

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

REBUTTAL TESTIMONY OF RICHARD J. MACKE
VICE PRESIDENT, ECONOMICS, RATES, AND BUSINESS PLANNING
POWER SYSTEM ENGINEERING, INC.

ON BEHALF OF
EAST KENTUCKY POWER COOPERATIVE, INC.

Filed: July 27, 2021

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PART I - QUALIFICATIONS

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Richard J. Macke. My business address is 10710 Town Square Drive NE, Suite 201, Minneapolis, Minnesota 55449.

Q. ARE YOU THE SAME RICHARD J. MACKE THAT CAUSED TO BE FILED DIRECT TESTIMONY INCLUDING THREE EXHIBITS IN THIS CASE?

A. Yes I am.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my rebuttal testimony is to address the direct testimony of Nucor Steel Gallatin (“Nucor Gallatin”) witness Mr. Stephen J. Baron and its impact on EKPC’s filed Cost of Service Study (“COSS”) and Rate Design.

Q. ARE YOU SPONSORING ANY EXHIBITS AS PART OF YOUR REBUTTAL TESTIMONY?

A. Yes. I am sponsoring the following exhibits:
Exhibit RJM-4: Rebuttal Cost of Service Study
Exhibit RJM-5: Rebuttal Rate Design Recommendation

Q. PLEASE PROVIDE A SUMMARY OF YOUR REBUTTAL TESTIMONY?

A. At EKPC’s request, I am providing a modified rebuttal COSS (Exhibit RJM-4) and rate design recommendation (Exhibit RJM-5). The COSS incorporates three of the recommendations of Mr. Baron. This revised COSS is then used to develop a revised rate design which would implement EKPC’s approximate \$43,000,000 rate increase request.

Q. WHAT IS THE RESULT OF YOUR REBUTTAL TESTIMONY ON THE RATE INCREASE REQUEST OF EKPC?

1 A. The overall rate increase request of EKCP does not materially change as a result of my
2 rebuttal testimony, i.e. it remains at an approximate \$43,000,000 increase request.
3 However, the results of the COSS do change, which essentially means that the over or
4 under-recovery for the various rate classes changes from the initial filing as contained in
5 my direct testimony and Exhibit RJM-2 attached thereto. Although EKPC's rate design
6 proposal does not directly flow from the COSS, EKPC believes that the changes to the
7 COSS should prompt a change in the rate design proposal while continuing to adhere to
8 other non-COSS based ratemaking objectives as were described in my direct testimony. As
9 such, the allocation of the requested increase by rate class changes as does the requested
10 rate design. Exhibit RJM-5 shows the distribution of the rate increase and the rate design
11 with these revisions.

12 **PART II TESTIMONY**

13 **COST OF SERVICE STUDY**

14 **Q. PLEASE EXPLAIN THE REVISED COSS THAT YOU ARE INCLUDING AS**
15 **PART OF YOUR REBUTTAL TESTIMONY.**

16 A. The COSS, included as Exhibit RJM-4 is based on the Exhibit RJM-2 that was filed with
17 my direct testimony but revised to incorporate three recommendation made by Mr. Baron.
18 Specifically, these revisions include: 1) using a 60-minute (i.e. hourly) demand rather than
19 15-minute demand in determining the 12CP allocator for all rate classes, 2) classification of
20 Production Plant as capacity-related and use of the Average and Excess Demand ("AED")
21 method as a cost allocator, and 3) adjustment for the Nucor Gallatin galvanizing line load
22 that came online late in 2019.

23 **Q. WHY DID YOU INCORPORATE MR. BARON'S RECOMMENDATION TO USE**

1 **A 60-MINUTE DEMAND RATHER THAN 15-MINUTE DEMAND TO**
2 **DETERMINE THE 12CP ALLOCATOR?**

3 A. The initial COSS included in my direct testimony used the EKPC billing demand by class
4 to determine the 12CP allocator. Upon further review, this billing demand is a 15-minute
5 integrated demand, a fact that become known upon further review of the information and
6 clarification from EKPC. Consistent with industry and EKPC's practice, a 60-minute
7 demand is more relevant than a 15-minute demand for purposes of planning production and
8 transmission facilities. Thus, revising the 12CP allocator to be based upon the 60-minute
9 demands for each rate schedule is a better approach.

10 **Q. PLEASE EXPLAIN THE REVISION TO HOW THE AED METHOD IS USED**
11 **YOUR REBUTTAL EXHIBIT RJM-4.**

12 A. This is the second revision that EKPC is adopting, as recommended by Mr. Baron. In the
13 COSS filed as Exhibit RJM-2 with my direct testimony, the AED method was used both as
14 a means of classifying production plant and to allocate the demand-related production costs
15 to rate classes. I have revised this so that the AED method is used only to allocate the
16 production demand costs. In this way, production plant and related components of the
17 revenue requirement are first classified 100% as demand-related rather than split between
18 demand- and energy-related, as was done in my initial Exhibit RJM-2. As previously noted,
19 I did preserve the use of AED as the allocator of the production demand costs.

20 **Q. PLEASE DESCRIBE THE ADJUSTMENT MADE TO REMOVE THE**
21 **GALVANIZING LINE FROM THE CONTRACT RATE CLASS.**

22 A. Towards the end of the 2019 Test Year used in the instant rate case application, Nucor
23 Gallatin had a load expansion. The normal approach for accounting for such a change is to

1 annualize or normalize the load change as a “known and measurable” change. In doing so,
 2 the revenue and cost of service should be adjusted to reflect the appropriate going forward
 3 levels if possible. Mr. Baron recommends an unusual alternative to adjust for this change
 4 in that rather than normalizing the change he removes the change. While I would advocate
 5 for a more traditional normalizing adjustment approach, EKPC is agreeable to
 6 incorporating Mr. Baron’s adjustment to remove the galvanizing line from the COSS for
 7 the Contract rate class. The COSS I am submitting with my rebuttal testimony therefore
 8 has incorporated Mr. Baron’s galvanizing line removal.

9 **Q. PLEASE PROVIDE A COMPARISON OF THE REVENUE REQUIREMENT**
 10 **CLASSIFICATION INITIALLY FILED IN YOUR EXHIBIT RJM-2 VERSUS**
 11 **YOUR REBUTTAL EXHIBIT RJM-4.**

12 A. The table below provides a comparison:

<u>Function/Classification</u>	<u>Exhibit RJM-2</u>		<u>Exhibit RJM-4</u>	
	<u>Amount</u>	<u>Pct of Total</u>	<u>Amount</u>	<u>Pct of Total</u>
Production-Capacity	\$172,575,237	37%	\$232,450,719	49%
Production-Energy	\$166,858,556	35%	\$106,797,096	23%
Steam Service	\$ 4,820,197	1%	\$ 4,815,201	1%
Transmission	\$105,007,730	22%	\$105,007,730	22%
Distribution Substations	\$ 19,197,972	4%	\$ 19,197,972	4%
Distribution Metering	\$ 2,444,085	1%	\$ 2,444,085	1%
Total	\$470,903,777	100%	\$470,712,804	100%

13
 14 **Q. PLEASE PROVIDE A TABLE SHOWING THE ALLOCATION BASIS FOR THE**
 15 **CLASSIFIED REVENUE REQUIREMENT AND INDICATE ANY CHANGES**
 16 **FROM YOUR INITIALLY FILED COSS.**

17 A. The allocation basis for the classified revenue requirement has not changed from the initially
 18 filed COSS and remains as shown in the table below:

<u>Function/Classification</u>	<u>Allocation Basis</u>
Production-Capacity	Average and Excess kW Demand
Production-Energy	On-Peak, Off-Peak, and Total MWh Energy
Steam Service	Direct Assignment
Transmission	12 Month Average Coincident Peak kW Demand
Distribution Substations	Total Substations
Distribution Metering	Total Meters

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2 **Q. ON PAGE 29 OF HIS DIRECT TESTIMONY, MR. BARON RECOMMENDS THAT**
3 **AN ADJUSTMENT BE MADE TO THE COSS RESULTS TO RECOGNIZE**
4 **DIFFERENCES IN FUEL AND PURCHASED POWER EXPENSES BETWEEN**
5 **THE RATE CLASSES. SHOULD SUCH AN ADJUSTMENT SHOULD BE MADE?**

6 A. It is our position that this proposed adjustment to the COSS is not necessary and is not
7 consistent with prior treatment of the Fuel Adjustment Clause (“FAC”) by the Commission.

8 **Q. PLEASE EXPLAIN.**

9 A. It is our understanding that the fuel and purchased power expenses that Mr. Baron
10 recommends adjusting are the FAC base costs that were excluded from the scope of EKPC’s
11 application and consequently were not included in the COSS. Mr. Baron acknowledges that
12 the FAC base is the same for all rate classes as is the FAC. He then suggests that each rate
13 class is different in terms of the actual fuel and purchased energy costs based upon
14 differences in on- and off-peak energy.¹ On this basis he then establishes an adjustment to
15 cure this mismatch.

16 Mr. Baron’s testimony describing the FAC is consistent with how EKPC’s FAC mechanism
17 is designed to work. EKPC does not track FAC costs by rate schedule and, necessarily, the
18 FAC base and factor apply uniformly to all rate schedules.

¹ Baron direct, page 29, lines 7-11.

1 While the base FAC is uniform, the underlying rate designs between the rates are not. Nucor
2 and Rate E are both currently billed using on- and off-peak energy rates. The extent to which
3 Nucor and Rate E customers use energy during on- and off-peak times already affects bills.
4 It is notable that Nucor's on-peak energy rate is lower than Rate E's off-peak energy rate,
5 and that this relationship is proposed to continue in the rate recommendation. As a result,
6 Nucor is already able to achieve the lowest weighted energy rate, while Rate E is the highest,
7 and Rates B, C and G falling between the two. Mr. Baron's adjustment would drive down
8 the Nucor energy rates further at the expense of the other rates, namely Rate E. EKPC
9 believes that Mr. Baron's recommendation, even if it has technical merit, is unnecessary.
10 EKPC also believes that Mr. Baron's recommendation would expand the scope of its filing
11 to implement an adjustment related to the excluded FAC, in contradiction to prior guidance
12 provided by the Commission. For reference, in EKPC's prior Case No. 2006-00472, the
13 Commission stated in its Order, "Like the environmental surcharge, the FAC is a stand-
14 alone cost recovery mechanism. Consequently, FAC revenues and expenses should be
15 excluded from the determination of the base revenue requirement in this proceeding." EKPC
16 has interpreted this as a directive to exclude both the Environmental Surcharge ("ES") and
17 the FAC revenue and costs when making a base rate application such as in the instant case.

18 **Q. MR. BARON PROPOSED THIS ADJUSTMENT RELATED TO THE FAC. BUT**
19 **EKPC'S APPLICATION EXCLUDED NOT ONLY THE FAC BUT ALSO THE ES.**
20 **DID MR. BARON RECOMMEND ANY ADJUSTMENTS TO THE COSS OR RATE**
21 **DESIGN RELATED TO THE ES?**

22 A. No. As stated above, EKPC excluded both the ES and FAC revenues and expenses from
23 this base rate filing, which it believes to be consistent with past Commission direction. Mr.

1 Baron has proposed an adjustment with regards to the FAC but has not made the same type
2 of recommendation as it relates to the ES, which was also excluded from EKPC's revenue
3 requirement for purposes of developing the COSS and rate design.

4
5 **PART III DIRECT TESTIMONY**

6 **RATE DESIGN STUDY**

7 **Q. HAS THE REVENUE REQUEST THAT INCORPORATES AN APPROXIMATE**
8 **\$43MM INCREASE CHANGED FROM EKPC'S APPLICATION AND**
9 **SUPPORTING DIRECT TESTIMONY?**

10 A. No. The increase request remains at \$43MM.

11 **Q. ARE YOU REQUESTING ANY CHANGES TO THE RATE DESIGN PROPOSAL**
12 **YOU INCLUDED IN YOUR DIRECT TESTIMONY AND THE ATTACHED**
13 **EXHIBIT RJM-3?**

14 A. Yes. Based upon the COSS revisions represented in the attached RJM-4. Although I do not
15 necessarily recommend that the Commission adopt the precise results of the COSS, the
16 revisions do prompt me to propose rates that are different from what was included in my
17 direct testimony and was contained in Exhibit RJM-3, attached thereto.

18 **Q. PLEASE PROVIDE YOUR RECOMMENDED ALLOCATION OF THE**
19 **REQUESTED INCREASE AND COMPARE IT TO YOUR INITIAL**
20 **RECOMMENDATION.**

21 A. Table 1, below, shows my recommended allocation of the requested increase, while Table
22 2, below, compares this recommendation to the increase allocation included in my direct
23 testimony and Exhibit RJM-3.

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Table 1

Summary of Proposed Rate Change by Rate Schedule					
Line	Description	Present Rates	Proposed Rates		As Percent
No.		Amount	Amount	Increase	
1		\$	\$	\$	
2	<u>Totals Revenues by Rate</u>				
3	Rate B	59,815,719	59,815,719	-	0.0%
4	Rate C	17,153,311	17,153,311	-	0.0%
5	Rate E	664,081,280	704,844,307	40,763,027	6.1%
6	Rate G	25,516,274	26,078,347	562,072	2.2%
7	Contract	41,786,791	43,192,135	1,405,343	3.4%
8	Steam	10,716,264	10,981,450	265,186	2.5%
9	Rate TGP	6,349,849	6,349,849	-	0.0%
10	Sub-Total COS Based Revenues	825,419,487	868,415,116	42,995,629	5.2%
11	Rate H	49,170	49,170	-	0.0%
12	DSM Riders	(1,109,853)	(1,109,853)	-	0.0%
13	Total Revenues by Rate	824,358,804	867,354,433	42,995,629	5.2%

2

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Table 2

Comparison of Direct and Rebuttal Increase Allocation			
Line	Description	Direct	Rebuttal
No.		Allocation	Allocation
1		\$	\$
2	<u>Totals Revenues by Rate</u>		
3	Rate B	2,286,285	-
4	Rate C	814,747	-
5	Rate E	34,925,736	40,763,027
6	Rate G	1,323,966	562,072
7	Contract	3,381,554	1,405,343
8	Steam	257,888	265,186
9	Rate TGP	-	-
10	Sub-Total COS Based Revenues	42,990,177	42,995,629
11	Rate H	-	-
12	DSM Riders	-	-
13	Total Revenues by Rate	42,990,177	42,995,629

4

5 **Q. PLEASE EXPLAIN THE BASIS FOR YOUR RECOMMENDED ALLOCATION**
6 **OF THE REQUESTED INCREASE.**

7 A. The allocation of the increase is based on the COSS (Exhibit RJM-4). Specifically:

- 1 1. Rates B and C, which show no increase need, are not allocated any of the requested
2 increase.
- 3 2. Rate TGP is a contract rate and so it is not subject to change based upon the COSS results,
4 thus, it was not allocated any of the requested increase.
- 5 3. Rate G was allocated a somewhat lower increase due to EKPC's objective to continue
6 using this rate as an economic development tool targeting high load factor loads.
- 7 4. The remaining increase request was distributed to Rates E, G, Contract, and Steam in
8 proportion to the COSS resulting increase needs of those rates.

9 **Q. PLEASE EXPLAIN THE RATE DESIGN YOU RECOMMEND FOR ACHIEVING**
10 **THE ABOVE INCREASES.**

11 A. The COSS continues to show that the current demand rates are low relative to cost and so
12 I continue to recommend that more of the increase should come from the demand rates. I
13 have employed the same approach as in my direct testimony whereby the demand rates
14 increase to energy rates increase is at a ratio of approximately 2 to 1. I believe this is a
15 reasonable approach that implements the COSS results while balancing with other
16 ratemaking objectives concerning gradualism. Exhibit RJM-5 on pages 2-5 show a
17 comparison of the present versus proposed rates being recommended in my rebuttal
18 testimony.

19 **Q. DOES THIS COMPLETE YOUR REBUTTAL TESTIMONY?**

20 A. Yes.

East Kentucky Power Cooperative, Inc.
Classification of Plant in Service Excluding Environmental Surcharge Costs
TY 2019 - Pro Forma - Excludes ES and FAC

(a) Line	(b) Acct. No.	(c) Description	(d) Allocation Factor	(e) Pro Forma Test Year ¹ (\$)	(f) Capacity (\$)	(g) Production Energy (\$)	(h) Steam Direct (\$)	(i) Transm. (\$)	(j) Distribution Substations (\$)	(k) Distribution Meters (\$)	(l) Comments
1											
2		Intangible Plant									
3	301	Organization	LABOR	5,040	2,186	1,584	61	1,023	119	66	
4	302	Franchises	LABOR	-	-	-	-	-	-	-	
5	303	Misc. Intang. Plant	TRANS	2,330,311				2,330,311			2
6		Subtotal - Intangible Plant		2,335,351	2,186	1,584	61	2,331,334	119	66	
7											
8		Production Plant									
9		Steam									
10	310	Land & Land Rights	See Note	10,123,919	9,859,869	-	264,051				3
11	311	Struct. & Improve.	See Note	294,492,048	289,688,126	-	4,803,922				3
12	312	Boiler Plant Equip.	See Note	787,574,876	768,057,582	-	19,517,295				3
13	313	Engines & Gen.	See Note	-	-	-	-				3
14	314	Turbogenerator Units	See Note	253,537,267	253,537,267	-	-				3
15	315	Access. Elec. Equip.	See Note	68,280,062	67,352,885	-	927,177				3
16	316	Misc. Plant Equipment	See Note	12,027,681	11,907,975	-	119,706				3
17	317	Asset Retirement	See Note	52,983,580	52,106,419	-	877,160				
18		Subtotal		1,479,019,434	1,452,510,122	-	26,509,311	-	-	-	
19		Nuclear									
20	320	Land & Land Rights		-	-	-	-				
21	321	Struct. & Improve.		-	-	-	-				
22	322	Reactor Plant Equip.		-	-	-	-				
23	323	Turbogenerator Units		-	-	-	-				
24	324	Access. Elec. Equip.		-	-	-	-				
25	325	Misc. Plant Equipment		-	-	-	-				
26		Subtotal		-	-	-	-	-	-	-	
27		Hydraulic									
28	330	Land & Land Rights		-	-	-	-				
29	331	Struct. & Improve.		-	-	-	-				
30	332	Rsrvr Dams & Strwys		-	-	-	-				
31	333	Wheels Turb. & Gen.		-	-	-	-				
32	334	Accessory Electrical Equip.		-	-	-	-				
33	335	Misc. Plant Equipment		-	-	-	-				
34	336	Rds RR & Bridges		-	-	-	-				
35		Subtotal		-	-	-	-	-	-	-	
36		Other									
37	340	Land & Land Rights	PROD_CAP	5,964,036	5,964,036	-	-	-	-	-	
38	341	Struct. & Improve.	PROD_CAP	52,871,798	52,871,798	-	-	-	-	-	
39	342	Prod. & Access.	PROD_CAP	20,033,575	20,033,575	-	-	-	-	-	
40	343	Prime Movers	PROD_CAP	406,211,866	406,211,866	-	-	-	-	-	
41	344	Generators	PROD_CAP	103,150,557	103,150,557	-	-	-	-	-	
42	345	Access. Elec. Equip.	PROD_CAP	38,288,056	38,288,056	-	-	-	-	-	
43	346	Misc. Plant Equip.	PROD_CAP	15,990,208	15,990,208	-	-	-	-	-	
44		Subtotal		642,510,096	642,510,096	-	-	-	-	-	
45		Subtotal--Production		2,121,529,530	2,095,020,219	-	26,509,311	-	-	-	

¹ Plant-in-Service as of December 31, 2019, excluding plant completed but not yet classified.

² Intangible plant related to transmission interconnections with other utilities.

³ Investment in Steam Plant facilities has been assigned first directly to Inland Steam Service with the remainder allocated to Capacity and Energy based on Line 101.

East Kentucky Power Cooperative, Inc.
Classification of Plant in Service Excluding Environmental Surcharge Costs
TY 2019 - Pro Forma - Excludes ES and FAC

(Continued)

(a) Line No.	(b) Acct. No.	(c) Description	(d) Allocation Factor	(e)	(g)		(h)	(i)	(j)	(k)	(l) Comments
				Pro Forma Test Year ¹	Capacity	Energy	Steam Direct	Transm.	Distribution Substations	Distribution Meters	
				(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
46		Transmission									
47	350	Land & Land Rights	See Note	60,408,008				60,408,008	-	-	
48	352	Struct. & Improve.	TRANS_PLNT	-				-			
49	353	Station Equip.	See Note	268,903,393	-		877,160	238,698,198	29,328,035		4
50	353	Station Equip.--Distribution Meters	DIST_METERS	626,666						626,666	
51	354	Towers & Fixtures	TRANS_PLNT	3,853,521				3,853,521			
52	355	Poles & Fixtures	TRANS_PLNT	150,851,436				150,851,436			
53	356	OH Cond. & Devices	TRANS_PLNT	132,608,503				132,608,503			
54	357	UG Conduit	TRANS_PLNT	-				-			
55	358	UG Cond. & Devices	TRANS_PLNT	-				-			
56	359	Roads & Trails	TRANS_PLNT	23,288				23,288			
57		Subtotal - Transmission		617,274,815	-	-	877,160	586,442,954	29,328,035	626,666	
58											
59		Distribution									
60	360	Land & Land Rights	See Note	10,063,490	98,401	71,296	-	46,061	9,844,751	2,981	5
61	361	Struct. & Improve.		-							
62	362	Station Equip.	See Note	218,326,578	8,549,562	6,194,561	-	4,002,030	196,309,152	3,271,273	5
63	363	Stor. Battery Equip.		-							
64	364	Poles Tower & Fix.		-							
65	365	OH Cond. & Devices		-							
66	366	UG Conduit		-							
67	367	UG Cond. & Devices		-							
68	368	Line Transformers	See Note	1,985,006				1,985,006			6
69	369	Services		-							
70	370	Meters		-						-	
71	371	Install on Cust. Ld		-							
72	372	Leased Ld from Cust.		-							
73	373	Street Light & Signal		-							
74		Subtotal - Distribution		230,375,075	8,647,963	6,265,857	-	6,033,097	206,153,904	3,274,254	
75		Subtotal - Prod, Trans, Dist Plant		2,969,179,420	2,103,668,182	6,265,857	27,386,472	592,476,051	235,481,938	3,900,920	
76											
77		General									
78	389	Land & Land Rights	LABOR	1,835,603	796,223	576,901	22,316	372,710	43,330	24,122	
79	390	Struct. & Improve.	LABOR	17,176,820	7,450,729	5,398,404	208,823	3,487,669	405,469	225,727	
80	391	Off. Furn. & Equip.	LABOR	28,195,510	12,230,267	8,861,405	342,779	5,724,959	665,571	370,528	
81	392	Transp. Equip.	LABOR	17,294,890	7,501,943	5,435,512	210,258	3,511,642	408,256	227,279	
82	393	Stores Equip.	LABOR	132,973	57,679	41,791	1,617	27,000	3,139	1,747	
83	394	Shop & Garage Equip.	LABOR	2,313,150	1,003,367	726,987	28,121	469,674	54,603	30,398	
84	395	Lab Equip.	LABOR	5,311,176	2,303,810	1,669,219	64,569	1,078,408	125,373	69,796	
85	396	Power Op. Equip.	LABOR	20,685,598	8,972,719	6,501,158	251,480	4,200,109	488,295	271,838	
86	397	Communication Equip.	LABOR	42,013,301	18,223,961	13,204,119	510,765	8,530,593	991,748	552,113	
87	398	Misc. Equip.	LABOR	2,428,473	1,053,390	763,231	29,524	493,089	57,325	31,914	
88	399	Other Tangible Prop.	LABOR	-	-	-	-	-	-	-	
89		Subtotal-General Plant		137,387,494	59,594,089	43,178,728	1,670,251	27,895,853	3,243,111	1,805,463	
90											
91		Grand Total		3,108,902,266	2,163,264,457	49,446,169	29,056,784	622,703,238	238,725,168	5,706,450	

⁴ Includes 1) direct assigned amount associated with Distribution Substations serving Members, 2) an amount allocated to Steam Service, and 3) the remainder to Transmission.

⁵ Direct assign the investment in Distribution Substations that serve as delivery points to the Members and Meters. Assign any residual investment on the basis of LABOR2.

⁶ Investment in capacitor banks installed in distribution substations. This serves a transmission function.

East Kentucky Power Cooperative, Inc.
Classification of Plant in Service Excluding Environmental Surcharge Costs
TY 2019 - Pro Forma - Excludes ES and FAC

(a) Line	(b) Acct. No.	(c) Description	(d) Allocation Factor	(e) Pro Forma Test Year ¹	(continued)			(i) Transm. (\$)	(j) Distribution Substations (\$)	(k) Distribution Meters (\$)	(l) Comments
					(f) Capacity (\$)	(g) Production Energy (\$)	(h) Steam Direct (\$)				
93											
94		Allocation Factors Based on Plant									
95	301-303	Intangible Plant		2,335,351	2,186	1,584	61	2,331,334	119	66	L6
96			INTG_PLNT	1.000000	0.000936	0.000678	0.000026	0.998280	0.000051	0.000028	
97											
98	310-316	Production Plant--Steam		1,479,019,434	1,452,510,122	-	26,509,311	-	-	-	L18
99			PROD_STM_PLNT	1.000000	0.982076	-	0.017924	-	-	-	
100											
101		Production Capacity	PROD_CAP	1.000000	1.000000	0.000000					
102											
103	340-346	Production Plant--Other		642,510,096	642,510,096	-	-	-	-	-	L44
104			PROD_OTH_PLNT	1.000000	1.000000	0.000000					
105											
106	301-346	Total Production Plant		2,121,529,530	2,095,020,219	-	26,509,311	-	-	-	L45
107			PROD_PLNT	1.000000	0.987505	0.000000	0.012495	0.000000	0.000000	0.000000	
108											
109	353	Transmission Stations		329,311,401	-	-	877,160	299,106,206	29,328,035	-	Sum(L47:L49)
110			TRANS_STA	1.000000	0.000000	0.000000	0.002664	0.908278	0.089059	0.000000	
111											
112	354-358	Transmission Lines		287,336,748	-	-	-	287,336,748	-	-	Sum(L51:L56)
113			TRANS_LINES	1.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	
114											
115	350-359	Total Transmission Plant		617,274,815	-	-	877,160	586,442,954	29,328,035	626,666	L57
116			TRANS_PLNT	1.000000	0.000000	0.000000	0.001421	0.950052	0.047512	0.001015	
117											
118	360-373	Distribution Plant		230,375,075	8,647,963	6,265,857	-	6,033,097	206,153,904	3,274,254	L74
119			DIST_PLNT	1.000000	0.037539	0.027199	0.000000	0.026188	0.894862	0.014213	
120											
121	301-373	Prod, Trans, Dist Plant		2,969,179,420	2,103,668,182	6,265,857	27,386,472	592,476,051	235,481,938	3,900,920	L75
122			PTD_PLNT	1.000000	0.708502	0.002110	0.009224	0.199542	0.079309	0.001314	
123											
124	301-399	Total Gross Plant		3,108,902,266	2,163,264,457	49,446,169	29,056,784	622,703,238	238,725,168	5,706,450	L91
125			GROSS_PLNT	1.000000	0.69582903	0.01590470	0.00934632	0.20029682	0.07678761	0.00183552	
126											

East Kentucky Power Cooperative, Inc.
Classification of Payroll Expense
TY 2019 - Pro Forma - Excludes ES and FAC

Note: Labor expense is functionalized/classified on the same basis as the corresponding expense.

(a) Line	(b) Acct. No.	(c) Description	(d) Allocation Factor	(e) Pro Forma Test Year (\$)	(f) Capacity (\$)	(g) Production Energy (\$)	(h) Steam Direct (\$)	(i) Transm. (\$)	(j) Distribution Substations (\$)	(k) Distribution Meters (\$)	(l) Comments
1											
2		Power Production									
3		Steam									
4	500	Oper. Super. & Eng.		4,567,061	4,530,756	-	36,305	-	-	-	
5	501	Fuel		2,403,335	-	2,326,124	77,211	-	-	-	
6	502	Steam		5,226,834	5,097,809	-	129,025	-	-	-	
7	503	Steam-Other Sources		-							
8	504	Steam Transferred		-							
9	505	Electric		3,569,897	3,569,897	-	-	-	-	-	
10	506	Misc. Steam Power		3,374,252	3,304,195	-	70,056	-	-	-	
11	507	Rents		-							
12	510	Main. Super. & Eng.		2,283,826	-	2,208,150	75,676	-	-	-	
13	511	Main. Struct.		849,227	830,681	-	18,547	-	-	-	
14	512	Main. Boiler Plant		6,166,377	-	5,983,996	182,381	-	-	-	
15	513	Main. Electric Plant		1,720,812	-	1,672,758	48,053	-	-	-	
16	514	Main. Misc. Plant		-							
17											
18		Nuclear									
19	517	Oper. Super. & Eng.		-							
20	518	Nuclear Fuel		-							
21	519	Coolants & Water		-							
22	520	Steam Exp.		-							
23	521	Steam - Other Sources		-							
24	522	Steam Transferred		-							
25	523	Electric		-							
26	524	Misc. Nuclear Power		-							
27	525	Rents		-							
28	528	Main. Super. & Eng.		-							
29	529	Main. Struct.		-							
30	530	Main. Reactor Plant		-							
31	531	Main. Electric Plant		-							
32	532	Main. Misc. Plant		-							
33											
34		Hydraulic									
35	535	Oper. Super. & Eng.		-							
36	536	Water for Power		-							
37	537	Hydraulic		-							
38	538	Electric		-							
39	539	Misc. Hydr. Power		-							
40	540	Rents		-							
41	541	Main. Super. & Eng.		-							
42	542	Main. Struct.		-							
43	543	Main. Waterways		-							
44	544	Main. Electric Plant		-							
45	545	Main. Misc. Hydr. Plant		-							

East Kentucky Power Cooperative, Inc.
Classification of Payroll Expense
TY 2019 - Pro Forma - Excludes ES and FAC
(continued)

(a) Line	(b) Acct. No.	(c) Description	(d) Allocation Factor	(e) Pro Forma Test Year (\$)	(f) Capacity (\$)	(g) Production Energy (\$)	(h) Steam Direct (\$)	(i) Transm. (\$)	(j) Distribution Substations (\$)	(k) Distribution Meters (\$)	(l) Comments
46											
47		Power Production (Con't.)									
48		Other									
49	546	Oper. Super. & Eng.		1,607,921	1,607,921	-	-	-	-	-	
50	547	Fuel		84,558	-	84,558	-	-	-	-	
51	548	Generation		1,399,757	1,399,757	-	-	-	-	-	
52	549	Misc. Other Power		783,985	783,985	-	-	-	-	-	
53	550	Rents		-	-	-	-	-	-	-	
54	551	Main. Super. & Eng.		295,389	295,389	-	-	-	-	-	
55	552	Main. Struct.		289,876	289,876	-	-	-	-	-	
56	553	Main. Gen. & Elec. Plant		1,015,976	1,015,976	-	-	-	-	-	
57	554	Main. Misc. Other Power		-	-	-	-	-	-	-	
58				-	-	-	-	-	-	-	
59		Other Power Supply		-	-	-	-	-	-	-	
60	555	Purchased Power (Net)		-	-	-	-	-	-	-	
61	556	System Control & Dispatch		2,596,935	-	2,575,488	-	-	-	-	21,447
62	557	Other Expenses		662,882	331,441	331,441	-	-	-	-	-
63											
64		Subtotal - Production		38,898,901	23,057,684	15,182,516	637,254	-	-	-	21,447
65											
66		Transmission									
67	560	Oper. Super. & Eng.		5,447,300	-	-	3,609	5,127,091	112,425	-	204,175
68	561	Load Dispatching		2,522,595	-	-	-	2,278,767	-	-	243,828
69	562	Oper. Station		1,121,063	-	-	3,211	1,017,821	100,031	-	-
70	563	Oper. OH Line		722,407	-	-	-	722,407	-	-	-
71	564	Oper. UG Line		-	-	-	-	-	-	-	-
72	565	Trans of Electricity - Others		-	-	-	-	-	-	-	-
73	566	Misc. Transmission Oper.		180,660	-	-	-	180,660	-	-	-
74	567	Rents		-	-	-	-	-	-	-	-
75	568	Main. Super. & Eng.		159,499	-	-	106	150,123	3,292	-	5,978
76	569	Main. Struct.		-	-	-	-	-	-	-	-
77	570	Main. Station Equip.		859,725	-	-	2,061	653,291	64,205	-	140,168
78	571	Main. OH Lines		661,392	-	-	-	661,392	-	-	-
79	572	Main. UG Lines		-	-	-	-	-	-	-	-
80	573	Main. Misc. Trans. Plant		1,694	-	-	-	1,694	-	-	-
81											
82		Subtotal - Transmission		11,676,336	-	-	8,986	10,793,247	279,952	-	594,150

East Kentucky Power Cooperative, Inc.
Classification of Payroll Expense
TY 2019 - Pro Forma - Excludes ES and FAC

(continued)

(a) Line No.	(b) Acct. No.	(c) Description	(d) Allocation Factor	(e) Pro Forma Test Year (\$)	(f) Capacity (\$)	(g) Production Energy (\$)	(h) Steam Direct (\$)	(i) Transm. (\$)	(j) Distribution Substations (\$)	(k) Distribution Meters (\$)	(l) Comments
83											
84		Distribution									
85	580	Oper. Super. & Eng.		-							
86	581	Load Dispatching		81,284	-	-	-	-	(1,675)	82,959	
87	582	Station		484,044	-	-	-	-	484,044	-	
88	583	OH Line		-							
89	584	UG Line		-							
90	585	Street Light & Signal Sys.		-							
91	586	Meters		-							
92	587	Customer Installation		-							
93	588	Misc. Distribution		-							
94	589	Rents		-							
95	590	Main. Super. & Eng.		-							
96	591	Main. Struct.		-							
97	592	Main. Station Equipment		492,479	-	-	-	-	492,479	-	
98	593	Main. OH Lines		-							
99	594	Main. UG Lines		-							
100	595	Main. Line Transf.		-							
101	596	Main. Street Light & Sig.		-							
102	597	Main. Meters		-							
103	598	Main. Misc.		-							
104											
105		Subtotal - Distribution		1,057,806	-	-	-	-	974,847	82,959	
106											
107		Customer Accounts									
108	901	Supervision		-							
109	902	Meter Reading		-							
110	903	Cust. Rec. & Coll.		-							
111	904	Uncollectible Accts.		-							
112	905	Misc. Cust. Accts.		-							
113											
114		Subtotal - Cust. Accts.		-	-	-	-	-	-	-	
115											
116		Customer Service & Info.									
117	907	Supervision		-							
118	908	Cust. Assistance		1,474,724	-	1,474,724		-			
119	909	Advertising		29,404	-	29,404		-			
120	910	Misc. Serv. & Info.		-	-	-		-			
121											
122		Subtotal - Cust. Service		1,504,128	-	1,504,128	-	-	-	-	

East Kentucky Power Cooperative, Inc.
Classification of Payroll Expense
TY 2019 - Pro Forma - Excludes ES and FAC

(continued)

(a) Line	(b) Acct. No.	(c) Description	(d) Allocation Factor	(e) Pro Forma Test Year (\$)	(f) Capacity (\$)	(g) Production Energy (\$)	(h) Steam Direct (\$)	(i) Transm. (\$)	(j) Distribution Substations (\$)	(k) Distribution Meters (\$)	(l) Comments
123											
124		Sales									
125	911	Supervision		-							
126	912	Demo. & Selling		-							
127	913	Advertising		19,735	-	19,735		-			
128	916	Misc. Sales		-							
129											
130		Subtotal - Sales		19,735	-	19,735	-	-	-	-	
131											
132		Summary									
133		Total Labor (Excluding A&G)		53,156,906	23,057,684	16,706,379	646,241	10,793,247	1,254,799	698,556	
134											
135		Labor Allocator	LABOR	1.000000	0.433766	0.314284	0.012157	0.203045	0.023606	0.013141	
136		Labor Allocator (Excluding Steam)	LABOR2	1.000000	0.439105	0.318152		0.205544	0.023896	0.013303	

East Kentucky Power Cooperative, Inc.
Classification of Accumulated Reserves for Depreciation Excluding Environmental Surcharge Costs
TY 2019 - Pro Forma - Excludes ES and FAC

(a) Line	(b) Acct.	(c) Description	(d) Allocation Factor	(e) Pro Forma Test Year ¹ (\$)	(f) Capacity (\$)	(g) Production Energy (\$)		(h) Steam Direct (\$)	(i) Transm. (\$)	(j) Distribution Substations (\$)	(k) Distribution Meters (\$)	(l) Comments
1												
2		Intangible Plant										
3		Organization		-	-	-	-	-	-	-	-	
4		Franchises		-	-	-	-	-	-	-	-	
5		Misc. Intang. Plant		-	-	-	-	-	-	-	-	
6		Subtotal - Intangible Plant		-	-	-	-	-	-	-	-	
7												
8		Production Plant										
9		Steam										
10	108	Land & Land Rights		-	-	-	-	-	-	-	-	
11	108	Struct. & Improve.	See Note	143,531,577	141,190,208	-	2,341,369	-	-	-	-	1
12	108	Boiler Plant Equip.	See Note	383,853,704	374,341,230	-	9,512,474	-	-	-	-	1
13	108	Engines & Gen.	See Note	-	-	-	-	-	-	-	-	1
14	108	Turbogenerator Units	See Note	123,570,751	123,570,751	-	-	-	-	-	-	1
15	108	Access. Elec. Equip.	See Note	33,278,810	32,826,916	-	451,894	-	-	-	-	1
16	108	Misc. Plant Equipment	See Note	5,862,135	5,803,791	-	58,343	-	-	-	-	1
17		Subtotal		690,096,977	677,732,896	-	12,364,081	-	-	-	-	
18		Nuclear										
19	108	Land & Land Rights		-	-	-	-	-	-	-	-	
20	108	Struct. & Improve.		-	-	-	-	-	-	-	-	
21	108	Reactor Plant Equip.		-	-	-	-	-	-	-	-	
22	108	Turbogenerator Units		-	-	-	-	-	-	-	-	
23	108	Access. Elec. Equip.		-	-	-	-	-	-	-	-	
24	108	Misc. Plant Equipment		-	-	-	-	-	-	-	-	
25		Subtotal		-	-	-	-	-	-	-	-	
26		Hydraulic										
27	108	Land & Land Rights		-	-	-	-	-	-	-	-	
28	108	Struct. & Improve.		-	-	-	-	-	-	-	-	
29	108	Rsrvr Dams & Strwys		-	-	-	-	-	-	-	-	
30	108	Wheels Turb. & Gen.		-	-	-	-	-	-	-	-	
31	108	Accessory Electrical Equip.		-	-	-	-	-	-	-	-	
32	108	Misc. Plant Equipment		-	-	-	-	-	-	-	-	
33	108	Rds RR & Bridges		-	-	-	-	-	-	-	-	
34		Subtotal		-	-	-	-	-	-	-	-	
35		Other										
36	108	Land & Land Rights		-	-	-	-	-	-	-	-	
37	108	Struct. & Improve.	See Note	21,599,315	21,599,315	-	-	-	-	-	-	1
38	108	Prod. & Access.	See Note	8,184,165	8,184,165	-	-	-	-	-	-	1
39	108	Prime Movers	See Note	165,946,656	165,946,656	-	-	-	-	-	-	1
40	108	Generators	See Note	42,139,316	42,139,316	-	-	-	-	-	-	1
41	108	Access. Elec. Equip.	See Note	15,641,529	15,641,529	-	-	-	-	-	-	1
42	108	Misc. Plant Equip.	See Note	6,532,359	6,532,359	-	-	-	-	-	-	1
43		Subtotal		260,043,339	260,043,339	-	-	-	-	-	-	
44		Subtotal--Production		950,140,316	937,776,235	-	12,364,081	-	-	-	-	

¹ Except as noted, prorate the accumulated depreciation for the category or class based on the plant investment in each account.

East Kentucky Power Cooperative, Inc.
Classification of Accumulated Reserves for Depreciation Excluding Environmental Surcharge Costs
TY 2019 - Pro Forma - Excludes ES and FAC

(continued)

(a) Line No.	(b) Acct. No.	(c) Description	(d) Allocation Factor	(e) Pro Forma Test Year ¹ (\$)	(f) Production			(i) Transm. (\$)	(j) Distribution Substations (\$)	(k) Distribution Meters (\$)	(l) Comments
					Capacity (\$)	Energy (\$)	Steam Direct (\$)				
45		Transmission									
46	108	Land & Land Rights									
47	108	Struct. & Improve.									
48	108	Station Equip.	See Note	110,842,896	-	-	365,238	99,390,786	11,086,871		²
49	108	Station Equip. Metering	See Note	163,362						163,362	³
49	108	Towers & Fixtures		1,429,554	-	-	-	1,429,554	-	-	
50	108	Poles & Fixtures		55,961,880	-	-	-	55,961,880	-	-	
51	108	OH Cond. & Devices		49,194,236	-	-	-	49,194,236	-	-	
52	108	UG Conduit		-							
53	108	UG Cond. & Devices		-							
54	108	Roads & Trails		8,639	-	-	-	8,639	-	-	
55		Subtotal - Transmission		217,600,567	-	-	365,238	205,985,095	11,086,871	163,362	
56											
57		Distribution									
58	108	Land & Land Rights									
59	108	Struct. & Improve.									
60	108	Station Equip.		98,750,774	3,564,442	2,582,607	-	1,668,507	90,827,229	107,988	⁴
61	108	Stor. Battery Equip.		-							
62	108	Poles Tower & Fix.		-							
63	108	OH Cond. & Devices		-							
64	108	UG Conduit		-							
65	108	UG Cond. & Devices		-							
66	108	Line Transformers		897,833	-	-	-	897,833	-	-	
67	108	Services		-							
68	108	Meters		-							
69	108	Install on Cust. Ld		-							
70	108	Leased Ld from Cust.		-							
71	108	Street Light & Signal		-							
72		Subtotal - Distribution		99,648,607	3,564,442	2,582,607	-	2,566,340	90,827,229	107,988	
73		Subtotal - Prod, Trans, Dist Plant		1,267,389,490	941,340,678	2,582,607	12,729,319	208,551,436	101,914,101	271,351	
74		General									
75	108	Land & Land Rights									
76	108	Struct. & Improve.		13,513,219	5,861,581	4,246,992	164,283	2,743,792	318,987	177,583	
77	108	Off. Furn. & Equip.		22,181,760	9,621,704	6,971,378	269,669	4,503,897	523,613	291,499	
78	108	Transp. Equip.		13,606,106	5,901,872	4,276,185	165,413	2,762,653	321,180	178,803	
79	108	Stores Equip.		104,612	45,377	32,878	1,272	21,241	2,469	1,375	
80	108	Shop & Garage Equip.		1,819,784	789,361	571,929	22,124	369,498	42,957	23,914	
81	108	Lab Equip.		4,178,368	1,812,436	1,313,195	50,797	848,397	98,633	54,910	
82	108	Power Op. Equip.		16,273,618	7,058,950	5,114,542	197,842	3,304,278	384,148	213,858	
83	108	Communication Equip.		33,052,388	14,337,018	10,387,845	401,825	6,711,124	780,221	434,354	
84	108	Misc. Equip.		1,910,510	828,715	600,443	23,227	387,920	45,099	25,107	
85	108	Other Tangible Prop.		-							
86	108	Subtotal-General Plant		106,640,363	46,257,014	33,515,388	1,296,451	21,652,799	2,517,307	1,401,403	
87											
88		Grand Total		1,374,029,853	987,597,692	36,097,995	14,025,770	230,204,235	104,431,408	1,672,754	

² Depreciation Reserves associated with Member Distribution Substations are direct assigned.

³ Depreciation Reserves associated with distribution meters are direct assigned.

⁴ Direct assign the Depreciation Reserves associated with the distribution substations, and allocate the remainder based on LABOR2.

East Kentucky Power Cooperative, Inc.
Classification of Rate Base Excluding Environmental Surcharge Costs
TY 2019 - Pro Forma - Excludes ES and FAC

(a) Line No.	(b) Acct. No.	(c) Description	(d) Allocation Factor	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l) Comments
				Pro Forma Test Year (\$)	Capacity (\$)	Production Energy (\$)	Steam Direct (\$)	Transm. (\$)	Distribution Substations (\$)	Distribution Meters (\$)	
1											
2		Plant in Service		3,108,902,266	2,163,264,457	49,446,169	29,056,784	622,703,238	238,725,168	5,706,450	
3		Accum. Depr. Reserves		(1,374,029,853)	(987,597,692)	(36,097,995)	(14,025,770)	(230,204,235)	(104,431,408)	(1,672,754)	
4		Net Plant		1,734,872,412	1,175,666,765	13,348,174	15,031,014	392,499,003	134,293,760	4,033,696	
5	107	Construction Work in Progress									
6	107	Production Non-Steam Related	PROD_CAP	-	-	-	-	-	-	-	
7	107	Production-Steam Service Related	STEAM_SERV	40,416,226	39,691,823	-	724,403	-	-	-	
8	107	Production-Other	PROD_OTHER	31,087,430	31,087,430	-	-	-	-	-	
9	107	Transmission	TRANS	33,119,680	-	-	-	33,119,680	-	-	
10	107	Distribution Substations	DIST_SUB	7,087,640	-	-	-	-	7,087,640	-	
11	107	Distribution Meters	DIST_METER	-	-	-	-	-	-	-	
12	107	General Plant	LABOR	401,024	173,951	126,036	4,875	81,426	9,466	5,270	
13	107	Total CWIP		112,112,000	70,953,204	126,036	729,278	33,201,106	7,097,106	5,270	
14	108	Retirement Work in Progress									
15	108	Production Non-Steam Related	PROD_CAP	128,188,526	128,188,526	-	-	-	-	-	
16	108	Production-Steam Service Related	STEAM_SERV	-	-	-	-	-	-	-	
17	108	Production-Other	PROD_OTHER	5,365,989	5,365,989	-	-	-	-	-	
18	108	Transmission	TRANS	22,206,361	-	-	-	22,206,361	-	-	
19	108	Distribution Substations	DIST_SUB	8,301,815	-	-	-	-	8,301,815	-	
20	108	Distribution Meters	DIST_METER	-	-	-	-	-	-	-	
21	108	General Plant	LABOR	1,025,565	444,856	322,319	12,468	208,236	24,209	13,477	
22	108	Total RWIP		165,088,256	133,999,370	322,319	12,468	22,414,597	8,326,024	13,477	
23		Adjusted Net Plant		1,681,896,157	1,112,620,598	13,151,891	15,747,825	403,285,512	133,064,843	4,025,489	
24	165	Prepayments	NET_PLNT	13,709,018	9,290,157	105,478	118,776	3,101,540	1,061,194	31,874	
25	151	Fuel Stocks	FUEL_EXP	54,974,914	-	53,394,407	1,580,506	-	-	-	
26		Materials and Supplies ¹									
27	154	Production-Steam	PROD_STM_PLNT	56,216,613	55,209,010	-	1,007,602	-	-	-	
28	154	Production-Other	PROD_OTH_PLNT	-	-	-	-	-	-	-	
29	154	Elect. Thermal Storage	PROD_OTHER	30,017	30,017	-	-	-	-	-	
30	154	Transmission	TRANS_PLNT	1,908,958	-	-	2,713	1,813,609	90,699	1,938	
31	154	Distribution Substation	DIST_PLNT	5,552,044	208,416	151,007	-	145,398	4,968,313	78,910	
32	154	Distribution Meters	DIST_METER	-	-	-	-	-	-	-	
33	154	General Plant	LABOR	25,292	10,971	7,949	307	5,135	597	332	
34		Subtotal--M&S		63,732,924	55,458,414	158,956	1,010,623	1,964,142	5,059,609	81,180	
35		Cash Working Capital (1/8)									
36		Production Expense									
37		Total		22,252,274	9,014,385	12,935,428	297,428	-	-	5,033	
38		Less: Fuel		1,676,743	-	1,676,090	652	-	-	-	
39		Less: Purch. Power		3,719,441	-	3,719,441	-	-	-	-	
40		Net Production		16,856,090	9,014,385	7,539,896	296,775	-	-	5,033	
41		Transmission O&M		7,207,037	-	-	2,650	6,954,593	88,593	161,201	
42		Distribution O&M		576,069	-	-	-	-	547,714	28,355	
43		Customer Accounts		-	-	-	-	-	-	-	
44		Customer Service & Info.		661,535	-	661,535	-	-	-	-	
45		Sales		4,242	-	4,242	-	-	-	-	
46		Administrative & General		5,022,994	2,178,807	1,578,648	61,066	1,019,894	118,571	66,009	
47		Subtotal--CWC		30,327,968	11,193,192	9,784,321	360,491	7,974,487	754,878	260,599	
48											
49		Total Rate Base		1,844,640,980	1,188,562,361	76,595,053	18,818,220	416,325,681	139,940,523	4,399,142	
50											
51				1,734,872,412	1,175,666,765	13,348,174	15,031,014	392,499,003	134,293,760	4,033,696	
52			NET_PLNT	1.000000	0.677668	0.007694	0.008664	0.226241	0.077408	0.002325	
53				1,844,640,980	1,188,562,361	76,595,053	18,818,220	416,325,681	139,940,523	4,399,142	
54			RATE BASE	1.000000	0.644333	0.041523	0.010202	0.225695	0.075863	0.002385	
55			STEAM_SERV	1.000000	0.982076	0.000000	0.017924	-	-	-	See AED Plant Ex ESC
56			PROD_OTHER	1.000000	1.000000	0.000000	-	-	-	-	See AED Plant Ex ESC

East Kentucky Power Cooperative, Inc.
Classification of Revenue Requirements Excluding Environmental Surcharge Costs
TY 2019 - Pro Forma - Excludes ES and FAC

(a) Line No.	(b) Acct. No.	(c) Description	(d) Allocation Factor	(e) Pro Forma Test Year (\$)	(g) Production			(i) Transm. (\$)	(j) Distribution Substations (\$)	(k) Distribution Meters (\$)	(l) Comments
					(f) Capacity (\$)	Energy (\$)	Steam Direct (\$)				
1		Power Production									
2		Steam									
4	500	Oper. Super. & Eng.	PROD_CAP	8,641,075	8,572,384		68,691				1
5	501	Fuel	PROD_ENG	12,007,369		12,002,149	5,219				1
6	502	Steam	PROD_CAP	9,312,530	9,082,650		229,880				1
7	503	Steam-Other Sources	PROD_CAP	-		-	-				1
8	504	Steam Transferred	PROD_CAP	-		-	-				1
9	505	Electric	PROD_CAP	5,990,204	5,990,204		-				1
10	506	Misc. Steam Power	PROD_CAP	17,859,746	17,488,941		370,806				1
11	507	Rents	PROD_CAP	-	-		-				1
12	509	Allowances	PROD_ENG	60,283		59,547	736				1
13	510	Main. Super. & Eng.	PROD_ENG	3,328,440		3,218,150	110,290				1
14	511	Main. Struct.	PROD_CAP	6,414,594	6,274,503		140,091				1
15	512	Main. Boiler Plant	PROD_ENG	38,849,810		37,700,760	1,149,051				1
16	513	Main. Electric Plant	PROD_ENG	10,909,960		10,605,301	304,659				1
17	514	Main. Misc. Plant	PROD_CAP	-	-		-				1
18											
19		Nuclear									
20	517	Oper. Super. & Eng.		-							
21	518	Nuclear Fuel		-							
22	519	Coolants & Water		-							
23	520	Steam Exp.		-							
24	521	Steam - Other Sources		-							
25	522	Steam Transferred		-							
26	523	Electric		-							
27	524	Misc. Nuclear Power		-							
28	525	Rents		-							
29	528	Main. Super. & Eng.		-							
30	529	Main. Struct.		-							
31	530	Main. Reactor Plant		-							
32	531	Main. Electric Plant		-							
33	532	Main. Misc. Plant		-							
34											
35		Hydraulic									
36	535	Oper. Super. & Eng.		-							
37	536	Water for Power		-							
38	537	Hydraulic		-							
39	538	Electric		-							
40	539	Misc. Hydr. Power		-							
41	540	Rents		-							
42	541	Main. Super. & Eng.		-							
43	542	Main. Struct.		-							
44	543	Main. Waterways		-							
45	544	Main. Electric Plant		-							
46	545	Main. Misc. Hydr. Plant		-							

¹ Allocate O&M expense for the steam production related expenses to Steam Service. Assign the remainder to Production-Capacity and Production-Energy in accordance with standard methodology.

East Kentucky Power Cooperative, Inc.
Classification of Revenue Requirements Excluding Environmental Surcharge Costs
TY 2019 - Pro Forma - Excludes ES and FAC

(continued)

(a) Line No.	(b) Acct. No.	(c) Description	(d) Allocation Factor	(e) Pro Forma Test Year (\$)	(f) - (h) Production			(i) Transm. (\$)	(j) Distribution Substations (\$)	(k) Distribution Meters (\$)	(l) Comments
					Capacity (\$)	Energy (\$)	Steam Direct (\$)				
47											
48		Power Production (Con't.)									
49		Other									
50	546	Oper. Super. & Eng.	PROD_CAP	3,320,745	3,320,745						
51	547	Fuel	PROD_ENG	1,406,574		1,406,574					
52	548	Generation	PROD_CAP	5,812,372	5,812,372						
53	549	Misc. Other Power	PROD_CAP	3,912,841	3,912,841						
54	550	Rents	PROD_CAP	-	-						
55	551	Main. Super. & Eng.	PROD_CAP	422,731	422,731						
56	552	Main. Struct.	PROD_CAP	834,331	834,331						
57	553	Main. Gen. & Elec. Plant	PROD_CAP	8,786,862	8,786,862						
58	554	Main. Misc. Other Power		-	-						
59											
60		Other Power Supply									
61	555	Purchased Power	PROD_ENG	29,755,528		29,755,528					
62	556	System Control & Dispatch	See Note	4,875,747		4,835,481				40,266	
63	557001	Long Term Power Supply	See Note	2,533,202	1,266,601	1,266,601					1
64	557002	Load Forecasting	See Note	699,836	349,918	349,918					2
65	557003	Broker Fees	PROD_ENG	2,282,256		2,282,256					3
66	559	Renewable Energy Credit Expenses	PROD_ENG	1,155		1,155					
67		Subtotal - Production		178,018,193	72,115,083	103,483,421	2,379,423	-	-	40,266	
68											
69		Transmission									
70	560	Oper. Super. & Eng.	TRANS_OM	10,622,772	-	-	6,545	9,999,243	218,822	398,162	
71	561	Load Dispatching	See Note	4,215,255	-	-		3,807,818		407,437	4
72	562	Oper. Station	TRANS_STA	3,007,189	-	-	8,010	2,731,362	267,816	-	
73	563	Oper. OH Line	TRANS_LINES	6,676,964	-	-	-	6,676,964	-	-	
74	564	Oper. UG Line	TRANS_LINES	-	-	-	-	-	-	-	
75	565	Trans of Electricity - Others	TRANS	18,056,844				18,056,844			
76	566	Misc. Transmission Oper.	TRANS	404,559				404,559			
77	567	Rents	TRANS	446,269				446,269			
78	568	Main. Super. & Eng.	TRANS_OM	237,968	-	-	147	224,000	4,902	8,919	
79	569	Main. Structures	TRANS	-				-			
80	570	Main. Station Equipment	See Note	2,913,995	-	-	6,496	2,215,200	217,205	475,093	5
81	571	Main. OH Lines	TRANS_LINES	6,151,339	-	-	-	6,151,339	-	-	
82	572	Main. UG Lines	TRANS_LINES	-	-	-	-	-	-	-	
83	573	Main. Misc. Trans. Plant	TRANS	176,182				176,182			5
84	575	Market Admin., Mon/Compliance	TRANS	4,746,964				4,746,964			
85		Subtotal - Transmission		57,656,297	-	-	21,198	55,636,742	708,746	1,289,612	

¹ Split 50% to Production-Capacity and 50% to Production-Energy.

² Split load forecasting expense 50% Production-Capacity and 50% Production-Energy.

³ Broker fees paid to ACES associated with market energy purchases. Assign to Production-Energy.

⁴ Direct assign metering expense. Assign the remainder to Transmission.

⁵ Direct assign metering expense. Assign the remainder based on investment in transmission stations (TRANS_STA).

East Kentucky Power Cooperative, Inc.
Classification of Revenue Requirements Excluding Environmental Surcharge Costs
TY 2019 - Pro Forma - Excludes ES and FAC

(continued)

(a) Line No.	(b) Acct. No.	(c) Description	(d) Allocation Factor	(e) Pro Forma Test Year (\$)	(f) (g) (h) Production			(i) Transm. (\$)	(j) Distribution Substations (\$)	(k) Distribution Meters (\$)	(l) Comments
					Capacity (\$)	Energy (\$)	Steam Direct (\$)				
86											
87		Distribution									
88	580	Oper. Super. & Eng.	DIST_SUB	-				-			
89	581	Load Dispatching		222,261				(4,581)	226,842	6	
90	582	Station	DIST_SUB	1,484,408				1,484,408	-	6	
91	583	OH Line	DIST_SUB	-				-			
92	584	UG Line	DIST_SUB	-				-			
93	585	Street Light & Signal System	DIST_SUB	-				-			
94	586	Meters	DIST_SUB	-				-			
95	587	Customer Installation	DIST_SUB	-				-			
96	588	Misc. Operations	DIST_SUB	-				-			
97	589	Rents	DIST_SUB	-				-			
98	590	Main. Super. & Eng.	DIST_SUB	-				-			
99	591	Main. Struct.	DIST_SUB	-				-			
100	592	Main. Station Equipment	DIST_SUB	2,901,885				2,901,885			
101	593	Main. OH Lines	DIST_SUB	-				-			
102	594	Main. UG Lines	DIST_SUB	-				-			
103	595	Main. Line Transf.	DIST_SUB	-				-			
104	596	Main. Street Light & Signal	DIST_SUB	-				-			
105	597	Main. Meters	DIST_SUB	-				-			
106	598	Misc. Maintenance	DIST_SUB	-				-			
107											
108		Subtotal - Distribution		4,608,554	-	-	-	-	4,381,712	226,842	
109											
110		Customer Accounts									
111	901	Supervision	PROD_ENG	-		-					
112	902	Meter Reading	PROD_ENG	-		-					
113	903	Cust. Rec. & Coll.	PROD_ENG	-		-					
114	904	Uncollectible Accts.	PROD_ENG	-		-					
115	905	Misc. Cust. Accts.	PROD_ENG	-		-					
116											
117		Subtotal - Cust. Accts.		-	-	-	-	-	-	-	
118											
119		Customer Service & Info.									
120	907	Supervision	PROD_ENG	-		-					
121	908	Cust. Assistance	PROD_ENG	5,252,121		5,252,121					
122	909	Advertising	PROD_ENG	15,250		15,250					
123	910	Misc. Serv. & Info.	PROD_ENG	24,907		24,907					
124											
125		Subtotal - Cust. Serv. & Info.		5,292,278	-	5,292,278	-	-	-	-	
126											
127		Sales									
128	911	Supervision	PROD_ENG	-		-					
129	912	Demo. & Selling	PROD_ENG	-		-					
130	913	Advertising	PROD_ENG	33,939		33,939					
131	916	Misc. Sales	PROD_ENG	-		-					
132											
133		Subtotal - Sales		33,939	-	33,939	-	-	-	-	

⁶ Direct assign metering expense. Assign the remainder to Distribution Substations.

East Kentucky Power Cooperative, Inc.
Classification of Revenue Requirements Excluding Environmental Surcharge Costs
TY 2019 - Pro Forma - Excludes ES and FAC

(continued)

(a) Line No.	(b) Acct. No.	(c) Description	(d) Allocation Factor	(e) Pro Forma Test Year (\$)	(f) Production			(i) Transm. (\$)	(j) Distribution Substations (\$)	(k) Distribution Meters (\$)	(l) Comments
					Capacity (\$)	Energy (\$)	Steam Direct (\$)				
134											
135		Administrative & General									
136	920	Salaries	LABOR	16,640,596	7,218,133	5,229,877	202,304	3,378,791	392,811	218,681	
137	921	Off. Supplies & Exp.	LABOR	8,563,344	3,714,492	2,691,324	104,107	1,738,745	202,143	112,534	
138	922	Admin. Transferred	LABOR	-	-	-	-	-	-	-	
139	923	Outside Services	LABOR	2,634,944	1,142,950	828,122	32,034	535,012	62,199	34,627	
140	924	Outage Insurance	PROD_ENG	-	-	-	-	-	-	-	
141	925	Injuries & Damages	LABOR	1,462,318	634,304	459,584	17,778	296,916	34,519	19,217	
142	926	Pensions & Benefits	LABOR	2,327,206	1,009,464	731,404	28,292	472,528	54,935	30,583	
143	927	Franchise Req.	LABOR	-	-	-	-	-	-	-	
144	928	Reg. Commission	LABOR	1,766,937	766,438	555,320	21,481	358,768	41,710	23,220	
145	929	Duplicate Charges	LABOR	(476,963)	(206,891)	(149,902)	(5,799)	(96,845)	(11,259)	(6,268)	
146	930	Misc. General Expense	LABOR	4,533,337	1,966,410	1,424,757	55,113	920,472	107,012	59,574	
147	931	Rents	LABOR	-	-	-	-	-	-	-	
148	935	Main. Gen. Plant	LABOR	2,732,236	1,185,153	858,699	33,216	554,767	64,496	35,905	
149											
150		Subtotal - Administration & General		40,183,955	17,430,452	12,629,185	488,526	8,159,154	948,565	528,073	
151											
152		Subtotal - Operating Expense		285,793,216.5	89,545,536	121,438,823	2,889,146	63,795,896	6,039,023	2,084,793	
153											
154		Depreciation									
155	405	Intangible	INTG_PLNT	11,837,172	11,082	8,029	311	11,816,811	603	336	
156	403	Production-Steam	PROD_STM_PLNT	51,017,969	50,103,544.86	-	914,424.24	-	-	-	
157	403	Production-Other	PROD_OTH_PLNT	18,378,213	18,378,213	-	-	-	-	-	
158	403	Transmission	TRANS_PLNT	14,871,778	-	-	21,133	14,128,957	706,590	15,098	
159	403	Distribution	DIST_PLNT	5,983,284	224,604	162,736	-	156,691	5,354,214	85,039	
160	403	General	LABOR	3,077,017	1,334,707	967,058	37,408	624,773	72,635	40,436	
161											
162		Subtotal - Depreciation		105,165,434	70,052,151	1,137,824	973,276	26,727,233	6,134,041	140,909	
163											
164		Taxes									
165	408	Property--Production		-	-	-	-	-	-	-	
166	408	Property--Transmission		-	-	-	-	-	-	-	
167	408	Property--Distribution		-	-	-	-	-	-	-	
168	408	Property--General Plant		-	-	-	-	-	-	-	
169	408	Taxes Other States	PROD_ENG	120,195	-	120,195	-	-	-	-	
170											
171		Subtotal - Taxes		120,195	-	120,195	-	-	-	-	
172											
173	431	Interest - Other	NET_PLNT	1,111	841	6	14	184	64	2	
174											
175		Other Deductions									
176	426	EPA Penalties	FUEL_EXP	-	-	-	-	-	-	-	
177	428	Amort. Debt Exp. & Disc.	RATE_BASE	680,238	460,976	5,234	5,894	153,898	52,656	1,582	
178	426	Other	LABOR	(441,770)	(191,625)	(138,841)	(5,371)	(89,699)	(10,428)	(5,805)	
179		Asset Retirement Obligations	PROD_CAP	(0)	(0)	-	-	-	-	-	
180		Total Expenses		391,318,425	159,867,878	122,563,241	3,862,959	90,587,512	12,215,356	2,221,479	
181											

⁷ In accordance with RUS accounting standards, property tax is allocated back on EKPC's books to the functional areas in Accounts 500 to 935.

⁸ California Franchise Tax associated with EKPC's member/ownership of ACES. Assign to Production-Energy.

East Kentucky Power Cooperative, Inc.
Classification of Revenue Requirements Excluding Environmental Surcharge Costs
TY 2019 - Pro Forma - Excludes ES and FAC

(continued)

(a) Line No.	(b) Acct. No.	(c) Description	(d) Allocation Factor	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
				Pro Forma Test Year (\$)	Capacity (\$)	Production Energy (\$)	Steam Direct (\$)	Transm. (\$)	Distribution Substations (\$)	Distribution Meters (\$)	Comments
182											
183		Return Requirements									
184		Rate Base		1,844,640,980	1,188,562,361	76,595,053	18,818,220	416,325,681	139,940,523	4,399,142	
185		Rate of Return		5.4210%	5.4210%	5.4210%	5.4210%	5.4210%	5.4210%	5.4210%	
186		Return Requirements		99,998,624	64,432,375	4,152,244	1,020,142	22,569,159	7,586,224	238,479	
187		Interest Expense	RATE_BASE	67,557,327	43,529,389	2,805,184	689,190	15,247,330	5,125,121	161,112	
188		Margin Requirements	RATE_BASE	32,441,297	20,902,986	1,347,060	330,952	7,321,829	2,461,103	77,367	
189		Total Return Requirements		99,998,624	64,432,375	4,152,244	1,020,142	22,569,159	7,586,224	238,479	
190											
191		Total Gross Revenue Requirements		491,317,049	224,300,254	126,715,485	4,883,101	113,156,670	19,801,580	2,459,959	
192											
193		Other Revenue/Non-Operating Income Credits									
194		Sales for Resale--Non-Mem.	As Billed	18,926,954		18,926,954					9
195		Other Oper. Inc.-Wheeling	TRANS	6,330,056				6,330,056			
196		Rent from Electric Property	TRANS	175,386				175,386			
197		Facilities Charges-Dist	DIST_SUB	98,671					98,671		
198		Rev. Sales of Renew. Credits	PROD_ENG	715,062		715,062					
199		Rev. Ancillary Service No.1	TRANS	141,300				141,300			
200		Rev. Ancillary Service No.2	PROD_CAP	87,602	87,602						
201		Misc. Operating Revenue	LABOR	-	-	-	-	-	-	-	
202		Interest Income	RATE_BASE	1,212,780	781,433	50,358	12,372	273,718	92,005	2,892	
203		Wheeling	RATE_BASE	3,576,825	2,304,665	148,521	36,489	807,270	271,350	8,530	
204		Income from Leased Property	RATE_BASE	634,843	409,050	26,361	6,476	143,281	48,161	1,514	
205		Cap. Credits & Pat.Dividend	RATE_BASE	2,418,758	1,558,484	100,434	24,675	545,901	183,495	5,768	
206		Other Non Operating Inc.	RATE_BASE	(1,187,321)	(765,030)	(49,301)	(12,113)	(267,972)	(90,074)	(2,832)	
206.1		Unbilled Revenues	RATE_BASE	-	-	-	-	-	-	-	
206.2		Unbilled ES Revenues	RATE_BASE	-	-	-	-	-	-	-	
207		Non-COS Revenues	PROD_CAP	(12,526,670)	(12,526,670)						
208		Subtotal - Rev. Credits		20,604,245	(8,150,465)	19,918,389	67,900	8,148,940	603,608	15,873	
209											
210		Net Member Revenue Requirements		470,712,804	232,450,719	106,797,096	4,815,201	105,007,730	19,197,972	2,444,085	
211											
212		Allocation Factors Based on Revenue Requirements									
213		Fuel Expense		13,413,943	-	13,408,724	5,219	-	-	-	
214			FUEL_EXP	1.000000	0.000000	0.999611	0.000389	0.000000	0.000000	0.000000	
215											
216		Transmission O&M		23,545,480	-	-	14,506	22,163,422	485,022	882,530	
217			TRANS_OM	1.000000	0.000000	0.000000	0.000616	0.941303	0.020599	0.037482	
218											

9 During 2019, all revenue from sales to third parties was attributable to energy sales.

East Kentucky Power Cooperative, Inc.
Development of Allocation Factors
TY 2019 - Pro Forma - Excludes ES and FAC

(a) Line No.	(b) Description	(c) Units	(d) Total	(e) Rate B	(f) Rate C	(g) Rate E	(h) Rate G	(i) Contract	(j) Steam	(k) Rate TGP	(l) Source
1	<u>On-Peak Energy Allocation Factor (ON-ENG)</u>										
2	Energy Sales (MWh)	MWh	6,330,292	500,569	132,160	4,998,177	223,845	290,318	100,594	84,629	¹ See "Revenue Input" Worksheet
3	On-Peak Energy Allocation Factor		1.000000	0.079075	0.020877	0.789565	0.035361	0.045862	0.015891	0.013369	
4	- Excluding Steam and TGP		1.000000	0.081459	0.021507	0.813364	0.036427	0.047244			
5	<u>Off-Peak Energy Allocation Factor (OFF-ENG)</u>										
6	Energy Sales (MWh)	MWh	6,609,805	585,736	158,301	4,732,348	261,930	677,859	95,243	98,388	¹ See "Revenue Input" Worksheet
7	Off-Peak Energy Allocation Factor		1.000000	0.088616	0.023949	0.715959	0.039627	0.102554	0.014409	0.014885	
8	- Excluding Steam and TGP		1.000000	0.091290	0.024672	0.737565	0.040823	0.105648			
9	<u>Total Energy Allocation Factor (TOT-ENG)</u>										
10	Energy Sales (MWh)	MWh	12,940,097	1,086,305	290,461	9,730,525	485,775	968,177	195,837	183,017	L2 + L6
11	Energy Allocation Factor		1.000000	0.083949	0.022447	0.751967	0.037540	0.074820	0.015134	0.014143	
12	- Excluding Steam and TGP		1.000000	0.086481	0.023124	0.774647	0.038673	0.077077			
13	<u>12 Coincidental Demand Allocation Factor (AVG 12CP)</u>										
14	Coincidental Demand	MW	2,398	135	36	1,981	57	129	33	27	¹ See "Revenue Input" Worksheet
15	Demand Allocation Factor		1.000000	0.056299	0.014907	0.826349	0.023728	0.053734	0.013812	0.011171	
16	- Excluding Steam and TGP		1.000000	0.057742	0.015289	0.847523	0.024336	0.055111			
17	<u>Average and Excess Demand Allocation Factor (AED)</u>										
18	Energy Sales (MWh)	MWh	12,940,097	1,086,305	290,461	9,730,525	485,775	968,177	195,837	183,017	L10
19	Average Demand	MW	1,477	124	33	1,111	55	111	22	21	L18 /8760 hrs
20	Annual System CP	MW	3,105								WP-17
21	System Excess Demand	MW	1,628								L20 - L19
22	Maximum NCP Demand by Class	MW	3,072	156	45	2,590	67	148	37	29	¹ See "Revenue Input" Worksheet
23	Class Excess Demand	MW	1,594	31	12	1,479	12	38	15	8	L22 - L19
24	Allocated System Excess Demand	MW	1,628	32	12	1,510	12	39	15	8	L23 * L21 / L23 Total Col.
25	Class Average and Excess Demand	MW	3,105	156	45	2,621	67	149	37	29	L19 + L24
26	AED Allocation Factor		1.000000	0.050296	0.014625	0.844068	0.021729	0.048008	0.012043	0.009230	Based on L25
27	- Excluding Steam and TGP		1.000000	0.051389	0.014943	0.862414	0.022201	0.049052			
28	<u>Distribution Substations (SUB)</u>										
29	Net Plant Investment	\$	146,932,942	-	-	146,193,439	739,503	-	-	-	²
30	Substation Allocation Factor		1.000000	-	-	0.994967	0.005033	-	-	-	
31											
32	<u>Meters (METER)</u>										
33	Net Plant Investment	\$	409	71	9	324	3	1	1		Input
34	Meter Allocation Factor		1.000000	0.173594	0.022005	0.792176	0.007335	0.002445	0.002445	-	

¹ Contract usage based on the same on- and off-peak hours as defined in Contract. Rate E used for all other classes.

² The Net Plant investment in the substation used to serve Rate G is calculated at \$739,503.

East Kentucky Power Cooperative, Inc.
Allocation of Revenue Requirements to Rate Classes Excluding Environmental Surcharge Costs
TY 2019 - Pro Forma - Excludes ES and FAC

(a) Line No.	(b) Description	(c) Alloc. Factor	(d) Total (\$)	(e) Rate B (\$)	(f) Rate C (\$)	(g) Rate E (\$)	(h) Rate G (\$)	(i) Contract (\$)	(j) Steam (\$)	(k) Rate TGP (\$)
1	Revenue									
2	Total Revenue		421,674,021	27,170,310	7,931,946	342,414,808	10,833,171	23,228,471	4,516,945	5,578,370
3										
4	Allocation of Revenue Requirements									
5	Production Capacity			-						
6	Interruptible Credit ¹	Direct								
7	Remaining Prod. Capacity Rev. Req.	AED	232,450,719	11,945,379	3,473,579	200,468,865	5,160,738	11,402,158	-	-
8	Subtotal Production Capacity		232,450,719	11,945,379	3,473,579	200,468,865	5,160,738	11,402,158	-	-
9	Production Energy									
10	Energy Cost Assigned to Rate TGP	Direct	4,743,510							4,743,510
11	On-Peak F&PP ²	ON-ENG	24,139,786	1,966,395	519,166	19,634,427	879,335	1,140,462		
12	Off-Peak F&PP ²	OFF-ENG	19,024,466	1,736,753	469,377	14,031,789	776,643	2,009,905		
13	Remaining Energy Revenue Req.	TOT-ENG	58,889,335	5,092,790	1,361,735	45,618,425	2,277,400	4,538,985		
14	Subtotal Production Energy		106,797,096	8,795,938	2,350,278	79,284,641	3,933,378	7,689,352	-	4,743,510
15	Steam Service	Direct	4,815,201						4,815,201	
16	Transmission									
17	Transm. Cost Assigned to Rate TGP ³	Direct	834,860							834,860
18	Remaining Transm. Rev. Req.	12CP	104,172,870	6,015,145	1,592,687	88,288,882	2,535,134	5,741,022		
19	Subtotal Transmission		105,007,730	6,015,145	1,592,687	88,288,882	2,535,134	5,741,022	-	834,860
20	Distribution Substations	SUB	19,197,972	-	-	19,101,350	96,622	-	-	-
21	Meters	METER	2,444,085	424,279	53,782	1,936,146	17,927	5,976	5,976	-
22	Subtotal		470,712,804	27,180,740	7,470,326	389,079,884	11,743,800	24,838,507	4,821,176	5,578,370
23	Plus: FCA Factor Cost		-	-	-	-	-	-	-	-
24	Plus: FCA Base Cost		-	-	-	-	-	-	-	-
25	Subtotal		470,712,804	27,180,740	7,470,326	389,079,884	11,743,800	24,838,507	4,821,176	5,578,370
26	Plus: Environmental Surcharge		-	-	-	-	-	-	-	-
27	Total Revenue Requirements		470,712,804	27,180,740	7,470,326	389,079,884	11,743,800	24,838,507	4,821,176	5,578,370
28										
29	Revenue Requirements less Revenue		49,038,782	10,430	(461,620)	46,665,077	910,629	1,610,036	304,231	-
30	Increase (Decrease) as % of Present Revenue		11.6%	0.0%	-5.8%	13.6%	8.4%	6.9%	6.7%	0.0%
31										
32										
33	Average Cost per Unit / Rate Design Data									
34	Production Capacity	/CP Billing kW		\$6.54	\$5.96	\$8.43	\$6.47	\$7.38	\$0.00	\$0.00
35	Production Energy - Total Average Billing	l/MWh								
36	All Hours	/MWh		\$8.06	\$7.98	\$8.15	\$8.10	\$7.87	\$0.00	\$25.92
37	On-Peak Hours	/MWh		\$8.58	\$8.49	\$8.62	\$8.62	\$8.54	\$0.00	\$0.00
38	Off-Peak Hours	/MWh		\$7.62	\$7.54	\$7.65	\$7.65	\$7.58	\$0.00	\$0.00
39	Transmission	/CP Billing kW		\$3.29	\$2.73	\$3.71	\$3.18	\$3.71	\$0.00	\$1.75
40	Substations (Average All Capacities)	/sub/mon.				\$4,928.11	\$8,051.83		\$0.00	
41	Metering	/meter/mon.		\$497.98	\$497.98	\$497.98	\$497.98	\$497.98	\$497.98	N/A
42	Total Demand Charges	/CP Billing kW		\$9.83	\$8.70	\$12.137	\$9.65	\$11.09	\$0.00	\$1.75

¹ Interruptible Credits are removed from the cost data for evaluation pursuant supplemental analysis.

² In 2019, 55.93% of fuel and purchased energy cost occurred during the on-peak period, with the remaining 44.07% occurring during the off-peak period.

³ Assign the demand (transmission) charge per contract directly to Rate TGP.

East Kentucky Power Cooperative, Inc.

**Revenue Summary by Rate Class
Present and Proposed Rate Revenues**

Summary of Proposed Rate Change by Rate Schedule					
Line No.	Description	Present Rates	Proposed Rates		As Percent
		Amount	Amount	Increase	
1		\$	\$	\$	
2	<u>Totals Revenues by Rate</u>				
3	Rate B	59,815,719	59,815,719	-	0.0%
4	Rate C	17,153,311	17,153,311	-	0.0%
5	Rate E	664,081,280	704,844,307	40,763,027	6.1%
6	Rate G	25,516,274	26,078,347	562,072	2.2%
7	Contract	41,786,791	43,192,135	1,405,343	3.4%
8	Steam	10,716,264	10,981,450	265,186	2.5%
9	Rate TGP	6,349,849	6,349,849	-	0.0%
10	Sub-Total COS Based Revenues	825,419,487	868,415,116	42,995,629	5.2%
11	Rate H	49,170	49,170	-	0.0%
12	DSM Riders	(1,109,853)	(1,109,853)	-	0.0%
13	Total Revenues by Rate	824,358,804	867,354,433	42,995,629	5.2%

**East Kentucky Power Cooperative, Inc.
Present and Proposed Rates**

Line No.	Description	Units	Present Rates		Proposed Rates		
			Rate	Amount	Rate	Amount	
1				\$		\$	
2	Rate B						
3	Metering Charge	Meters	71	\$0.00		\$0.00	
4	Demand Charges						
5	Demand Charge	CP kW	1,767,954	\$7.17	12,676,230	\$7.17	12,676,230
6	Excess Demand Charge	CP kW	59,568	\$9.98	594,489	\$9.98	594,489
7	Interruptible (400 Hrs)	CP kW	235,184	-\$5.60	(1,317,030)	-\$5.60	(1,317,030)
8	EDR Discount				(23,719)		(23,719)
9	Energy Charges				-		-
10	Energy Charge	kWh	1,090,848,453	\$0.038982	42,523,454	\$0.038982	42,523,454
11	Min kWh Adjustment	kWh	4,543,620	-\$0.026240	(119,225)	-\$0.026240	(119,225)
12	Sub-Total Base Rates				54,334,199		54,334,199
13	Net Buy Through Charge				77,890		77,890
14	Fuel Adjustment	kWh	1,086,304,833	-\$0.002702	(2,935,048)	-\$0.002702	(2,935,048)
15	Environmental Surcharge			16.200%	8,338,677	16.223%	8,338,677
16	Total Rate B				59,815,719		59,815,719
17							
18	Rate C						
19	Metering Charge	Meters	9	\$0.00			\$0
20	Demand Charges						
21	Demand Charge	CP kW	582,643	\$7.17	4,177,550	\$7.17	4,177,550
22	Energy Charges				-		-
23	Energy Charge	kWh	294,670,389	\$0.038982	11,486,841	\$0.038982	11,486,841
24	Min kWh Adjustment	kWh	4,208,946	-\$0.026240	(110,443)	-\$0.026240	(110,443)
25	Sub-Total Base Rates				15,553,949		15,553,949
26	Fuel Adjustment	kWh	290,461,443	-\$0.002684	(779,575)	-\$0.002684	(779,575)
27	Environmental Surcharge			16.100%	2,378,938	16.102%	2,378,938
28	Total Rate C				17,153,311		17,153,311

**East Kentucky Power Cooperative, Inc.
Present and Proposed Rates**

Line No.	Description	Units	Present Rates		Proposed Rates		
			Rate	Amount	Rate	Amount	
29	Rate E						
30	<i>Demand Charges</i>						
31	Demand Charge	CP kW	23,934,636	\$6.02	144,086,507	\$6.65	159,165,328
32	Power Factor Penalty	CP kW	15,979	\$6.02	96,194	\$6.65	106,260
33	<i>Energy Charges</i>						
34	On-Peak Energy Charge	kWh	4,998,176,543	\$0.049379	246,804,960	\$0.051944	259,625,282
35	Off-Peak Energy Charge	kWh	4,732,348,143	\$0.040654	192,388,881	\$0.043219	204,527,354
36	Metering Charge	Meters	328	\$144.00	566,208	\$151.20	594,518
37	<i>Sub-Station Charges</i>						
38	1000-2999 kVa	Subs	3	\$1,088.00	39,168	\$1,142.40	41,126
39	3000-7499 kVa	Subs	39	\$2,737.00	1,280,916	\$2,873.85	1,344,962
40	7500-14999 kVa	Subs	224	\$3,292.00	8,848,896	\$3,456.60	9,291,341
41	15000 kVa and Up	Subs	57	\$5,310.00	3,632,040	\$5,575.50	3,813,642
42	Sub-Total Base Rates				597,743,770		638,509,814
43	Special Adjustments				(117,842)		(117,842)
44	Fuel Adjustment	kWh	9,730,524,686	-\$0.002698	(26,249,938)	-\$0.002698	(26,252,956)
45	Environmental Surcharge			16.225%	92,705,290	15.142%	92,705,290
46	Total Rate E				664,081,280		704,844,307
47							
48	Rate G						
49	Metering Charge	Meters	1	\$144.00	1,728	\$151.20	\$1,814.40
50	Sub-Station Charges	Subs	1	\$5,310.00	63,720	\$5,575.50	\$66,906.00
51	<i>Demand Charges</i>						
52	Demand Charge	CP kW	797,497	\$6.98	5,566,529	\$7.05	5,622,354
53	Interruptible (200 Hrs)	CP kW	83,048	-\$4.20	(348,802)	-\$4.20	(348,802)
54	<i>Energy Charges</i>						
55	Energy Charge	kWh	485,775,112	\$0.036947	17,947,933	\$0.037982	18,450,710
56	Sub-Total Base Rates				23,231,109		23,792,983
57	Net Buy Through Charge				24,178		24,178
58	Fuel Adjustment	kWh	485,775,112	-\$0.002710	(1,316,649)	-\$0.002710	(1,316,451)
59	Environmental Surcharge			16.310%	3,577,636	15.917%	3,577,636
60	Total Rate G				25,516,274		26,078,347

**East Kentucky Power Cooperative, Inc.
Present and Proposed Rates**

Line No.	Description	Units	Present Rates		Proposed Rates		
			Rate	Amount	Rate	Amount	
61	<u>Contract</u>						
62	Metering Charge	Meters		1	\$0.00	\$0.00	\$0.00
63	Demand Charges						
64	Demand Charge	CP kW	1,906,996	\$6.92	13,196,412	\$7.22	13,768,511
65	Interruptible (10 Min)	CP kW	1,440,000	-\$6.22	(8,956,800)	-\$6.22	(8,956,800)
66	Interruptible (90 Min)	CP kW	286,996	-\$4.20	(1,205,383)	-\$4.20	(1,205,383)
67	Energy Charges				-		-
68	On-Peak Energy Charge	kWh	292,976,846	\$0.038905	11,398,264	\$0.039758	11,648,044
69	Off-Peak Energy Charge	kWh	684,368,004	\$0.035477	24,279,324	\$0.036330	24,862,788
70	Min kWh Adjustment	kWh	9,167,968	-\$0.026240	(240,567)	-\$0.026240	(240,567)
71	Sub-Total Base Rates				38,471,250		39,876,593
72	Load Following Charge				34,539		34,539
73	Net Buy Through Charge				148,228		148,228
74	Fuel Adjustment	kWh	968,176,882	-\$0.002731	(2,638,182)	-\$0.002731	(2,638,182)
75	Environmental Surcharge			16.130%	5,770,957	15.483%	5,770,957
76	Total Gallatin				<u>41,786,791</u>		<u>43,192,135</u>
77							
78	<u>Steam</u>						
79	Metering Charge	Meters		1	\$0.00	\$0.00	\$0.00
80	Demand Charges						
81	Demand Charge	CP kW	397,389				
82	x MMBTU Conversion		0.00917				
83	x Steam Adjustment		1.01600	\$577.15	2,136,440	\$582.18	2,154,508
84	Energy Charges						
85	Energy Charge	kWh	195,836,964				
86	x MMBTU Conversion		0.00917				
87	x Steam Adjustment	kWh	1.01600	\$4.166	7,605,674	\$4.304	7,852,477
88	Sub-Total Base Rates				9,742,113		10,006,985
89	Fuel Adjustment	kWh	198,970,355	-\$0.002662	(529,973)	-\$0.002662	(529,659)
90	Environmental Surcharge			16.328%	1,504,124	15.870762%	1,504,124
91	Total Steam				<u>10,716,264</u>		<u>10,981,450</u>
92							
93	<u>Rate TGP</u>						
94	Metering Charge	Meters		-	\$0.00	\$0.00	
95	Demand Charges						
96	Demand Charge	CP kW	477,063	\$1.75	834,860	\$1.75	834,860
97	Energy Charges (Averaged)				-		-
98	On-Peak Energy Charge	kWh	84,629,228	\$0.030160	2,552,749	\$0.030160	2,552,749
99	Off-Peak Energy Charge	kWh	98,387,617	\$0.022270	2,190,711	\$0.022270	2,190,711
100	Sub-Total Base Rates				5,578,320		5,578,320
101	Net Buy Through Charge				218,754		218,754
102	Fuel Adjustment	kWh	183,016,845	\$0.000000	-	\$0.000000	-
103	Environmental Surcharge			9.909%	552,775	9.909%	552,775
104	Total Rate TGP				<u>6,349,849</u>		<u>6,349,849</u>

**East Kentucky Power Cooperative, Inc.
Present and Proposed Rates**

Line No.	Description	Units	Present Rates		Proposed Rates		
			Rate	Amount	Rate	Amount	
105	Rate E1 - RATE DESIGN ONLY -- THERE IS CURRENTLY NO LOAD ON THIS RATE						
106	<i>Demand Charges</i>						
107	Demand Charge	CP kW	23,934,636	\$7.99	191,237,740	\$8.62	206,316,560
108	Power Factor Penalty	CP kW	15,979	\$7.99	127,672	\$8.62	137,739
109	<i>Energy Charges</i>						
110	On-Peak Energy Charge	kWh	4,998,176,543	\$0.041232	206,084,815	\$0.043373	216,784,255
111	Off-Peak Energy Charge	kWh	4,732,348,143	\$0.040654	192,388,881	\$0.042795	202,519,270
112	Metering Charge	Meters	328	\$144.00	566,214	\$144.000000	566,214
113	<i>Sub-Station Charges</i>						
114	1000-2999 kVa	Subs	3	\$1,088.00	39,168	\$1,088.000000	39,168
115	3000-7499 kVa	Subs	39	\$2,737.00	1,280,916	\$2,737.000000	1,280,916
116	7500-14999 kVa	Subs	224	\$3,292.00	8,848,896	\$3,292.000000	8,848,896
117	15000 kVa and Up	Subs	57	\$5,310.00	3,632,040	\$5,310.000000	3,632,040
118	Sub-Total Base Rates				604,206,342		640,125,058
119	Special Adjustments		-		(117,842)	\$0.000000	(117,842)
120	Fuel Adjustment	kWh	9,730,524,686	-\$0.002698	(26,252,956)	-\$0.002698	(26,252,956)
121	Environmental Surcharge		-		92,705,290	\$0.151420	92,705,290
122	Total Rate E				<u>670,540,835</u>		<u>706,459,550</u>