV transmission line at the existing East Glasgow tap location in Glasgow, Kentucky. As a part of establishing these arrangements, TVA and Company will cooperate in a project (the “Project”) (1) to construct a new 161-kV three-position ring bus and (2) to make other modifications to the related facilities between TVA and Company to meet TVA interconnection requirements (with TVA’s portion of the Project being referred to as the “TVA Work”).

Pending the execution of an Amendment to the Interconnection Agreement (“Amendatory Agreement”) to cover, among other things, the establishment of a new Tie Line and associated facilities, Company hereby authorizes TVA to proceed with the TVA Work, including the procurement of materials and equipment for the Project, until either the Amendatory Agreement is executed or this Work Agreement is terminated as set out below (“Interim Period”).

2. Company shall pay TVA for its actual costs, including applicable overheads, for the TVA Work during the Interim Period. The cost of the TVA Work is estimated, for convenience only, to be approximately \$11,392,192. Company shall make estimated monthly payments (“Work Payments”) to TVA under this Work Agreement to cover TVA’s projected monthly expenditures while TVA is performing the TVA Work. The Work Payments shall be made on or before the first (1st) Business Day (as defined in Section 10 below) of each month as set out in Exhibit PS (Interim Payment Schedule), the current version of which is attached to and made a part of this Work Agreement. The Work Payments shall be used to reimburse TVA for the TVA Work during the Interim Period.
3. Concurrent with its execution of this Work Agreement, Company shall pay TVA \$540,000 (“Upfront Payment”). The Upfront Payment is comprised of a \$160,000 advance of the Work Payments and a \$380,000 security deposit. The \$160,000 advance shall be applied to cover the actual costs, including applicable overheads, incurred, in accord with Section 2 above. TVA shall hold the security deposit for the

duration of the Work and then return it in full to Company, unless drawn on due to the default of Company of its obligations. While TVA holds it, the security deposit will accrue simple interest at TVA's short-term cost of borrowing. The additional Work Payments under Exhibit PS shall be applied to cover TVA's actual costs, including applicable overhead incurred by TVA in performing TVA Work and shall be made in accordance with the provisions of Section 9 below.

4. TVA will, upon five (5) Business Days advance written notice to Company, issue a new Exhibit PS as appropriate to reflect TVA's revised projection, consistent with good utility practice, of costs or budget discrepancies (e.g., previous overpayments or underpayments), in which case the new Exhibit PS shall become a part of this Work Agreement (and replace any earlier dated Exhibit PS) at the end of the five (5) Business Days' notice period.
5. In the event that TVA does not receive from Company any payment required under this Work Agreement by the date on which such payment is due, TVA may, in its sole discretion, upon three (3) Business Days' prior written notice to Company, stop performing TVA Work until payment is received by TVA. Company acknowledges that this could adversely affect the schedule and cost of the Project.
6. If Company fails to make a payment following the three (3) Business Days' prior written notice to Company referenced in Section 5 above, Company shall pay interest on the unpaid amount at the rate specified in the Federal Energy Regulatory Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Interest shall be calculated from the date that the amount was due to the date on which TVA receives payment. TVA shall submit an invoice to Company for such added charge, which shall be due and payable twenty (20) calendar days after the date of the invoice. Upon request by Company, TVA shall promptly provide reasonable supporting documentation for charges contained in such an invoice.
7. Upon completion of the TVA Work or termination of this Work Agreement as provided under Section 12 below, TVA shall make a final adjustment to correct for any overpayment or underpayment resulting from any difference between the Work Payments made by Company and Company's actual payment responsibility under Section 2 above. In the case of underpayment, subject to and consistent with the provisions of Section 6 above and Section 8 below, TVA shall invoice Company for the amount of underpayments. In the case of overpayment, TVA shall promptly refund the difference to Company.
8. Company must notify TVA of any portion of an invoice that Company disputes within twelve (12) months of the date of the invoice. Company shall advise TVA in writing of the reasons for disputing all or a portion of the invoiced amount, and TVA shall endeavor to resolve the dispute within ninety (90) calendar days after receiving the reasons for disputing the amount. Notwithstanding Company's disputing all or a portion of an invoice, the undisputed portion of any such invoice shall be payable within twenty (20) calendar days of Company's receipt of the invoice. Any disputed amount subsequently determined to be owed shall be paid promptly after such determination, with interest at the rate specified in Section 6 above from the date such amount would have been due in the absence of any dispute.

such payment has been satisfactorily made, TVA shall transfer to Company any materials and equipment not so canceled or returned or retained by TVA, and Company shall take title to such materials and equipment at the time of transfer. Company shall bear the expense of any additional charges for the materials and equipment transferred to Company by TVA, including without limitation all actual costs, including applicable overheads, for completing fabrication, for storage, and for shipment. Company shall bear any additional actual costs, including applicable overheads, in order for TVA to restore the TVA transmission system back to an operational state. If Company requests TVA to abandon any of its easement rights, TVA shall consider such a request through its standard abandonment process, which will incur additional costs to Company.

14. TVA and its employees, agents, officers, and directors shall not disclose to any third party any confidential information that is clearly marked as such pertaining to the services provided or performed hereunder, or any other confidential information that is clearly marked as such that is not available to the industry or the general public that is gathered during the performance of services without the prior written consent of Company.
15. TVA warrants that the TVA Work will be performed in a good and workmanlike manner, will be free from defects, and will be in compliance with all applicable laws and regulations. These warranties shall apply for a period of twelve (12) months from the date of completion of the services. These warranties are in addition to any other rights and remedies available to Company under this Work Agreement or applicable law.
16. Each of TVA and Company agrees to defend, indemnify, and save harmless the other party, their affiliates, agents, servants, employees, and insurers against any loss, damage, expense (including court costs and attorneys' fees), or claim whatsoever for any injury to or death of any person (including without limitation injury or death of any employee of TVA or Company) or damage to any property arising from its own negligence, gross negligence, or willful misconduct in the performance of any labor, work, or services, or the use of any materials, tools, equipment, scaffolding, machinery, or property of Company under or in connection with this Work Agreement, whether the same arise under statutes (including without limitation applicable workers' compensation laws), the common law, or otherwise. This indemnity expressly includes damages, losses, and expenses arising out of fines or penalties, including without limitation fines or penalties for violation of applicable laws and regulations including those governing costs of environmental cleanup necessitated thereby. Provided, however, that neither TVA nor Company shall be responsible for indemnifying each other in an amount in excess of the total sum of the Work Payments paid or to be paid pursuant to Section 2 of this Work Agreement.
17. Any TVA Work done on Company's premises shall be in full compliance with all applicable state and Federal regulations regarding workplace safety, including without limitation, laws pertaining to occupational safety and health.
18. TVA and Company shall comply with all applicable laws and regulations and, in a manner consistent with TVA's status as a corporate agency and instrumentality of the United States of America, in fulfilling their responsibilities under this Work Agreement.

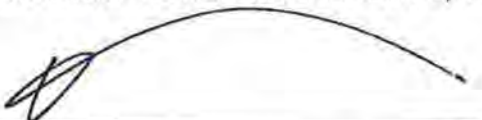
Business Sensitive

19. This Work Agreement shall not be amended except by a written amendment executed by both TVA and Company or by the substitution of revised Exhibits PS, as described herein.
20. This Work Agreement may be executed in several counterparts, each of which shall be considered an original and all of which shall constitute but one and the same instrument.
21. This Work Agreement shall not be assigned without the prior written consent of the other party hereto.
22. A waiver by either party hereto of any one or more defaults or other noncompliance with this Work Agreement by the other party in the course of performance of any of the provisions of this Work Agreement shall not be construed as a waiver of any other default or other noncompliance with this Work Agreement, whether of a like kind or a different nature.
23. This Work Agreement shall be governed by the Federal laws of the United States of America.

TENNESSEE VALLEY AUTHORITY

By: 
Aaron P. Melda
Vice President
Transmission Operations & Power Supply

EAST KENTUCKY POWER COOPERATIVE, INC.

By: 
Name: Denver York
Title: Senior Vice President Power Delivery & System Operations

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 39

RESPONSIBLE PERSON: Michelle K. Carpenter/Thomas J. Stachnik

COMPANY: East Kentucky Power Cooperative, Inc.

Request 39. Refer to Exhibit ISS-2, which represents the test year-end balance sheet before and after the Company’s proforma adjustments. The test year-end balance of “Temporary Investments” is depicted as \$111,000,000.

Request 39a. Describe all separate amounts included in this balance and provide the amount as of December 31, 2019 by account/subaccount.

Response 39a. The balance in Temporary Investments held in Account 136001 at December 31, 2019 was comprised of investments in Commercial Paper (CFC) and Government Money Market funds at the following financial institutions:

	Amount
CFC	\$ 51,000,000
Federated	30,000,000
Fidelity	<u>30,000,000</u>
	<u>\$ 111,000,000</u>

Request 39b. Provide copies of any contracts, agreements, or policies in regards to each of the amounts included in this balance.

Response 39b. These safe, liquid investments are in accordance with Board Policy 205 which is provided on pages 3 through 9 of this response which is subject to a motion for confidential treatment.

Request 39c. Indicate all reasons why the Company holds these assets.

Response 39c. EKPC considers temporary investments having an original maturity of three months or less when purchased to be cash equivalents. EKPC holds these highly liquid investments as part of its overall cash strategy.

REDACTED

EAST KENTUCKY POWER COOPERATIVE

POLICY NO. 205

JUNE 6, 2011

INVESTMENT POLICY

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POLICY NO. 205

JUNE 6, 2011

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POLICY NO. 205

JUNE 6, 2011

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POLICY NO. 205

JUNE 6, 2011

■ [REDACTED]

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APPROVED BY THE BOARD OF DIRECTORS

Joe H. Spalding

 BOARD CHAIRMAN

EFFECTIVE DATE: 06-06-11

LAST DATE REVIEWED: 10-20-20

REVISED DATE(S): 11-12-19

09-12-17

REDACTED

EAST KENTUCKY POWER COOPERATIVE
GENERAL FUNDS INVESTMENT GUIDELINES
APPENDIX A

[REDACTED]

[REDACTED]

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EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 41

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 41. Provide a copy of EKPC's 2020 annual report when available.

Response 41. The Annual Report can be found on EKPC's website at:

https://www.ekpc.coop/sites/ekpc/files/PDFs/EKPC%202020%20Annual%20Report_Preparation_and_Execution_web.pdf

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 42

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 42. Indicate whether the Company records “Interest on Construction” or “Allowance for Funds Used during Construction” associated with CWIP projects. If it does not, explain all reasons it does not do so. If it does, provide a copy of the Company’s AFUDC policy. If the Company does not have a written policy, then please provide a narrative description of the projects that are eligible, the methodology used to compute the AFUDC rate and the AFUDC amounts (provide the formula used, e.g., beginning CWIP times 1/12 average interest rate at end of prior month), and the cessation of AFUDC once the CWIP either is closed to plant in service or included in rates.

Response 42. Please see EKPC’s response to the Commission Staff’s First Request for Information dated March 4, 2021, Request 9.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 43

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 43. Provide the Company's CWIP by month and by major project, the Company's plant in service by month showing transfers from CWIP to plant in service upon completion of each major project, retirements of plant in service and any other increases or reductions in plant in service during the test year.

Response 43. Please see pages 2 and 3 of this response and corresponding Excel spreadsheet *AG Nucor DRI Response 43.xlsx* for a detail of CWIP by month and by major project for test year 2019. For this presentation, "major project" was defined as any project expected to have expenditures of more than \$1 million at completion. Also included on this same schedule is a roll forward of utility plant in service by month which shows beginning balance, additions (transfers from CWIP), retirements, and ending balance.

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
CWIP by Month and Major Project (Major project defined as anticipated spend over \$1MM)
and
Rollforward of Plant in Service by Month with Transfers from CWIP and Retirements
Test Year 2019

Account 107200 CWIP by Month:

Project Number	Project Description	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
05427	CCR/ELG ENGINEERING/ASH SYS	\$ 25,260,882.87	\$ 30,214,213.50	\$ 35,038,458.62	\$ 41,091,104.50	\$ 46,852,647.81	\$ 50,740,354.63	\$ 61,772,241.15	\$ 70,484,382.60	\$ 78,176,849.23	\$ 86,748,253.87	\$ 94,753,334.16	\$ 114,716,652.90
05485	CCR/ELG WWT	\$ 8,811,724.06	\$ 8,875,556.56	\$ 8,875,556.56	\$ 8,811,724.06	\$ 8,812,643.02	\$ 8,812,643.02	\$ 8,813,053.21	\$ 8,813,101.24	\$ 8,813,101.24	\$ 8,813,101.24	\$ 8,813,101.24	\$ 8,813,101.24
12801	AIRPRT RD-NEWFNDLND-MAZIE RBLD	\$ 3,966,219.19	\$ 4,031,825.36	\$ 4,082,353.34	\$ 4,421,588.32	\$ 4,493,861.36	\$ 4,871,662.55	\$ 4,961,839.63	\$ 5,023,748.61	\$ 5,217,170.11	\$ 5,187,579.32	\$ 5,190,963.88	\$ 5,237,103.33
05424	SP PHYSICAL SITE SECURITY PH1	\$ 3,354,678.88	\$ 3,352,248.04	\$ 3,576,388.48	\$ 3,549,537.73	\$ 3,640,874.81	\$ 3,808,516.40	\$ 3,809,389.08	\$ 3,889,983.33	\$ 3,908,228.53	\$ 3,908,228.53	\$ 3,926,343.53	\$ 3,986,699.93
05476	LANDFILL EXP AREA C PH#4	\$ 3,291,208.82	\$ 3,298,757.38	\$ 3,344,406.32	\$ 3,497,753.43	\$ 3,820,154.85	\$ 3,888,785.89	\$ 3,981,212.36	\$ 4,748,102.52	\$ 4,781,669.17	\$ 5,072,954.18	\$ 5,506,221.49	\$ 5,916,754.23
0G007	BLUEGRASS DUAL FUEL ADDITION	\$ 2,834,428.89	\$ 3,153,675.63	\$ 3,699,670.64	\$ 4,291,670.53	\$ 4,700,624.66	\$ 10,246,920.31	\$ 10,422,359.64	\$ 10,939,263.36	\$ 12,186,298.33	\$ 14,611,722.28	\$ 18,416,434.96	\$ 26,595,542.04
12805	NELSON CO-ETOWN 69KV REBUILD	\$ 2,559,518.15	\$ 2,563,551.49	\$ 2,610,530.80	\$ 2,591,702.72	\$ 2,592,654.35	\$ 2,604,202.85	\$ 2,605,432.13	\$ 2,605,915.55	\$ 2,613,278.48	\$ 2,645,921.03	\$ 2,663,101.05	\$ 2,982,203.97
05474	SPUR LF AREA D CONST_PONDS/STR	\$ 2,482,216.84	\$ 2,482,216.84	\$ 6,035,340.38	\$ 6,036,321.04	\$ 6,053,847.64	\$ 6,053,847.64	\$ 6,053,847.64	\$ 6,053,847.64	\$ 6,053,847.64	\$ 6,053,847.64	\$ 6,053,847.64	\$ 6,077,173.64
05470	SPURLOCK 3 BAGHOUSE LINING	\$ 2,127,416.07	\$ 2,128,130.19	\$ 4,812,579.73	\$ 5,642,060.85	\$ 6,082,243.55	\$ 6,125,440.12	\$ 4,585,019.47	\$ 4,583,784.47	\$ 4,596,029.48	\$ 4,596,029.48	\$ 4,596,029.48	\$ 4,596,029.48
05471	SPURLOCK 4 BAGHOUSE LINING	\$ 2,081,730.40	\$ 2,081,730.40	\$ 2,081,730.40	\$ 2,606,419.15	\$ 2,975,188.40	\$ 3,062,457.15	\$ 4,602,877.80	\$ 4,602,877.80	\$ 4,602,877.80	\$ 4,602,877.80	\$ 4,602,877.80	\$ 4,602,877.80
12813	COOPER CONTROL BLDG REPLACE	\$ 1,774,200.73	\$ 1,774,228.93	\$ 1,774,228.93	\$ 1,774,228.93	\$ 1,776,827.83	\$ 1,790,544.83	\$ 1,790,544.83	\$ 1,790,544.83	\$ 1,790,544.83	\$ 1,790,544.83	\$ 1,794,800.03	
13064	SPURLOCK NEW WAREHOUSE	\$ 1,707,221.80	\$ 2,159,695.70	\$ 2,315,199.07	\$ 2,339,747.59	\$ 3,710,021.21	\$ 3,956,487.27	\$ 3,705,457.60	\$ 4,540,722.02	\$ 561,990.60	\$ 561,140.60	\$ 513,402.00	\$ 22,327.10
12978	HOPE SUBSTATION REBUILD	\$ 1,700,399.71	\$ 15,281.78	\$ 14,838.24	\$ 11,091.20	\$ 11,091.20	\$ 11,565.20	\$ 11,195.67	\$ 11,195.67	\$ 5,017.59	\$ 5,017.59	\$ 5,017.59	\$ 2,304.48
12804	HOPE-HILLSBORO 69KV REBUILD	\$ 1,595,167.98	\$ 1,662,299.45	\$ 1,614,525.78	\$ 1,980,368.53	\$ 2,813,256.05	\$ 2,790,590.17	\$ 2,988,395.15	\$ 3,184,026.52	\$ 3,119,664.81	\$ 3,664,781.71	\$ 3,776,086.79	\$ 3,839,389.19
10602	PENDLETON CO LFG BUILDING	\$ 1,544,887.66	\$ 1,581,562.42	\$ 1,645,515.18	\$ 1,647,716.46	\$ 1,698,422.85	\$ 1,702,838.25	\$ 1,702,621.85					
05486	CCR/ELG UNIT3 NIDS	\$ 1,496,236.21	\$ 1,496,236.21	\$ 2,375,297.46	\$ 2,333,038.38	\$ 2,689,105.38	\$ 2,944,970.99	\$ 2,899,339.68	\$ 3,063,468.03	\$ 3,072,254.22	\$ 3,072,254.22	\$ 3,072,254.22	\$ 3,204,961.47
05472	SPURLOCK PHY SITE SEC PH 2-5	\$ 1,135,604.53	\$ 1,144,407.34	\$ 1,719,484.52	\$ 1,802,286.18	\$ 1,853,109.20	\$ 1,857,716.92	\$ 1,860,182.24	\$ 1,866,465.94	\$ 1,867,220.83	\$ 2,057,247.72	\$ 2,082,460.87	\$ 2,179,912.25
05492	SPURLOCK CONSTRUCTION OFFICE B	\$ 1,130,828.59	\$ 1,280,486.02	\$ 1,592,178.97	\$ 1,766,905.28		\$ 78,521.17		\$ 960.00	\$ 2,114.00	\$ 1,574.00	\$ 240.00	\$ 240.00
13059	WOOD POLE REPLACEMENT	\$ 1,074,932.75	\$ 1,083,016.95	\$ 1,100,826.55	\$ 1,125,366.40	\$ 1,138,171.99	\$ 1,153,797.78	\$ 1,218,465.11	\$ 1,270,561.44	\$ 1,289,000.75	\$ 1,299,646.54	\$ 1,314,152.52	\$ 1,315,890.98
05436	UNIT3 MOTOR CTRL CNTR RETROFIT	\$ 1,063,577.94	\$ 1,070,885.67	\$ 1,235,397.56	\$ 1,242,995.24	\$ 1,243,021.41	\$ 1,243,021.41	\$ 1,243,021.41	\$ 1,243,021.41	\$ 1,243,021.41	\$ 1,243,021.41	\$ 1,243,021.41	\$ 1,243,021.41
12806	STEPHENSBURG-HDGVILLE REBUILD	\$ 1,037,543.41	\$ 1,483,318.80	\$ 1,005,780.58	\$ 1,077,038.46	\$ 1,379,264.13	\$ 2,533,995.15	\$ 2,079,203.31	\$ 2,642,687.31	\$ 3,856,351.51	\$ 3,888,136.01	\$ 12,854.00	\$ 145,633.01
12987	POWELL COUNTY CONTRL BLDG REPL	\$ 984,462.52	\$ 1,024,514.37	\$ 2,071.66									
05489	SPURLOCK ROTARY FEEDER NIDS	\$ 977,168.79	\$ 977,168.79	\$ 620,898.44	\$ 617,020.40	\$ 966,916.86	\$ 1,016,916.86	\$ 944,359.89	\$ 1,071,737.34	\$ 1,273,081.44	\$ 1,273,081.44	\$ 1,273,081.44	\$ 1,140,374.19
05457	SPUR 3_FAN/MOTOR LUBE OIL SKID	\$ 969,775.17	\$ 969,775.17	\$ 969,775.17	\$ 969,775.17								
12982	2017 RTU REPLACEMENTS	\$ 865,675.48	\$ 868,281.02	\$ 1,164,133.16	\$ 1,315,297.61	\$ 1,335,938.39	\$ 1,390,442.16	\$ 1,418,428.47	\$ 1,489,355.42	\$ 1,491,256.42	\$ 1,491,266.62	\$ 1,498,179.27	\$ 1,498,215.49
22003	FOX_HOLLCTV	\$ 860,000.00	\$ 1,020,000.00	\$ 1,180,000.00	\$ 1,340,000.00	\$ 1,340,000.00	\$ 1,340,000.00	\$ 1,785,000.00	\$ 2,060,000.00	\$ 2,335,000.00	\$ 2,610,000.00	\$ 2,885,000.00	\$ 3,435,000.00
21925-21926	FOX_HOLLCTV- FOX HOLL LINE ENG	\$ 724,450.31	\$ 808,689.46	\$ 809,211.44	\$ 809,211.44	\$ 809,211.44	\$ 809,211.44	\$ 809,211.44	\$ 809,211.44	\$ 809,211.44	\$ 809,211.44	\$ 809,211.44	\$ 810,721.07
21935-21941	CONTOWN DIST SUB & TAP CONSTRUCTION	\$ 706,534.36	\$ 812,943.43	\$ 953,556.88	\$ 1,438,339.20	\$ 1,612,178.09	\$ 1,616,502.47	\$ 1,624,456.93	\$ 1,628,456.76	\$ 1,628,646.16	\$ 1,628,693.76	\$ 7,380.29	\$ 7,157.68
05480	SP04 AIR HTR MODULE REPL	\$ 547,400.31	\$ 547,400.31	\$ 859,336.51	\$ 1,355,287.81	\$ 2,014,746.64	\$ 2,364,469.86	\$ 2,364,469.86	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00		
12899	DALE-HUNT 138KV TAP&HUNT ADDTN	\$ 421,977.72	\$ 424,333.83	\$ 638,185.07	\$ 801,675.50	\$ 1,471,495.15	\$ 1,711,394.13	\$ 2,082,113.76	\$ 3,285,158.17	\$ 3,471,324.70	\$ 4,099,496.24	\$ 485,734.19	\$ 507,071.75
20050	VEECHDALE SUB ADDL SITE ACQ	\$ 410,896.08	\$ 416,868.43	\$ 417,286.40	\$ 430,590.20	\$ 431,522.66	\$ 432,483.46	\$ 432,531.20	\$ 433,360.07	\$ 443,688.24	\$ 825,967.12	\$ 930,065.41	\$ 1,108,141.15
0G011	BG U3 HOT GAS PATH INSPECTION	\$ 335,913.00	\$ 356,067.78	\$ 356,067.78	\$ 356,067.78	\$ 356,067.78	\$ 375,164.70	\$ 375,164.70	\$ 382,544.70	\$ 384,985.70	\$ 422,590.38	\$ 423,100.38	\$ 689,801.72
0G009	BG U1 HOT GAS PATH INSPECTION	\$ 335,913.00	\$ 356,067.78	\$ 356,067.78	\$ 356,067.78	\$ 356,067.78	\$ 375,164.70	\$ 375,164.70	\$ 376,564.49	\$ 383,536.49	\$ 421,141.18	\$ 421,651.18	\$ 704,436.69
0G010	BG U2 HOT GAS PATH INSPECTION	\$ 335,913.00	\$ 356,067.78	\$ 356,067.78	\$ 356,067.78	\$ 356,067.78	\$ 375,164.70	\$ 375,164.70	\$ 376,154.70	\$ 379,398.90	\$ 417,003.58	\$ 415,193.58	\$ 681,894.92
05445	SP02 INST ABSORBER SPRAY HEADS	\$ 335,418.96	\$ 335,418.96	\$ 335,418.96	\$ 335,418.96	\$ 335,418.96	\$ 335,418.96	\$ 335,418.96	\$ 335,418.96	\$ 335,418.96	\$ 342,135.89	\$ 385,489.35	\$ 386,133.35
21904-21906	BEATTVILLE-OAKDALE TAP CONSTR	\$ 315,477.66	\$ 340,351.66	\$ 340,351.66	\$ 351.66	\$ 351.66	\$ 1,100.05	\$ 404.07	\$ 404.07	\$ 404.07	\$ 404.07	\$ 404.07	\$ 351.66
05481	SP01 ABSORBER SPRAY HEADER	\$ 285,977.07	\$ 285,977.07	\$ 285,977.07	\$ 285,977.07	\$ 292,241.45	\$ 292,241.45	\$ 292,241.45	\$ 311,728.52	\$ 314,827.82	\$ 316,397.57	\$ 367,650.90	\$ 5,371,771.78
05493	TRANSFER TWR 2 BYPASS CHUTE	\$ 255,600.00	\$ 255,600.00	\$ 639,000.00	\$ 639,000.00	\$ 640,073.00	\$ 641,801.65	\$ 642,071.65	\$ 1,223,129.86	\$ 1,228,777.78	\$ 1,251,030.38	\$ 1,317,033.17	\$ 1,349,668.33
21953	DENNY-WAYNE STRUCTURE & OPGW	\$ 252,084.70	\$ 252,084.70	\$ 401,374.97	\$ 654,765.23	\$ 659,540.43	\$ 761,130.15	\$ 1,074,934.17	\$ 1,218,733.95	\$ 1,462,899.14	\$ 1,767,566.00	\$ 1,846,504.28	\$ 1,999,833.88
21981-21987	BROUGHTONTOWN SUB & TAP CONST	\$ 178,034.60	\$ 180,864.81	\$ 182,153.07	\$ 184,891.96	\$ 190,631.52	\$ 192,348.54	\$ 199,798.36	\$ 205,205.59	\$ 209,513.68	\$ 219,732.41	\$ 229,092.20	\$ 237,396.22
21915-21921	DUNCANNON LN SUBSTATION & TAP CONST	\$ 154,878.81	\$ 340,301.26	\$ 336,550.87	\$ 344,815.56	\$ 496,221.41	\$ 565,402.66	\$ 774,489.33	\$ 1,037,763.14	\$ 1,152,904.08	\$ 1,361,869.87	\$ 1,457,582.79	\$ 2,047,838.53
05463	SPURLOCK COAL PILE RET POND #2	\$ 142,506.21	\$ 147,017.09	\$ 149,423.07	\$ 151,776.60	\$ 171,248.49	\$ 217,783.10	\$ 273,355.79	\$ 305,953.03	\$ 322,913.37	\$ 366,333.66	\$ 395,504.20	\$ 490,601.12
12941	SUMMERSVILLE SUB REBUILD	\$ 108,272.35	\$ 108,816.15	\$ 110,437.87	\$ 111,410.32	\$ 114,066.41	\$ 162,169.71	\$ 280,527.80	\$ 306,390.93	\$ 384,410.38	\$ 692,164.23	\$ 176,394.57	\$ 148,193.05
12952	SUMMERSHADE 161KV STN & CTRL B	\$ 67,778.22	\$ 68,722.73	\$ 83,431.90	\$ 93,453.25	\$ 106,898.15	\$ 299,299.36	\$ 429,661.63	\$ 439,179.52	\$ 1,084,236.71	\$ 1,883,948.83	\$ 2,222,214.40	\$ 2,503,220.21
12980	MONTICELLO SUBSTATION REBUILD	\$ 61,801.87	\$ 62,351.70	\$ 56,956.71	\$ 58,645.36	\$ 63,605.96	\$ 79,398.31	\$ 92,313.83	\$ 93,071.06	\$ 93,915.34	\$ 95,879.63	\$ 99,697.51	\$ 205,423.63
05488	LIME CONVEYOR/ALT FUEL FEED	\$ 57,423.50	\$ 57,423.50	\$ 102,400.00	\$ 103,879.00	\$ 120,119.17	\$ 130,079.98	\$ 138,444.98	\$ 235,760.06	\$ 554,264.92	\$ 630,292.22	\$ 1,545,676.81	\$ 2,347,626.11
13086	FLOYD SUBSTATION REBUILD	\$ 50,070.34	\$ 242,513.72	\$ 383,560.87	\$ 420,302.27	\$ 967,173.96	\$ 1,091,542.61	\$ 1,177,432.81	\$ 1,184,687.73	\$ 1,186,749.50	\$ 1,188,891.02	\$ 1,194,830.43	\$ 752.05
05483	CCR/ELG WATER MASS BAL POND	\$ 25,493.00	\$ 25,493.00	\$ 25,493.00	\$ 25,493.00	\$ 25,493.00	\$ 25,493.00	\$ 25,493.00	\$ 25,493.00	\$ 25,493.00	\$ 25,493.00	\$ 25,493.00	\$ 25,493.00
13150	2019 STEEL POLE REPL PROGRAM	\$ 24,111.62	\$ 26,268.29	\$ 37,764.67	\$ 147,443.03	\$ 899,246.36	\$ 947,944.92	\$ 1,025,134.55	\$ 1,250,359.49	\$ 1,280,736.73	\$ 1,332,760.60	\$ 1,417,384.68	\$ 1,392,730.67
12940	MCKINNEYS CR SUB UPGRD	\$ 16,792.61	\$ 20,442.03	\$ 22,988.06	\$ 24,445.79	\$ 25,513.38	\$ 32,232.79	\$ 34,041.13	\$ 40,235.50	\$ 76,175.66	\$ 77,144.24	\$ 87,938.81	\$ 116,108.54
21988-21994	LANCASTER SUB & TAP CONSTRUCTION	\$ 9,483.68	\$ 11,438.04	\$ 15,862.07	\$ 31,389.36	\$ 35,719.94	\$ 38,476.51	\$ 44,195.59	\$ 61,273.93	\$ 65,526.03	\$ 76,671.46	\$ 183,369.70	\$ 200,386.24
13031	AVON-DALE-SMITH REPLACE OPGW	\$ 9,910.78	\$ 90,379.92	\$ 266,604.70	\$ 415,021.65	\$ 691,940.70	\$ 790,102.55	\$ 816,247.26	\$ 898,581.26	\$ 1,054,454.28	\$ 1,067,803.11	\$ 109,880.59	\$ 57,358.69
21996-22001	PATRIOT PKWY SUB & TAP CONSTRUCTION	\$ 6,387.54	\$ 7,526.71	\$ 10,574.28	\$ 12,383.08	\$ 13,859.15	\$ 20,080.89	\$ 22,080.33	\$ 24,194.31	\$ 26,890.86	\$ 28,209.29	\$ 39,354.34	\$

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
CWIP by Month and Major Project (Major project defined as anticipated spend over \$1MM)
and
Rollforward of Plant in Service by Month with Transfers from CWIP and Retirements
Test Year 2019

Account 107200 CWIP by Month:

Project Number	Project Description	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
05494	SP01 COOLING TWR REPLACEMENT		\$ 2,651.13	\$ 8,421.91	\$ 13,813.27	\$ 24,631.56	\$ 40,526.32	\$ 100,772.33	\$ 157,720.18	\$ 889,500.00	\$ 927,289.12	\$ 994,272.46	\$ 1,792,479.99
05503	SP04 COAL SILOS NEW LINER			\$ 285,767.48	\$ 2,046,146.93	\$ 2,938,780.31	\$ 3,609,128.83	\$ 3,615,073.17	\$ 3,637,935.91	\$ 3,637,935.91	\$ 3,637,935.91	\$ 3,637,935.91	\$ 1,456.00
13214	BEATTYVILLE DIST SUB REBUILD			\$ 344.68	\$ 1,221.89	\$ 1,344.30	\$ 7,732.72	\$ 7,732.72	\$ 7,816.63	\$ 20,626.98	\$ 23,178.13	\$ 29,911.22	\$ 30,650.94
13175	SPURLOCKSTA 138KV UPGRADE				\$ 162,585.86	\$ 191,127.27	\$ 177,490.34	\$ 239,873.41	\$ 475,169.17	\$ 643,569.06	\$ 813,379.74	\$ 985,304.51	\$ 1,109,213.66
13239	GREEN_CO STATION UPGRADE				\$ 1,684.40	\$ 1,702.90	\$ 1,702.90	\$ 4,087.74	\$ 22,583.87	\$ 22,583.87	\$ 7,751.59	\$ 19,984.29	\$ 20,804.70
05510	SP04 REPL TURBINE COMPONENTS						\$ 18,510,273.71	\$ 18,512,754.42	\$ 24,755,762.84	\$ 24,823,072.38	\$ 24,662,665.66	\$ 24,633,365.66	
05504	SPURLOCK REMOTE FAST DEGAS SYS							\$ 6,764.61	\$ 23,525.62	\$ 47,651.44	\$ 695,410.64	\$ 733,524.32	\$ 913,098.11
05500	SP02 REPL FEEDWATER HEATER #5								\$ 7,728.00	\$ 7,889.00	\$ 126,476.50	\$ 126,476.50	\$ 129,133.00
22032	KU WEST SHELBY												\$ 4,800,000.00
05513	SPURLOCK U3 AUX STEAM SUPPLY												\$ 3,360.00
VARIOUS	OTHER NON-MAJOR PROJECTS	\$ 12,272,992.77	\$ 9,202,056.20	\$ 9,206,291.79	\$ 9,148,563.12	\$ 10,072,888.02	\$ 11,417,062.47	\$ 13,875,344.04	\$ 12,972,583.39	\$ 13,645,954.08	\$ 13,037,583.91	\$ 12,772,610.57	\$ 11,341,383.51
	Monthly Balance	\$ 95,137,424.72	\$ 97,959,554.69	\$ 113,095,263.99	\$ 125,786,482.22	\$ 139,420,641.82	\$ 173,598,500.82	\$ 188,839,240.06	\$ 205,652,760.76	\$ 216,156,541.74	\$ 232,724,811.63	\$ 235,843,352.00	\$ 247,392,629.69

Rollforward of Plant in Service by Month:

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Beginning Balance	4,198,018,961.70	4,200,627,266.78	4,205,356,479.89	4,208,316,517.73	4,209,666,098.46	4,211,926,477.13	4,209,851,146.21	4,210,691,598.57	4,217,494,726.03	4,217,777,481.27	4,218,972,719.29	4,232,078,951.78
Additions	2,633,004.23	\$ 5,650,417.81	\$ 2,982,457.24	\$ 1,528,704.46	\$ 3,016,351.09	\$ 609,225.51	\$ 1,021,140.76	\$ 7,392,993.21	\$ 5,146,702.65	\$ 2,948,995.70	\$ 16,868,345.64	\$ 34,502,964.11
Retirements	(24,699.15)	\$ (921,204.70)	\$ (22,419.40)	\$ (179,123.73)	\$ (755,972.42)	\$ (2,684,556.43)	\$ (180,688.40)	\$ (589,865.75)	\$ (4,863,947.41)	\$ (1,753,757.68)	\$ (3,762,113.15)	\$ (84,615,753.75)
Ending Balance	4,200,627,266.78	4,205,356,479.89	4,208,316,517.73	4,209,666,098.46	4,211,926,477.13	4,209,851,146.21	4,210,691,598.57	4,217,494,726.03	4,217,777,481.27	4,218,972,719.29	4,232,078,951.78	4,181,966,162.14

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

**AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 44**

RESPONSIBLE PERSON: Thomas J. Stachnik

COMPANY: East Kentucky Power Cooperative, Inc.

Request 44. Provide the monthly beginning and ending balances of any short term line of credit for each month during 2019, 2020, and 2021 to date along with a computation of the interest expense booked for each month during those years in electronic format with all formulas intact. If there were no such balances, so state.

Response 44. EKPC maintains an unsecured syndicated credit facility, which is classified as long-term debt under GAAP. The monthly balances and interest accrued for this facility are included *AG Nucor DRI Responses 4, 5 & 44* tab “#44 Credit Facility Summary”.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 45

RESPONSIBLE PERSON: **Ann Bridges**

COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 45. Indicate whether EKPC has any subsidiaries or affiliates. If it does, identify each and provide a description of the function or business line of each.

Response 45. EKPC considers both ACES and Envision as affiliates, and reports both as such in its Cost Allocation Manual (“CAM”) filing with the Commission. A copy of the most recently filed CAM was included in EKPC’s Application filed on April 1, 2021, page 6 of 15 of Exhibit 48.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE**

**AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 46**

RESPONSIBLE PERSON: Ann Bridges

COMPANY: East Kentucky Power Cooperative, Inc.

Request 46. Provide the amounts of notes receivable and/or investment receivable balances from subsidiaries or affiliates at the end of each month during 2019 and 2020. List each of the balances by subsidiary or affiliate. If none, so state.

Response 46. There are no notes/investment receivable balances from affiliates in 2019 or 2020.

EAST KENTUCKY POWER COOPERATIVE, INC.
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INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 47

RESPONSIBLE PERSON: **Ann Bridges**

COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 47. Refer to the preceding question. Indicate whether interest income, or an offset to interest expense, was computed and credited to the Company related to these investment activities and included in the Company's books during the test year? If not, explain why not. If so, provide the amounts booked to interest income or as an offset to interest expense for each month during the test year.

Response 47. Due to the nature of these affiliates, as explained in the response to Request 45, interest income/offset to interest expense transactions are not applicable.

**EAST KENTUCKY POWER COOPERATIVE, INC.
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INITIAL REQUEST FOR INFORMATION RESPONSE**

**AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 48**

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 48. Provide the monthly level of customer deposits and the monthly interest expense paid on such for each month in the test year and for each month thereafter until the month most recently available.

Response 48. EKPC does not require deposits from its owner-members as security for the payment of wholesale energy bills. Accordingly, there is no monthly liability balance or interest expense to report.

EAST KENTUCKY POWER COOPERATIVE, INC.
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INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 49

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 49. Provide the uncollectible reserve starting balance, expense accrual, write-off's, recoveries, other adjustments, and ending balance for each month during the test year.

Response 49. As previously discussed in Response 44 of the Commission's First Request for Information, EKPC does not maintain a reserve for uncollectible accounts. Therefore, a monthly roll forward of the account depicting the beginning balance, expense accrual, write-offs, recoveries, other adjustments and ending balance is not applicable.

EAST KENTUCKY POWER COOPERATIVE, INC.
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INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 50

RESPONSIBLE PERSON: Barry Lindeman

COMPANY: East Kentucky Power Cooperative, Inc.

Request 50. Provide the number of full-time and part-time employees at December 31, 2017, December 31, 2018, December 31, 2019, and at the end of each month thereafter through the most recent month for which actual information is available.

Response 50. Please see tables below.

Year End	# of Full Time Employees	# of Part-Time Employees
12/31/2017	688	31
12/31/2018	685	21
12/31/2019	689	20

Calendar Year 2020	# of Full Time Employees	# of Part-Time Employees
01/31/2020	692	25
02/29/2020	691	25
03/31/2020	697	25
04/30/2020	699	24
05/31/2020	698	20
06/30/2020	707	20
07/31/2020	713	20
08/31/2020	714	21
09/30/2020	714	21
10/31/2020	712	21
11/30/2020	719	21
12/31/2020	719	16

Calendar Year 2021	# of Full Time Employees	# of Part-Time Employees
01/31/2021	707	20
02/28/2021	705	18
03/31/2021	704	18
04/30/2021	703	17

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 51

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 51. Provide the actual monthly total payroll costs (all payroll costs, not just expense) for 2018, 2019, each month during 2020, and each month during 2021 through the most recent month available separated into regular and overtime compensation. Further separate these amounts into expense and capital (plant), and further separate these expense and capital amounts into base and environmental surcharge.

Response 51. Please see page 2 of this response and corresponding Excel file *AG Nucor DRI Response 51.xlsx* for a schedule that provides annual totals for the years ended December 31, 2018 and 2019 and monthly totals for 2020 and 2021 of payroll costs separated into regular and overtime and further separated by capital and expense. The capital and expense portions were then separated between base and environmental surcharge.

East Kentucky Power Cooperative, Inc. Case No. 2021-00103 Regular & Overtime Wages further separated by Capital, Expense, Base and ES Years 2018 & 2019 Total Year and 2020 & 2021 Monthly																
Labor by Reg & O/T					Labor by Classification							Labor by Base & ES Classification				
Year	Month			Total	Capital & Other			Expense			Total	Capital		Expense		Total
		Regular Time	Overtime		Regular	Overtime	Total Capital & Other	Regular	Overtime	Total Expense		Base	ES	Base	ES	
2018		\$63,681,676	\$5,853,019	\$69,534,695	\$4,339,257	\$708,615	\$5,047,872	\$59,342,419	\$5,144,404	\$64,486,823	\$69,534,695	\$4,690,810	\$357,062	\$63,414,791	\$1,072,032	\$69,534,695
2019		\$65,281,008	\$6,755,512	\$72,036,520	\$4,118,828	\$1,074,441	\$5,193,269	\$61,162,180	\$5,681,071	\$66,843,251	\$72,036,520	\$4,584,220	\$609,049	\$65,742,431	\$1,100,820	\$72,036,520
2020	January	\$5,344,029	\$404,112	\$5,748,141	\$186,884	\$47,238	\$234,122	\$5,157,144	\$356,874	\$5,514,018	\$5,748,140	\$177,634	\$56,488	\$5,452,382	\$61,636	\$5,748,140
	February	\$5,114,519	\$293,456	\$5,407,975	\$319,644	\$37,284	\$356,928	\$4,794,875	\$256,172	\$5,051,047	\$5,407,975	\$265,268	\$91,660	\$4,992,278	\$58,769	\$5,407,975
	March	\$5,523,852	\$472,504	\$5,996,356	\$760,323	\$170,810	\$931,133	\$4,763,529	\$301,693	\$5,065,222	\$5,996,355	\$814,805	\$116,328	\$4,957,317	\$107,905	\$5,996,355
	April	\$5,633,414	\$590,532	\$6,223,946	\$399,787	\$76,570	\$476,357	\$5,233,627	\$513,962	\$5,747,589	\$6,223,946	\$351,797	\$124,560	\$5,558,352	\$189,237	\$6,223,946
	May	\$5,863,385	\$662,379	\$6,525,764	\$683,914	\$154,579	\$838,493	\$5,179,471	\$507,800	\$5,687,271	\$6,525,764	\$606,450	\$232,043	\$5,593,062	\$94,209	\$6,525,764
	June	\$5,623,435	\$290,515	\$5,913,951	\$303,640	\$64,165	\$367,805	\$5,319,796	\$226,350	\$5,546,146	\$5,913,951	\$258,690	\$109,115	\$5,474,547	\$71,599	\$5,913,951
	July	\$5,853,770	\$421,531	\$6,275,301	\$190,091	\$8,029	\$198,120	\$5,663,679	\$413,502	\$6,077,181	\$6,275,301	\$102,039	\$96,081	\$6,000,671	\$76,510	\$6,275,301
	August	\$5,417,471	\$331,178	\$5,748,649	\$280,030	\$26,440	\$306,470	\$5,137,441	\$304,737	\$5,442,178	\$5,748,648	\$177,050	\$129,420	\$5,364,204	\$77,974	\$5,748,648
	September	\$6,175,508	\$408,899	\$6,584,406	\$360,970	\$46,196	\$407,166	\$5,814,538	\$362,703	\$6,177,241	\$6,584,407	\$277,742	\$129,424	\$6,107,758	\$69,483	\$6,584,407
	October	\$6,314,800	\$1,052,805	\$7,367,605	\$861,813	\$162,022	\$1,023,835	\$5,452,987	\$890,783	\$6,343,770	\$7,367,605	\$802,398	\$221,437	\$6,139,653	\$204,117	\$7,367,605
	November	\$5,693,297	\$681,396	\$6,374,692	\$659,806	\$125,050	\$784,856	\$5,033,491	\$556,346	\$5,589,837	\$6,374,693	\$632,388	\$152,468	\$5,507,061	\$82,776	\$6,374,693
	December	\$8,399,450	\$577,712	\$8,977,162	\$675,095	\$172,977	\$848,072	\$7,724,355	\$404,736	\$8,129,091	\$8,977,163	\$674,141	\$173,931	\$8,043,758	\$85,333	\$8,977,163
	Total	\$70,956,930	\$6,187,018	\$77,143,948	\$5,681,997	\$1,091,360	\$6,773,357	\$65,274,933	\$5,095,658	\$70,370,591	\$77,143,948	\$5,140,402	\$1,632,955	\$69,191,043	\$1,179,548	\$77,143,948
2021	January	\$5,235,606	\$449,580	\$5,685,186	\$116,166	\$63,490	\$179,656	\$5,119,439	\$386,090	\$5,505,529	\$5,685,185	\$27,742	\$151,914	\$5,432,249	\$73,280	\$5,685,185
	February	\$5,146,247	\$365,369	\$5,511,616	\$300,602	\$33,532	\$334,134	\$4,845,646	\$331,837	\$5,177,483	\$5,511,617	\$182,063	\$152,071	\$5,098,560	\$78,923	\$5,511,617
	March	\$5,954,111	\$509,285	\$6,463,396	\$421,200	\$171,319	\$592,519	\$5,532,911	\$337,966	\$5,870,877	\$6,463,396	\$450,022	\$142,497	\$5,766,838	\$104,039	\$6,463,396
	April	\$6,246,379	\$762,010	\$7,008,389	\$1,151,867	\$183,763	\$1,335,630	\$5,094,512	\$578,247	\$5,672,759	\$7,008,389	\$1,120,943	\$214,687	\$5,563,510	\$109,249	\$7,008,389
	Total	\$22,582,343	\$2,086,244	\$24,668,587	\$1,989,835	\$452,104	\$2,441,939	\$20,592,508	\$1,634,140	\$22,226,648	\$24,668,587	\$1,780,770	\$661,169	\$21,861,157	\$365,491	\$24,668,587

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

**AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 52**

RESPONSIBLE PERSON: Michelle K. Carpenter / Isaac S. Scott
COMPANY: East Kentucky Power Cooperative, Inc.

Request 52. Refer to Schedule 1.07, which details the proforma adjustment to normalize wages and salaries. In the same format depicted in this schedule, provide the actual data for each month during 2020 and 2021 through the most recent month available.

Response 52. Please see page 2 of this response and corresponding Excel file *AG Nucor DRI Response 52.xlsx* for a summary of actual payroll for each month during 2020 and for the four months ended April 30, 2021, which was prepared in a format similar to Schedule 1.07.

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
Actual Wages & Salaries
For each month in 2020 and 2021

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total 2020	Jan-21	Feb-21	Mar-21	Apr-21	Total 2021
Account Allocation:																		
CWIP (107)	\$ 173,949	\$ 303,925	\$ 384,392	\$ 410,878	\$ 603,284	\$ 353,165	\$ 299,948	\$ 543,660	\$ 367,480	\$ 698,932	\$ 677,954	\$ 457,186	\$ 5,274,753	\$ 232,103	\$ 308,370	\$ 353,735	\$ 533,439	\$ 1,427,647
RWIP (108)	\$ 30,739	\$ 88,777	\$ 127,085	\$ (15,766)	\$ 98,951	\$ 95,908	\$ 60,900	\$ (131,990)	\$ 59,077	\$ 172,403	\$ (32,381)	\$ (47,953)	\$ 505,750	\$ 31,452	\$ 54,349	\$ (5,299)	\$ 91,943	\$ 172,445
Accounts Receivable (143)	\$ 2,548	\$ 4,383	\$ 3,428	\$ 16,810	\$ 35,475	\$ 2,533	\$ 5,324	\$ 10,420	\$ 6,399	\$ (11,040)	\$ 10,327	\$ 9,155	\$ 95,762	\$ 10,305	\$ 42,597	\$ 241,570	\$ 20,357	\$ 314,829
Fuel Stock Undistributed (152) *	\$ 13,826	\$ (50,799)	\$ 402,312	\$ 57,942	\$ 92,244	\$ (91,390)	\$ (174,770)	\$ (125,039)	\$ (37,736)	\$ 140,175	\$ (168)	\$ 418,184	\$ 644,781	\$ (105,567)	\$ (89,286)	\$ (6,371)	\$ 676,918	\$ 475,694
Prelim. Survey & Invest. (183)	\$ -	\$ -	\$ -	\$ -	\$ 576	\$ 144	\$ 72	\$ 576	\$ 2,167	\$ 570	\$ 1,652	\$ 1,563	\$ 7,320	\$ 2,174	\$ 1,590	\$ (6,221)	\$ 360	\$ (2,097)
Miscellaneous Defer Debt (186)	\$ -	\$ -	\$ 2,869	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,869	\$ -	\$ -	\$ -	\$ -	\$ -
Other Long-Term Debt (224)	\$ 5,982	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,183	\$ 119,954	\$ -	\$ 134,119	\$ -	\$ -	\$ -	\$ -	\$ -
Reduction of ARO Liab (230)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 274	\$ 853	\$ 710	\$ 426	\$ 1,137	\$ 3,400	\$ 1,563	\$ 2,842	\$ -	\$ 4,120	\$ 8,525
Maint. Exp. Plant Lease (413)	\$ 2,958	\$ 7,718	\$ 7,917	\$ 3,482	\$ 3,162	\$ 4,387	\$ 3,536	\$ 5,206	\$ 5,419	\$ 8,608	\$ 3,669	\$ 4,924	\$ 60,986	\$ 4,474	\$ 5,034	\$ 9,841	\$ 2,264	\$ 21,613
Expenses Non-Utility Oper. (417.1)	\$ 2,208	\$ 2,385	\$ 2,406	\$ 2,385	\$ 3,578	\$ 2,385	\$ 2,387	\$ 2,429	\$ 2,483	\$ 3,751	\$ 2,483	\$ 2,769	\$ 31,649	\$ 2,213	\$ 2,486	\$ 2,483	\$ 3,590	\$ 10,772
Civic & Political (426.4)	\$ 623	\$ 673	\$ 673	\$ 673	\$ 1,009	\$ 673	\$ 673	\$ 673	\$ 705	\$ 1,057	\$ 705	\$ 800	\$ 8,937	\$ 785	\$ -	\$ -	\$ -	\$ 785
Misc. Service Revenues (451)	\$ 1,289	\$ (133)	\$ 50	\$ (46)	\$ 214	\$ -	\$ 50	\$ 261	\$ 320	\$ 484	\$ 236	\$ 307	\$ 3,032	\$ 20	\$ 5,924	\$ 2,344	\$ 283	\$ 8,571
Production	\$ 3,096,276	\$ 2,839,532	\$ 2,707,168	\$ 3,131,760	\$ 3,358,066	\$ 3,139,006	\$ 3,474,098	\$ 3,067,491	\$ 3,476,786	\$ 3,783,823	\$ 3,330,913	\$ 4,109,171	\$ 39,514,090	\$ 3,021,905	\$ 3,060,746	\$ 3,294,786	\$ 3,169,645	\$ 12,547,082
Transmission	\$ 1,027,995	\$ 939,152	\$ 946,266	\$ 1,020,979	\$ 936,270	\$ 974,777	\$ 1,101,708	\$ 994,967	\$ 1,110,102	\$ 956,313	\$ 865,542	\$ 1,709,720	\$ 12,583,791	\$ 991,309	\$ 910,327	\$ 1,033,628	\$ 968,605	\$ 3,903,869
Distribution	\$ 104,859	\$ 71,073	\$ 64,959	\$ 140,260	\$ 97,282	\$ 89,686	\$ 98,413	\$ 86,261	\$ 97,871	\$ 93,178	\$ 59,098	\$ 120,262	\$ 1,123,202	\$ 79,130	\$ 75,686	\$ 76,540	\$ 110,039	\$ 341,395
Customer Service & Information	\$ 124,889	\$ 116,197	\$ 129,177	\$ 128,148	\$ 122,313	\$ 127,685	\$ 133,460	\$ 123,755	\$ 145,550	\$ 133,577	\$ 126,770	\$ 233,950	\$ 1,645,471	\$ 114,084	\$ 118,451	\$ 137,178	\$ 127,016	\$ 496,729
Sales	\$ 1,666	\$ 1,549	\$ 1,706	\$ 1,704	\$ 1,626	\$ 1,704	\$ 1,781	\$ 1,626	\$ 2,683	\$ 1,763	\$ 1,682	\$ 2,017	\$ 21,507	\$ 1,508	\$ 1,602	\$ 1,843	\$ 1,762	\$ 6,715
Administrative & General	\$ 1,096,695	\$ 1,024,776	\$ 1,108,041	\$ 1,135,502	\$ 1,077,504	\$ 1,141,690	\$ 1,191,211	\$ 1,090,104	\$ 1,274,766	\$ 1,171,000	\$ 1,123,055	\$ 1,868,637	\$ 14,302,981	\$ 1,224,448	\$ 931,976	\$ 1,223,301	\$ 1,188,797	\$ 4,568,522
Total	\$ 5,686,502	\$ 5,349,208	\$ 5,888,449	\$ 6,034,711	\$ 6,431,554	\$ 5,842,353	\$ 6,198,791	\$ 5,670,674	\$ 6,514,925	\$ 7,163,487	\$ 6,291,917	\$ 8,891,829	\$ 75,964,400	\$ 5,611,906	\$ 5,432,694	\$ 6,359,358	\$ 6,899,138	\$ 24,303,096

* Monthly Account 152 activity in this schedule includes allocations of labor to production expense based upon fuel inventory used.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE**

**AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 53**

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 53. Refer to Schedule 1.07, which details the proforma adjustment normalize wages and salaries. Describe all known reasons why the “2020 Merit Increase Annualized” amount in the middle column for Transmission O&M wages and salaries amounted to a 9.6% increase over test year actual amounts (\$12,796,417/\$11,676,336).

Response 53. The reason for the change in the Transmission O&M wages and salaries presented on Schedule 1.07 is the result of preparing the payroll normalization based on a single payroll. As shown in Attachment 3 – Workpaper 1.07 – Wages & Salaries, the September 18, 2020 payroll was annualized in order to determine the effect of the 2020 merit increase. The allocation of the payroll costs between capital and expense accounts reflects the account allocations for that one payroll. However, over the course of a year, the allocation of each payroll’s cost between accounts will fluctuate with the result at the end of a year reflecting a “blended” allocation. Thus, the change in the Transmission O&M wages and salaries between the 2020 merit increase and the test

year actual is the result of the process used to annualize the payroll costs and not a specific event or circumstance.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 54

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 54. Refer to Schedule 1.07, which details the proforma adjustment to normalize wages and salaries. Describe all known reasons why the “2020 Merit Increase Annualized” amount in the middle column for Customer Service & Information O&M wages and salaries amounted to a 9.5% increase over test year actual amounts (\$1,646,924/\$1,504,128).

Response 54. The reason for the change in the Customer Service & Information O&M wages and salaries presented on Schedule 1.07 is the result of preparing the payroll normalization based on a single payroll. Please see the response to Request 53.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 55

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 55. Refer to Schedule 1.07, which details the proforma adjustment to normalize wages and salaries. Describe all known reasons why the “2020 Merit Increase Annualized” amount in the middle column for Administrative & General O&M wages and salaries amounted to an 11.6% increase over test year actual amounts (\$14,694,317/\$13,161,170).

Response 55. The reason for the change in the Administrative & General O&M wages and salaries presented on Schedule 1.07 is the result of preparing the payroll normalization based on a single payroll. Please see the response to Request 53.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 56

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 56. Please provide a schedule of the total cost for each benefit cost during calendar year 2018, 2019, each month during 2020, and each month during 2021. Separate these amounts into expense and capital (plant), and further separate these expense and capital amounts into base and environmental surcharge.

Response 56. Please refer to pages 2 through 4 of this response and *Excel file AG Nucor DRI Response 56.xlsx* for schedules depicting benefit costs for the years ended December 31, 2018 and 2019 and for each month during 2020 and 2021. The benefit costs have also been segregated by capital and expense, and those amounts further segregated between base and environmental surcharge.

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
Benefit Costs for Years Ended 2018 and 2019

Benefit Description	Year Ended 12/31/2018	Year Ended 12/31/2019
Retirement Benefits	\$ 8,434,967.90	\$ 7,877,518.68
Sick Leave Accrual	\$ 6,133.82	\$ 6,288.62
Dental/Vision Insurance	\$ 331,598.50	\$ 300,990.57
401K-Employer 2% Contribution	\$ 527,731.60	\$ 501,984.00
LTD Insurance	\$ 455,584.41	\$ 519,213.34
Business Travel Insurance	\$ 2,151.00	\$ 2,151.00
Employee Safety Awards	\$ -	\$ 6,805.83
Group Term Life/AD&D	\$ 306,916.38	\$ 312,721.90
Retired Employee Life Ins	\$ 37,671.80	\$ 42,334.02
Vending Supplies	\$ 58,590.14	\$ 70,033.54
Postemployment-LTD, WC	\$ -	\$ -
Post Retirement/ASC 715	\$ 3,879,635.00	\$ 3,280,634.00
Employee Food Certificates	\$ 37,489.53	\$ 38,949.11
Employee Recreation	\$ 55,000.00	\$ 55,000.00
Employee Recruiting Relocation	\$ 384,321.02	\$ 312,556.20
Employee Assn Board Lunches	\$ 1,485.92	\$ 1,645.77
Employee Service Awards	\$ 98,088.98	\$ 108,900.00
Employee Physicals	\$ 13,409.00	\$ 16,888.00
Employee Recognition Dinner	\$ 95,072.30	\$ 94,211.73
457(f) SERP	\$ 533,576.14	\$ 561,620.58
Retiree Lunch	\$ 3,201.47	\$ 5,631.00
Workers Compensation	\$ 390,731.85	\$ 443,824.17
Key Contributor Award	\$ 74,205.95	\$ 220,050.00
Employee Assistance Program	\$ 32,465.84	\$ 26,285.18
Wellness Program	\$ 45,093.45	\$ 79,283.54
Medical Surveillance	\$ 32,761.00	\$ 25,825.00
CDL Physicals	\$ 4,664.00	\$ 5,082.00
CDL Drug & Alcohol Testing	\$ 2,600.00	\$ 3,057.00
Corporate Drug/Alcohol Testing	\$ 21,167.00	\$ 20,815.00
Medical Insurance PPO	\$ 6,838,949.73	\$ 8,684,917.79
Retiree Medical-PPO	\$ (199,535.81)	\$ (24,633.34)
401K-Employer 6% Contribution	\$ 1,997,865.03	\$ 2,175,427.16
401K-Employer 4% Contribution	\$ 1,235,918.52	\$ 1,360,088.54
Car Allowance	\$ 90,000.00	\$ 78,500.00
Safety Incentive Program	\$ -	\$ 4,886.84
RS/SERP/DefComp/401K Admin Fee	\$ 358,327.95	\$ 354,838.45
Section 125-Administrative Fee	\$ 7,896.50	\$ 5,706.34
HSA Employer Contribution	\$ 9,930.00	\$ 11,980.00
HRA Benefits	\$ 226,302.02	\$ 198,881.07
Employer-Paid Short-Term Disab	\$ -	\$ 161,438.41
TOTAL BENEFIT COST	\$ 26,431,967.94	\$ 27,952,331.04
Base Capital Benefit Cost	\$ 1,178,093.54	\$ 1,212,671.06
Environmental Surcharge Capital Benefit Cost	\$ 148,329.53	\$ 233,728.88
TOTAL CAPITAL BENEFIT COST	\$ 1,326,423.07	\$ 1,446,399.94
Base Expense Benefit Cost	\$ 24,725,466.78	\$ 26,123,219.83
Environmental Surcharge Expense Benefit Cost	\$ 380,078.09	\$ 382,711.27
TOTAL EXPENSE BENEFIT COST	\$ 25,105,544.87	\$ 26,505,931.10
TOTAL BENEFIT COST	\$ 26,431,967.94	\$ 27,952,331.04

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
Benefit Costs by Month for Year Ended 2020

Benefit Description	Month Ended 1/31/20	Month Ended 2/28/20	Month Ended 3/31/20	Month Ended 4/30/20	Month Ended 5/31/20	Month Ended 6/30/20	Month Ended 7/31/20	Month Ended 8/31/20	Month Ended 9/30/20	Month Ended 10/31/20	Month Ended 11/30/20	Month Ended 12/31/20	Year Ended 12/31/20
Retirement Benefits	\$ 1,035,566.99	\$ 1,023,509.47	\$ 957,219.77	\$ 1,088,173.52	\$ 510,139.98	\$ -	\$ 1,014,791.52	\$ 505,502.54	\$ 500,596.81	\$ 494,649.68	\$ 494,649.68	\$ 464,976.50	\$ 8,089,776.46
Sick Leave Accrual	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,346.16	\$ -	\$ 3,346.16
Dental/Vision Insurance	\$ 18,505.49	\$ 19,278.96	\$ 18,272.97	\$ 19,871.71	\$ 19,985.10	\$ 20,021.57	\$ 18,415.54	\$ 19,909.49	\$ 20,432.49	\$ 18,935.69	\$ 20,156.68	\$ 10,895.54	\$ 224,681.23
401K-Employer 2% Contribution	\$ 39,638.49	\$ 39,478.37	\$ 39,493.09	\$ 39,183.46	\$ 56,901.90	\$ 37,743.00	\$ 37,673.86	\$ 37,503.32	\$ 40,010.80	\$ 57,322.88	\$ 38,290.69	\$ 37,444.36	\$ 500,684.22
LTD Insurance	\$ 37,085.19	\$ 37,063.69	\$ 37,259.81	\$ 37,054.88	\$ 37,619.29	\$ 38,215.54	\$ 37,700.54	\$ 38,248.63	\$ 38,874.05	\$ -	\$ 77,909.87	\$ (80,324.00)	\$ 336,707.49
Business Travel Insurance	\$ 27.00	\$ 27.00	\$ 27.00	\$ 27.00	\$ 27.00	\$ 27.00	\$ 27.00	\$ 27.00	\$ 27.00	\$ 27.00	\$ 27.00	\$ 182.00	\$ 2,214.00
Employee Safety Awards	\$ 1,724.01	\$ 1,390.00	\$ 10.00	\$ -	\$ 350.00	\$ -	\$ -	\$ 1,359.42	\$ 5,180.05	\$ (164.31)	\$ 1,264.83	\$ 50.00	\$ 11,164.00
Group Term Life/AD&D	\$ 27,918.62	\$ 28,061.53	\$ 27,981.45	\$ 28,085.01	\$ 28,174.07	\$ 28,107.75	\$ 28,276.86	\$ 28,164.47	\$ 28,173.40	\$ 28,000.58	\$ 27,907.30	\$ 30,846.27	\$ 339,697.31
Retired Employee Life Ins	\$ 3,190.43	\$ (856.74)	\$ 3,290.45	\$ 3,325.43	\$ 2,920.19	\$ 4,569.44	\$ 3,567.75	\$ 2,709.17	\$ 4,041.93	\$ 4,101.77	\$ 3,258.61	\$ 4,876.19	\$ 38,994.62
Vending Supplies	\$ 4,771.44	\$ 4,122.11	\$ 5,752.38	\$ 3,987.83	\$ 3,253.74	\$ 5,574.37	\$ 5,326.02	\$ 2,853.17	\$ 4,940.22	\$ 6,059.17	\$ 5,879.48	\$ 5,100.14	\$ 57,620.07
Postemployment-LTD, WC	\$ 316.87	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 316.87
Post Retirement/ASC 715	\$ 273,386.17	\$ (97,063.97)	\$ 88,161.08	\$ 88,161.08	\$ 88,161.08	\$ 88,161.08	\$ 88,161.08	\$ 88,161.08	\$ 88,161.08	\$ 88,161.08	\$ 88,161.08	\$ 88,161.08	\$ 1,057,933.00
Employee Food Certificates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,854.69	\$ 55,581.80	\$ 130,436.49
Employee Recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Recruiting Relocation	\$ 29,039.42	\$ 12,120.35	\$ 12,684.90	\$ 23,967.16	\$ 4,240.50	\$ 21,609.96	\$ 23,475.16	\$ 3,094.73	\$ 7,362.30	\$ 9,453.47	\$ 13,598.93	\$ 54,105.34	\$ 214,752.22
Employee Assn Board Lunches	\$ 65.24	\$ 59.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124.24
Employee Service Awards	\$ 4,400.00	\$ 1,280.00	\$ -	\$ -	\$ 1,440.00	\$ 2,840.00	\$ -	\$ 1,120.00	\$ -	\$ 3,520.00	\$ 640.00	\$ 92,430.00	\$ 107,670.00
Employee Physicals	\$ 1,533.00	\$ 1,129.00	\$ 236.00	\$ 961.00	\$ 3,998.00	\$ 2,355.50	\$ 1,863.00	\$ -	\$ 1,236.00	\$ 803.00	\$ 3,280.50	\$ 1,164.00	\$ 18,559.00
Employee Recognition Dinner	\$ 1,268.64	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,134.69	\$ 2,403.33
457(f) SERP	\$ 556,428.81	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,439.10	\$ 626,867.91
Retiree Lunch	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers Compensation	\$ 30,035.86	\$ 30,035.86	\$ 69,341.25	\$ 30,035.86	\$ 33,420.61	\$ 36,982.44	\$ 31,728.24	\$ 31,728.23	\$ 36,552.44	\$ 34,738.21	\$ 39,562.47	\$ (178.28)	\$ 403,983.19
Key Contributor Award	\$ 4,000.00	\$ 13,200.00	\$ 4,500.00	\$ -	\$ -	\$ -	\$ 16,750.00	\$ 4,600.00	\$ -	\$ 252,000.00	\$ -	\$ 14,250.00	\$ 309,300.00
Employee Assistance Program	\$ 6,577.20	\$ -	\$ -	\$ 6,579.15	\$ -	\$ (1.89)	\$ 6,580.98	\$ (3.78)	\$ -	\$ 6,579.09	\$ -	\$ -	\$ 26,310.75
Wellness Program	\$ 5,200.55	\$ 6,644.00	\$ 2,697.00	\$ 8,325.57	\$ 15,272.00	\$ 21,406.77	\$ 10,378.00	\$ 4,900.00	\$ 9,598.00	\$ 1,598.00	\$ 2,997.00	\$ 12,250.80	\$ 101,267.69
Medical Surveillance	\$ 475.00	\$ 385.00	\$ 320.00	\$ 118.00	\$ 448.00	\$ -	\$ 240.00	\$ 825.00	\$ 2,770.00	\$ 5,431.00	\$ 4,137.00	\$ 3,368.00	\$ 18,517.00
CDL Physicals	\$ 895.00	\$ 247.00	\$ 138.00	\$ 155.00	\$ 83.00	\$ 747.00	\$ 846.00	\$ -	\$ 726.00	\$ 553.00	\$ 249.00	\$ 228.00	\$ 4,867.00
CDL Drug & Alcohol Testing	\$ 258.00	\$ 620.00	\$ 293.00	\$ -	\$ -	\$ -	\$ 70.00	\$ -	\$ -	\$ -	\$ -	\$ 558.00	\$ 1,799.00
Corporate Drug/Alcohol Testing	\$ 1,706.00	\$ 2,054.00	\$ 1,326.00	\$ 896.00	\$ 15.00	\$ 144.00	\$ 526.00	\$ 255.00	\$ 377.00	\$ 344.00	\$ 328.00	\$ 256.00	\$ 8,227.00
Medical Insurance PPO	\$ 912,241.00	\$ 729,358.14	\$ 733,929.58	\$ 750,129.38	\$ 759,308.67	\$ 758,282.82	\$ 680,328.82	\$ 747,231.50	\$ 748,763.43	\$ 1,429,564.68	\$ 767,110.83	\$ (458,221.96)	\$ 8,558,026.89
Retiree Medical-PPO	\$ 214,636.52	\$ 109,728.50	\$ 128,605.53	\$ 92,253.29	\$ 82,875.91	\$ 45,036.43	\$ 164,334.69	\$ 100,882.73	\$ 112,503.07	\$ 111,685.29	\$ 43,894.21	\$ (1,398,495.32)	\$ (192,059.15)
401K-Employer 6% Contribution	\$ 178,976.05	\$ 178,737.19	\$ 177,786.25	\$ 179,083.84	\$ 273,054.22	\$ 183,855.69	\$ 182,548.87	\$ 181,902.39	\$ 194,594.78	\$ 279,932.89	\$ 188,157.47	\$ 187,472.05	\$ 2,386,101.69
401K-Employer 4% Contribution	\$ 113,413.75	\$ 113,022.35	\$ 112,388.60	\$ 113,360.29	\$ 173,264.20	\$ 116,528.27	\$ 115,839.05	\$ 115,425.83	\$ 123,676.59	\$ 178,499.39	\$ 120,094.60	\$ 119,525.79	\$ 1,515,038.71
Car Allowance	\$ 6,500.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 10,500.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 10,500.00	\$ 7,000.00	\$ 7,000.00	\$ 90,500.00
Safety Incentive Program	\$ 293.21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,180.05)	\$ -	\$ -	\$ -	\$ (4,886.84)
RS/SERP/DefComp/401K Admin Fee	\$ 50,064.37	\$ 21,149.23	\$ 21,082.50	\$ 49,748.50	\$ 21,082.50	\$ 3,500.00	\$ 58,152.18	\$ 20,890.85	\$ 33,140.12	\$ 49,108.34	\$ 20,442.34	\$ 20,402.95	\$ 368,763.88
Section 125-Administrative Fee	\$ 336.00	\$ 599.25	\$ 582.25	\$ -	\$ -	\$ -	\$ 2,346.00	\$ 595.00	\$ 590.75	\$ 578.00	\$ 629.00	\$ 522.50	\$ 6,778.75
HSA Employer Contribution	\$ 760.00	\$ 760.00	\$ 800.00	\$ 880.00	\$ 900.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 960.00	\$ 960.00	\$ 11,020.00
HRA Benefits	\$ 49,296.58	\$ 38,151.00	\$ 32,402.72	\$ 44,508.97	\$ (14,223.05)	\$ 17,701.13	\$ 26,218.65	\$ 13,267.86	\$ 14,278.93	\$ 11,782.30	\$ 14,204.91	\$ 13,626.12	\$ 261,216.12
Employer-Paid Short-Term Disab	\$ 18,192.09	\$ 22,149.57	\$ 20,271.68	\$ 20,160.18	\$ 20,467.26	\$ 20,791.66	\$ 20,511.46	\$ 20,809.66	\$ 21,149.94	\$ -	\$ 42,387.87	\$ 21,586.24	\$ 248,477.61
TOTAL BENEFIT COST	\$ 3,628,722.99	\$ 2,343,439.86	\$ 2,503,853.26	\$ 2,636,032.11	\$ 2,133,679.17	\$ 1,462,199.53	\$ 2,584,677.27	\$ 1,979,963.29	\$ 2,040,577.13	\$ 3,084,764.20	\$ 2,107,180.20	\$ (617,891.10)	\$ 25,887,197.91
Base Capital Benefit Cost	\$ 85,851.26	\$ 111,254.19	\$ 142,051.44	\$ 110,049.56	\$ 96,560.05	\$ 66,623.30	\$ 106,681.46	\$ 82,696.34	\$ 86,870.13	\$ 175,834.85	\$ 145,083.98	\$ 40,296.47	\$ 1,249,853.03
Environmental Surcharge Capital Benefit Cost	\$ 34,778.29	\$ 40,693.45	\$ 48,353.72	\$ 52,670.37	\$ 57,338.48	\$ 30,794.35	\$ 57,470.67	\$ 56,407.92	\$ 56,407.92	\$ 60,975.97	\$ 60,975.97	\$ 68,003.95	\$ 647,462.11
TOTAL CAPITAL BENEFIT COST	\$ 120,629.55	\$ 151,947.64	\$ 190,405.16	\$ 162,719.93	\$ 153,898.53	\$ 97,417.65	\$ 159,450.02	\$ 140,167.01	\$ 143,278.05	\$ 263,041.23	\$ 206,059.95	\$ 108,300.42	\$ 1,897,315.14
Base Expense Benefit Cost	\$ 3,472,547.72	\$ 2,161,292.58	\$ 2,274,481.68	\$ 2,417,631.87	\$ 1,940,224.73	\$ 1,342,885.58	\$ 2,392,124.81	\$ 1,809,305.71	\$ 1,868,634.67	\$ 2,762,594.39	\$ 1,873,469.08	\$ (710,225.99)	\$ 23,604,966.83
Environmental Surcharge Expense Benefit Cost	\$ 35,545.72	\$ 30,199.64	\$ 38,966.42	\$ 55,680.31	\$ 39,555.91	\$ 21,896.30	\$ 33,102.44	\$ 30,490.57	\$ 28,664.41	\$ 59,128.58	\$ 27,517.65	\$ (15,832.01)	\$ 384,915.94
TOTAL EXPENSE BENEFIT COST	\$ 3,508,093.44	\$ 2,191,492.22	\$ 2,313,448.10	\$ 2,473,312.18	\$ 1,979,780.64	\$ 1,364,781.88	\$ 2,425,227.25	\$ 1,839,796.28	\$ 1,897,299.08	\$ 2,821,722.97	\$ 1,900,986.73	\$ (726,058.00)	\$ 23,989,882.77
TOTAL BENEFIT COST	\$ 3,628,722.99	\$ 2,343,439.86	\$ 2,503,853.26	\$ 2,636,032.11	\$ 2,133,679.17	\$ 1,462,199.53	\$ 2,584,677.27	\$ 1,979,963.29	\$ 2,040,577.13	\$ 3,084,764.20	\$ 2,107,046.68	\$ (617,757.58)	\$ 25,887,197.91

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
Benefit Costs by Month for Year-to-Date 2021

Benefit Description	Month Ended 1/31/21	Month Ended 2/28/21	Month Ended 3/31/21	Month Ended 4/30/21	Year-to-Date 2021
Retirement Benefits	\$ 699,512.38	\$ 714,702.98	\$ 663,607.49	\$ 663,607.49	\$ 2,741,430.34
Sick Leave Accrual	\$ -	\$ -	\$ -	\$ -	\$ -
Dental/Vision Insurance	\$ (20,138.85)	\$ 19,702.67	\$ 20,217.60	\$ 19,726.67	\$ 39,508.09
401K-Employer 2% Contribution	\$ 39,724.07	\$ 37,595.51	\$ 37,402.77	\$ 55,477.69	\$ 170,200.04
LTD Insurance	\$ 39,085.75	\$ 38,321.24	\$ 38,421.23	\$ 38,538.25	\$ 154,366.47
Business Travel Insurance	\$ 27.00	\$ 27.00	\$ 27.00	\$ 27.00	\$ 108.00
Employee Safety Awards	\$ -	\$ -	\$ 1,250.00	\$ (136.78)	\$ 1,113.22
Group Term Life/AD&D	\$ 30,119.17	\$ 29,946.29	\$ 30,000.76	\$ 29,962.24	\$ 120,028.46
Retired Employee Life Ins	\$ 3,559.78	\$ 920.77	\$ 4,198.55	\$ 3,938.87	\$ 12,617.97
Vending Supplies	\$ 4,697.62	\$ 4,002.55	\$ 4,340.21	\$ 3,442.79	\$ 16,483.17
Postemployment-LTD, WC	\$ -	\$ -	\$ -	\$ -	\$ -
Post Retirement/ASC 715	\$ 88,161.08	\$ 2,010.22	\$ 45,085.67	\$ 45,085.67	\$ 180,342.64
Employee Food Certificates	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Recreation	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Recruiting Relocation	\$ 14,399.40	\$ 47,912.81	\$ 60,815.85	\$ 95,339.51	\$ 218,467.57
Employee Assn Board Lunches	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Service Awards	\$ 11,960.00	\$ 1,000.00	\$ 2,720.00	\$ -	\$ 15,680.00
Employee Physicals	\$ 884.00	\$ 176.00	\$ 236.00	\$ 971.00	\$ 2,267.00
Employee Recognition Dinner	\$ -	\$ -	\$ -	\$ -	\$ -
457(f) SERP	\$ 587,243.27	\$ -	\$ -	\$ -	\$ 587,243.27
Retiree Lunch	\$ -	\$ -	\$ -	\$ -	\$ -
Workers Compensation	\$ 39,562.47	\$ 34,738.27	\$ 36,322.50	\$ 83,387.07	\$ 194,010.31
Key Contributor Award	\$ 4,500.00	\$ 3,500.00	\$ 6,000.00	\$ 53,300.00	\$ 67,300.00
Employee Assistance Program	\$ 6,582.87	\$ -	\$ -	\$ 6,580.74	\$ 13,163.61
Wellness Program	\$ 799.00	\$ 3,218.56	\$ 2,397.00	\$ 4,998.00	\$ 11,412.56
Medical Surveillance	\$ 622.00	\$ 160.00	\$ -	\$ 257.00	\$ 1,039.00
CDL Physicals	\$ 581.00	\$ 343.00	\$ 383.00	\$ 166.00	\$ 1,473.00
CDL Drug & Alcohol Testing	\$ 1,141.00	\$ 75.00	\$ -	\$ 48.00	\$ 1,264.00
Corporate Drug/Alcohol Testing	\$ 271.00	\$ 60.00	\$ 48.00	\$ 240.00	\$ 619.00
Medical Insurance PPO	\$ 784,982.43	\$ 774,641.15	\$ 770,846.00	\$ 768,442.37	\$ 3,098,911.95
Retiree Medical-PPO	\$ 40,723.57	\$ 46,581.91	\$ 267,169.13	\$ 106,270.77	\$ 460,745.38
401K-Employer 6% Contribution	\$ 198,729.27	\$ 193,800.53	\$ 196,599.51	\$ 294,537.53	\$ 883,666.84
401K-Employer 4% Contribution	\$ 127,906.53	\$ 123,973.74	\$ 125,558.06	\$ 188,472.97	\$ 565,911.30
Car Allowance	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 10,500.00	\$ 31,500.00
Safety Incentive Program	\$ -	\$ -	\$ -	\$ -	\$ -
RS/SERP/DefComp/401K Admin Fee	\$ 21,707.43	\$ 20,841.89	\$ 55,199.49	\$ 55,199.49	\$ 152,948.30
Section 125-Administrative Fee	\$ 535.50	\$ 539.75	\$ 527.00	\$ 522.75	\$ 2,125.00
HSA Employer Contribution	\$ 920.00	\$ 840.00	\$ 880.00	\$ 880.00	\$ 3,520.00
HRA Benefits	\$ 40,236.36	\$ 26,869.89	\$ 38,424.27	\$ 35,468.66	\$ 140,999.18
Employer-Paid Short-Term Disab	\$ 21,265.10	\$ 20,849.16	\$ 20,902.62	\$ 20,966.29	\$ 83,983.17
TOTAL BENEFIT COST	\$ 2,797,300.20	\$ 2,154,350.89	\$ 2,436,579.71	\$ 2,586,218.04	\$ 9,974,448.84
Base Capital Benefit Cost	\$ 33,988.87	\$ 66,147.32	\$ 66,470.97	\$ 96,213.42	\$ 262,820.58
Environmental Surcharge Capital Benefit Cost	\$ 69,042.90	\$ 70,238.09	\$ 65,026.41	\$ 75,536.15	\$ 279,843.55
TOTAL CAPITAL BENEFIT COST	\$ 103,031.77	\$ 136,385.41	\$ 131,497.38	\$ 171,749.57	\$ 542,664.13
Base Expense Benefit Cost	\$ 2,664,066.38	\$ 1,981,933.63	\$ 2,267,919.87	\$ 2,375,036.92	\$ 9,288,956.80
Environmental Surcharge Expense Benefit Cost	\$ 30,202.05	\$ 36,031.85	\$ 37,162.46	\$ 39,431.55	\$ 142,827.91
TOTAL EXPENSE BENEFIT COST	\$ 2,694,268.43	\$ 2,017,965.48	\$ 2,305,082.33	\$ 2,414,468.47	\$ 9,431,784.71
TOTAL BENEFIT COST	\$ 2,797,300.20	\$ 2,154,350.89	\$ 2,436,579.71	\$ 2,586,218.04	\$ 9,974,448.84

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 57

RESPONSIBLE PERSON: Michelle K. Carpenter
COMPANY: East Kentucky Power Cooperative, Inc.

Request 57. Provide a copy of all source documents relied on, such as actuarial reports, to record pension and OPEB expense during 2019, 2020, and 2021 to date. In addition, provide the expense percentage, the environmental surcharge percentage, and the capital percentage used in the computations and demonstrate that the Company did not include benefits costs that normally would be capitalized or reflected as environmental surcharge related as expense amounts.

Response 57. Please see pages 3 through 45 of this response for copies of Mercer's ASC 715 Actuarial Valuation Reports on EKPC's postretirement benefits (health and life) as of December 31, 2019 and 2020, which provide the net periodic benefit cost for each respective year. The 2020 report also includes the estimated net periodic benefit cost for the year ending December 31, 2021. Each year, the estimated net periodic benefit cost is recorded over twelve months with the monthly amount allocated to capital and expense based upon each respective month's labor distribution. The labor

distribution is also detailed at the project level, which means the environmental surcharge is only allocated this cost in proportion to labor charged to eligible projects. Since the allocation of this cost is based upon labor, the resulting percentages charged to capital, environmental surcharge, and expense vary from month to month. Listed below are the annualized percentages for 2019, 2020, and for the four months ended April 30, 2021.

	<u>2019</u>	<u>2020</u>	<u>2021 YTD</u>
Net Periodic Benefit Cost	\$ 3,280,634.00	\$ 1,057,933.00	\$ 180,342.64
Expense Percentage	93.21%	91.44%	92.79%
Environmental Surcharge Percentage	2.24%	3.90%	4.41%
Capital Percentage	4.55%	4.66%	2.80%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

EKPC participates in a multiemployer-defined benefit pension plan and defined contribution plans. Therefore, there are no actuarial reports relied upon to record expense. Contributions are allocated to capital and expense based upon each month's labor distribution, as described above.



**ASC 715 (US GAAP)
ACTUARIAL VALUATION REPORT AS OF
DECEMBER 31, 2019**

**EAST KENTUCKY POWER COOPERATIVE
POSTRETIREMENT BENEFIT PLAN**

MARCH 3, 2020

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APPENDIX A: DISCLOSURE INFORMATION

APPENDIX B: ESTIMATED NET PERIODIC BENEFIT COST INFORMATION

1

REPORT HIGHLIGHTS

Mercer has prepared this report for East Kentucky Power Cooperative (EKPC) to (i) present actuarial estimates of liabilities as of December 31, 2019, for the East Kentucky Power Postretirement Benefit Plan (the 'Plan') to be incorporated, as EKPC deems appropriate, and (ii) provide an actuarial estimate of the net periodic benefit cost for the fiscal year ending December 31, 2020.

All figures in this report are expressed in \$ unless otherwise stated.

Please see Section 3 of this report for further explanation as to the purposes and limitations of this report.

SUMMARY OF RESULTS

Below are highlights of the results as of December 31, 2019, compared to the corresponding figures as of December 31, 2018.

	FISCAL YEAR ENDING DECEMBER 31, 2019	FISCAL YEAR ENDING DECEMBER 31, 2018
Net periodic benefit cost	3,280,634	3,879,635
Benefit obligation	57,552,924	66,053,265
Fair value of assets	0	0
Funded status	(57,552,924)	(66,053,265)
Discount rate at year-end	3.45%	4.45%

The net periodic benefit cost for the fiscal year ending December 31, 2018 and December 31, 2019, includes no charges/credits due to special events.

The estimated net periodic benefit cost for the fiscal year ending December 31, 2020, is a charge of \$1,057,933. Please note that the actual net periodic benefit cost for the fiscal year ending December 31, 2020, may be substantially different from the estimate and may be revised if liabilities are remeasured during the year due to a significant event and/or cash flows are updated.

REVIEW OF RESULTS

The decrease in APBO for the fiscal year ending December 31, 2019 was primarily due to the plan amendment EKPC made moving their post-65 retirees to a Medicare Advantage plan. The actuarial loss was primarily due to the decrease of the discount rate by 100 basis points.

Details of the disclosure information are shown in Appendix A. The estimated net periodic benefit cost information is shown in Appendix B.

Please refer to the remainder of the report for more information about these summary numbers.

2

DATA, ASSUMPTIONS, METHODS, AND PROVISIONS

This report is based on the participant data, assumptions, methods, and provisions summarized in the report titled *East Kentucky Power Cooperative Data, Assumptions, Methods, and Provisions as of December 31, 2019*, dated March 2020, and incorporated herein by reference.

Authorized users of this report should contact Mercer to request a copy of the above report, if they do not already have the report, in order to understand all aspects of the calculations that are incorporated by reference.

We used financial data submitted by EKPC without further audit. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and general reasonableness.

3

IMPORTANT NOTICES

Mercer has prepared this report exclusively for EKPC; subject to this limitation, EKPC may direct that this report be provided to its auditors in connection with the audit of its financial statements. Mercer is not responsible for use of this report by any other party.

The only purposes of this report are to present actuarial estimates of liabilities as of December 31, 2019, for the East Kentucky Power Postretirement Benefit Plan to be incorporated, as EKPC deems appropriate, in the financial statements prepared under US accounting standards, and provide an actuarial estimate of the net periodic benefit cost for the fiscal year ending December 31, 2020.

This report may not be used for any other purpose. Mercer is not responsible for the consequences of any unauthorized use. Its content may not be modified, incorporated into or used in other material, sold or otherwise provided, in whole or in part, to any other person or entity, without Mercer's permission.

This report was prepared in accordance with generally accepted actuarial principles and procedures. The actuarial assumptions were selected by EKPC. Based on the information provided to us, we believe that the actuarial assumptions are reasonable for the purposes described in this report.

All parts of this report, including any documents incorporated by reference, are integral to understanding and explaining its contents; no part may be taken out of context, used, or relied upon without reference to the report as a whole.

Decisions about benefit changes, granting new benefits, investment policy, funding policy, benefit security, and/or benefit-related issues should not be made solely on the basis of this valuation, but only after careful consideration of alternative economic, financial, demographic, and societal factors, including financial scenarios that assume future sustained investment losses.

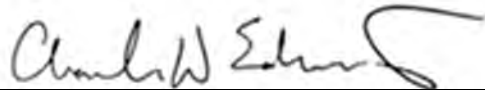
EKPC is ultimately responsible for selecting the Plan's accounting policies, methods, and assumptions. This information is referenced or described in Section 2 of this report. EKPC is solely responsible for communicating to Mercer any changes required to those policies, methods and assumptions.

This report is based on our understanding of applicable law and regulations as of the valuation date. Mercer is not an accountant or auditor and is not responsible for the interpretation of, or compliance with, accounting standards; citations to, and descriptions of accounting standards provided in this report are for reference purposes only. As you know, Mercer is not a law firm, and this analysis is not intended to be a legal opinion. You should consider securing the advice of legal counsel with respect to any legal matters related to this document and any attachments.

EKPC should notify Mercer promptly after receipt of this valuation report if EKPC disagrees with anything contained herein or is aware of any information that would affect the results of this report that has not been communicated to Mercer or incorporated therein. The valuation report will be deemed final and acceptable to EKPC unless EKPC promptly provides such notice to Mercer.

PROFESSIONAL QUALIFICATIONS

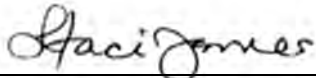
We are available to answer any questions on the material contained in this report, or to provide explanations or further details as may be appropriate. Collectively, the undersigned credentialed actuaries meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report. We are not aware of any direct or material indirect financial interest or relationship, including investments or other services that could create a conflict of interest, that would impair the objectivity of this work.



CHARLES W EDWARDS III, FSA, MAAA
PRINCIPAL

March 2, 2020

DATE



STACI JAMES, FSA, EA, MAAA
PRINCIPAL

March 2, 2020

DATE

APPENDIX A

DISCLOSURE INFORMATION

PLAN NAME	EAST KENTUCKY POWER COOPERATIVE POSTRETIREMENT BENEFIT PLAN	
	US	
	DEC 31, 2019	DEC 31, 2018
A. Change in benefit obligation		
1. Benefit obligation at beginning of year	\$ 66,053,265	\$ 75,806,408
2. Service cost	1,163,017	1,502,817
3. Interest cost	2,868,946	2,788,392
4. Employee contributions	1,542,509	1,461,717
5. Plan amendments	(17,508,726)	(4,692,019)
6. Plan curtailments	-	-
7. Plan settlements	-	-
8. Special termination benefits	-	-
9. a. Benefits paid from the plan	(4,237,205)	(4,399,404)
b. Direct benefit payments	-	-
10. Medicare subsidies received	-	-
11. Expenses paid	-	-
12. Taxes paid	-	-
13. Premiums paid	-	-
14. Net transfer in/(out) (including the effect of any business combinations/divestitures)	-	-
15. Plan combinations	-	-
16. Actuarial loss (gain)	7,671,118	(6,414,646)
17. Exchange rate changes	-	-
18. Benefit obligation at end of year	\$ 57,552,924	\$ 66,053,265

ASC715 (US GAAP)
ACTUARIAL VALUATION REPORT AS OF DECEMBER 31, 2019

EAST KENTUCKY POWER COOPERATIVE

PLAN NAME COUNTRY FISCAL YEAR ENDING ON	EAST KENTUCKY POWER COOPERATIVE POSTRETIREMENT BENEFIT PLAN	
	US	
	DEC 31, 2019	DEC 31, 2018
B. Change in plan assets		
1. Fair value of plan assets at beginning of year	\$ -	\$ -
2. Actual return on plan assets	-	-
3. a. Employer contributions to plan	2,694,696	2,937,687
b. Employer direct benefit payments	-	-
4. Employee contributions	1,542,509	1,461,717
5. Plan settlements	-	-
6. a. Benefits paid from the plan	(4,237,205)	(4,399,404)
b. Direct benefit payments	-	-
7. Medicare subsidies received	-	-
8. Expenses paid	-	-
9. Taxes paid	-	-
10. Premiums paid	-	-
11. Acquisitions / divestitures	-	-
12. Plan combinations	-	-
13. Adjustments	-	-
14. Exchange rate changes	-	-
15. Fair value of plan assets at end of year	\$ -	\$ -
C. Reconciliation of funded status		
1. Fair value of plan assets	\$ -	\$ -
2. Benefit obligations	<u>57,552,924</u>	<u>66,053,265</u>
3. Funded status (plan assets less benefit obligations)	\$ (57,552,924)	\$ (66,053,265)
4. Contributions and distributions made by company from measurement date to fiscal year end	<u>-</u>	<u>-</u>
5. Net amount [asset (obligation)] recognized in statement of financial position	\$ (57,552,924)	\$ (66,053,265)

ASC715 (US GAAP)
ACTUARIAL VALUATION REPORT AS OF DECEMBER 31, 2019

EAST KENTUCKY POWER COOPERATIVE

PLAN NAME COUNTRY FISCAL YEAR ENDING ON	EAST KENTUCKY POWER COOPERATIVE POSTRETIREMENT BENEFIT PLAN	
	US	
	DEC 31, 2019	DEC 31, 2018
D. Amounts recognized on the consolidated balance sheet position consists of		
1. Noncurrent assets	\$ -	\$ -
2. Current liabilities	(2,178,009)	(3,165,122)
3. Noncurrent liabilities	<u>(55,374,915)</u>	<u>(62,888,143)</u>
4. Net amount [asset (obligation)] recognized in statement of financial position	\$ (57,552,924)	\$ (66,053,265)
E. Reconciliation of amounts recognized in statement of financial position		
1. Initial net asset (obligation)	\$ -	\$ -
2. Prior service credit (cost)	26,672,292	9,914,895
3. Net gain (loss)	<u>(5,462,983)</u>	<u>2,208,135</u>
4. Accumulated other comprehensive income (loss)	\$ 21,209,309	\$ 12,123,030
5. Accumulated contributions in excess of net periodic benefit cost	<u>(78,762,233)</u>	<u>(78,176,295)</u>
6. Net amount [surplus (deficit)] recognized in statement of financial position	\$ (57,552,924)	\$ (66,053,265)
F. Components of net periodic benefit cost		
1. Service cost	\$ 1,163,017	\$ 1,502,817
2. Interest cost	2,868,946	2,788,392
3. Expected return on plan assets	-	-
4. Amortization of initial net obligation (asset)	-	-
5. Amortization of prior service cost	(751,329)	(411,574)
6. Amortization of net (gain) loss	-	-
7. Curtailment (gain) / loss recognized	-	-
8. Settlement (gain) / loss recognized	-	-
9. Special termination benefit recognized	<u>-</u>	<u>-</u>
10. Net periodic benefit cost	\$ 3,280,634	\$ 3,879,635

PLAN NAME COUNTRY FISCAL YEAR ENDING ON	EAST KENTUCKY POWER COOPERATIVE POSTRETIREMENT BENEFIT PLAN	
	US	
	DEC 31, 2019	DEC 31, 2018
G. Changes recognized in other comprehensive income		
<i>Changes in plan assets and benefit obligations recognized in other comprehensive income</i>		
1. New prior service cost	\$ (17,508,726)	\$ (4,692,019)
2. Net loss (gain) arising during the year (includes curtailment gains not recognized as a component of net period cost)	7,671,118	(6,414,646)
3. Effect of exchange rates on amounts included in AOCI	-	-
<i>Amounts recognized as a component of net periodic benefit cost</i>		
4. Amortization, settlement or curtailment recognition of net transition asset (obligation)	-	-
5. Amortization or curtailment recognition of prior service credit (cost)	751,329	411,574
6. Amortization or settlement recognition of net gain (loss)	-	-
7. Total recognized in other comprehensive loss (income)	<u>\$ (9,086,279)</u>	<u>\$ (10,695,091)</u>
8. Total recognized in net periodic benefit and other comprehensive loss (income)	\$ (5,805,645)	\$ (6,815,456)
<i>Estimated amounts that will be amortized from accumulated other comprehensive income over the next fiscal year</i>		
9. Initial net asset (obligation)	\$ -	
10. Prior service credit (cost)	2,020,077	
11. Net gain (loss)	<u>407,413</u>	
	<u>\$ 2,427,490</u>	

PLAN NAME	EAST KENTUCKY POWER COOPERATIVE	
	POSTRETIREMENT BENEFIT PLAN	
	US	
COUNTRY		
FISCAL YEAR ENDING ON	DEC 31, 2019	DEC 31, 2018
H. Weighted-average assumptions to determine benefit obligations		
1. Effective discount rate	3.45%	4.45%
2. Rate of compensation increase	Not applicable	Not applicable
3. Measurement date	31-Dec-2019	31-Dec-2018
<i>Additional information for post-retirement medical plans</i>		
4. Assumed health care trend rate		
a. Immediate Trend Rate	5.90%	6.20%
b. Ultimate Trend Rate	4.50%	4.50%
c. Year that the rate reaches ultimate trend rate	2038	2036
I. Assumptions to determine net cost		
1. Discount rate	4.45%	3.76%
2. Expected return on assets	Not applicable	Not applicable
3. Rate of compensation increase	Not applicable	Not applicable
<i>Additional information for post-retirement medical plans</i>		
4. Assumed health care trend rate		
a. Immediate Trend Rate	6.20%	6.40%
b. Ultimate Trend Rate	4.50%	4.50%
c. Year that the rate reaches ultimate trend rate	2036	2036

ASC715 (US GAAP)
ACTUARIAL VALUATION REPORT AS OF DECEMBER 31, 2019

EAST KENTUCKY POWER COOPERATIVE

PLAN NAME COUNTRY FISCAL YEAR ENDING ON	EAST KENTUCKY POWER COOPERATIVE POSTRETIREMENT BENEFIT PLAN	
	US	
	DEC 31, 2019	DEC 31, 2018
J. Additional year-end information		
<i>Required information for all defined benefit plans</i>		
1. Accumulated benefit obligation	Not applicable	Not applicable
<i>Required disclosures for post-retirement medical plans</i>		
2. Sensitivity to trend rate assumptions		
a. One percent increase in trend rate		
i. Effect on total service cost and interest cost components	732,018	846,881
ii. Effect on benefit obligation	9,264,602	9,905,138
b. One percent decrease in trend rate		
i. Effect on total service cost and interest cost components	(584,639)	(667,806)
ii. Effect on benefit obligation	(7,480,649)	(8,063,974)
3. Special Disclosure on the Impact of the Medicare Drug Act of 2003		
a. Reduction in APBO due to the federal subsidy	-	-
<i>The effect of the federal subsidy by net periodic postretirement benefit cost component</i>		
b. Service Cost	-	-
c. Interest Cost	-	-
d. Net amortization and deferral of actuarial (gain)/loss	-	-
e. Net periodic postretirement benefit cost	-	-
K. Additional year-end information for plans with accumulated benefit obligations in excess of plan assets		
1. Projected benefit obligation	Not applicable	Not applicable
2. Accumulated benefit obligation	Not applicable	Not applicable
3. Fair value of plan assets	Not applicable	Not applicable

ASC715 (US GAAP)
ACTUARIAL VALUATION REPORT AS OF DECEMBER 31, 2019

EAST KENTUCKY POWER COOPERATIVE

PLAN NAME COUNTRY FISCAL YEAR ENDING ON	EAST KENTUCKY POWER COOPERATIVE POSTRETIREMENT BENEFIT PLAN	
	US	
	DEC 31, 2019	DEC 31, 2018
L. Additional year-end information for plans with projected benefit obligations in excess of plan assets		
1. Projected benefit obligation	\$ 57,552,924	\$ 66,053,265
2. Fair value of plan assets	-	-
M. Cash flows		
1. Projected company contributions for following fiscal year	\$ 2,178,009	
2. Expected benefit payments for FYE		
31-Dec-2020 :	2,178,009	
31-Dec-2021 :	2,256,254	
31-Dec-2022 :	2,306,292	
31-Dec-2023 :	2,445,519	
31-Dec-2024 :	2,490,055	
Next five years	12,898,701	
3. Expected Medicare subsidy receipts for FYE		
31-Dec-2020 :	-	
31-Dec-2021 :	-	
31-Dec-2022 :	-	
31-Dec-2023 :	-	
31-Dec-2024 :	-	
Next five years	-	

APPENDIX B

ESTIMATED NET PERIODIC BENEFIT COST

PLAN NAME COUNTRY FISCAL YEAR ENDING ON	EAST KENTUCKY POWER COOPERATIVE POSTRETIREMENT BENEFIT PLAN	
	US	
	DEC 31, 2020	
A. Net Periodic Benefit Cost		
1. Service cost	\$	1,130,925
2. Interest cost		1,948,005
3. Expected return on plan assets		-
4. Amortization of initial net obligation (asset)		-
5. Amortization of prior service cost		(2,020,997)
6. Amortization of net (gain) loss		-
7. Curtailment (gain) / loss recognized		-
8. Settlement (gain) / loss recognized		-
9. Special termination benefit recognized		-
10. Net periodic benefit cost	\$	1,057,933

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ACTUARIAL VALUATION REPORT AS OF DECEMBER 31, 2019

EAST KENTUCKY POWER COOPERATIVE

PLAN NAME	EAST KENTUCKY POWER COOPERATIVE POSTRETIREMENT BENEFIT PLAN
COUNTRY	US
FISCAL YEAR ENDING ON	DEC 31, 2020
B. Additional Items For Net Periodic Benefit Cost Calculations	
1. Fair Value of Assets	-
2. Market-related value of assets	-
3. a. Expected expenses, taxes and insurance premiums	-
b. Weighted for timing	-
4. a. Expected benefits paid from plan assets	2,178,009
b. Weighted for timing	1,089,005
5. a. Expected benefits paid by company	-
b. Weighted for timing	-
6. a. Expected employer contributions to plan assets	-
b. Weighted for timing	-
7. a. Expected employee contributions	-
b. Weighted for timing	-
8. Average future years of service	15.44
9. Average future years of service to full eligibility	13.79

ASC715 (US GAAP)
ACTUARIAL VALUATION REPORT AS OF DECEMBER 31, 2019

EAST KENTUCKY POWER COOPERATIVE

PLAN NAME	EAST KENTUCKY POWER COOPERATIVE POSTRETIREMENT BENEFIT PLAN	
COUNTRY	US	
FISCAL YEAR ENDING ON	DEC 31, 2020	
C. Benefit Obligations and assets		
Funded Status		
1. Accumulated postretirement benefit obligation (APBO)		
a. Active participants	\$	(25,622,464)
b. Inactive participants with deferred benefits		-
c. Inactive participants receiving benefits		<u>(31,930,460)</u>
d. Total (a. + b. + c.)		(57,552,924)
2. Fair value of plan assets		<u>-</u>
3. Funded status (1. + 2.)	\$	(57,552,924)
Amounts to be reflected in future periods		
1. Transition obligation (asset)	\$	-
2. Prior service cost (credit)		(26,672,292)
3. Net loss (gain)		<u>5,462,983</u>
4. Total not yet recognized in net periodic benefit cost (1. + 2. + 3.)	\$	<u>(21,209,309)</u>
Cumulative employer contributions in excess of net periodic benefit cost		(78,762,233)

ASC715 (US GAAP)
ACTUARIAL VALUATION REPORT AS OF DECEMBER 31, 2019

EAST KENTUCKY POWER COOPERATIVE

PLAN NAME	EAST KENTUCKY POWER COOPERATIVE POSTRETIREMENT BENEFIT PLAN	
COUNTRY	US	
FISCAL YEAR ENDING ON	DEC 31, 2020	
D. Amortization amounts		
1. Transition obligation (asset)		
a. Net amount as of beginning of fiscal year	\$	-
b. Years remaining		-
c. Annual amortization		-
2. Prior service cost (credit) - unrecognized base amounts shown as of beginning of fiscal year		
a. Plan design Changes - 1/1/2018		
(i) Unrecognized prior service cost base 1	\$	(4,811,302)
(ii) Years remaining prior service cost base 1		11.69
(iii) Amortization of prior service cost base 1	\$	(411,574)
b. COB provision change for post-Medicare retirees - 1/1/2019		
(i) Unrecognized prior service cost base 2	\$	(4,352,264)
(ii) Years remaining prior service cost base 2		12.81
(iii) Amortization of prior service cost base 2	\$	(339,755)
c. Medicare Advantage plan amendment - 1/1/2020		
(i) Unrecognized prior service cost base 3	\$	(17,508,726)
(ii) Years remaining prior service cost base 3		13.79
(iii) Amortization of prior service cost base 3	\$	(1,269,668)
d. (i) Total unrecognized prior service cost	\$	(26,672,292)
(ii) Total amortization of prior service cost		(2,020,997)
3. (Gain) loss		
a. Net amount as of beginning of fiscal year	\$	5,462,983
b. Excess of fair value over market-related value		-
c. Net (gain) loss potentially subject to amortization (a. + b.)		5,462,983
d. Corridor	\$	5,755,292
e. Amount subject to amortization (c. - d.)		-
f. Amortization period		15.44
g. Annual amortization	\$	-

ASC715 (US GAAP)
 ACTUARIAL VALUATION REPORT AS OF DECEMBER 31, 2019

EAST KENTUCKY POWER COOPERATIVE

PLAN NAME COUNTRY FISCAL YEAR ENDING ON	EAST KENTUCKY POWER COOPERATIVE POSTRETIREMENT BENEFIT PLAN
	US
	DEC 31, 2020
E. Assumptions to determine net cost	
1. Discount rate	3.45%
2. Expected return on assets	Not applicable
3. Rate of compensation increase	Not applicable
4. Assumed health care trend rate	
a. Immediate trend rate	5.90%
b. Ultimate trend rate	4.50%
c. Year that the rate reaches ultimate trend rate	2038

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ASC 715 (US GAAP) Actuarial Valuation Report as of December 31, 2020

East Kentucky Power Cooperative Postretirement Benefit Plan

February 5, 2021

welcome to brighter

Contents

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Appendix A. Disclosure information	
Appendix B. Estimated net periodic benefit cost information	

1

Report highlights

Mercer has prepared this report for East Kentucky Power Cooperative (EKPC) to (i) present actuarial estimates of liabilities as of December 31, 2020, for the East Kentucky Power Postretirement Benefit Plan (the 'Plan') to be incorporated, as EKPC deems appropriate, in the financial statements prepared under US accounting standards, and (ii) provide an actuarial estimate of the net periodic benefit cost for the fiscal year ending December 31, 2021.

Mercer considered but could not determine at this time whether COVID-19 will have a significant impact on the East Kentucky Power Postretirement Benefit Plan Plans' cash flow or liability. There is the potential impact on both short-term and long-term per capita claims, mortality and other assumptions, however the degree of any impact is uncertain and possibly insignificant. Therefore, no adjustment to assumptions have been made in this valuation.

All figures in this report are expressed in \$ unless otherwise stated.

Please see Section 3 of this report for further explanation as to the purposes and limitations of this report.

Summary of results

Below are highlights of the results as of December 31, 2020, compared to the corresponding figures as of December 31, 2019.

	Fiscal year ending December 31, 2020	Fiscal year ending December 31, 2019
Net periodic benefit cost	1,057,933	3,280,634
Benefit obligation	51,150,943	57,552,924
Fair value of assets	0	0
Funded status	(51,150,943)	(57,552,924)
Discount rate at year-end	2.56%	3.45%

The net periodic benefit cost for the fiscal year ending December 31, 2020, includes no charges/credits due to special events.

The estimated net periodic benefit cost for the fiscal year ending December 31, 2021, is a charge/(credit) of \$ 541,028. Please note that the actual net periodic benefit cost for the fiscal year ending December 31, 2021, may be substantially different from the estimate and may be revised if liabilities are remeasured during the year due to a significant event and/or cash flows are updated.

Review of results

	Benefit Obligation	(Gain)/Loss
Prior Year	\$ 57,552,924	
Changes due to:		
Passage of time	900,923	N/A
New census data	1,581,959	1,581,959
Claims update	(15,690,196)	(15,690,196)
Mortality update	459,299	459,299
Discount rate update	6,346,034	6,346,034
Actual verses expected benefit payments	N/A	(963,484)
Total for FY20	51,150,943	(8,266,388)

The passage of time is equal to service cost and interest cost less expected benefit payments for the year.

Details of the disclosure information are shown in Appendix A. The estimated net periodic benefit cost information is shown in Appendix B.

Please refer to the remainder of the report for more information about these summary numbers.

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Data, assumptions, methods and provisions

This report is based on the participant data, assumptions, methods and provisions summarized in the report titled *East Kentucky Power Cooperative Postretirement Benefit Plan, Data, Assumptions, Methods and Provisions as of December 31, 2020*, dated February 2021, and incorporated herein by reference.

Authorized users of this report should contact Mercer to request a copy of the above report, if they do not already have the report, in order to understand all aspects of the calculations that are incorporated by reference.

We used financial data submitted by as of the measurement date without further audit. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and general reasonableness.

3

Important notices

Mercer has prepared this report exclusively for EKPC; subject to this limitation, EKPC may direct that this report be provided to its auditors in connection with the audit of its financial statements. Mercer is not responsible for use of this report by any other party.

Mercer has prepared this report to present actuarial estimates of liabilities as of December 31, 2020, for the East Kentucky Power Postretirement Benefit Plan to be incorporated, EKPC deems appropriate, in the financial statements prepared under US accounting standards, and provide an actuarial estimate of the net periodic benefit cost for the fiscal year ending December 31, 2021.

This report may not be used for any other purpose. Mercer is not responsible for the consequences of any unauthorized use. Its content may not be modified, incorporated into or used in other material, sold or otherwise provided, in whole or in part, to any other person or entity, without Mercer's permission.

This report was prepared in accordance with generally accepted actuarial principles and procedures. The actuarial assumptions were selected by EKPC. Based on the information provided to us, we believe that the actuarial assumptions are reasonable for the purposes described in this report.

To prepare this report, we have used Mercer's proprietary valuation software and tools. The purpose of these models is to measure the Plan's liabilities, using the Plan's census data and provisions, and the methods and assumptions shown in the report. To our knowledge, there are no material inconsistencies in assumptions. We have relied on the experts who developed Mercer's combined discount curves workbook. This tool was used in the development of the discount rate under ASC 715.

All parts of this report, including any documents incorporated by reference, are integral to understanding and explaining its contents; no part may be taken out of context, used, or relied upon without reference to the report as a whole.

Decisions about benefit changes, granting new benefits, investment policy, funding policy, benefit security, and/or benefit-related issues should not be made solely on the basis of this valuation, but only after careful consideration of alternative economic, financial, demographic, and societal factors, including financial scenarios that assume future sustained investment losses.

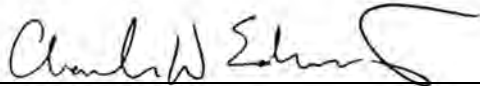
EKPC is ultimately responsible for selecting the Plan's accounting policies, methods, and assumptions. This information is referenced or described in Section 2 of this report. EKPC is solely responsible for communicating to Mercer any changes required to those policies, methods and assumptions.

This report is based on our understanding of applicable law and regulations as of the valuation date. Mercer is not an accountant or auditor and is not responsible for the interpretation of, or compliance with, accounting standards; citations to, and descriptions of accounting standards provided in this report are for reference purposes only. As you know, Mercer is not a law firm, and this analysis is not intended to be a legal opinion. You should consider securing the advice of legal counsel with respect to any legal matters related to this document and any attachments.

EKPC should notify Mercer promptly after receipt of this valuation report if East Kentucky Power disagrees with anything contained herein or is aware of any information that would affect the results of this report that has not been communicated to Mercer or incorporated therein. The valuation report will be deemed final and acceptable to East Kentucky Power unless East Kentucky Power promptly provides such notice to Mercer.

Professional qualifications

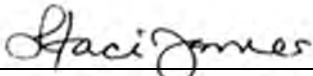
We are available to answer any questions on the material in this report or to provide explanations or further details as appropriate. The undersigned credentialed actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report. We are not aware of any direct or material indirect financial interest or relationship, including investment consulting or other services provided to EKPC by the actuary signing the report, that we believe would create a conflict of interest or impair the objectivity of my work. To the extent that other Mercer professionals may have provided investment services to EKPC, we do not believe those services would result in a conflict of interest nor affect the objectivity of our work herein.



CHARLES W EDWARDS III, FSA, MAAA
PRINCIPAL

February 5, 2021

Date



STACI JAMES, FSA, EA, MAAA
PRINCIPAL

February 5, 2021

Date

Appendix A

Disclosure information

Plan name	East Kentucky Power Cooperative Postretirement Benefit Plan	
	US	
	Dec 31, 2020	Dec 31, 2019
Fiscal year ending on	Dec 31, 2020	Dec 31, 2019
A. Change in benefit obligation		
1. Benefit obligation at beginning of year	\$ 57,552,924	\$ 66,053,265
2. Service cost	1,130,925	1,163,017
3. Interest cost	1,948,005	2,868,946
4. Participant contributions	1,410,888	1,542,509
5. Plan amendments	-	(17,508,726)
6. Plan curtailments	-	-
7. Plan settlements	-	-
8. Special termination benefits	-	-
9. Benefit payments		
a. Benefits paid from the plan assets	(2,625,411)	(4,237,205)
b. Direct benefit payments	-	-
10. Medicare subsidies received	-	-
11. Expenses paid	-	-
12. Taxes paid	-	-
13. Premiums paid	-	-
14. Net transfer in/(out) (including the effect of any business combinations/divestitures)	-	-
15. Plan combinations	-	-
16. Actuarial loss (gain)	(8,266,388)	7,671,118
17. Exchange rate changes	-	-
18. Benefit obligation at end of year	\$ 51,150,943	\$ 57,552,924

ASC715 (US GAAP)
Actuarial valuation report as of December 31, 2020

East Kentucky Power
Eastern Kentucky Power Postretirement Benefit Plan

Plan name	East Kentucky Power Cooperative Postretirement Benefit Plan	
	US	
	Country	
Fiscal year ending on	Dec 31, 2020	Dec 31, 2019
B. Change in plan assets		
1. Fair value of plan assets at beginning of year	\$ -	\$ -
2. Actual return on plan assets	-	-
3. Employer contributions		
a. Employer contributions to plan	1,214,523	2,694,696
b. Employer direct benefit payments	-	-
4. Participants contributions	1,410,888	1,542,509
5. Plan settlements	-	-
6. Benefit payments		
a. Benefits paid from the plan assets	(2,625,411)	(4,237,205)
b. Direct benefit payments	-	-
7. Medicare subsidies received	-	-
8. Expenses paid	-	-
9. Taxes paid	-	-
10. Premiums paid	-	-
11. Acquisitions / divestitures	-	-
12. Plan combinations	-	-
13. Adjustments	-	-
14. Exchange rate changes	-	-
15. Fair value of plan assets at end of year	\$ -	\$ -
C. Reconciliation of funded status		
1. Fair value of plan assets	\$ -	\$ -
2. Benefit obligations	51,150,943	57,552,924
3. Funded status (plan assets less benefit obligations)	\$ (51,150,943)	\$ (57,552,924)

ASC715 (US GAAP)
Actuarial valuation report as of December 31, 2020

East Kentucky Power
Eastern Kentucky Power Postretirement Benefit Plan

Plan name	East Kentucky Power Cooperative Postretirement Benefit Plan	
Country	US	
Fiscal year ending on	Dec 31, 2020	Dec 31, 2019
D. Amounts recognized on the consolidated balance sheet position consists of		
1. Noncurrent assets	\$ -	\$ -
2. Current liabilities	(2,065,339)	(2,178,009)
3. Noncurrent liabilities	<u>(49,085,604)</u>	<u>(55,374,915)</u>
4. Net amount [asset (obligation)] recognized in statement of financial position	\$ (51,150,943)	\$ (57,552,924)
E. Reconciliation of amounts recognized in statement of financial position		
1. Prior service credit (cost)	24,651,295	26,672,292
2. Net gain (loss)	<u>2,803,405</u>	<u>(5,462,983)</u>
3. Accumulated other comprehensive income (loss)	\$ 27,454,700	\$ 21,209,309
4. Accumulated contributions in excess of net periodic benefit cost	<u>(78,605,643)</u>	<u>(78,762,233)</u>
5. Net amount [surplus (deficit)] recognized in statement of financial position	\$ (51,150,943)	\$ (57,552,924)
F. Components of net periodic benefit cost		
1. Service cost	\$ 1,130,925	\$ 1,163,017
2. Interest cost	1,948,005	2,868,946
3. Expected return on plan assets	-	-
4. Amortization of prior service cost	(2,020,997)	(751,329)
5. Amortization of net (gain) loss	-	-
6. Curtailment (gain) / loss recognized	-	-
7. Settlement (gain) / loss recognized	-	-
8. Special termination benefit recognized	<u>-</u>	<u>-</u>
9. Net periodic benefit cost	\$ 1,057,933	\$ 3,280,634

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Actuarial valuation report as of December 31, 2020

East Kentucky Power
Eastern Kentucky Power Postretirement Benefit Plan

Plan name	East Kentucky Power Cooperative Postretirement Benefit Plan	
Country	US	
Fiscal year ending on	Dec 31, 2020	Dec 31, 2019
G. Changes in other comprehensive income		
<i>Changes in plan assets and benefit obligations recognized in other comprehensive income</i>		
1. Prior service cost	\$ -	\$ (17,508,726)
2. Net loss (gain) arising during the year (includes curtailment gains not recognized as a component of NPBC)	(8,266,388)	7,671,118
3. Effect of exchange rates	-	-
<i>Amounts recognized as a component of net periodic benefit cost</i>		
4. Amortization or curtailment recognition of prior service credit (cost)	2,020,997	751,329
5. Amortization or settlement recognition or net gain (loss)	-	-
6. Total recognized in other comprehensive loss (income)	\$ (6,245,391)	\$ (9,086,279)
7. Total recognized in net periodic benefit and other comprehensive loss (income)	\$ (5,187,458)	\$ (5,805,645)

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Actuarial valuation report as of December 31, 2020

East Kentucky Power
Eastern Kentucky Power Postretirement Benefit Plan

Plan name	East Kentucky Power Cooperative Postretirement Benefit Plan	
Country	US	
Fiscal year ending on	Dec 31, 2020	Dec 31, 2019
H. Assumptions to determine benefit obligations		
Discount rate	2.56%	3.45%
Salary increase rate	Not applicable	Not applicable
Health care cost trend rates		
Immediate trend rate	5.80%	5.90%
Ultimate trend rate	4.50%	4.50%
Year rate reaches ultimate trend rate	2038	2038
Measurement date	12/31/2020	12/31/2019
I. Assumptions to determine net cost		
Discount rate	3.45%	4.45%
Expected return on assets	Not applicable	Not applicable
Salary increase rate	Not applicable	Not applicable
Health care cost trend rates		
Immediate trend rate	5.90%	6.20%
Ultimate trend rate	4.50%	4.50%
Year rate reaches ultimate trend rate	2038	2036

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Actuarial valuation report as of December 31, 2020

East Kentucky Power
Eastern Kentucky Power Postretirement Benefit Plan

Plan name	East Kentucky Power Cooperative Postretirement Benefit Plan	
Country	US	
Fiscal year ending on	Dec 31, 2020	Dec 31, 2019
J. Additional year-end information for plans with accumulated benefit obligations in excess of plan assets		
1. Projected benefit obligation	Not applicable	Not applicable
2. Accumulated benefit obligation	Not applicable	Not applicable
3. Fair value of plan assets	Not applicable	Not applicable
K. Additional year-end information for plans with projected benefit obligations in excess of plan assets		
1. Projected benefit obligation	\$ 51,150,943	\$ 57,552,924
2. Fair value of plan assets	-	-
L. Cash flows		
1. Projected company contributions for following fiscal year	\$ 2,065,339	
2. Expected benefit payments for FYE		
31-Dec-2021 :	2,065,339	
31-Dec-2022 :	2,118,589	
31-Dec-2023 :	2,157,887	
31-Dec-2024 :	2,167,842	
31-Dec-2025 :	2,063,961	
Next five years	10,486,185	
3. Expected Medicare subsidy receipts for FYE		
31-Dec-2021 :	-	
31-Dec-2022 :	-	
31-Dec-2023 :	-	
31-Dec-2024 :	-	
31-Dec-2025 :	-	
Next five years	-	

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Actuarial valuation report as of December 31, 2020

East Kentucky Power
Eastern Kentucky Power Postretirement Benefit Plan

Appendix B

Estimated net periodic benefit cost

Plan name	East Kentucky Power Cooperative Postretirement Benefit US	
Country	US	
Fiscal year ending on	Dec 31, 2021	
A. Net Periodic Benefit Cost		
1. Service cost	\$	1,278,997
2. Interest cost		1,283,028
3. Expected return on plan assets		-
4. Amortization of prior service cost		(2,020,997)
5. Amortization of net (gain) loss		-
6. Curtailment (gain) / loss recognized		-
7. Settlement (gain) / loss recognized		-
8. Special termination benefit recognized		-
9. Net periodic benefit cost	\$	541,028

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Actuarial valuation report as of December 31, 2020

East Kentucky Power
Eastern Kentucky Power Postretirement Benefit Plan

Plan name	East Kentucky Power Cooperative Postretirement Benefit US	
Country	US	
Fiscal year ending on	Dec 31, 2021	
B. Additional Items For Net Periodic Benefit Cost Calculations		
1. Fair Value of Assets	-	
2. Market-related value of assets	-	
3. a. Expected expenses, taxes and insurance premiums	-	
b. Weighted for timing	-	
4. a. Expected benefits paid from plan assets	2,065,339	
b. Weighted for timing	1,032,670	
5. a. Expected benefits paid by company	-	
b. Weighted for timing	-	
6. a. Expected employer contributions to plan assets	-	
b. Weighted for timing	-	
7. a. Expected participant contributions	-	
b. Weighted for timing	-	
8. Average future years of service	15.77	
9. Average future years of service to full eligibility	13.71	

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Actuarial valuation report as of December 31, 2020

East Kentucky Power
Eastern Kentucky Power Postretirement Benefit Plan

Plan name	East Kentucky Power Cooperative Postretirement Benefit US
Country	US
Fiscal year ending on	Dec 31, 2021
C. Benefit obligations and assets	
Funded Status	
1. Accumulated postretirement benefit obligation (APBO)	
a. Active participants	\$ (25,637,037)
b. Inactive participants with deferred benefits	-
c. Inactive participants receiving benefits	(25,513,906)
d. Total (a. + b. + c.)	(51,150,943)
2. Fair value of plan assets	-
3. Funded status (1. + 2.)	\$ (51,150,943)
Amounts to be reflected in future periods	
1. Prior service cost (credit)	(24,651,295)
2. Net loss (gain)	(2,803,405)
3. Total not yet recognized in net periodic benefit cost (1. + 2.)	\$ (27,454,700)
Cumulative employer contributions in excess of net periodic benefit cost	\$ (78,605,643)

ASC715 (US GAAP)
Actuarial valuation report as of December 31, 2020

East Kentucky Power
Eastern Kentucky Power Postretirement Benefit Plan

Plan name	East Kentucky Power Cooperative	
Country	Postretirement Benefit US	
Fiscal year ending on	Dec 31, 2021	
D. Amortization amounts		
1. Prior service cost (credit) - unrecognized base amounts shown as of beginning of fiscal year		
a. (i) Total unrecognized prior service cost	\$	(24,651,295)
(ii) Total amortization of prior service cost		(2,020,997)
b. (i) Unrecognized prior service cost base 1		(4,399,728)
(ii) Years remaining prior service cost base 1		10.69
(iii) Amortization of prior service cost base 1		(411,574)
c. (i) Unrecognized prior service cost base 2		(4,012,509)
(ii) Years remaining prior service cost base 2		11.81
(iii) Amortization of prior service cost base 2		(339,755)
d. (i) Unrecognized prior service cost base 3		(16,239,058)
(ii) Years remaining prior service cost base 3		12.79
(iii) Amortization of prior service cost base 3		(1,269,668)
2. (Gain) loss		
a. Net amount as of beginning of fiscal year	\$	(2,803,405)
b. Excess of fair value over market-related value		-
c. Net (gain) loss potentially subject to amortization (a. + b.)		(2,803,405)
d. Corridor		5,115,094
e. Amount subject to amortization (c. - d.)		-
f. Amortization period		15.77
g. Annual amortization	\$	-

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ASC715 (US GAAP)
 Actuarial valuation report as of December 31, 2020

East Kentucky Power
 Eastern Kentucky Power Postretirement Benefit Plan

Plan name	East Kentucky Power Cooperative Postretirement Benefit
Country	US
Fiscal year ending on	Dec 31, 2021

E. Assumptions to determine net cost	
Discount rate	2.56%
Expected return on assets	Not applicable
Salary increase rate	Not applicable
Health care cost trend rates	
Immediate trend rate	5.80%
Ultimate trend rate	4.50%
Year rate reaches ultimate trend rate	2038

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EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 58

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 58. Provide a copy of EKPC's most recent Integrated Resource Plan.

Response 58. EKPC's most recent Integrated Resource Plan was reviewed in Case No. 2019-00096. The plan can be found at the following link

<https://psc.ky.gov/pscecf/2019-00096/gwyn.willoughby%40ekpc.coop/04012019042854/2019-00096 - REDACTED - EKPCs 2019 IRP as filed 04-01-19.pdf>

while the technical appendices can be found at

<https://psc.ky.gov/pscecf/2019-00096/gwyn.willoughby%40ekpc.coop/04012019042854/REDACTED - Technical Appendix - Vol 1 - Load Forecast.pdf>

and

<https://psc.ky.gov/pscecf/2019-00096/gwyn.willoughby%40ekpc.coop/04012019042854/REDACTED - Technical Appendix - Vol 2 - DSM.pdf>.

The Attorney General and Nucor were parties to this proceeding.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 59

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 59. Provide a copy of EKPC's most recent environmental surcharge filing in electronic format with all formulas intact.

Response 59. Please see the Excel spreadsheet *AG-Nucor DRI Response 59 – April 2021 ES Filing.xlsx*.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE**

**AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 60**

RESPONSIBLE PERSON: Barry Lindeman

COMPANY: East Kentucky Power Cooperative, Inc.

Request 60. Refer to the Direct Testimony of Mr. Scott at page 19 in which the following statements were made: “At test year end EKPC had 688 full-time employees and 20 part-time employees. At June 30, 2020 EKPC had 709 full-time employees and 20 part-time employees. As of the September 18, 2020 payroll, there were 712 full-time employees and 21 part-time employees.” Describe all reasons why there was an increase in full time employees of 21 from the end of the test year until June 30, 2020 and another increase of 3 as of September 18, 2020.

Response 60. The increase in full-time employees from the end of the test year to both June 30, 2020 and September 18, 2020 is directly related to several reasons: 1) construction and startups of various projects throughout 2020, 2) normal turnover from retirements and resignations of employees, and 3) carryover of open positions from budget year to the next regularly contributes to fluctuations in full-time employee count.

EAST KENTUCKY POWER COOPERATIVE, INC.
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INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 61

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 61. Refer to Exhibit ISS-1 Schedule 1.23. Provide the amounts of the highest cost exclusion and disallowed forced outage amounts for 2020.

Response 61. For the year ended December 31, 2020, the fuel adjustment clause highest-cost exclusion and disallowed forced outages were \$308,974 and \$68,386, respectively.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 62

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 62. Refer to Exhibit ISS-1 Schedule 1.23. Describe all known reasons why the highest cost exclusion amount for 2015 of \$6,757,298 was almost double that for any other listed year.

Response 62. Nearly half of the \$6,757,298 highest-cost exclusion for 2015 occurred in February 2015, which was due to extremely cold temperatures occurring throughout the Eastern connection. Both EKPC and PJM set all-time winter peaks on February 20, 2015 at hour ending 0800. Increased demand in the PJM footprint drove up hourly market prices well beyond EKPC's highest-cost units available.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE**

**AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 63**

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 63. Refer to Exhibit ISS-1 Schedule 1.23. Describe all known reasons why the disallowed forced outages for 2017 of \$5,004,309 was almost double that for any other listed year and over ten times as high as the amounts reflected for 2015 and 2016.

Response 63. In 2017, Spurlock Station Units 3 and 4 encountered multiple platen superheater tube leaks that resulted in forced outages of longer duration than typical for the units. Spurlock Station Unit 2 also experienced multiple forced outages in March 2017 related to water wall leaks, which were ultimately replaced as part of the fall 2017 planned outage for Unit 2. Because the cost of substitution power was greater than the cost of generation lost from the units, the forced outage disallowances for the months these forced outages occurred totaled approximately \$2.8 million.

EAST KENTUCKY POWER COOPERATIVE, INC.
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INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 64

RESPONSIBLE PERSON: Michelle K. Carpenter
COMPANY: East Kentucky Power Cooperative, Inc.

Request 64. Refer to Exhibit ISS-1 Schedule 1.24. Provide the 2020 actual expense amounts for each of the insurance expense categories listed on this schedule.

Response 64. Listed below is a summary of insurance expense for the year ended December 31, 2020 for insurance coverages outlined in Exhibit ISS-1 Schedule 1.24.

Coverage	Amount
Excess Workers Comp and Employers Liability	\$ 369,460.35
Excess General Liability - Tier 1	726,171.78
Director and Officers Liability	151,860.49
Marine Program and Cargo	22,488.11
Unit Outage Insurance	571,765.65
Capacity Performance Insurance	1,406,665.00
Property Insurance	3,878,234.65
Total Insurance Expense	<u>\$ 7,126,646.03</u>

**EAST KENTUCKY POWER COOPERATIVE, INC.
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INITIAL REQUEST FOR INFORMATION RESPONSE**

**AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 65**

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 65. Refer to Exhibit ISS-1 Schedule 1.25. Provide the Code 1108 and 1115 RTEP expenses recorded in account 565000 for all actual months in 2020 and 2021 to date with available information.

Response 65. Please see page 2 of this response for a summary of PJM Billing Codes 1108 and 1115 recorded to Account 565000, Transmission of Electricity by Others, for the twelve months ended December 31, 2020 and the four months ended April 30, 2021.

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
Summary of PJM Billing Codes 1108 and 1115 RTEP Expenses
2020 and YTD 2021

	PJM Billing Code 1108	PJM Billing Code 1115	Total RTEP Charged to Account 565000
2020:			
January	\$ 530,543	\$ (39,064)	\$ 491,479
February	530,212	(39,064)	491,148
March	530,212	(39,064)	491,148
April	530,212	(39,064)	491,148
May	530,212	(39,064)	491,148
June	529,518	(39,064)	490,454
July	529,752	(39,064)	490,688
August	529,608	(39,064)	490,544
September	562,306	(39,064)	523,242
October	562,268	(39,064)	523,204
November	627,371	(39,064)	588,307
December	752,439	(39,064)	713,375
Total 2020	<u>\$ 6,744,653</u>	<u>\$ (468,768)</u>	<u>\$ 6,275,885</u>
2021:			
January	\$ 989,134	\$ (39,034)	\$ 950,100
February	961,496	(39,034)	922,462
March	691,135	(39,034)	652,101
April	691,135	(39,034)	652,101
Total 2021 YTD	<u>\$ 3,332,900</u>	<u>\$ (156,136)</u>	<u>\$ 3,176,764</u>

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE**

**AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 66**

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 66. Refer to Exhibit ISS-1 Schedule 1.25. Provide a copy of a PJM billing for these RTEP codes related to the billed amounts for March 2019, September 2019, March 2020, September 2020, and March 2021.

Response 66. Excerpts from the PJM month-end bills for RTEP related billing codes 1108 and 1115 have been provided on pages 2 through 7 of this response for March 2019, September 2019, March 2020, and March 2021.



PJM Settlement, Inc.
2750 Monroe Blvd.
Audubon, PA 19403

CUSTOMER ACCOUNT: East Kentucky Power Cooperative, Inc.
CUSTOMER IDENTIFIERS: EKPC (291)
FINAL BILLING STATEMENT ISSUED: 04/05/2019 09:28:21
BILLING PERIOD: 03/01/2019 to 03/31/2019

CHARGES	ADJ	BILLING LINE ITEM NAME	SOURCE BILLING PERIOD START	AMOUNT
1108		Transmission Enhancement		\$577,519.26
1115		Transmission Enhancement Settlement (EL05-121-009)		\$(343,389.70)



PJM Settlement, Inc.
2750 Monroe Blvd.
Audubon, PA 19403

CUSTOMER ACCOUNT: East Kentucky Power Cooperative, Inc.
CUSTOMER IDENTIFIERS: EKPC (291)
FINAL BILLING STATEMENT ISSUED: 04/05/2019 09:28:21
BILLING PERIOD: 03/01/2019 to 03/31/2019

1108	A	Transmission Enhancement	03/01/2019	\$(1,313,971.72)
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PJM Settlement, Inc.
2750 Monroe Blvd.
Audubon, PA 19403

CUSTOMER ACCOUNT: East Kentucky Power Cooperative, Inc.
CUSTOMER IDENTIFIERS: EKPC (291)
FINAL BILLING STATEMENT ISSUED: 10/07/2019 08:52:23
BILLING PERIOD: 09/01/2019 to 09/30/2019

CHARGES	ADJ	BILLING LINE ITEM NAME	SOURCE BILLING PERIOD START	AMOUNT
1108		Transmission Enhancement		\$593,136.15
1115		Transmission Enhancement Settlement (EL05-121-009)		\$(93,383.20)

CUSTOMER ACCOUNT: East Kentucky Power Cooperative, Inc.
CUSTOMER IDENTIFIERS: EKPC (291)
FINAL BILLING STATEMENT ISSUED: 04/07/2020 08:10:22
BILLING PERIOD: 03/01/2020 to 03/31/2020

CHARGES	ADJ	BILLING LINE ITEM NAME	SOURCE BILLING PERIOD START	AMOUNT
1108		Transmission Enhancement		\$530,212.21
1115		Transmission Enhancement Settlement (EL05-121-009)		\$(39,064.10)

CUSTOMER ACCOUNT: East Kentucky Power Cooperative, Inc.
CUSTOMER IDENTIFIERS: EKPC (291)
FINAL BILLING STATEMENT ISSUED: 10/07/2020 08:25:52
BILLING PERIOD: 09/01/2020 to 09/30/2020

CHARGES	ADJ	BILLING LINE ITEM NAME	SOURCE BILLING PERIOD START	AMOUNT
1108		Transmission Enhancement		\$562,305.83
1115		Transmission Enhancement Settlement (EL05-121-009)		\$(39,064.10)



PJM Settlement, Inc.
 2750 Monroe Blvd.
 Audubon, PA 19403

CUSTOMER ACCOUNT: East Kentucky Power Cooperative, Inc.
CUSTOMER IDENTIFIERS EKPC
FINAL BILLING STATEMENT ISSUED: 04/07/2021 10:05:00
BILLING PERIOD: 03/01/2021 to 03/31/2021

CHARGES	ADJ	BILLING LINE ITEM NAME	SOURCE BILLING PERIOD START	AMOUNT
1108		Transmission Enhancement		\$691,134.52
1115		Transmission Enhancement Settlement (EL05-121-009)		(\$39,033.81)

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 67

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 67. Regarding generation from renewable power sources, including hydropower, explain whether Renewable Energy Credits from those sources are retained by EKPC, or divided among the sixteen member-owners. If the latter, explain the accounting used to return the funds to the member-owners.

Response 67. The Renewable Energy Credits from the identified sources are retained by EKPC. Renewable Energy Credits generated by EKPC facilities are first retired for the EnviroWatts program as needed and then sold. EKPC retains all the proceeds from the sale. However, under the terms of a special contract between EKPC and Farmers Rural Electric Cooperative Corporation (“Farmers”),² the Renewable Energy Credits associated with the Glasgow landfill gas-to-energy facility are sold by EKPC and the proceeds forwarded to Farmers.

² See *In the Matter of Application of East Kentucky Power Cooperative, Inc. for an Order Declaring the Glasgow Landfill Gas to Energy Project to be an Ordinary Extension of Existing Systems in the Usual Course of Business and a Joint Application of Farmers Rural Electric Cooperative Corporation and East Kentucky Power Cooperative, Inc. for Approval to Enter into a Ten Year Purchased Power Agreement and Approval of a Special Contract*, Case No. 2014-00292, Order (Ky. P.S.C. Apr. 2, 2015).

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 68

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 68. Refer to FERC Form 1, attached as Application Exhibit 31, FR 807 KAR 5:001, Section 16(4)(m), p. 94 of 179, pertaining to purchased power. Provide a discussion describing the power source the National Guard Armory uses.

Response 68. The National Guard Armories at Morehead and Monticello have installed solar facilities and these armories are cogeneration/small power producer tariff participants. The non-dispatchable installations are less than 100 kW and were sized to meet the energy needs of each armory. The contracts for the armories can be found at

https://psc.ky.gov/tariffs/Electric/East%20Kentucky%20Power%20Cooperative,%20Inc/Contracts/Fleming-Mason%20RECC/Commonwealth%20of%20Kentucky%20Finance%20and%20Administration%20Cabinet/2016-09-22_Power%20Purchase%20and%20Interconnection%20Agreement.pdf

and

https://psc.ky.gov/tariffs/Electric/South%20Kentucky%20RECC/Contracts/Commonwealth%20of%20Kentucky%20Finance%20and%20Administration%20Cabinet/2016-06-01_Power%20Purchase%20and%20Interconnection%20Agreement.pdf.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 69

RESPONSIBLE PERSON: Thomas J. Stachnik

COMPANY: East Kentucky Power Cooperative, Inc.

Request 69. Provide a copy of each outstanding loan agreement with the RUS, FFB, CFC, Co-Bank, private bond placement, or other provider.

Response 69. EKPC obtains KPSC approval for all new indebtedness not issued by a government agency. The cases for each issuance of debt are referenced below:

2019 \$150 million Private Placement and \$100 million CFC Term Loan:

<https://psc.ky.gov/Case/ViewCaseFilings/2018-00115>

New CREBS to finance Cooperative Solar 1:

<https://psc.ky.gov/Case/ViewCaseFilings/2016-00269>

2016 Syndicated Credit Facility:

<https://psc.ky.gov/Case/ViewCaseFilings/2016-00116>

2014 Private Placement:

<https://psc.ky.gov/Case/ViewCaseFilings/2013-00306>

Approval of Trust Indenture:

<https://psc.ky.gov/Case/ViewCaseFilings/2012-00249>

NCSC Debt:

<https://psc.ky.gov/Case/ViewCaseFilings/2010-00395>

CREBs

<https://psc.ky.gov/Case/ViewCaseFilings/2007-00462>

Solid Waste Disposal Revenue Bonds

<https://psc.ky.gov/Case/ViewCaseFilings/1993-00368>

EAST KENTUCKY POWER COOPERATIVE, INC.
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INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 70

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 70. Provide a detailed discussion of how the revenue requirement increases will be passed through to member cooperatives and the ratepayers of those cooperatives, including but not limited to:

a. A description of how the revenue increase will be allocated to each member cooperative;

b. A description of how the revenue increase will be allocated by the member cooperative to each class;

c. A description of how the class allocations will be attributed to each rate component within the class;

d. A calculation of the projected rates and percentage changes in rates for each member cooperative's tariffs based on EKPC's proposal; and

e. Projected bill impacts to residential customers of each member cooperative.

Response 70 a-e. EKPC's revenue increase will be allocated to each owner-member based on the test year billing determinants multiplied by the applicable rate schedules. Three of EKPC's owner-members are only served under Rate E while the remaining 13 owner-members are served under different combinations of Rates B, C, E, G, and special contracts. Please see EKPC's response to the Commission Staff's Second Request for Information, Request 41.

The allocation of the revenue increase by each owner-member to each retail rate class and to the components within those retail rate classes is governed by the requirements of KRS 278.455(2) and 807 KAR 5:007. The specifics of these allocations are described in detail in the direct testimony of John Wolfram, which is contained in Exhibit 6 of each owner-members' applications, Case Nos. 2021-00104 through 2021-00119.

The calculation of the proposed rates and the percentage change in rates for each retail tariff is shown in Exhibit 3 – Billing Analysis for Each Rate Class of each of the owner-members' applications in Case Nos. 2021-00104 through 2021-00119.

The projected bill impacts to residential members for each owner-member can be found in Exhibit 5 – Customer Notice, in each of the owner-members' applications in Case Nos. 2021-00104 through 2021-00119. The impact on the average residential member's bill would be supported by the analysis included in Exhibit 3.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE**

**AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 71**

RESPONSIBLE PERSON: Denver York

COMPANY: East Kentucky Power Cooperative, Inc.

Request 71. Provide a list of EKPC's projected smart grid investments for the next five (5) years, together with a description of each project. For each project in excess of \$1 million, provide all cost-benefit analyses that may have been conducted.

Response 71. EKPC does not have any additional smart grid investments specifically planned at this time. Smart grid technology will be incorporated in many of EKPCs future projects. However, these projects are needs based and not undertaken specifically for the smart grid functionality portions a project may include. An example would be electronic relays installed at a new substation. The needs of the system dictate the deployment of a new substation. The technology for protective relaying available today comes in the form of electronic devices with smart grid functionality included.

EAST KENTUCKY POWER COOPERATIVE, INC.
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AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 72

RESPONSIBLE PERSON: Ann Bridges

COMPANY: East Kentucky Power Cooperative, Inc.

Request 72. Refer to the 2021 Budget for the Statement of Operations included as Exhibit AFB-2.

Request 72a. For each of the revenue categories portrayed on Exhibit AFB-2, provide the annual actual total revenues for each of the years 2016 through 2020 and for each month in 2021 to date.

Response 72a. The revenue information for 2016-2020 and for the first four months of 2021 are provided on page 3 of this response.

Request 72b. For each of the revenue categories portrayed on Exhibit AFB-2, provide a list of general ledger accounts for which their balances roll up to the amounts portrayed for each revenue category.

Response 72b. General ledger account information is provided on page 4 of this response.

Request 72c. Provide all workpapers used to determine the 2021 budgeted amounts for each of the revenue categories portrayed on Exhibit AFB-2. Provide in electronic format with all formulas intact.

Response 72c. The workpapers used to determine the 2021 budgeted revenue amounts are provided as *AG Nucor DR1 Response 72c-1 CONFIDENTIAL.xlsx*, *AG Nucor DR1 Response 72c-2 CONFIDENTIAL.xlsx*, *AG Nucor DR1 Response 72c-3 CONFIDENTIAL.xlsx* and *AG Nucor DR1 Response 72c-4 CONFIDENTIAL.xlsx* with formulas intact and is subject to confidential treatment.

Request 72d. For each of the revenue categories portrayed on Exhibit AFB-2, provide copies of all forecast projections made for years after 2021.

Response 72d. This information is not available. EKPC's most recently approved financial forecast was in 2019; this data is now stale. EKPC will be compiling a new financial forecast beginning with the preparation of the 2022 budget and preparing for the April 2022 Integrated Resource Plan filing.

EKPC would note that it has filed its rate case utilizing a historic test year rather than a forecasted test year. The standard for adjustments to a historic test year is that the adjustment is "known and measurable". Rate cases utilizing a forecasted test year rely on budgets and forecasts for adjustments.

	<u>2016</u> Actual	<u>2017</u> Actual	<u>2018</u> Actual	<u>2019</u> Actual	<u>2020</u> Actual
GAAP FORMAT					
Electric Energy Revenues					
Power Sales-Member Coops - Basic Rate	\$773,700,028	\$748,338,376	\$779,015,763	\$763,569,591	\$713,486,681
Power Sales-Member Coops - Rate Increase					
Power Sales-Member Coops - Regulatory Asset					
Power Sales-Member Coops - Fuel Clause	(58,707,313)	(56,923,507)	(34,392,527)	(53,001,778)	(80,825,056)
Power Sales-Member Coops - Environmental Surcharge	114,980,832	114,430,961	108,552,011	114,841,975	120,130,527
Power Sales - Off System	19,015,429	17,959,646	28,549,317	19,579,619	18,340,495
Power Sales - Capacity Benefits	25,553,444	23,106,127	3,508,026	6,330,056	10,865,180
Transmission Revenue	3,370,527	3,514,669	3,289,199	3,805,727	3,618,978
Revenue Subject to Refund	0	0	0	0	0
Leased Property - Income	9,047,505	10,525,263	10,831,975	4,008,204	590,777
Other Operating Revenue - Income	458,461	734,846	934,850	989,119	1,464,890
Total Operating Revenue & Patronage Capital	<u>\$887,418,913</u>	<u>\$861,686,381</u>	<u>\$900,288,614</u>	<u>\$860,122,513</u>	<u>\$787,672,472</u>

East Kentucky Power Cooperative
Statement of Operations

Highlighted Accounts not used 2016-2021

	Account	Description	Budge Code	Description	Budge Code	Description
Power Sales-Member Coops - Basic Rate	447100	Sales/Resale-RUS Borr-Mbr Coop	8553	Demand	8554	Energy
	447103	Sales/Resale-RUS Borr-Mbr-GPwr	8553	Demand	8554	Energy
	456010	Oth Elec Rev-Steam Sales-Inlnd	8553	Demand	8554	Energy
Power Sales-Member Coops - Fuel Clause	447100	Sales/Resale-RUS Borr-Mbr Coop	8557	Fuel Adjustment Clause		
	456010	Oth Elec Rev-Steam Sales-Inlnd	8557	Fuel Adjustment Clause		
	447142	Sales/Resale-MbrCoop-Accrd FAC			blank	
	456042	Oth Elec Rev-Steam-Accrd FAC			blank	
Power Sales-Member Coops - Environmental Surcharge	447100	Sales/Resale-RUS Borr-Mbr Coop	8559	Environmental Surcharge		
	456010	Oth Elec Rev-Steam Sales-Inlnd	8559	Environmental Surcharge		
	447143	Sales/Resale-MbrCoop-Accrd ES			blank	
	456043	Oth Elec Rev-Steam-Accrd ES			blank	
Power Sales - Off System	447150	Sales/Resale-RUS Borr-Off Sys				
	447250	Sales/Resale-Non RUS-Off Sys				
Power Sales - Capacity Benefits Transmission Revenue	447251	Misc Capacity Sales				
	456101	TS Revenue-Wheeling				
	456102	TS Revenue-Wheeling-Gallatin				
	456130	TS Revenue-Non Firm Pt to Pt				
	456131	TS Revenue-Anc Svc-Sched 3.1				
	456132	TS Revenue-Anc Svc-Sched 3.2				
	456133	TS Revenue-Anc Svc-Sched 3.3				
456134	TS Revenue-Anc Svc-Sched 3.4					
Revenue Subject to Refund	449100	Revenue Subject to Refund				
Leased Property - Income	412000	Rev Elec Plnt Leased to Others				
Other Operating Revenue - Income	451001	Misc Service Revenues-Reg				
	451011	Misc Service Revenues-NonReg				
	454001	Rent from Elec Property-Reg				
	454011	Rent from Elec Property-NonReg				
	456000	Oth Elec Rev-Miscellaneous				
	456003	Oth Elec Rev-Sales Tax Compens				
	456050	Facility Chgs-Other				
	456051	Facility Chgs-Bedford Sub				
	456052	Facility Chgs-TVA Monticello				
	456053	Facility Chgs-TVA Zula Sub				
	456054	Facility Chgs-Cagles				
	456055	Facility Chgs-Gallatin				
	456056	Facility Chgs-Hamilton Repackg				
	456057	Facility Chgs-Big Sandy-Inez				
	456058	Facility Chgs-FlemMas-Cranston				
456080	Oth Elec Rev-Solar Pnl License					
459000	Rev/Sale of Renewbl Engy Credt					

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE**

**AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 73**

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 73. Confirm that the Company did not make a proforma adjustment to reflect changes in capacity sales to non-members in the test year. If confirmed, then explain why it did not do so.

Response 73. EKPC confirms. For non-members other than PJM, those sales have historically fluctuated and it would be difficult to estimate a reasonable, known, and measurable value. For the PJM capacity sales, EKPC did not review those transactions in order to develop a pro-forma adjustment.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 74

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 74. Provide a breakdown of annual capacity sales revenues to PJM and all other non-member customers for each of the years 2016 through 2020 and for each month in 2021 to date. If there were capacity sales to non-members other than PJM, identify each form of sales arrangement with each such customer during the test year.

Response 74. Please see page 2 of this response for a breakdown of annual capacity sales for PJM and other non-member customers for the years ended December 31, 2016 through 2020 and through April 30, 2021. There were only two non-member capacity sales contracts during the requested time-frame and they have since terminated. The details of those agreements are disclosed in the footnotes to the schedule provided on page 2.

EAST KENTUCKY POWER COOPERATIVE
Case No. 2021-00103
Annual Capacity Sales Revenues to PJM and Non-Member Customers
Years Ended 2016 through 2020 and 2021 YTD

Customer	2016	2017	2018	2019	2020	April 2021 YTD	Total
AES Ohio Generation, LLC *	\$ -	\$ -	\$ -	\$ 59,192	\$ -	\$ -	\$ 59,192
Duke Energy Kentucky, Inc. **	\$ -	\$ 401,250	\$ 283,125	\$ -	\$ -	\$ -	\$ 684,375
PJM Interconnection	\$ 25,553,444	\$ 22,704,877	\$ 3,224,901	\$ 6,270,864	\$ 10,865,180	\$ 3,074,653	\$ 71,693,919
Totals	\$ 25,553,444	\$ 23,106,127	\$ 3,508,026	\$ 6,330,056	\$ 10,865,180	\$ 3,074,653	\$ 72,437,486

* Contract was for the period January 2019 through May 2019 and stipulated 14 MW/Day of PJM Capacity Performance Locational Unforced Capacity (UCAP) at a contracted price of \$28/MW.

** Contract was for the period June 2017 through May 2018 and stipulated 15 MW of Unit Specific Unforced Capacity (UCAP) at a Premium Price of \$5/MW plus PJM Delivery Year 2017/2018 Base Residual Auction RTO LDA Zone Price of \$120/MW.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 75

RESPONSIBLE PERSON: Michelle K. Carpenter / Julia J. Tucker

COMPANY: East Kentucky Power Cooperative, Inc.

Request 75. For each PJM planning year 2015/2016, 2016/2017, 2017/2018, 2018/2019, 2019/2020, 2020/2021, 2021/2022, 2023/2024 and 2024/2025 please provide:

1) the amount of capacity (Company owned capacity and demand response broken out separately) in MW that the Company sold into the PJM Base Residual Auction,

2) the price it received in \$/MW-day and 3) the total capacity revenue that has been or will be received.

Response 75. Please see page 2 of this response for a summary of the amount of company-owned and demand response capacity in MWs that EKPC sold or plans to sell into the PJM Base Residual and Incremental Auctions for the delivery years of 2015/2016, 2016/2017, 2017/2018, 2018/2019, 2019/2020, 2020/2021, 2021/2022, 2023/2024 and 2024/2025. This schedule also includes the associated pricing in \$/MW-day and total capacity revenue that has been or is anticipated to be received. The revenue

reported on this schedule is based upon the delivery year and is only for PJM billing code 2600, RPM Auction, and does not include the charges associated with purchasing the required load obligation capacity from the PJM Base Residual and Incremental Auctions. Therefore, these revenue amounts are not representative of the calendar year net capacity sales for financial reporting purposes. EKPC's Account 447251 reflects the net position of all capacity-related charges and credits associated with EKPC selling capacity into the auctions and buying capacity to cover its required load obligation volume (all PJM 2600 and 1600 series billing codes) plus any capacity purchases and/or sales revenues from other organizations.

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
EKPC PJM RPM Summary by Delivery Year (1)

RPM Product Type	2015/2016	2016/2017		2017/2018		2018/2019		2019/2020		2020/2021	2021/2022	(4)	(4)	(4)
	Base	Base	CP	Base	CP	Base	CP	Base	CP	CP	CP	CP	CP	CP
BRA Clearing Price (\$/MW-Day)	\$0.00	\$59.37	\$134.00	\$120.00	\$151.50	\$149.98	\$164.77	\$80.00	\$100.00	\$76.53	\$140.00	\$88.40	\$92.50	\$94.94
BRA Generation UCAP (MW)	0.0	306.4	2,324.6	178.4	2,304.2	702.5	1,741.0	605.6	2,304.0	2,856.5	3,050.6	3,010.4	3,010.4	3,010.4
BRA Demand Response UCAP (MW)	0.0	13.9	118.6	16.4	118.5	0.0	128.4	0.0	133.8	132.7	146.3	247.6	247.6	247.6
1st Incremental Auction (\$/MW-Day)	\$43.00	\$0.00	\$0.00	\$84.00	\$0.00	\$0.00	\$0.00	\$15.00	\$51.33	\$42.90	\$23.00	\$0.00	\$0.00	\$0.00
1st IA Cleared UCAP (MW)	382.9	0.0	0.0	4.7	0.0	0.0	0.0	2.1	29.4	0.0	0.0	0.0	0.0	0.0
1st IA Demand Response UCAP (MW)	16.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2nd Incremental Auction (\$/MW-Day)	\$0.00	\$0.00	\$0.00	\$26.50	\$0.00	\$5.00	\$50.00	\$0.00	\$32.87	\$20.25	\$10.26	\$0.00	\$0.00	\$0.00
2nd IA Cleared UCAP (MW)	0.0	0.0	0.0	324.9	0.0	292.2	0.1	0.0	11.7	0.0	0.0	0.0	0.0	0.0
2nd IA Demand Response UCAP (MW)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	0.0	0.0	0.0
3rd Incremental Auction (\$/MW-Day)	\$100.76	\$5.02	\$0.00	\$0.00	\$0.00	\$14.29	\$34.99	\$0.00	\$0.00	\$10.00	\$20.55	\$0.00	\$0.00	\$0.00
3rd IA Cleared UCAP (MW)	0.0	176.2	0.0	0.0	0.0	30.6	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3rd IA Demand Response UCAP (MW)	8.3	14.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.9	7.0	0.0	0.0	0.0
Total Generation UCAP (MW)	382.9	482.6	2,324.6	508.0	2,304.2	1,025.4	1,743.3	607.7	2,345.1	2,856.5	3,050.6	3,010.4	3,010.4	3,010.4
Total Demand Response UCAP (MW)	24.7	28.0	118.6	16.4	118.5	0.0	128.4		133.8	143.6	157.3	247.6	247.6	247.6
Total Revenue (\$) (2) (3)	\$6,590,273		\$126,786,510		\$145,704,507		\$151,608,510		\$107,660,065	\$83,538,455	\$163,429,075	\$105,122,147	\$109,997,722	\$112,898,082

(1) PJM Delivery Year is from June through May

(2) Total Revenue represents PJM Billing Code 2600, RPM Auction for Delivery Years 2015/2016, 2016/2017, 2017/2018, 2018/2019, and 2019/2020

(3) Total Revenue for Delivery Years 2020/2021, 2021/2022, 2022/2023, 2023/2024, and 2024/2025 are estimated

(4) BRA and Incremental Auction clearing prices are forecasted for Delivery Years 2022/2023, 2023/2024, and 2024/2025

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00103
INITIAL REQUEST FOR INFORMATION RESPONSE

AG & NUCOR INITIAL REQUEST FOR INFORMATION DATED 5/14/21
REQUEST 76

RESPONSIBLE PERSON: Richard J. Macke

COMPANY: East Kentucky Power Cooperative, Inc.

Request 76. Explain in detail why the Company did not allocate any of its revenue deficiency to the steam class.

Response 76. EKPC did attribute a portion of its revenue deficiency and rate increase to the Steam class. Please reference Exhibit RJM-2, page 17 of 17 where the Steam rate schedule (column J) on line 29 is showing a \$309,227 deficiency. Also, please reference Exhibit RJM-3, page 1 of 5 where the Steam rate schedule on line 8 is showing a proposed rate change of \$257,888.