



A Touchstone Energy[®] Cooperative 

April 30, 2026

VIA ELECTRONIC FILING

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

RE: 2021-00103 - Annual Earnings Mechanism Filing

Dear Ms. Bridwell:

In accordance with the Order in Case No. 2021-00103, this letter serves to report East Kentucky Power Cooperative Inc.'s ("EKPC") 2025 financial results with respect to the earnings mechanism. In any year that EKPC achieves a Times Interest Earned Ratio ("TIER") of 1.40, EKPC is required to refund, in the form of a bill credit, any excess margin over the 1.40 TIER to its Owner-Member cooperatives.

For 2025, EKPC's TIER was 1.34; the calculation is provided on the attachment to this letter. Since EKPC's TIER was not in excess of 1.40, no refund is required. Per the Orders in Case No. 2021-00103 and Case No. 2025-00208, this is the last annual filing on the Earnings Mechanism.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Greg Cecil', with a stylized flourish at the end.

Greg Cecil
Director of Regulatory and Compliance

Enclosures

4775 Lexington Road, POB 707
Winchester, KY 40392
859-744-4812

EAST KENTUCKY POWER COOPERATIVE, INC.
RATE EM - ANNUAL FILING FORMATS
For the Calendar Year 2025

7 **Determination of Achieved Margin**

9	Total Operating Revenues	\$1,267,019,874
10	(FERC Form 1, page 114, line 2; see Note 1 below)	
11	Total Operating Expenses	<u>\$1,120,656,683</u>
12	(FERC Form 1, page 114, line 25)	
13	Net Utility Operating Income	\$146,363,190
14	[Row 9 minus Row 11]	
15	Net Other Income & Deductions	\$9,176,725
16	(FERC Form 1, page 117, line 56)	
17	Net Interest Charges	\$116,311,267
18	(FERC Form 1, page 117, line 66)	
19	Extraordinary Items	<u>\$0</u>
20	(FERC Form 1, page 117, line 73)	
21	Net Margins	<u><u>\$39,228,648</u></u>
22	[Row 13 plus Row 15 minus Row 17 plus Row 19]	

24 **Determination of Achieved Times Interest Earned Ratio (TIER)**

26	Net Margins	\$39,228,648
27	Interest on Long Term Debt	\$116,311,267
28	(FERC Form 1, page 117, line 58)	
29		
30	Achieved TIER	<u>1.34</u>
31	[(Row 26 plus Row 27) / Row 27]	

33 **Margins Necessary to Produce 1.40 TIER**

35	Interest on Long Term Debt	\$116,311,267
36		
37	Interest Multiplied by 1.40 TIER	\$162,835,774
38		
39	Less Interest on Long Term Debt	<u>\$116,311,267</u>
40		
41	Margins Necessary to Produce 1.40 TIER	<u><u>\$46,524,507</u></u>

43 **Determination of Excess Margins**

45	Net Margin	\$39,228,648
46	[Row 21]	
47	Margins Necessary to Produce 1.40 TIER	<u>\$46,524,507</u>
48	[Row 41]	
49	Excess Margins for Year	<u><u>(\$7,295,859)</u></u>

51 Note 1: Operating Revenues are shown exclusive of the contra electric and steam revenue account
52 entries associated with the Regulatory Liability recorded in Account 254004 for any
53 margins in excess of 1.40 TIER for the reporting year.

54
55 EKPC will file Format 1.0 each year with the Commission. In years where there are Excess Margins,
56 EKPC will also file Formats 2.0 and 2.1 to provide the allocation of the Excess Margins to the Owner-
57 Members.

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