

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>AN ELECTRONIC EXAMINATION BY THE</b>	)	
<b>PUBLIC SERVICE COMMISSION OF THE</b>	)	<b>CASE NO.</b>
<b>ENVIROMENTAL SURCHARGE MECHANISM</b>	)	<b>2022-00141</b>
<b>OF EAST KENTUCKY POWER COOPERATIVE,</b>	)	
<b>INC. FOR THE SIXTH-MONTH EXPENSE</b>	)	
<b>PERIODS ENDING NOVEMBER 30, 2019,</b>	)	
<b>MAY 31, 2020, NOVEMBER 30, 2020,</b>	)	
<b>AND NOVEMBER 30, 2021, THE TWO-YEAR</b>	)	
<b>EXPENSE PERIOD ENDING MAY 31, 2021,</b>	)	
<b>AND THE PASS-THROUGH MECHANISM</b>	)	
<b>OF ITS SIXTEEN MEMBER DISTRIBUTION</b>	)	
<b>COOPERATIVES</b>	)	

**RESPONSES TO COMMISSION STAFF’S FIRST INFORMATION REQUEST  
TO EAST KENTUCKY POWER COOPERATIVE, INC.**

**DATED JUNE 3, 2022**

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<b>ENVIRONMENTAL SURCHARGE MECHANISM</b>	)	
<b>OF EAST KENTUCKY POWER COOPERATIVE,</b>	)	
<b>INC. FOR THE SIXTH-MONTH EXPENSE PERIODS</b>	)	<b>CASE NO.</b>
<b>ENDING NOVEMBER 30, 2019, MAY 31, 2020,</b>	)	<b>2022-00141</b>
<b>NOVEMBER 30, 2020, AND NOVEMBER 30, 2021,</b>	)	
<b>THE TWO-YEAR EXPENSE PERIOD ENDING</b>	)	
<b>MAY 31, 2021, AND THE PASS-THROUGH</b>	)	
<b>MECHANISM OF ITS SIXTEEN MEMBER</b>	)	
<b>DISTRIBUTION COOPERATIVES</b>	)	

**DIRECT TESTIMONY OF ISAAC S. SCOTT**  
**ON BEHALF OF EAST KENTUCKY POWER COOPERATIVE, INC.**

**Filed: June 24, 2022**

1 **Q. Please state your name, business address, and occupation.**

2 A. My name is Isaac S. Scott and my business address is East Kentucky Power Cooperative,  
3 Inc. (“EKPC”), 4775 Lexington Road, Winchester, Kentucky 40391. I am the Manager of  
4 Pricing for EKPC.

5 **Q. Please state your education and professional experience.**

6 A. I received a B.S. degree in Accounting, with distinction, from the University of Kentucky  
7 in 1979. After graduation I was employed by the Kentucky Auditor of Public Accounts,  
8 where I performed audits of numerous state agencies. In December 1985, I transferred to  
9 the Kentucky Public Service Commission (“Commission”) as a public utilities financial  
10 analyst, concentrating on the electric and natural gas industries. In August 2001, I became  
11 manager of the Electric and Gas Revenue Requirements Branch in the Division of Financial  
12 Analysis at the Commission. In this position, I supervised the preparation of revenue  
13 requirement determinations for electric and natural gas utilities as well as determined the  
14 revenue requirements for the major electric and natural gas utilities in Kentucky. I retired  
15 from the Commission effective August 1, 2008. In November 2008, I became the Manager  
16 of Pricing at EKPC.

17 **Q. Please provide a brief description of your duties at EKPC.**

18 A. As Manager of Pricing, I am responsible for rate-making activities which include designing  
19 and developing wholesale and retail electric rates and developing pricing concepts and  
20 methodologies. I report directly to the Director of Regulatory and Compliance Services.

21 **Q. What is the purpose of your testimony in this proceeding?**

22 A. The purpose of my testimony is to address the following topics:

- 1 • Describe how EKPC and its Member Cooperatives have applied the environmental  
2 surcharge mechanism and the pass through mechanism in a reasonable manner during  
3 the period under review;
- 4 • Propose updating the rate of return used in the environmental surcharge calculation;
- 5 • Propose the adoption of a revised Pass Through Mechanism Report for one of the  
6 Member Cooperatives;
- 7 • Propose a Base Environmental Surcharge Factor (“BESF”) to reflect the retirement of  
8 assets recovered through base rates as a result of environmental compliance plan  
9 projects going into service; and
- 10 • Discuss EKPC and its Member Cooperatives’ position concerning a roll-in of the  
11 environmental surcharge into EKPC’s wholesale base rates.

12 **Q. Is EKPC preparing testimony and responding to data requests on behalf of its**  
13 **Member Cooperatives?**

14 A. Pursuant to the Commission’s June 3, 2022 Order, EKPC is preparing testimony on behalf  
15 of each Member Cooperative. The Member Cooperatives are: Big Sandy Rural Electric  
16 Cooperative Corporation (“RECC”), Blue Grass Energy Cooperative Corporation, Clark  
17 Energy Cooperative, Inc., Cumberland Valley Electric, Inc. (“Cumberland Valley”),  
18 Farmers RECC, Fleming-Mason Energy Cooperative (“Fleming-Mason”), Grayson  
19 RECC, Inter-County Energy Cooperative Corporation (“Inter-County”), Jackson Energy  
20 Cooperative, Licking Valley RECC, Nolin RECC (“Nolin”), Owen Electric Cooperative  
21 (“Owen”), Salt River Electric Cooperative Corporation, Shelby Energy Cooperative, Inc.  
22 (“Shelby”), South Kentucky RECC, and Taylor County RECC. EKPC is also providing  
23 Response 2 and Response 8 to the Commission Staff’s First Request for Information  
24 (“Staff’s First Request”).

1 **Q. Have other EKPC representatives provided responses to Commission Staff's First**  
2 **Request for Information in this proceeding?**

3 A. Yes. Mark Horn, Manager of Fuel and Emissions, has provided emission allowance  
4 information in Response 3 to the Staff's First Request. Thomas Stachnik, Vice President  
5 – Finance and Treasurer, has provided the debt and average interest rate information in  
6 Response 5 to the Staff's First Request.

7 **Q. Would you identify the six-month and two-year review periods included in this**  
8 **proceeding?**

9 A. The Commission's June 3, 2022 Order identified the six-month review periods as being  
10 the expense months ending February 28, 2020, August 31, 2020, February 28, 2021,  
11 August 31, 2021, and February 28, 2022. The June 3, 2022 Order also identified the two-  
12 year review period as the expense month ending August 31, 2021. Upon receipt of the  
13 June 3, 2022 Order, EKPC noticed that the listed time periods did not correspond with the  
14 six-month and two-year time frames usually covered by its surcharge reviews. In addition,  
15 there was an overlap on the six-month and two-year reviews for the period ending August  
16 31, 2021.

17 **Q. What are the correct six-month and two-year review periods consistent with the**  
18 **previous reviews of EKPC's surcharge mechanism?**

19 A. Based on the review periods for previous surcharge mechanism cases, the six-month review  
20 periods should be for the expense months ending November 30, 2019, May 31, 2020,  
21 November 30, 2020, and November 30, 2021. The two-year review period should be for  
22 the expense months ending May 31, 2021, which will also capture the six-month period  
23 ending May 31, 2021.

1 **Q. Was the Commission Staff notified of this situation and what was the resolution of**  
2 **the different review periods?**

3 A. EKPC’s outside counsel informally notified the Commission Staff’s General Counsel of  
4 the problem with the review periods as well as associated problems with the request for  
5 information contained in Appendix B of the June 3, 2022 Order. Commission Staff advised  
6 EKPC to prepare its direct testimony and data responses consistent with those dates. EKPC  
7 understands a correcting Order will be issued to address the subject. Consistent with this  
8 information, EKPC has prepared its direct testimony and data responses consistent with  
9 the November and May dates. In addition, EKPC advised its Member Cooperatives to  
10 follow a similar approach.

11 **Q. Previous Commission Orders required EKPC to incorporate certain provisions into**  
12 **the calculation of the monthly environmental surcharge factors. Please comment on**  
13 **how EKPC has addressed the most significant aspects of these Orders during the**  
14 **periods under review.**

15 A. A brief description of each component of the environmental surcharge calculation, applied  
16 consistently with Commission Orders, is discussed below.

17 • **Compliance Plan Projects**

18 As of the end of the 30-month review period, EKPC has 26 projects in its  
19 Environmental Compliance Plan. These projects were approved by the Commission in

1 Case Nos. 2004-00321,<sup>1</sup> 2008-00115,<sup>2</sup> 2010-00083,<sup>3</sup> 2013-00259,<sup>4</sup> 2014-00252,<sup>5</sup>  
2 2017-00376,<sup>6</sup> and 2018-00270.<sup>7</sup> In conjunction with the establishment of a regulatory  
3 asset for the undepreciated balance of the William C. Dale Generating Station assets  
4 that were being retired early, EKPC was required in Case No. 2015-00302<sup>8</sup> to remove  
5 Project 5, Dale Low Nitrogen Oxide Burners, and Project 10, Dale Continuous  
6 Monitoring Equipment, from the environmental surcharge. The monthly  
7 environmental surcharge reports, incorporated by reference in this case, show the  
8 capital costs for the remaining projects.

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<sup>1</sup> See *In the Matter of Application of East Kentucky Power Cooperative, Inc. for Approval of an Environmental Compliance Plan and Authority to Implement an Environmental Surcharge*, Order, Case No. 2004-00321, (Ky. P.S.C., Mar. 17, 2005).

<sup>2</sup> See *In the Matter of the Application of East Kentucky Power Cooperative, Inc. for Approval of an Amendment to Its Environmental Compliance Plan and Environmental Surcharge*, Order, Case No. 2008-00115, (Ky. P.S.C., Sep. 29, 2008).

<sup>3</sup> See *In the Matter of Application of East Kentucky Power Cooperative, Inc. for Approval of an Amendment to Its Environmental Compliance Plan and Environmental Surcharge*, Order, Case No. 2010-00083, (Ky. P.S.C., Sep. 24, 2010).

<sup>4</sup> See *In the Matter of Application of East Kentucky Power Cooperative, Inc. for a Certificate of Public Convenience and Necessity for Alteration of Certain Equipment at the Cooper Station and Approval of a Compliance Plan Amendment for Environmental Surcharge Cost Recovery*, Order, Case No. 2013-00259, (Ky. P.S.C., Feb. 20, 2014).

<sup>5</sup> See *In the Matter of Application of East Kentucky Power Cooperative, Inc. for a Certificate of Public Convenience and Necessity for construction of an Ash Landfill at J.K. Smith Station, the Removal of Impounded Ash from William C. Dale Station for Transport to J.K. Smith and Approval of a Compliance Plan Amendment for Environmental Surcharge Recovery*, Order, Case No. 2014-00252, (Ky. P.S.C., Mar. 6, 2015).

<sup>6</sup> See *In the Matter of Application of East Kentucky Power Cooperative, Inc. for Approval to Amend Its Environmental Compliance Plan and Recover Costs Pursuant to Its Environmental Surcharge, Settlement of Certain Asset Retirement Obligations and Issuance of a Certificate of Public Convenience and Necessity and Other Relief*, Order, Case No. 2017-00376, (Ky. P.S.C., May 18, 2018).

<sup>7</sup> See *In the Matter of Application of East Kentucky Power Cooperative, Inc. for Approval to Amend Its Environmental Compliance Plan and Recover Costs Pursuant to Its Environmental Surcharge, and for the Issuance of a Certificate of Public Convenience and Necessity*, Order, Case No. 2018-00270, (Ky. P.S.C., Apr 1, 2019).

<sup>8</sup> See *In the Matter of Application of East Kentucky Power Cooperative, Inc. for an Order Approving the Establishment of a Regulatory Asset for the Undepreciated Balance of the William C. Dale Generating Station*, Order, Case No. 2015-00302, (Ky. P.S.C. Feb. 11, 2016). Projects 5 and 10 were originally approved as part of EKPC's environmental compliance plan and eligible for surcharge recovery in Case No. 2008-00115.

1           • **Base/Current Method**

2           The surcharge mechanism, as shown in EKPC’s Rate ES – Environmental Surcharge,  
3           reflects the base/current method through the formula  $MESF = CESF - BESF$ .<sup>9</sup> As  
4           described later in my testimony, EKPC is proposing a BESF to be applied prospectively  
5           of 0.16%.

6           • **Actual Emission Allowance Expense**

7           EKPC included only actual sulfur dioxide (“SO<sub>2</sub>”) and nitrogen oxide (“NO<sub>x</sub>”)  
8           emission allowance expense in the monthly filings.

9           • **Return on Emission Allowance Inventory and Limestone Inventory**

10          EKPC has included a return on all environmental surcharge assets, including emission  
11          allowances. Any purchase of allowances during the review period is addressed in  
12          Response 3 to the Staff’s First Request. EKPC has also included a return on its  
13          limestone inventory.

14          EKPC’s emission allowance inventories for SO<sub>2</sub> and NO<sub>x</sub> reflect operations under the  
15          Cross-State Air Pollution Rules (“CSAPR”) along with a continuation of the Acid Rain  
16          program. Under CSAPR, SO<sub>2</sub> and NO<sub>x</sub> allowances are awarded annually with carry-  
17          forward of unused balances from prior years. The allowances allocated to EKPC by  
18          the Environmental Protection Agency (“EPA”) under CSAPR have a dollar value of  
19          \$0, which is consistent with the valuation afforded EPA allocated allowances under  
20          prior programs. EKPC’s SO<sub>2</sub> inventory as of the end of the review period reflects the  
21          allowances remaining from the Acid Rain program. The NO<sub>x</sub> inventory as of the end  
22          of the review period has a \$0 balance as all the allowances were issued under CSAPR.

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<sup>9</sup> MESF is the Monthly Environmental Surcharge Factor; CESF is the Current Environmental Surcharge Factor; and BESF is the Base Environmental Surcharge Factor.



1           • **Return on Construction Work in Progress (“CWIP”), Net of Allowance for Funds**  
2           **Used During Construction**

3           As approved in Case No. 2008-00115, EKPC has included a return on CWIP during  
4           the period under review.

5           • **Rate of Return**

6           Four rates of return were in effect during the periods under review. For the expense  
7           months of June and July 2019, the rate of return was 6.032%, which was approved by  
8           the Commission in Case No. 2018-00306.<sup>10</sup> For the expense months of August 2019  
9           through March 2020, the rate of return was 6.047%, which was approved by the  
10          Commission in Case No. 2019-00171.<sup>11</sup> For the expense months of April 2020 through  
11          September 2021, the rate of return was 5.975%, which was approved by the  
12          Commission in Case No. 2019-00380.<sup>12</sup> For the expense months of October and  
13          November 2021, the rate of return was 5.093%, which was approved by the  
14          Commission in EKPC’s base rate case, Case No. 2021-00103.<sup>13</sup> In the first three  
15          referenced cases, the Commission approved EKPC’s request to incorporate a Times

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<sup>10</sup> See *In the Matter of an Electronic Examination by the Public Service Commission of the Environmental Surcharge Mechanism of East Kentucky Power Cooperative, Inc. for the Six-Month Expense Period Ending May 31, 2018, and the Pass-Through Mechanism for Its Sixteen Member Distribution Cooperatives*, Order, Case No. 2018-00306, (Ky. P.S.C., Jan. 29, 2019).

<sup>11</sup> See *In the Matter of an Electronic Examination by the Public Service Commission of the Environmental Surcharge Mechanism of East Kentucky Power Cooperative, Inc. for the Six-Month Expense Period Ending November 30, 2018, and the Pass-Through Mechanism for Its Sixteen Member Distribution Cooperatives*, Case No. 2019-00171, (Ky. P.S.C., Sep. 4, 2019).

<sup>12</sup> See *In the Matter of an Electronic Examination by the Public Service Commission of the Environmental Surcharge Mechanism of East Kentucky Power Cooperative, Inc. for the Two-Year Expense Period Ending May 31, 2019, and the Pass-Through Mechanism for Its Sixteen Member Distribution Cooperatives*, Case No. 2019-00380, (Ky. P.S.C., May 6, 2020).

<sup>13</sup> See *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, (Ky. P.S.C., Sep. 30, 2021).

1 Interest Earned Ratio (“TIER”) of 1.50 in the determination of the rate of return. In  
2 EKPC’s base rate case, the Commission approved a unanimous settlement agreement  
3 that provided the environmental surcharge would incorporate a TIER of 1.475 in the  
4 determination of the rate of return.

5 EKPC’s rate of return on environmental compliance rate base is determined by  
6 multiplying the weighted average debt cost for the debt issuances directly related to  
7 projects in the approved compliance plan times a stated TIER.<sup>14</sup> The rate of return on  
8 the environmental compliance rate base is updated to reflect the current average debt  
9 cost at the conclusion of the six-month and two-year surcharge reviews.<sup>15</sup> The use of  
10 debt costs is based on the fact that all of EKPC’s environmental compliance  
11 investments are financed with long-term debt.<sup>16</sup> The use of a 1.50 TIER was first  
12 authorized in Case No. 2011-00032<sup>17</sup> and reduced to 1.475 TIER in Case No. 2021-  
13 00103. This rate-making methodology is different from that employed by investor-  
14 owned utilities. The rate of return for the environmental compliance rate base for  
15 investor-owned utilities reflects a weighted average cost of capital approach. The  
16 weighted average cost of capital reflects the blended interest rates for the investor-

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<sup>14</sup> As a result of the settlement agreement in Case No. 2021-00103, EKPC’s rate of return on environmental compliance rate base also includes a cost of debt component for construction work in progress included in the environmental compliance rate base. The interest rate of EKPC’s credit facility is used to determine this portion of the cost of debt.

<sup>15</sup> The determination of the rate of return was a provision in the settlement agreement filed in Case No. 2004-00321, which the Commission approved in ordering paragraph 4 of the March 17, 2005 Order authorizing an environmental surcharge for EKPC.

<sup>16</sup> Many of EKPC’s environmental compliance investments are initially funded through existing general funds or short-term debt; however, these forms of financing are later replaced by long-term debt.

<sup>17</sup> See *In the Matter of An Examination by the Public Service Commission of the Environmental Surcharge Mechanism of East Kentucky Power Cooperative, Inc. for the Six-Month Billing Period Ending December 31, 2010; and the Pass-Through Mechanism for Its Sixteen Member Distribution Cooperatives*, Order, Case No. 2011-00032, (Ky. P.S.C., Aug. 2, 2011). EKPC requested authority to use the 1.50 TIER as it was consistent with the TIER authorized by the Commission in EKPC’s last base rate case, Case No. 2010-00167. The Commission found the request reasonable and approved the use of the 1.50 TIER.

1 owned utilities' long-term and short-term debt and a return on the common equity. The  
2 weighted average cost of capital is then "grossed up" for income taxes. Consequently,  
3 the rate of return for the investor-owned utilities is higher than the rate of return  
4 proposed by or authorized for EKPC.<sup>18</sup>

5 As discussed in the Direct Testimony of Thomas J. Stachnik in Case No. 2021-00103,  
6 EKPC targets a TIER of 1.50 in order to achieve several financial objectives including  
7 financial ratios that meet covenants in various EKPC debt agreements and maintaining  
8 financial metrics that support strong credit ratings. For the environmental surcharge,  
9 EKPC agreed in Case No. 2021-00103 to the slightly lower TIER of 1.475, which the  
10 Commission found reasonable, noting that because through the true-up mechanism  
11 included in the environmental surcharge the revenue generated by the environmental  
12 surcharge is generally considered more stable than revenue generated through base  
13 rates.

14 EKPC's Indenture and current Credit Facility covenants target a 1.1 "Margins for  
15 Interest" Ratio, which approximates TIER. In order to achieve this each year, a  
16 somewhat higher TIER must be targeted to allow for fluctuations. The rating agencies  
17 look more closely at Debt Service Coverage Ratio ("DSC"), which evaluates EKPC's  
18 ability to service principal and interest payments and thus is more relevant to lenders  
19 than TIER which only considers interest payments. EKPC's Board Policy 203 states  
20 that, "The Debt Service Coverage Ratio (DSC) is a financial measurement of EKPC's  
21 ability to repay its long-term debt and is computed as depreciation plus interest on long-

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<sup>18</sup> See *In the Matter of Electronic Examination by the Public Service Commission of the Environmental Surcharge Mechanism of Kentucky Utilities Company for the Six-Month Billing Period Ending October 31, 2019*, Case No. 2020-00170 (Ky. P.S.C., May 20, 2021). Utilizing the weighted average cost of capital approach with a gross up for income taxes, the Commission authorized a rate of return for the Kentucky Utilities Company of 8.86% for its pre-2020 compliance plan projects and 8.48% for its 2020 compliance plan projects.

1 term debt plus net margins divided by interest on long-term debt plus scheduled  
2 principal payments. EKPC shall strive to maintain a DSC of at least 1.25 for each  
3 calendar year.”

4 Fitch Ratings (“Fitch”) and Standard & Poor’s (“S&P”), both prefer high DSC ratios  
5 to support EKPC’s BBB+ Stable and A Stable credit ratings respectively, which in turn  
6 result in lower cost of borrowings. In its October 2015 report on EKPC, Fitch had set  
7 a DSC of 1.25 as a threshold that would support EKPC’s upgrade to A-, which occurred  
8 in October 2016. In its reports, S&P has repeatedly praised EKPC’s DSC ratio being  
9 at or above 1.25.

10 Based on the Board Policy and Rating Agency input, EKPC management targets a DSC  
11 ratio of 1.35 each year. This target recognizes that the DSC will vary each year as its  
12 components vary (for example, mild weather would result in lower margins and a lower  
13 DSC) and thus allows for some decline without crossing the 1.25 threshold discussed  
14 above. EKPC’s current targeted TIER results in maintaining this strong DSC ratio.

15 EKPC’s achieved DSC and TIER<sup>19</sup> were as follows for calendar years 2014 through  
16 2018:

Calendar Year Ending	DSC	TIER
December 31, 2017	1.26	1.19
December 31, 2018	1.34	1.35
December 31, 2019	1.39	1.39
December 31, 2020	1.35	1.28
December 31, 2021	1.38	1.12
Five-Year Averages	1.34	1.27

<sup>19</sup> DSC is calculated by dividing the sum of depreciation, interest expense, and net margins by the sum of interest expense and principal payments. TIER is calculated by dividing the sum of interest expense and net margins by interest expense.

1 Based upon the foregoing, EKPC proposes no change to the TIER component of the  
2 rate of return and that it be permitted to continue using a 1.475 TIER. EKPC is  
3 proposing a rate of return of 4.894% in this proceeding, as shown in Response 5 to the  
4 Staff's First Request. EKPC's proposed rate of return is consistent with the Settlement  
5 Agreement approved in Case No. 2004-00321, which provided that the rate of return  
6 on compliance-related capital expenditures would be updated to reflect current average  
7 debt cost as of the end of each six-month review period.

8 • **Operation and Maintenance (“O&M”) Expenses**

9 EKPC has continued to use a 12-month rolling average for O&M expenses associated  
10 with the compliance plan projects. For those instances where the change in the level  
11 of O&M expenses exceeded 10 percent, EKPC has provided an explanation. These  
12 explanations are provided in Response 4 to the Staff's First Request.

13 **Q. Were the environmental-related amounts included in the monthly surcharge**  
14 **calculation based on booked costs?**

15 A. Yes. EKPC continues to use the amounts booked for the various cost categories included  
16 in the surcharge calculation and these costs were actual costs and incurred in a prudent  
17 manner.

18 **Q. Did EKPC incur any over- or under-recoveries during the period under review?**

19 A. Yes. However, as shown in Response 1 to the Staff's First Request, EKPC applied its  
20 November 2021 over-recovery to the December 2021 expense month, which was billed in  
21 January 2022. Thus, from the normal operation of the surcharge mechanism, no adjustment  
22 is needed in this proceeding to collect any under-recovery from the Member Cooperatives.  
23 However, while preparing Response 4 of the Staff's First Request, EKPC determined that  
24 there were errors in the amounts reported for O&M expenses in the expense months of

1 February and July 2021. In addition, EKPC has determined that a BESF would have been  
2 applicable to the expense months of 2021 included in this review. Response 1 reflects the  
3 calculation of the correction to the O&M expenses and the application of a BESF. The  
4 correction of the O&M expenses results in an over-recovery of the environmental  
5 surcharge of \$294,711 and the application of the BESF results in an over-recovery of  
6 EKPC's environmental surcharge of \$337,100. EKPC is proposing to return the total over-  
7 recovery of \$631,811 to its Member Cooperatives in the first monthly surcharge filing  
8 made after the issuance of the final Order in this proceeding.

9 **Q. Previous Commission Orders also required EKPC's Member Cooperatives to**  
10 **incorporate certain provisions into the calculation of the monthly pass-through**  
11 **factors. Please comment on how the Member Cooperatives have addressed the most**  
12 **significant aspects of these Orders during the periods under review.**

13 A. Under the pass-through mechanism, the environmental surcharge factors computed for  
14 retail customers were billed by EKPC's Member Cooperatives at approximately the same  
15 time as EKPC billed the Member Cooperatives at wholesale. The calculation of the  
16 monthly factors for each Member Cooperative was provided in the monthly reports filed  
17 with the Commission. EKPC and the Member Cooperatives adhered to these and all other  
18 requirements and provisions of the Commission's Orders for the periods under review.

19 **Q. Did the Member Cooperatives incur any over- or under-recoveries during the review**  
20 **period?**

21 A. Yes. The over- or under-recovery amounts for each Member Cooperative are shown in  
22 Response 2 to the Staff's First Request. The determination of the over- or under-recovery

1 amounts has been prepared utilizing the revised methodology approved by the Commission  
2 in Case No. 2015-00281.<sup>20</sup>

3 This 30-month review proceeding includes the third two-year surcharge review since the  
4 adoption of the revised methodology approved in Case No. 2015-00281. Request 2 directs  
5 EKPC and the Member Cooperatives to prepare a summary schedule showing the Member  
6 Cooperative's pass-through revenue requirement for the months corresponding with the  
7 six-month and two-year reviews. In the previous two-year reviews, Case No. 2017-00326<sup>21</sup>  
8 and 2019-00380, EKPC provided Excel spreadsheets for each Member Cooperative that  
9 included four "tabs". The first three tabs provided the six-month schedules filed in the  
10 previous surcharge review cases, identified by the applicable case number. The fourth tab  
11 covered the last six-months of the review period that had yet to be reviewed and contained  
12 the determination of the over- or under-recovery for the current review period. EKPC  
13 believes this approach accomplished the desired review of each Member Cooperative's  
14 revenue requirement during the previous review periods. EKPC is following this same  
15 approach when preparing the response to Request 2 in this review proceeding, with each  
16 Excel spreadsheet tab reflecting a six-month review period. Since this review proceeding  
17 is examining multiple six-month review periods, a summary tab has been included showing  
18 the "net" over- or under-recovery determined for each Member Cooperative.

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<sup>20</sup> See *In the Matter of an Examination by the Public Service Commission of the Environmental Surcharge Mechanism of East Kentucky Power Cooperative, Inc. for the Six-Month Billing Periods Ending June 30, 2014 and December 31, 2014, Two-Year Billing Period Ending June 30, 2015, and the Pass Through Mechanism for Its Sixteen Member Distribution Cooperatives*, Order, Case No. 2015-00281, (Ky. P.S.C., Apr. 8, 2016).

<sup>21</sup> See *In the Matter of an Examination by the Public Service Commission of the Environmental Surcharge Mechanism of East Kentucky Power Cooperative, Inc. for the Two-Year Billing Period Ending June 30, 2017 and the Pass Through Mechanism for Its Sixteen Member Distribution Cooperatives*, Order, Case No. 2017-00326, (Ky. P.S.C., Jan. 5, 2018).

1 **Q. How will the Member Cooperatives reflect recovery of these over- or under-recovery**  
2 **amounts?**

3 A. As approved in the Commission's November 5, 2010 Order in Case No. 2010-00021,<sup>22</sup> the  
4 Member Cooperatives propose that the over- or under-recovery amounts be amortized over  
5 a period of six months beginning in the first month after the Commission's Order in this  
6 proceeding.

7 **Q. Has EKPC updated the rate of return to be used prospectively?**

8 A. Yes. As previously discussed, EKPC proposes an updated rate of return of 4.894%. This  
9 updated rate of return reflects an average debt cost as of November 30, 2021 of 3.318%  
10 and a TIER of 1.475. The determination of the average debt cost as of November 30, 2021  
11 is shown in Response 5 to the Staff's First Request.

12 **Q. When does EKPC propose to apply the updated rate of return in its surcharge**  
13 **calculations?**

14 A. EKPC proposes to use the updated rate of return in the surcharge calculations in the first  
15 month following the Commission's final Order in this proceeding.

16 **Q. Does EKPC believe that its environmental surcharge should be rolled into its**  
17 **wholesale base rates?**

18 A. No. While EKPC is providing the information related to a potential roll-in of the  
19 environmental surcharge into the wholesale base rates in Response 6 to the Staff's First  
20 Request, EKPC does not believe it is appropriate at this time to roll its environmental  
21 surcharge into its wholesale base rates.

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<sup>22</sup> See *In the Matter of an Examination by the Public Service Commission of the Environmental Surcharge Mechanism of East Kentucky Power Cooperative, Inc. for the Six-Month Billing Period Ending December 31, 2009 and the Pass-Through Mechanism for Its Sixteen Member Distribution Cooperatives*, Order, Case No. 2010-00021, (Ky. P.S.C., Nov. 5, 2010).



1 **Q. Would you explain the reasons in support of EKPC's position?**

2 A. Yes. EKPC would initially note that whether or not there are amounts of environmental  
3 costs incorporated into wholesale base rates, the effect on EKPC, the Member  
4 Cooperatives, and the retail ratepayer is that the total environmental revenue requirement  
5 should remain the same. In addition, EKPC believes there are several reasons why a roll-  
6 in of the environmental surcharge is not appropriate at this time.

7 First, like the environmental surcharge mechanisms approved for Kentucky Utilities  
8 Company, Louisville Gas and Electric Company, Kentucky Power Company, Duke Energy  
9 Kentucky, and Big Rivers Electric Corporation, the environmental costs included in  
10 EKPC's revenue requirement represent both investment costs and energy costs. As a  
11 general matter, investment costs are usually reflected in demand charges while energy costs  
12 are reflected in the energy charge. Because both investment costs and energy costs make  
13 up the environmental costs, a roll-in of the surcharge into base rates is more complicated  
14 than the roll-in performed in a two-year fuel adjustment clause proceeding. In the two-  
15 year fuel adjustment clause proceeding, only energy costs are rolled into the energy charge  
16 of base rates. If EKPC is required to roll-in its environmental surcharge into its wholesale  
17 base rates, it believes the roll-in will have to be allocated to both the demand and energy  
18 charges. Included in Response 6 is a rough allocation of the calculated roll-in amount  
19 between demand and energy components. Please note that this rough allocation assumes  
20 that the entire return on environmental compliance rate base would be assigned to demand.  
21 A cost-of-service study would likely assign the components of the environmental  
22 compliance rate base to both demand and energy.

23 Ideally, such an allocation should be performed utilizing a cost-of-service study. However,  
24 there has not been any time in this review proceeding for EKPC to undertake a cost-of-

1 service study that would provide a reasonable allocation of an environmental surcharge  
2 roll-in into demand and energy related components. The belief that a cost-of-service study  
3 should be the basis for allocating a surcharge roll-in between demand and energy rate  
4 components is the primary reason why EKPC believes a roll-in of environmental costs  
5 should occur at the time of a wholesale base rate case proceeding. Including a roll-in as  
6 part of a wholesale base rate case would allow for the allocation of environmental costs in  
7 a manner consistent with other costs through the utilization of a cost-of-service study.  
8 EKPC notes that the Commission has accepted the argument that a surcharge roll-in should  
9 be undertaken as part of a base rate case in previous environmental surcharge reviews.<sup>23</sup>  
10 The second reason concerns how the change in the wholesale base rates would be reflected  
11 in the Member Cooperatives' retail base rates. When the Commission approved the  
12 environmental surcharge mechanism for EKPC and the corresponding pass-through  
13 mechanism for the Member Cooperatives, there was no discussion of how or when retail  
14 base rates would be adjusted to reflect the change in the wholesale base rates resulting from  
15 the surcharge roll-in. Clearly any adjustment to the retail base rates should be  
16 accomplished in the same proceeding as the roll-in to wholesale base rates and both  
17 changes in the base rates become effective at the same time. If a surcharge roll-in was

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<sup>23</sup> See *In the Matter of an Examination by the Public Service Commission of the Environmental Surcharge Mechanism of Kentucky Power Company for the Six-Month Billing Periods Ending June 30, 2006 and December 31, 2006, and for the Two-Year Billing Period Ending June 30, 2007*, Order, Case No. 2007-00381, p. 6 (Ky. P.S.C., Aug. 19, 2008); See *In the Matter of an Examination by the Public Service Commission of the Environmental Surcharge Mechanism of East Kentucky Power Cooperative, Inc. for the Two-Year Billing Period Ending June 30, 2009 and the Pass-Through Mechanism for Its Sixteen Member Distribution Cooperatives*, Order, Case No. 2009-00317, p. 5 (Ky. P.S.C., Jan. 28, 2010); See *In the Matter of an Examination by the Public Service Commission of the Environmental Surcharge Mechanism of East Kentucky Power Cooperative, Inc. for the Two-Year Billing Period Ending June 30, 2011, for the Six-Month Billing Periods Ending December 31, 2011 and June 30, 2012, and the Pass-Through Mechanism for Its Sixteen Member Distribution Cooperatives*, Order, Case No. 2012-00486, p. 5-6 (Ky. P.S.C., Aug. 2, 2013); See *In the Matter of an Examination by the Public Service Commission of the Environmental Surcharge Mechanism of East Kentucky Power Cooperative, Inc. for the Two-Year Billing Period Ending June 30, 2013 and the Pass Through Mechanism for Its Sixteen Member Distribution Cooperatives*, Order, Case No. 2013-00324, p. 6 (Ky. P.S.C., Mar. 21, 2014); also see the April 8, 2016 Order in Case No. 2015-00281, page 9 and the May 6, 2020 Order in Case No. 2019-00380, page 5.

1 required as part of the two-year review case, EKPC believes the necessary adjustments to  
2 the retail base rates need to correspond as closely as possible to the change in the wholesale  
3 base rates. The change in the wholesale demand-related base rates should be reflected in  
4 the corresponding retail customer charges and demand base rates. The change in the  
5 wholesale energy-related base rates should be reflected in the corresponding retail energy  
6 base rates. However, as a surcharge roll-in during the two-year review to the wholesale  
7 base rates would not be cost-of-service based, neither would the corresponding adjustment  
8 to the retail base rates be cost-of-service based.

9 As with a roll-in to its wholesale base rates, EKPC believes that the corresponding  
10 adjustment to retail base rates should be performed in conjunction with a base rate  
11 proceeding and not as part of a two-year surcharge review. The amount of the roll-in each  
12 Member Cooperative receives as a result of the change in wholesale base rates would be  
13 cost-of-service based. The Member Cooperatives indicated a general agreement with this  
14 concept during a rate design project EKPC undertook approximately 10 years ago.

15 While EKPC and its Member Cooperatives have consistently argued that the appropriate  
16 proceeding to roll-in the surcharge into base rates was during a base rate case, EKPC did  
17 not propose a surcharge roll-in during its last base rate case, Case No. 2021-00103. EKPC  
18 did have a cost of service study available to allocate its environmental costs, but the  
19 Member Cooperatives were utilizing the “flow-through” process available under KRS  
20 278.455. That statute requires the increase in wholesale rates and tariffs must be allocated  
21 to each class and within each tariff on a proportional basis that will result in no change in  
22 the rate design currently in effect for the Member Cooperative. Thus, EKPC’s allocation  
23 of its environmental costs would have been based on a cost of service study while the  
24 Member Cooperatives’ share of the EKPC increase in revenues would have been allocated

1 in total on a proportional basis. The Member Cooperatives would not have been able to  
2 make corresponding changes in their retail rates that reflected EKPC's allocation of its  
3 environmental costs to demand and energy.<sup>24</sup>

4 A final reason is related to the disclosure of the cost of environmental compliance to retail  
5 customers. EKPC's currently approved environmental compliance plan contains 26  
6 projects and the monthly surcharge filings reflect the investment costs and operating  
7 expenses associated with those projects. The monthly cost of environmental compliance  
8 will be known to EKPC even if there is a roll-in of the surcharge revenue requirement into  
9 wholesale base rates. As there to date has been no roll-in of the environmental surcharge  
10 into base rates, the Member Cooperatives' monthly surcharge pass-through factors serve  
11 as a means to disclose to the retail customer the cost of environmental compliance for the  
12 approved projects. However, if there were a roll-in, a significant portion of the EKPC  
13 monthly surcharge factor would be collected through wholesale base rates and the  
14 corresponding Member Cooperatives' monthly surcharge pass-through factors would be  
15 reduced. The monthly surcharge pass-through factors would no longer easily disclose to  
16 retail customers the full cost of environmental compliance for the approved projects.  
17 Several of the Member Cooperatives believe it is important that retail customers be aware  
18 of the full cost of environmental compliance for the approved projects and the impact this  
19 compliance cost has on the monthly retail bill. Consequently, until an acceptable method  
20 can be developed to facilitate transparency with regard to full cost of environmental  
21 compliance, EKPC and the Member Cooperatives believe roll-in should not be undertaken  
22 as part of the two-year review proceeding.

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<sup>24</sup> See Case No. 2021-00103, Application Exhibit 13, Direct Testimony of Isaac S. Scott, at 11, and EKPC's Response to the Commission Staff's Second Request for Information, Request 13a and 13b.

1 **Q. Is EKPC aware of any problems or concerns the Member Cooperatives may have**  
2 **with the surcharge pass-through mechanism?**

3 A. No. However, because of a provision included in recently approved industrial power  
4 agreements (“IPA”) concerning the billing of the environmental surcharge, EKPC is  
5 proposing a revision to the monthly Pass Through Mechanism Report for Cumberland  
6 Valley.

7 **Q. Would you describe the provision in the IPAs and the revision EKPC is proposing?**

8 A. EKPC and Cumberland Valley have entered into two IPAs with interruptible service with  
9 Exponential Digital, Inc. (“EDI”).<sup>25</sup> To avoid the possible subsidization of EDI by other  
10 members of Cumberland Valley, the parties to the IPAs agreed that Cumberland Valley  
11 would directly pass-through to EDI the wholesale environmental surcharge amount billed  
12 by EKPC to Cumberland Valley for EDI. The surcharge amount billed to EDI and the  
13 retail revenues generated from EDI would be excluded from the monthly calculation of  
14 Cumberland Valley’s Rate Schedule ES – Environmental Surcharge.

15 The direct pass-through of the EKPC-billed surcharge amount has been approved for  
16 Fleming-Mason, Inter-County, Nolin, Owen, and Shelby. The retail customers receiving  
17 the direct pass-through of the EKPC-billed surcharge amount are provided service under  
18 EKPC’s Rate B, C or G or by special contract. EDI is provided service under EKPC’s Rate  
19 C for one IPA and Rate G for the other IPA. EDI is the only customer of Cumberland  
20 Valley currently being served under these rates. Rather than amending its Rate Schedule  
21 ES – Environmental Surcharge for only one customer, the direct pass-through of the  
22 environmental surcharge was incorporated into the IPAs.

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<sup>25</sup> One IPA is dated November 16, 2021 and was approved by the Commission effective December 24, 2021. The other IPA is dated January 31, 2022 and was approved by the Commission effective April 30, 2022.

1 As a result, the monthly Pass Through Mechanism Report needs to be revised to reflect  
2 this change. The revised version of this form has been utilized in the monthly surcharge  
3 filings since EDI became an active customer, however, EKPC seeks formal Commission  
4 approval of the use of the revised report. Exhibit ISS-1 contains examples of the report  
5 revisions for Cumberland Valley.

6 **Q. You previously stated that EKPC’s surcharge mechanism reflects the base/current**  
7 **method. The Rate ES tariff currently reflects a BESF of 0.00%. Would you explain**  
8 **why EKPC is proposing a new BESF value?**

9 A. Under the base/current method, the BESF reflects the investment in utility plant and  
10 associated operating costs for environmental compliance assets being recovered through  
11 base rates that have been replaced or retired early due to the deployment of new  
12 environmental compliance assets whose costs are recovered through the environmental  
13 surcharge. A BESF of zero indicates there are no investments in utility plant or associated  
14 operating costs for environmental compliance assets being recovered through base rates.  
15 Primarily due to the environmental compliance plan amendment approved in Case No.  
16 2017-00376, Project 16 – CCR/ELG Rule, EKPC has added new investments in utility  
17 plant which retired or replaced utility plant already being recovered in base rates. As those  
18 new investments in utility plant have gone into service, it is now necessary to recognize  
19 the base rate component in the BESF. In addition, as a result of these new investments,  
20 EKPC reclassified a dozen employees to be identified specifically with the CCR/ELG work  
21 Previously the expensed portion of those employees’ salaries, payroll taxes, and benefits  
22 were recovered through base rates. The reclassification of these employees also needs to  
23 be recognized in the BESF.

24 **Q. What value is EKPC proposing for its BESF?**

1 A. EKPC has calculated a BESF of 0.16% which should be incorporated prospectively in the  
2 monthly environmental surcharge filings. The determination of this amount is shown in  
3 Exhibit ISS-2 to this testimony. EKPC is also proposing to amend its environmental  
4 surcharge tariff to reflect a BESF of 0.16%. This amendment is shown in Exhibit ISS-3,  
5 which includes strike-through and clean versions of the proposed tariff change.

6 **Q. Would you describe how EKPC proposes to recognize the BESF in this review case**  
7 **and going forward?**

8 A. As shown in Exhibit ISS-2 and the response to Request 1, EKPC has calculated two BESFs  
9 that should have been in effect during the eleven months of 2021 covered by this review  
10 proceeding. This calculation is the basis for the additional over-recovery EKPC has  
11 proposed to recognize and return to its Member Cooperatives in the first monthly surcharge  
12 filing after the issuance of the final Order in this case. Prospectively, EKPC proposes to  
13 recognize and incorporate into its subsequent monthly surcharge filings a BESF of 0.16%.  
14 Lastly, for those expense months between the end of this review proceeding and the  
15 inclusion of the BESF of 0.16% in the monthly surcharge filings, EKPC will prepare a  
16 similar calculation as included in the response to Request 1 in the applicable future  
17 surcharge review proceedings.

18 **Q. Does EKPC have a request concerning the timing of the issuance of the final Order**  
19 **in this surcharge review proceeding?**

20 A. Yes. EKPC is requesting that the Commission issue its final Order in this case either within  
21 the first 10 days of the month or after the 21<sup>st</sup> day of the month. This is due to the  
22 processing procedure for the monthly surcharge factor filing and the critical processing  
23 period between the 11<sup>th</sup> and 20<sup>th</sup> of the month.

24 **Q. Does this conclude your testimony?**

1 A. Yes it does.



**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>AN ELECTRONIC EXAMINATION BY THE</b>	)	
<b>PUBLIC SERVICE COMMISSION OF THE</b>	)	<b>CASE NO.</b>
<b>ENVIROMENTAL SURCHARGE MECHANISM</b>	)	<b>2022-00141</b>
<b>OF EAST KENTUCKY POWER COOPERATIVE,</b>	)	
<b>INC. FOR THE SIXTH-MONTH EXPENSE</b>	)	
<b>PERIODS ENDING FEBRUARY 28, 2020,</b>	)	
<b>AUGUST 31, 2022, FEBRUARY 28, 2021,</b>	)	
<b>AUGUST 31, 2021 AND FEBRURARY 28, 2022.</b>	)	
<b>THE TWO-YEAR EXPENSE PERIOD ENDING</b>	)	
<b>AUGUST 31, 2021, AND THE PASS-THROUGH</b>	)	
<b>MECHANISM OF ITS SIXTEEN MEMBER</b>	)	
<b>DISTRIBUTION COOPERATIVES</b>	)	

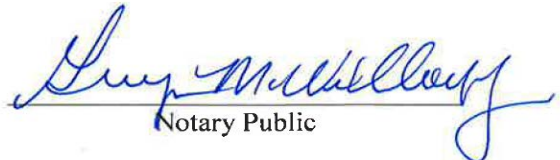
**A F F I D A V I T**

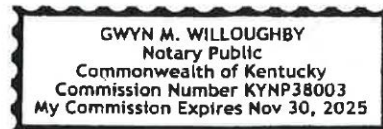
**STATE OF KENTUCKY     )**  
**)**  
**COUNTY OF CLARK     )**

Isaac S. Scott, being duly sworn, states that he has read the foregoing prepared testimony and that he would respond in the same manner to the questions if so asked upon taking the stand and that the matters and things set forth therein are true and correct, to the best of his knowledge, information and belief.

  
\_\_\_\_\_

Subscribed and sworn before me on this 24th day of June 2022.

  
Notary Public



**East Kentucky Power Cooperative, Inc. - Distribution Cooperatives  
Pass Through Mechanism Report for Cumberland Valley Electric**

**For the Month Ending**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8a)	(8b)	(8c)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Cumberland Valley	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Cumberland Valley	EKPC 12-months Ended Average Monthly Revenue from Sales to Cumberland Valley	Cumberland Valley Revenue Requirement	Rates C & G Surcharge Revenues	Cumberland Valley Revenue Requirement Net of Rates C & G	Amortization of (Over)/Under Recovery	Cumberland Valley Net Revenue Require. Net Rates C & G	Cumberland Valley Total Monthly Retail Revenues Net Rates C & G	On-Peak Retail Revenue Adjustment	Cumberland Valley Net Monthly Retail Revenues Net Rates C & G	12-months ended Avg. Retail Revenues, Net Rates C & G	Cumberland Valley Pass Through Mechanism Factor Net Rates C & G
			Col. (1) - Col. (2)			Col. (4) - Col. (5)		Col. (3) x Col. (7)		Col. (8a) - (8b)		Col. (8c) + Col. (9)			Col. (11) - Col. (12)		Col. (10) / Col. (14)

Notes:  
Cumberland Valley Total Monthly Retail Revenues in Column (11) includes demand and energy charges, customer charges, and FAC revenues.  
Revenues reported in Columns (4), (6), (7), (11), (13), and (14) are net of Green Power Revenues.

**Determination of BESF  
Retirements and Replacements Associated with the  
Spurlock CCR/ELG Project**

	<u>@ 12/31/2020</u>	<u>@ 09/30/2021</u>	
<u>Expenses</u>			
1. Depreciation Expense	\$79,787	\$79,787	
2. Operation & Maintenance	\$0	\$921,431	
3. Property Tax and Insurance	<u>\$5,555</u>	<u>\$5,555</u>	
4. Total Expenses	<u>\$85,342</u>	<u>\$1,006,773</u>	
<u>Return on Rate Base</u>			
5. Rate Base			
Original Book Cost	\$6,884,729	\$6,884,729	
Less Accumulated Depreciation	<u>\$5,063,171</u>	<u>\$5,063,171</u>	
Subtotal	\$1,821,558	\$1,821,558	
Plus Cash Working Capital	<u>\$0</u>	<u>\$115,179</u>	1/8 of O&M, line 2
Total Rate Base	<u>\$1,821,558</u>	<u>\$1,936,737</u>	
7. Apply rate of return to Rate Base	5.975%	5.975%	Authorized in Case No. 2019-00380
8. Return on Rate Base	<u>\$108,838</u>	<u>\$115,720</u>	
9. Total Revenue Requirement:			
Total Expenses	\$85,342	\$1,006,773	
Return on Rate Base	<u>\$108,838</u>	<u>\$115,720</u>	
Total Revenue Requirement	<u>\$194,180</u>	<u>\$1,122,493</u>	
<u>Determination of Member System Allocation Percentage</u>			
Revenues from December 2019 Environmental Surcharge filing; last month of test year in recent rate case.			
10. Member System Revenues	\$707,115,859	\$707,115,859	99.36%
Off System Sales Revenues	<u>\$4,577,112</u>	<u>\$4,577,112</u>	0.64%
Total Revenues	<u>\$711,692,971</u>	<u>\$711,692,971</u>	<u>100.00%</u>
11. Total Revenue Requirement	\$194,180	\$1,122,493	
Member System Allocation Percentage	<u>99.36%</u>	<u>99.36%</u>	
Jurisdictional Revenue Requirement	<u>\$192,937</u>	<u>\$1,115,309</u>	
<u>Calculation of BESF Related to Spurlock CCR/ELG</u>			
12. Jurisdictional Revenue Requirement	\$192,937	\$1,115,309	
13. Member System Revenues	\$707,115,859	\$707,115,859	December 2019 Filing, Form 3.0; excludes Environmental Surcharge Revenues
BESF [Line 12 divided by Line 13]	<u>0.027%</u>	<u>0.158%</u>	
BESF stated to two decimals	<u>0.03%</u>	<u>0.16%</u>	

Supporting Calculations for Exhibit ISS-2

Unit/Work Description	Asset ID	Description	Recovered through Base Rates				Retirement Date	Notes
			Cost	Accum. Deprec.	Net Book Value	Depreciation		
<b>Retirements/Replacements as of December 31, 2020</b>								
Bottom Ash Handling-Unit 1	00000011830	Pump, Ash Water Trasfer * B10F	\$16,206.17	\$16,206.17	\$0.00	\$0.00	12/31/2020	
	000000147347	Screen, Ash Water Pump	\$8,689.86	\$7,421.17	\$1,268.69	\$5.40	12/31/2020	
	000000147400	Pump, Ash Water Transfer #1 2	\$22,622.71	\$20,279.80	\$2,342.91	\$9.97	12/31/2020	
	000000147412	Pump, Ash Water #1, I-R#Apkt	\$26,862.60	\$24,080.59	\$2,782.01	\$11.84	12/31/2020	
	000000147424	Pump, Ash Water #2,IR#APKT	\$30,700.33	\$27,520.88	\$3,179.45	\$13.53	12/31/2020	
	000000147434	Hopper, Bottom Ash Removal Sys	\$42,609.47	\$38,196.68	\$4,412.79	\$18.78	12/31/2020	
	000000147454	Pyrite System (Ash Removal Sys	\$65,773.15	\$58,961.41	\$6,811.74	\$28.99	12/31/2020	
	000000147492	Piping, Ash Removal	\$182,907.44	\$163,964.60	\$18,942.84	\$80.61	12/31/2020	
	000000147503	Piping, Misc. Ash	\$436,233.48	\$391,054.83	\$45,178.65	\$192.25	12/31/2020	
	000000147514	Piping System, Ash	\$881,849.04	\$790,519.93	\$91,329.11	\$388.63	12/31/2020	
	00000011823	Flyash Handling Control System	\$190,345.51	\$103,529.69	\$86,815.82	\$294.29	12/31/2020	
Fly Ash Handling Transfer Station-Unit 1	000000147388	Exhauster/Separator, Fly Ash	\$18,286.11	\$16,335.90	\$1,950.21	\$8.06	5/7/2020	Included in 12/31/20
	000000147240	Decking, Transfer House	\$1,505.82	\$1,505.82	\$0.00	\$0.00	12/31/2020	
	000000147282	Fan, Vent.,Transfer House, #4C	\$3,842.60	\$3,842.59	\$0.01	\$0.00	12/31/2020	
	000000147233	Louver, Transfer House	\$1,032.26	\$1,032.26	\$0.00	\$0.00	12/31/2020	
	000000147287	Transfer House	\$4,023.21	\$4,023.21	\$0.00	\$0.00	12/31/2020	
	00000010412	Transfer House Addition	\$64,383.90	\$53,761.51	\$10,622.39	\$41.02	12/31/2020	
	000000147435	Crusher Acc., Ash Removal Sy	\$43,980.31	\$39,425.45	\$4,554.86	\$19.38	12/31/2020	
	000000147446	Conveyor, Fly Ash	\$56,558.33	\$50,700.92	\$5,857.41	\$24.93	12/31/2020	
Unit 4 Fly Ash Silo Pugmill Repl	000000145769	Mixers	\$591,970.07	\$150,566.31	\$441,403.76	\$1,286.89	12/31/2020	
Fly Ash Silo U1&2 Pugmill Repl	00000012072	Ash Handling Equipment	\$549,474.71	\$458,810.84	\$90,663.87	\$350.05	12/31/2020	
	00000012073	Fly Ash Handling Equipment	\$1,279,735.67	\$1,068,578.10	\$211,157.57	\$815.28	12/31/2020	
	00000012074	Foundation, Fly Ash Transf.Bld	\$209,831.53	\$175,209.20	\$34,622.33	\$133.68	12/31/2020	
	00000012078	Ash Water Syst., Class Di150M	\$89,289.67	\$74,556.74	\$14,732.93	\$56.88	12/31/2020	
	00000012079	Floation, Ash Piping	\$194,780.63	\$162,641.66	\$32,138.97	\$124.09	12/31/2020	
	00000012081	Piping System, Ash Water	\$99,717.73	\$83,264.25	\$16,453.48	\$63.53	12/31/2020	
	00000012095	Building, Fly Ash Transfe	\$56,656.51	\$47,308.08	\$9,348.43	\$36.09	12/31/2020	
	00000012100	Silo, Fly Ash	\$51,885.06	\$43,323.91	\$8,561.15	\$33.05	12/31/2020	
	00000012933	Pump, Vacuum; Nash AT3004E	\$272,115.26	\$227,216.03	\$44,899.23	\$173.36	12/31/2020	
	00000013266	Transf., Step-dwn S/N L252193B	\$113,821.83	\$95,041.11	\$18,780.72	\$72.51	12/31/2020	
Bottom Ash Handling-Unit 2	00000012085	Valve, Ash Water Plug;6", 150#	\$4,544.20	\$4,544.20	\$0.00	\$0.00	12/31/2020	
	000000113878	Hopper, Bottom Ash	\$1,272,493.37	\$659,746.96	\$612,746.41	\$2,365.82	12/31/2020	
<b>Total Retirements/Replacements @ December 31, 2020</b>			<b>\$6,884,728.54</b>	<b>\$5,063,170.80</b>	<b>\$1,821,557.74</b>	<b>\$6,648.91</b>		

**Supporting Calculations for Exhibit ISS-2**

**Calculations for BESF - Depreciation, Property Insurance, and Property Taxes @ 12/31/2020:**

<u>Annual Depreciation Expense</u>	
Monthly Depreciation Expense	\$6,648.91
12 Months	12
Annual Depreciation Expense	<u>\$79,787.00</u>
<u>Property Insurance Expense</u>	
Net Book Value	\$1,821,557.74
Rate as of December 31, 2019, test year end of rate case	0.00155
Calculated Property Insurance	<u>\$2,823.00</u>
<u>Property Tax Expense</u>	
Net Book Value	\$1,821,557.74
Rate	0.0015
Calculated Property Taxes	<u>\$2,732.00</u>

**O&M Adjustment due to Reclassified Employees @ 09/30/2021:**

Gross Salary of Reclassified Employees	\$787,603
Less: Capitalized portion of Salaries	<u>(\$168,910)</u>
Expense portion of Salaries	\$618,693
Payroll taxes associated with expensed Salaries	\$49,361
Benefits associated with expensed Salaries	<u>\$253,377</u>
Total O&M Expense Adjustment	<u>\$921,431</u>

There are 12 environmental operators at the Spurlock station who at the time of the last rate case had the expense portion of their salaries recovered through EKPC's base rates. In September 2021, these employees were reclassified as working exclusively with CCR/ELG projects and the expense portion of their salaries was then recovered through the surcharge. An O&M adjustment needs to be included in the BESF calculations due to this reclassification.

**Rate ES – Environmental Surcharge**

**Applicability**

In all territories of owner-members of EKPC.

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**Availability**

This rate schedule shall apply to EKPC Rates B, C, E, and G and all special contracts with rates subject to adjustment upon the approval of the Commission.

T

**Rate**

The Environmental Surcharge shall provide for monthly adjustments based on a percent of revenues equal to the difference between the environmental compliance costs in the base period and in the current period based on the following formula:

$$\text{CESF} = \text{E(m)} / \text{R(m)}$$

$$\text{MESF} = \text{CESF} - \text{BESF}$$

MESF = Monthly Environmental Surcharge Factor

CESF = Current Environmental Surcharge Factor

BESF = Base Environmental Surcharge Factor of ~~0%~~ 0.16%

where E(m) is the total of each approved environmental compliance plan revenue requirement of environmental costs for the current expense month and R(m) is the revenue for the current expense month as expressed below.

**Definitions**

1.  $E(m) = [(RB/12)(RORB) + OE - BAS + (Over)Under Recovery$

where:

- a. RB is the Environmental Compliance Rate Base, defined as electric plant in service for applicable environmental projects adjusted for accumulated depreciation, CWIP, cash working capital, spare parts and limestone inventory, emission allowance inventory;
- b. RORB is the Rate of Return on the Environmental Compliance Rate Base, designated as the average cost of debt for environmental compliance plan projects approved by the Commission plus application of a times-interest-earned ratio of 1.475;

R

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**DATE OF ISSUE:** ~~April 1, 2021~~

**DATE EFFECTIVE:** Service rendered on and after ~~October 1, 2021~~

**ISSUED BY:**

\_\_\_\_\_  
 Anthony S. Campbell,  
 President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. ~~2021-00103~~ 2022-00141 dated ~~September 30, 2021~~.

Rate ES – Environmental SurchargeApplicability

In all territories of owner-members of EKPC.

Availability

This rate schedule shall apply to EKPC Rates B, C, E, and G and all special contracts with rates subject to adjustment upon the approval of the Commission.

Rate

The Environmental Surcharge shall provide for monthly adjustments based on a percent of revenues equal to the difference between the environmental compliance costs in the base period and in the current period based on the following formula:

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MESF = Monthly Environmental Surcharge Factor

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I

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**DATE OF ISSUE:**

**DATE EFFECTIVE:** Service rendered on and after

**ISSUED BY:**

\_\_\_\_\_  
Anthony S. Campbell,  
President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2022-00141 dated .

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>AN ELECTRONIC EXAMINATION BY THE</b>	)	
<b>PUBLIC SERVICE COMMISSION OF THE</b>	)	<b>CASE NO.</b>
<b>ENVIROMENTAL SURCHARGE MECHANISM</b>	)	<b>2022-00141</b>
<b>OF EAST KENTUCKY POWER COOPERATIVE,</b>	)	
<b>INC. FOR THE SIXTH-MONTH EXPENSE</b>	)	
<b>PERIODS ENDING FEBRUARY 28, 2020,</b>	)	
<b>AUGUST 31, 2022, FEBRUARY 28, 2021,</b>	)	
<b>AUGUST 31, 2021 AND FEBRURARY 28, 2022.</b>	)	
<b>THE TWO-YEAR EXPENSE PERIOD ENDING</b>	)	
<b>AUGUST 31, 2021, AND THE PASS-THROUGH</b>	)	
<b>MECHANISM OF ITS SIXTEEN MEMBER</b>	)	
<b>DISTRIBUTION COOPERATIVES</b>	)	

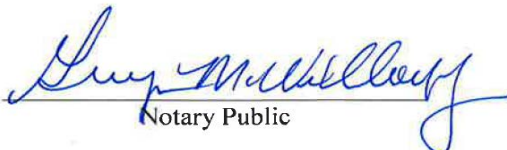
**CERTIFICATE**

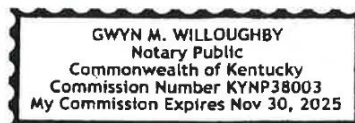
**STATE OF KENTUCKY**     )  
  )  
**COUNTY OF CLARK**     )

Mark Horn, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff Data Requests in the above-referenced case dated June 3, 2022, 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.

  
\_\_\_\_\_

Subscribed and sworn before me on this 24th day of June 2022.

  
\_\_\_\_\_  
Notary Public







**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>AN ELECTRONIC EXAMINATION BY THE</b>	)	
<b>PUBLIC SERVICE COMMISSION OF THE</b>	)	<b>CASE NO.</b>
<b>ENVIROMENTAL SURCHARGE MECHANISM</b>	)	<b>2022-00141</b>
<b>OF EAST KENTUCKY POWER COOPERATIVE,</b>	)	
<b>INC. FOR THE SIXTH-MONTH EXPENSE</b>	)	
<b>PERIODS ENDING FEBRUARY 28, 2020,</b>	)	
<b>AUGUST 31, 2022, FEBRUARY 28, 2021,</b>	)	
<b>AUGUST 31, 2021 AND FEBRURARY 28, 2022.</b>	)	
<b>THE TWO-YEAR EXPENSE PERIOD ENDING</b>	)	
<b>AUGUST 31, 2021, AND THE PASS-THROUGH</b>	)	
<b>MECHANISM OF ITS SIXTEEN MEMBER</b>	)	
<b>DISTRIBUTION COOPERATIVES</b>	)	

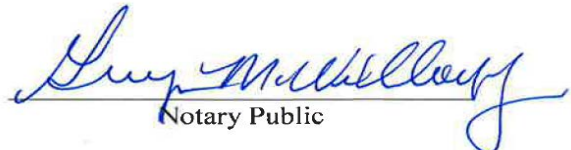
**CERTIFICATE**

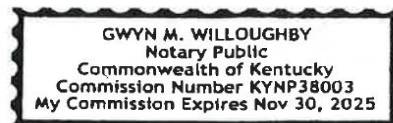
**STATE OF KENTUCKY**     )  
  )  
**COUNTY OF CLARK**     )

Tom Stachnik, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff Data Requests in the above-referenced case dated June 3, 2022, 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.



Subscribed and sworn before me on this 24th day of June 2022.

  
Notary Public



**EAST KENTUCKY POWER COOPERATIVE, INC.**  
**PSC CASE NO. 2022-00141**  
**FIRST REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST INFORMATION REQUEST DATED 06/03/22**

**REQUEST 1**

**RESPONSIBLE PARTY: Isaac Scott**

**Request 1.** This question is addressed to EKPC. Prepare a summary schedule showing the calculation of  $E(m)$  and the surcharge factor for the expense months under review. Form 1.1 can be used as a model for this summary. Include the two expense months subsequent to the review period in order to show the over- and under-recovery adjustments for the months included for the review period. Include a calculation of any additional over- or under-recovery amount EKPC believes needs to be recognized for the six-month and two-year reviews. Provide the schedule and all supporting calculations and documentation in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

**Response 1.** Please see the response included in the Excel spreadsheet *DRI Response 1 – Summary Schedule  $E(m)$  – EKPC Over-Under.xlsx*. As shown in the response, EKPC is proposing an additional over-recovery to be recognized for the expense months under review reflecting two items. First, as shown in tab “O&M Expense Adjustment,” EKPC determined during the preparation of its response to Request 4 that there had been errors in the amounts reported for O&M expenses in the expense months of February and July of 2021. The correction of these errors results in an over-recovery of the surcharge of \$294,711. Second, as shown in tab

**PSC Request 1**

**Page 2 of 2**

“BESF Adjustment,” EKPC determined that a BESF should be applied to the expense months during 2021. As a result of applying the calculated BESF to those expense months, an over-recovery of the surcharge of \$337,100 occurred. EKPC is proposing that both over-recoveries, totaling \$631,811, should be returned to Member Cooperatives in the first monthly surcharge filing after the issuance of the final Order in this case. All schedules, supporting calculations, and documentation are in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

EAST KENTUCKY POWER COOPERATIVE, INC.  
PSC CASE NO. 2022-00141  
FIRST REQUEST FOR INFORMATION RESPONSE

COMMISSION STAFF'S FIRST INFORMATION REQUEST DATED 06/03/22  
REQUEST 2

RESPONSIBLE PARTY: Isaac Scott

**Request 2.** This question is addressed to EKPC and the Member Cooperatives. For each of the Member Cooperatives, prepare a summary schedule showing the Member Cooperative's pass-through revenue requirement for the months corresponding with the six-month and two-year reviews. Include a calculation of any additional over- or under recovery amount the Member Cooperative believes needs to be recognized for the six month and two-year reviews. Provide the schedule and all supporting calculations and documentation in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

**Response 2.** Please see the following Excel spreadsheets that show the calculation of each Member Cooperative's over- or under-recovery for the 30 months covered by this review:

*DR1 Response 1 – Big Sandy Surcharge Summary.xlsx*  
*DR1 Response 1 – Blue Grass Surcharge Summary.xlsx*  
*DR1 Response 1 – Clark Surcharge Summary.xlsx*  
*DR1 Response 1 – Cumberland Valley Surcharge Summary.xlsx*  
*DR1 Response 1 – Farmers Surcharge Summary.xlsx*  
*DR1 Response 1 – Fleming-Mason Surcharge Summary.xlsx*  
*DR1 Response 1 – Grayson Surcharge Summary.xlsx*  
*DR1 Response 1 – Inter-County Surcharge Summary.xlsx*  
*DR1 Response 1 – Jackson Surcharge Summary.xlsx*

*DR1 Response 1 – Licking Valley Surcharge Summary.xlsx*

*DR1 Response 1 – Nolin Surcharge Summary.xlsx*

*DR1 Response 1 – Owen Surcharge Summary.xlsx*

*DR1 Response 1 – Salt River Surcharge Summary.xlsx*

*DR1 Response 1 – Shelby Surcharge Summary.xlsx*

*DR1 Response 1 – South Kentucky Surcharge Summary.xlsx*

*DR1 Response 1 – Taylor County Surcharge Summary.xlsx*

The calculations follow the revised methodology approved by the Commission in Case No. 2015-00281. Following that methodology, the 30-month review period is broken down into six month segments. Each Excel spreadsheet has six tabs. The “Summary” tab shows the over- or under-recovery for each six-month period included in this 30-month review. The Summary tab also determines a total “net” over- or under-recovery for the entire 30-month review period and shows two amortization options. The remaining five tabs contain the calculation of the over- or under-recovery for the applicable six-month period:

- Tab “A – 11-30-19” reflects the expense months of June 2019 through November 2019.
- Tab “B – 05-31-20” reflects the expense months of December 2019 through May 2020.
- Tab “C – 11-30-20” reflects the expense months of June 2020 through November 2020.
- Tab “D – 05-31-21” reflects the expense months of December 2020 through May 2021.
- Tab “E – 11-30-21” reflects the expense months of June 2021 through November 2021.

Please note that while the tabs are labeled to correspond with the applicable surcharge expense month, the spreadsheets reflect the surcharge billing month, which is one month later than the expense month. Thus, the expense months June 2019 through November 2019 correspond to the billing months of July 2019 through December 2019. This approach has been consistently followed since the adoption of the revised methodology in Case No. 2015-00281.

The following table summarizes the resulting over- or under-recoveries for each Member Cooperative, the proposed amortization period, and the monthly amortization amount.

Member Cooperative	Total Net (Over)/Under Recovery		Months to Amortize	Monthly Amortization	
	(Over)	Under		(Over)	Under
Big Sandy		\$208,757	6		\$34,793
Blue Grass		\$790,195	6		\$131,699
Clark	(\$21,370)		6	(\$3,562)	
Cumberland Valley		\$69,018	6		\$11,503
Farmers		\$340,897	6		\$56,816
Fleming-Mason		\$77,867	6		\$12,978
Grayson	(\$35,546)		6	(\$5,924)	
Inter-County		\$176,386	6		\$29,398
Jackson		\$729,974	6		\$121,662
Licking Valley	(\$62,743)		6	(\$10,457)	
Nolin		\$744,991	6		\$124,165
Owen		\$719,899	6		\$119,983
Salt River		\$695,078	6		\$115,846
Shelby		\$768,192	6		\$128,032
South Kentucky		\$863,830	6		\$143,972
Taylor County		\$49,079	6		\$8,180
Cumulative Totals	(\$119,659)	\$6,234,163			

EKPC and the Member Cooperatives have been requested to prepare a summary schedule showing the Member Cooperative’s pass-through revenue requirement for the months corresponding with the 30-month review period. As discussed in Mr. Scott’s direct testimony, this 30-month review proceeding includes the third two-year review since the adoption of the revised methodology approved in Case No. 2015-00281. In the previous two-year reviews, Case No. 2017-00326 and 2019-00380, EKPC provided Excel spreadsheets for each Member Cooperative that included four “tabs”. The first three tabs provided the six-month schedules filed in the previous surcharge review cases, identified by the applicable case number. The fourth tab covered the last six-months of the review period that had yet to be reviewed and contained the determination of the over- or under-recovery for the current review period. In those two-year review proceedings, EKPC stated its

belief that viewing all four schedules together accomplished the desired review of each Member Cooperative's revenue requirement during the review period. EKPC and the Member Cooperatives have followed the same conceptual approach for this 30-month review proceeding.



EAST KENTUCKY POWER COOPERATIVE, INC.  
PSC CASE NO. 2022-00141  
FIRST REQUEST FOR INFORMATION RESPONSE

COMMISSION STAFF'S FIRST INFORMATION REQUEST DATED 06/03/22  
REQUEST 3

RESPONSIBLE PARTY: Mark Horn

**Request 3.** This question is addressed to EKPC. Refer to Form 2.3, Inventory and Expense of Emission Allowances, for each of the expense months under review.

**Request 3a.** For the sulfur dioxide emission allowance inventory, explain the reason(s) for all purchases of allowances reported during these expense months.

**Response 3a.** No sulfur dioxide allowance purchases were made during the period of June 1, 2019 through November 30, 2021.

**Request 3b.** For the nitrogen oxide emission allowance inventory, explain the reason(s) for all purchases of allowances reported during these expense months.

**Response 3b.** No nitrogen oxide allowance purchases were made during the period of June 1, 2019 through November 30, 2021.

**Request 3c.** Explain how the purchases of allowances in the thirty expense months under review comply with EKPC's emissions allowance strategy plan.

**Response 3c.** No purchases of allowances were made in the expense months covered by the applicable billing periods.

**EAST KENTUCKY POWER COOPERATIVE, INC.**  
**PSC CASE NO. 2022-00141**  
**FIRST REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST INFORMATION REQUEST DATED 06/03/22**  
**REQUEST 4**

**RESPONSIBLE PARTY: Isaac Scott**

**Request 4.** This question is addressed to EKPC. Refer to Form 2.5, Operating and Maintenance Expenses, for the expense months under review. For each of the expense account numbers listed on this schedule, explain the reason(s) for any change in the expense levels from month to month if that change is greater than plus or minus 10 percent.

**Response 4.** Please see the attached pages for the requested explanations. The pages are grouped in six-month blocks corresponding with the following expense months:

- Expense months June 2019 through November 2019 – pages 2 through 12;
- Expense months December 2019 through May 2020 – pages 13 through 22;
- Expense months June 2020 through November 2020 – pages 23 through 33;
- Expense months December 2020 through May 2021 – pages 34 through 44; and
- Expense months June 2021 through November 2021 – pages 45 through 55.

East Kentucky Power Cooperative, Inc.  
Environmental Surcharge Operating and Expense Month over Month Analysis  
For the Expense Period June 2019 to November 2019

		2019	2019	2019	2019	2019	2019	2019
501010 - SP03	Fuel Coal Gilbert	May	Jun	Jul	Aug	Sep	Oct	Nov
400-2610	Expense Dollars	\$ 204,744	\$ 98,395	\$ 96,302	\$ 222,591	\$ 192,510	\$ 161,167	\$ 125,242
	Expense Dollars Change		\$ (106,349)	\$ (2,093)	\$ 126,289	\$ (30,081)	\$ (31,343)	\$ (35,925)
	Percent Change		-51.94%	-2.13%	131.14%	-13.51%	-16.28%	-22.29%

Monthly expense changes are due to increases or decreases in volume of ash removed.

		2019	2019	2019	2019	2019	2019	2019
501010 - SP04	Fuel Coal Spurlock 4	May	Jun	Jul	Aug	Sep	Oct	Nov
400-2610	Expense Dollars	\$ 656	\$ 120,140	\$ 239,352	\$ 247,565	\$ 226,898	\$ 233,959	\$ 294,612
	Expense Dollars Change		\$ 119,484	\$ 119,212	\$ 8,213	\$ (20,667)	\$ 7,061	\$ 60,653
	Percent Change		18214.02%	99.23%	3.43%	-8.35%	3.11%	25.92%

Monthly expense changes are due to increases or decreases in volume of ash removed.

		2019	2019	2019	2019	2019	2019	2019
501010 - CPxx	Fuel Coal Cooper (Unit 2 AQCS)	May	Jun	Jul	Aug	Sep	Oct	Nov
Project 02610	Expense Dollars	\$ -	\$ -	\$ 10,952	\$ 5,041	\$ 16,452	\$ 9,715	\$ -
	Expense Dollars Change		\$ -	\$ 10,952	\$ (5,911)	\$ 11,411	\$ (6,737)	\$ (9,715)
	Percent Change		-	-	-53.97%	226.36%	-40.95%	100.00%

Monthly expense changes are due to increases or decreases in volume of ash removed.

		2019	2019	2019	2019	2019	2019	2019
512000 - CPxx	Maintenance of Cooper (Unit 2 AQCS)	May	Jun	Jul	Aug	Sep	Oct	Nov
Projects 03350 and 03521	Expense Dollars	\$ 27,364	\$ 16,946	\$ 9,014	\$ 13,499	\$ 20,535	\$ 10,119	\$ 43,447
	Expense Dollars Change		\$ (10,418)	\$ (7,932)	\$ 4,485	\$ 7,036	\$ (10,416)	\$ 33,328
	Percent Change		-38.07%	-46.81%	49.76%	52.12%	-50.72%	329.36%

Project 03350 is Bag House, Dry Scrub, SNCR & SCR, Project 03521 is Scrubber Maintenance

June 2019

Project 03350- Contractor payments increased \$11.9k, EKPC Payroll & Benefits decreased \$6.2k, Materials decreased \$0.5k, Accruals decreased \$12.4k.

Project 03521- Contractor payments increased \$1.1k, EKPC Payroll & Benefits decreased \$3.2k, Materials decreased \$2.7k, Accruals increased \$1.6k.

No significant maintenance performed.

July 2019

Project 03350- Contractor payments decreased \$11.9k, EKPC Payroll & Benefits increased \$0.8k, Accruals increased \$12.8k.

Project 03521- Contractor payments decreased \$3.7k, EKPC Payroll & Benefits decreased \$5.5k, Accruals decreased \$0.5k.

No significant maintenance performed.

August 2019

Project 03350- Contractor payments increased \$9.4k, EKPC Payroll & Benefits increased \$0.4k, Materials increased \$1.4k, Accruals decreased \$20.2k.

Project 03521- Contractor payments increased \$2.8k, EKPC Payroll & Benefits increased \$8.4k, Materials increased \$2.3k.

No significant maintenance performed.

**East Kentucky Power Cooperative, Inc.**  
**Environmental Surcharge Operating and Expense Month over Month Analysis**  
**For the Expense Period June 2019 to November 2019**

September 2019

Project 03350- Contractor payments decreased \$2.3k, EKPC Payroll & Benefits decreased \$0.7k, Materials decreased \$0.4k, Accruals increased \$10.4k.  
Project 03521- Contractor payments decreased \$2.7k, EKPC Payroll & Benefits increased \$4.2k, Materials decreased \$2k, Accruals increased \$0.5k.  
No significant maintenance performed.

October 2019

Project 03350- Contractor payments decreased \$3.8k, EKPC Payroll & Benefits increased \$0.6k, Materials increased \$0.1k, Accruals decreased \$2.1k.  
Project 03521- Contractor payments increased \$3k, EKPC Payroll & Benefits decreased \$8.1k, Materials increased \$0.4k, Accruals decreased \$0.5k.  
No significant maintenance performed.

November 2019

Project 03350- Contractor payments decreased \$3k, EKPC Payroll & Benefits decreased \$0.7k, Materials decreased \$1.1k, Accruals increased \$3.1k.  
Project 03521- Contractor payments increased \$11.6k, EKPC Payroll & Benefits increased \$4.8k, Accruals increased \$18.6k.  
No significant maintenance performed.

512000 - SP01	Maintenance of Boiler Plant Spurlock 1	May	Jun	Jul	Aug	Sep	Oct	Nov
Projects 03330	Expense Dollars	\$ 79,595	\$ 50,213	\$ 11,648	\$ 116,091	\$ 88,923	\$ 398,987	\$ 68,240
and 03501	Expense Dollars Change		\$ (29,382)	\$ (38,565)	\$ 104,443	\$ (27,168)	\$ 310,064	\$ (330,747)
	Percent Change		-36.91%	-76.80%	896.66%	-23.40%	348.69%	-82.90%

**Project 03330 is for the Spurlock 1 Electrostatic Precipitator and Project 03501 is for Spurlock 1 SCR maintenance.**

June 2019

Project 03330- Contractor payments increased \$1.2k, EKPC Payroll & Benefits decreased \$12k, Accruals increased \$35.6k.  
Project 03501- Contractor payments increased \$6.4k, EKPC Payroll & Benefits decreased \$4.8k, Materials decreased \$7.8k, Accruals decreased \$48k.  
No significant maintenance performed.

July 2019

Project 03330- Contractor payments decreased \$1.3k, EKPC Payroll & Benefits increased \$0.1k, Materials decreased \$5.2k, Accruals decreased \$36.8k.  
Project 03501- Contractor payments decreased \$25.1k, EKPC Payroll & Benefits increased \$5.6k, Materials increased \$0.1k, Accruals increased \$24k.  
No significant maintenance performed.

August 2019

Project 03330- Contractor payments increased \$41k, EKPC Payroll & Benefits increased \$0.4k, Materials increased \$5.2k, Accruals increased \$69.2k.  
Project 03501- Contractor payments decreased \$5.9k, EKPC Payroll & Benefits decreased \$5.4k, Materials decreased \$0.1k.  
No significant maintenance performed.

September 2019

Project 03330- Contractor payments increased \$75.7k, EKPC Payroll & Benefits decreased \$0.2k, Materials increased \$1.7k, Accruals decreased \$128.4k.  
Project 03501- Contractor payments decreased \$0.9k, EKPC Payroll & Benefits decreased \$0.9k, Materials increased \$21.1k, Accruals increased \$4.7k.  
No significant maintenance performed.

October 2019

Project 03330- Contractor payments decreased \$60.8k, EKPC Payroll & Benefits increased \$22k, Materials increased \$2.8k, Accruals increased \$273.2k.  
Project 03501- Contractor payments increased \$88k, EKPC Payroll & Benefits increased \$25.8k, Materials decreased \$12.9k, Accruals decreased \$28k.

East Kentucky Power Cooperative, Inc.  
Environmental Surcharge Operating and Expense Month over Month Analysis  
For the Expense Period June 2019 to November 2019

November 2019

Project 03330- Contractor payments decreased \$29.3k, EKPC Payroll & Benefits decreased \$21.3k, Materials decreased \$2.3k, Accruals decreased \$234.5k.  
Project 03501- Contractor payments decreased \$34.8k, EKPC Payroll & Benefits decreased \$21.2k, Materials decreased \$8.2k, Accruals increased \$20.9k.  
No significant maintenance performed.

512000 - SP02	Maintenance of Boiler Plant Spurlock 2	May	Jun	Jul	Aug	Sep	Oct	Nov
Projects 03330 and 03501	Expense Dollars	\$ 7,431	\$ 44,903	\$ 8,355	\$ 29,860	\$ 295,638	\$ 36,056	\$ 161,587
	Expense Dollars Change		\$ 37,472	\$ (36,548)	\$ 21,505	\$ 265,778	\$ (259,582)	\$ 125,531
	Percent Change		504.27%	-81.39%	257.39%	890.08%	-87.80%	348.16%

Project 03330 is for the Spurlock 2 Electrostatic Precipitator and Project 03501 is for Spurlock 2 SCR maintenance.

June 2019

Project 03330- Contractor payments increased \$4.6k, EKPC Payroll & Benefits increased \$0.6k, Materials increased \$2.4k, Accruals increased \$24.5k.  
Project 03501- Contractor payments increased \$4k, EKPC Payroll & Benefits increased \$0.2k, Accruals increased \$1.2k.  
No significant maintenance performed.

July 2019

Project 03330- Contractor payments decreased \$6.2k, EKPC Payroll & Benefits decreased \$0.4k, Materials decreased \$7.8k, Accruals decreased \$24.5k.  
Project 03501- Contractor payments decreased \$0.6k, EKPC Payroll & Benefits decreased \$0.2k, Accruals increased \$3.2k.  
No significant maintenance performed.

August 2019

Project 03330- Contractor payments increased \$26k, EKPC Payroll & Benefits increased \$2.3k, Materials increased \$5.3k, Accruals decreased \$9.1k.  
Project 03501- Contractor payments decreased \$0.6k, EKPC Payroll & Benefits increased \$3.2k, Materials increased \$0.2k, Accruals decreased \$5.8k.  
No significant maintenance performed.

September 2019

Project 03330- Contractor payments increased \$281k, EKPC Payroll & Benefits decreased \$4.9k, Materials decreased \$0.3k, Accruals decreased \$6.3k.  
Project 03501- Contractor payments decreased \$3k, EKPC Payroll & Benefits decreased \$4.2k, Materials increased \$0.6k, Accruals increased \$2.9k.  
Unit 2 Precip TR cables replacement \$306k (PO 0000134493)

October 2019

Project 03330- Contractors decreased \$282.8k, EKPC Payroll & Benefits increased \$0.3k, Accruals increased \$15.4k.  
Project 03501- Contractor payments increased \$5k, EKPC Payroll & Benefits increased \$1.5k, Materials decreased \$0.8k, Accruals increased \$1.8k.  
No significant maintenance performed.

November 2019

Project 03330- Contractor payments decreased \$14.9k, EKPC Payroll & Benefits increased \$22.8k, Materials increased \$22.4k.  
Project 03501- Contractor payments increased \$45.8k, EKPC Payroll & Benefits increased \$9.7k, Materials increased \$1.3k, Accruals increased \$38.4k.  
No significant maintenance performed.

**East Kentucky Power Cooperative, Inc.**  
**Environmental Surcharge Operating and Expense Month over Month Analysis**  
**For the Expense Period June 2019 to November 2019**

512000 - SP03	Maintenance of Boiler Plant Gilbert	May	Jun	Jul	Aug	Sep	Oct	Nov
Projects 03206 and 03350	Expense Dollars	191,829	103,170	91,604	238,654	97,095	123,478	83,686
	Expense Dollars Change		(88,659)	(11,566)	147,050	(141,559)	26,383	(39,792)
	Percent Change		-46.22%	-11.21%	160.53%	-59.32%	27.17%	-32.23%

**Project 03206 is for Spurlock 3 Boiler Pollution Control equipment and Project 03350 is for Spurlock 3 Bag House, SNCR and FDA equipment.**

**June 2019**

Project 03206- Contractor payments increased \$67.8k, EKPC Payroll & Benefits decreased \$1k, Materials decreased \$69.9k, Accruals decreased \$118.8k.  
Project 03350- Contractor payments increased \$24.8k, EKPC Payroll & Benefits increased \$25.5k, Materials increased \$2k, Accruals decreased \$19.1k.  
No significant maintenance performed.

**July 2019**

Project 03206- Contractor payments decreased \$93.8k, EKPC Payroll & Benefits increased \$16.1k, Materials increased \$12k, Accruals increased \$68.5k.  
Project 03350- Contractor payments decreased \$6.6k, EKPC Payroll & Benefits decreased \$26.7k, Materials decreased \$1.6k, Accruals increased \$20.5k.  
No significant maintenance performed.

**August 2019**

Project 03206- Contractor payments decreased \$0.5k, EKPC Payroll & Benefits decreased \$1.3k, Materials increased \$8.4k, Accruals increased \$25.8k.  
Project 03350- Contractor payments decreased \$23.3k, EKPC Payroll & Benefits increased \$10.6k, Materials increased \$123.8k, Accruals increased \$3.6k.  
No significant maintenance performed.

**September 2019**

Project 03206- Contractor payments decreased \$48.9k, EKPC Payroll & Benefits decreased \$17.8k, Materials increased \$38.1k, Accruals increased \$0.8k.  
Project 03350- Contractor payments increased \$3.8k, EKPC Payroll & Benefits increased \$10.6k, Materials decreased \$124.3k, Accruals decreased \$3.9k.  
No significant maintenance performed.

**October 2019**

Project 03206- Contractor payments increased \$2.4k, EKPC Payroll & Benefits increased \$8.8k, Materials decreased \$40.5k, Accruals increased \$43.6k.  
Project 03350- Contractor payments decreased \$4.8k, EKPC Payroll & Benefits decreased \$5.9k, Materials increased \$8.8k, Accruals increased \$14k.  
No significant maintenance performed.

**November 2019**

Project 03206- Contractor payments increased \$55.6k, EKPC Payroll & Benefits increased \$0.2k, Materials decreased \$5.5k, Accruals decreased \$64.2k.  
Project 03350- Contractor payments increased \$11.6k, EKPC Payroll & Benefits increased \$2.2k, Materials decreased \$8.7k, Accruals decreased \$31k.  
No significant maintenance performed.

512000 - SP04	Maintenance of Boiler Plant Spurlock 4	May	Jun	Jul	Aug	Sep	Oct	Nov
Projects 03206 and 03350	Expense Dollars	931,724	326,483	84,115	223,624	91,671	99,056	48,695
	Expense Dollars Change		(605,241)	(242,368)	139,509	(131,953)	7,385	(50,361)
	Percent Change		-64.96%	-74.24%	165.86%	-59.01%	8.06%	-50.84%

**Project 03206 is for Spurlock 4 Boiler Pollution Control equipment and Project 03350 is for Spurlock 4 Bag House, SNCR and FDA equipment.**

**East Kentucky Power Cooperative, Inc.**  
**Environmental Surcharge Operating and Expense Month over Month Analysis**  
**For the Expense Period June 2019 to November 2019**

June 2019

Project 03206- Contractor payments decreased \$350.5k, EKPC Payroll & Benefits decreased \$88.4k, Materials decreased \$30.8k, Accruals decreased \$99.2k.  
Project 03350- Contractor payments increased \$67.8k, EKPC Payroll & Benefits decreased \$17.7k, Materials increased \$3.4k, Accruals decreased \$89.8k.  
No significant maintenance performed.

July 2019

Project 03206- Contractor payments decreased \$461.8k, EKPC Payroll & Benefits increased \$8.6k, Materials increased \$0.9k, Accruals increased \$243.3k.  
Project 03350- Contractor payments decreased \$93.1k, EKPC Payroll & Benefits increased \$9.2k, Materials decreased \$12.4k, Accruals increased \$62.9k.  
No significant maintenance performed.

August 2019

Project 03206- Contractor payments increased \$2.1k, EKPC Payroll & Benefits increased \$11.8k, Materials increased \$46k.  
Project 03350- Contractor payments decreased \$22.7k, EKPC Payroll & Benefits decreased \$9.1k, Materials increased \$112.1k, Accruals decreased \$0.7k.  
No significant maintenance performed.

September 2019

Project 03206- Contractor payments decreased \$5k, EKPC Payroll & Benefits decreased \$29.6k, Materials decreased \$9.7k, Accruals increased \$0.8k.  
Project 03350- Contractor payments increased \$4.9k, EKPC Payroll & Benefits increased \$17.6k, Materials decreased \$112.5k, Accruals increased \$1.5k.  
No significant maintenance performed.

October 2019

Project 03206- Contractor payments increased \$42.2k, EKPC Payroll & Benefits increased \$1k, Materials decreased \$73.2k, Accruals increased \$48.5k.  
Project 03350- Contractor payments increased \$9.7k, EKPC Payroll & Benefits decreased \$26.1k, Materials increased \$8.4k, Accruals decreased \$3.1k.  
No significant maintenance performed.

November 2019

Project 03206- Contractor payments increased \$9.3k, EKPC Payroll & Benefits increased \$11.8k, Materials increased \$40.6k, Accruals decreased \$99.4k.  
Project 03350- Contractor payments decreased \$16.6k, EKPC Payroll & Benefits increased \$10k, Materials decreased \$9.6k, Accruals increased \$3.5k.  
No significant maintenance performed.

512000 - SP21	Maintenance of Boiler Plant Scrubber 1	May	Jun	Jul	Aug	Sep	Oct	Nov
Project 03521	Expense Dollars	\$ 274,373	\$ 65,224	\$ 364,082	\$ 122,149	\$ 189,786	\$ 683,530	\$ 112,524
	Expense Dollars Change		\$ (209,149)	\$ 298,858	\$ (241,933)	\$ 67,637	\$ 493,744	\$ (571,006)
	Percent Change		-76.23%	458.20%	-66.45%	55.37%	260.16%	-83.54%

June 2019

Project 03521- Contractor payments increased \$10k, EKPC Payroll & Benefits decreased \$12.7k, Materials decreased \$75.9k, Accruals decreased \$130.5k.  
No significant maintenance performed.

July 2019

Project 03521- Contractor payments increased \$31.3k, EKPC Payroll & Benefits increased \$7.8k, Materials increased \$10.9k, Accruals increased \$248.9k.  
No significant maintenance performed.



**East Kentucky Power Cooperative, Inc.**  
**Environmental Surcharge Operating and Expense Month over Month Analysis**  
**For the Expense Period June 2019 to November 2019**

August 2019

Project 03521- Contractor payments increased \$255.1k, EKPC Payroll & Benefits decreased \$5.6k, Materials increased \$15.1k, Accruals decreased \$506.5k.  
No significant maintenance performed.

September 2019

Project 03521- Contractor payments decreased \$334.9k, EKPC Payroll & Benefits increased \$3k, Materials decreased \$17.7k, Accruals increased \$417.2k.  
No significant maintenance performed.

October 2019

Project 03521- Contractor payments increased \$476.7k, EKPC Payroll & Benefits increased \$22.1k, Materials increased \$49.3k, Accruals decreased \$54.4k.  
WESP Inpection and Cleaning - U1--\$148k; Frame plate, liner, and cover replacement \$72k; Labor Unit #1 Outage \$76k

November 2019

Project 03521- Contractor payments decreased \$357.9k, EKPC Payroll & Benefits decreased \$29.4k, Materials decreased \$0.3k, Accruals decreased \$183.4k.  
No significant maintenance performed.

512000 - SP22	Maintenance of Boiler Plant Scrubber 2	May	Jun	Jul	Aug	Sep	Oct	Nov
Project 03521	Expense Dollars	\$ 184,358	\$ 304,370	\$ 739,258	\$ 204,774	\$ 220,734	\$ 85,350	\$ 698,458
	Expense Dollars Change		\$ 120,012	\$ 434,888	\$ (534,484)	\$ 15,960	\$ (135,384)	\$ 613,108
	Percent Change		65.10%	142.88%	-72.30%	7.79%	-61.33%	718.35%

June 2019

Project 03521- Contractor payments increased \$198.7k, EKPC Payroll & Benefits decreased \$3k, Materials decreased \$19k, Accruals decreased \$56.7k.  
No significant maintenance performed.

July 2019

Project 03521- Contractor payments decreased \$68.9k, EKPC Payroll & Benefits increased \$0.8k, Materials increased \$36.2k, Accruals increased \$466.8k.  
No significant maintenance performed.

August 2019

Project 03521- Contractor payments increased \$305.4k, EKPC Payroll & Benefits decreased \$0.2k, Materials increased \$38k, Accruals decreased \$877.7k.  
No significant maintenance performed.

September 2019

Project 03521- Contractor payments decreased \$409.2k, EKPC Payroll & Benefits increased \$1.8k, Materials decreased \$56.1k, Accruals increased \$479.5k.  
No significant maintenance performed.

**East Kentucky Power Cooperative, Inc.**  
**Environmental Surcharge Operating and Expense Month over Month Analysis**  
**For the Expense Period June 2019 to November 2019**

October 2019

Project 03521- Contractor payments decreased \$50.8k, EKPC Payroll & Benefits decreased \$15.1k, Materials decreased \$37k, Accruals decreased \$32.5k.  
No significant maintenance performed.

November 2019

Project 03521- Contractor payments increased \$224.9k, EKPC Payroll & Benefits increased \$25.6k, Materials increased \$51.3k, Accruals increased \$311.3k.  
No significant maintenance performed.

**Air Permit Fees**

506002 - CP00	Misc Stm Pwr Env - Cooper	May	Jun	Jul	Aug	Sep	Oct	Nov
	Expense Dollars	\$ 27	\$ -	\$ 17,967	\$ -	\$ 56,319	\$ 4,465	\$ -
	Expense Dollars Change		\$ (27)	\$ 17,967	\$ (17,967)	\$ 56,319	\$ (51,854)	\$ (4,465)
	Percent Change		-100.00%	-	-100.00%	-	-92.07%	-100.00%
506002 - SP00	Misc Stm Pwr Env - Spurlock	May	Jun	Jul	Aug	Sep	Oct	Nov
	Expense Dollars	\$ -	\$ 16,257	\$ 17,705	\$ -	\$ 39,883	\$ -	\$ 18,897
	Expense Dollars Change		\$ 16,257	\$ 1,448	\$ (17,705)	\$ 39,883	\$ (39,883)	\$ 18,897
	Percent Change		-	8.91%	-100.00%	-	-100.00%	-

Air permit fees paid for Cooper and Spurlock for calendar 2019 emissions.

**Operating Expense- Ammonia**

506001 - CPxx	Misc Stm Pwr Exp - Cooper	May	Jun	Jul	Aug	Sep	Oct	Nov
	Expense Dollars	\$ -	\$ 6,048	\$ 3,002	\$ 11,920	\$ 9,009	\$ -	\$ 6,374
	Expense Dollars Change		\$ 6,048	\$ (3,046)	\$ 8,918	\$ (2,911)	\$ (9,009)	\$ 6,374
	Percent Change		-	-50.36%	297.07%	-24.42%	-100.00%	-

The monthly change in expense is due to the increase or decrease in Ammonia usage.

**Operating Expense- Ammonia**

506001 - CP22	Misc Stm Pwr Exp - Cooper Unit #2 AQCS	May	Jun	Jul	Aug	Sep	Oct	Nov
	Expense Dollars	\$ -	\$ -	\$ 59,177	\$ 82,312	\$ 59,946	\$ 100,858	\$ 119,537
	Expense Dollars Change		\$ -	\$ 59,177	\$ 23,135	\$ (22,366)	\$ 40,912	\$ 18,679
	Percent Change		-	-	39.09%	-27.17%	68.25%	18.52%

The monthly change in expense is due to the increase or decrease in Ammonia usage based on generation.

East Kentucky Power Cooperative, Inc.  
Environmental Surcharge Operating and Expense Month over Month Analysis  
For the Expense Period June 2019 to November 2019

Operating Expense- Ammonia

506001 - SP01	Misc Strm Pwr Exp - Spurlock 1	May	Jun	Jul	Aug	Sep	Oct	Nov
	Expense Dollars	\$ 38,314	\$ 5	\$ 39,156	\$ 41,590	\$ 25,937	\$ 17,601	\$ 56,728
	Expense Dollars Change		\$ (38,309)	\$ 39,151	\$ 2,434	\$ (15,653)	\$ (8,336)	\$ 39,127
	Percent Change		-99.99%	783020.00%	6.22%	-37.64%	-32.14%	222.30%

The monthly change in expense is due to the increase or decrease in Ammonia usage based on generation.

506001 - SP02	Misc Steam Power Exp - Spurlock 2	May	Jun	Jul	Aug	Sep	Oct	Nov
	Expense Dollars	\$ 30,528	\$ 24,021	\$ 30,466	\$ 22,827	\$ 13,976	\$ 29,685	\$ -
	Expense Dollars Change		\$ (6,507)	\$ 6,445	\$ (7,639)	\$ (8,851)	\$ 15,709	\$ (29,685)
	Percent Change		-21.31%	26.83%	-25.07%	-38.77%	112.40%	-100.00%

The monthly change in expense is due to the increase or decrease in Ammonia usage based on generation.

Operating Expense- Ammonia and Limestone

506001 - SP03	Misc Steam Power Expense- Gilbert	May	Jun	Jul	Aug	Sep	Oct	Nov
	Ammonia Expense	\$ 30,437	\$ 7,006	\$ (11,230)	\$ 20,138	\$ 17,705	\$ 10,850	\$ 18,295
	Limestone Expense	\$ 242,439	\$ 55,576	\$ 259,421	\$ 294,781	\$ 260,232	\$ 116,951	\$ 194,882
	Limestone Tons Used	17,362	3,976	18,554	21,099	18,653	8,388	13,971
	Total Expense Dollars	\$ 272,876	\$ 62,582	\$ 248,191	\$ 314,919	\$ 277,937	\$ 127,801	\$ 213,177
	Expense Dollars Change		\$ (210,294)	\$ 185,609	\$ 66,728	\$ (36,982)	\$ (150,136)	\$ 85,376
	Percent Change		-77.07%	296.59%	26.89%	-11.74%	-54.02%	66.80%

Limestone is stockpiled throughout the year and taken from the stockpile for usage. There may be slight variances in the cost according to fluctuations in contract prices and freight cost per shipment of limestone, but the noted change in limestone primarily reflects the level of stockpile usage by the unit for the month indicated.

June 19 - Limestone expenses decreased \$186.9k and Ammonia expenses decreased \$23.4k.  
Tons burned decreased 13,386.

July 19 - Limestone expenses increased \$203.8k and Ammonia expenses decreased \$18.2k.  
Tons burned increased 14,578.

August 19 - Limestone expenses increased \$35.3k and Ammonia expenses increased \$31.4k.  
Tons burned increased 2,545.

September 19 - Limestone expenses decreased \$34.6k and Ammonia expenses decreased \$2.4k.  
Tons burned decreased 2,446.

**East Kentucky Power Cooperative, Inc.**  
**Environmental Surcharge Operating and Expense Month over Month Analysis**  
**For the Expense Period June 2019 to November 2019**

October 19 - Limestone expenses decreased \$143.3k and Ammonia expenses decreased \$6.8k.  
Tons burned decreased 10,265.

November 19 - Limestone expenses increased \$77.9k and Ammonia expenses increased \$7.5k.  
Tons burned increased 5,583.

**Operating Expense- Limestone and Magnesium**

506001 - SP21	Misc Stm Pwr Exp- Spurlock 1	May	Jun	Jul	Aug	Sep	Oct	Nov
	Magnesium Expense	\$ (17,843)	\$ 6,144	\$ 5,091	\$ 18,946	\$ 13,519	\$ 1,416	\$ 9,156
	Limestone Expense	\$ 44,167	\$ -	\$ 73,409	\$ 76,880	\$ 53,723	\$ 91,658	\$ 94,736
	Limestone Tons Used	3,976	-	6,948	6,910	4,834	8,255	8,533
	Expense Dollars	\$ 26,324	\$ 6,144	\$ 78,500	\$ 95,826	\$ 67,242	\$ 93,074	\$ 103,892
	Expense Dollars Change		\$ (20,180)	\$ 72,356	\$ 17,326	\$ (28,584)	\$ 25,832	\$ 10,818
	Percent Change		-76.66%	1177.67%	22.07%	-29.83%	38.42%	11.62%

Limestone is stockpiled throughout the year and taken from the stockpile for usage. There may be slight variances in the cost according to fluctuations in contract prices and freight cost per shipment of limestone, but the noted change in limestone primarily reflects the level of stockpile usage by the unit for the month indicated.

June 19 - Limestone expenses decreased \$44.2k and Ammonia expenses increased \$24k.  
Tons burned decreased 3,976.

July 19 - Limestone expenses increased \$73.4k and Ammonia expenses decreased \$1.1k.  
Tons burned increased 6,948.

August 19 - Limestone expenses increased \$3.5k and Ammonia expenses increased \$13.9k.  
Tons burned decreased 38.

September 19 - Limestone expenses decreased \$23.2k and Ammonia expenses decreased \$5.5k.  
Tons burned decreased 2,076.

October 19 - Limestone expenses increased \$37.9k and Ammonia expenses decreased \$12.1k.  
Tons burned increased 3,422.

November 19 - Limestone expenses increased \$3.1k and Ammonia expenses increased \$7.7k.  
Tons burned increased 278.

East Kentucky Power Cooperative, Inc.  
Environmental Surcharge Operating and Expense Month over Month Analysis  
For the Expense Period June 2019 to November 2019

Prior 6month review did not include these \$

Operating Expense-Limestone and Magnesium

506001 - SP22	Misc Stm Pwr Exp- Spurlock 2	May	Jun	Jul	Aug	Sep	Oct	Nov
	Magnesium Expense	\$ 43,057	\$ 41,260	\$ 115,330	\$ 81,425	\$ 50,688	\$ 56,952	\$ 9,216
	Limestone Expense	\$ 75,203	\$ 112,512	\$ 155,994	\$ 101,911	\$ 74,188	\$ 93,695	\$ -
	Limestone Tons Used	6,771	10,111	14,764	9,159	6,675	5,737	-
	Expense Dollars	\$ 118,260	\$ 153,772	\$ 271,324	\$ 183,336	\$ 124,876	\$ 150,647	\$ 9,216
	Expense Dollars Change		\$ 35,512	\$ 117,552	\$ (87,988)	\$ (58,460)	\$ 25,771	\$ (141,431)
	Percent Change		30.03%	76.45%	-32.43%	-31.89%	20.64%	-93.88%

Limestone is stockpiled throughout the year and taken from the stockpile for usage. There may be slight variances in the cost according to fluctuations in contract prices and freight cost per shipment of limestone, but the noted change in limestone primarily reflects the level of stockpile usage by the unit for the month indicated.

June 19- Limestone expenses increased \$37.3k and Ammonia expenses decreased \$1.8k.  
Tons burned increased 3,340.

July 19 - Limestone expenses increased \$43.5k and Ammonia expenses increased by \$74.1k.  
Tons burned increased 4,653.

August 19 - Limestone expenses decreased \$54.1k and Ammonia expenses decreased \$33.9k.  
Tons burned decreased 5,604.

September 19 - Limestone expenses decreased \$27.7k and Ammonia expenses decreased \$30.8k.  
Tons burned decreased 2,484.

October 19-Limestone expenses increased \$19.5k and Ammonia expenses increased \$6.3k.  
Tons burned decreased 939.

November 19-Limestone expenses decreased \$93.7k and Ammonia expenses decreased \$47.7k.  
Tons burned decreased 5,737.

Operating Expense- Ammonia and Limestone

506001 - SP04	Misc Stm Pwr Exp- Spurlock 4	May	Jun	Jul	Aug	Sep	Oct	Nov
	Ammonia Expense	\$ 10,459	\$ 20,699	\$ 22,419	\$ 23,024	\$ 20,329	\$ 27,070	\$ 22,541
	Limestone Expense	\$ -	\$ 280,608	\$ 335,016	\$ 341,204	\$ 307,224	\$ 353,219	\$ 324,817
	Limestone Tons Used	-	20,056	23,936	24,422	22,021	25,335	23,286
	Expense Dollars	\$ 10,459	\$ 301,307	\$ 357,435	\$ 364,228	\$ 327,553	\$ 380,289	\$ 347,358
	Expense Dollars Change		\$ 290,848	\$ 56,128	\$ 6,793	\$ (36,675)	\$ 52,736	\$ (32,931)
	Percent Change		2780.84%	18.63%	1.90%	-10.07%	16.10%	-8.66%

**East Kentucky Power Cooperative, Inc.**  
**Environmental Surcharge Operating and Expense Month over Month Analysis**  
**For the Expense Period June 2019 to November 2019**

Limestone is stockpiled throughout the year and taken from the stockpile for usage. There may be slight variances in the cost according to fluctuations in contract prices and freight cost per shipment of limestone, but the noted change in limestone primarily reflects the level of stockpile usage by the unit for the month indicated.

June 19 - Limestone expenses increased \$280.7k and Ammonia expenses increased \$10.2k.  
Tons burned increased 20,056.

July 19- Limestone expenses increased \$54.4k and Ammonia expenses increased \$1.7k.  
Tons burned increased 3,880.

August 19 - Limestone expenses increased \$6.2k and Ammonia expenses increased \$0.6k.  
Tons burned increased 486.

September 19 - Limestone expenses decreased \$34k and Ammonia expenses decreased \$2.7k.  
Tons burned decreased 2,401.

October 19 - Limestone expenses increased \$46k and Ammonia expenses increased \$6.7k.  
Tons burned increased 3,314.

East Kentucky Power Cooperative, Inc.  
Environmental Surcharge Operating and Expense Month over Month Analysis  
For the Expense Period December 2019 to May 2020

501010 - SP03	Fuel Coal Gilbert	2019		2020		2020		2020	
		Nov	Dec	Jan	Feb	Mar	Apr	May	
400-2610	Expense Dollars	\$ 125,242	\$ 67,324	\$ 119,077	\$ 125,993	\$ 142,017	\$ 44	\$ 229,373	
	Expense Dollars Change		\$ (57,918)	\$ 51,753	\$ 6,916	\$ 16,024	\$ (141,973)	\$ 229,329	
	Percent Change		-46.24%	76.87%	5.81%	12.72%	-99.97%	521202.27%	

Monthly expense changes are due to increases or decreases in volume of ash removed.

501010 - SP04	Fuel Coal Spurlock 4	2019		2020		2020		2020	
		Nov	Dec	Jan	Feb	Mar	Apr	May	
400-2610	Expense Dollars	\$ 294,612	\$ 26,373	\$ 302,558	\$ 46,383	\$ 194,157	\$ 44	\$ 4,569	
	Expense Dollars Change		\$ (268,239)	\$ 276,185	\$ (256,175)	\$ 147,774	\$ (194,113)	\$ 4,525	
	Percent Change		-91.05%	1047.23%	-84.67%	318.60%	-99.98%	10284.09%	

Monthly expense changes are due to increases or decreases in volume of ash removed.

501010 - CPxx	Fuel Coal Cooper (Unit 2 AQCS)	2019		2020		2020		2020	
		Nov	Dec	Jan	Feb	Mar	Apr	May	
Project 02610	Expense Dollars	\$ -	\$ 9,165	\$ 3,368	\$ -	\$ -	\$ -	\$ -	
	Expense Dollars Change		\$ 9,165	\$ (5,797)	\$ (3,368)	\$ -	\$ -	\$ -	
	Percent Change		-	-63.25%	-100.00%	-	-	-	

Monthly expense changes are due to increases or decreases in volume of ash removed.

512000 - CPxx	Maintenance of Cooper (Unit 2 AQCS)	2019		2020		2020		2020	
		Nov	Dec	Jan	Feb	Mar	Apr	May	
Projects 03350 and 03521	Expense Dollars	\$ 43,447	\$ 146,462	\$ 4,951	\$ 8,657	\$ 17,740	\$ 26,487	\$ 26,947	
	Expense Dollars Change		\$ 103,015	\$ (141,511)	\$ 3,706	\$ 9,083	\$ 8,747	\$ 460	
	Percent Change		237.10%	-96.62%	74.85%	104.92%	49.31%	1.74%	

**Project 03350 is Bag House, Dry Scrub, SNCR & SCR, Project 03521 is Scrubber Maintenance**

December 2019

Project 03350- Contractor payments increased \$1.4k, EKPC Payroll & Benefits increased \$0.1k, Accruals decreased \$0.9k.

Project 03521- Contractor payments increased \$11k, EKPC Payroll & Benefits decreased \$6.6k, Accruals increased \$98k.

No significant maintenance performed.

January 2020

Project 03350- Contractor payments decreased \$1.7k, EKPC Payroll & Benefits increased \$1.4k, Accruals increased \$1.3k.

Project 03521- Contractor payments decreased \$22.9k, EKPC Payroll & Benefits decreased \$2.3k, Materials decreased \$0.6k, Accruals decreased \$116.7k.

No significant maintenance performed.

February 2020

Project 03350- Contractor payments increased \$1.4k, EKPC Payroll & Benefits decreased \$1.8k, Materials increased \$0.1k, Accruals increased \$0.1k.

Project 03521- Contractor payments decreased \$2.2k, EKPC Payroll & Benefits increased \$6.3k, Materials decreased \$0.2k.

No significant maintenance performed.

**East Kentucky Power Cooperative, Inc.**  
**Environmental Surcharge Operating and Expense Month over Month Analysis**  
**For the Expense Period December 2019 to May 2020**

March 2020

Project 03350- Contractor payments increased \$2.5k, EKPC Payroll & Benefits increased \$1.5k, Materials increased \$0.7k, Accruals increased \$0.1k.  
Project 03521- Contractor payments decreased \$0.6k, EKPC Payroll & Benefits increased \$4.6k, Materials increased \$0.3k.  
No significant maintenance performed.

April 2020

Project 03350- Contractor payments increased \$0.7k, EKPC Payroll & Benefits decreased \$1.0k, Materials decreased \$0.4k, Accruals increased \$4.0k.  
Project 03521- Contractor payments increased \$135.3k, EKPC Payroll & Benefits increased \$1.7k, Materials increased \$1.2k, Accruals decreased \$132.8k.  
No significant maintenance performed.

May 2020

Project 03350- Contractor payments increased \$14.7k, EKPC Payroll & Benefits increased \$1.2k, Materials decreased \$0.5k, Accruals decreased \$7.0k.  
Project 03521- Contractor payments decreased \$132.5k, EKPC Payroll & Benefits decreased \$4.2k, Materials decreased \$1.5k, Accruals increased \$130.3k.  
No significant maintenance performed.

512000 - SP01	Maintenance of Boiler Plant Spurlock 1	Nov	Dec	Jan	Feb	Mar	Apr	May
Projects 03330 and 03501	Expense Dollars	\$ 68,240	\$ 41,430	\$ 90,764	\$ 37,907	\$ 365,070	\$ 203,892	\$ 107,755
	Expense Dollars Change		\$ (26,810)	\$ 49,334	\$ (52,857)	\$ 327,163	\$ (161,178)	\$ (96,137)
	Percent Change		-39.29%	119.08%	-58.24%	863.07%	-44.15%	-47.15%

**Project 03330 is for the Spurlock 1 Electrostatic Precipitator and Project 03501 is for Spurlock 1 SCR maintenance.**

December 2019

Project 03330- Contractor payments decreased \$13.8k, EKPC Payroll & Benefits increased \$0.2k, Materials decreased \$2.2k, Accruals increased \$24.5k.  
Project 03501- Contractor payments decreased \$39.7k, Accruals increased \$4.2k.  
No significant maintenance performed.

January 2020

Project 03330- Contractor payments increased \$13.3k, EKPC Payroll & Benefits increased \$3.4k, Materials increased \$1.1k, Accruals increased \$41.2k.  
Project 03501- Contractor payments decreased \$13.4k, EKPC Payroll & Benefits decreased \$5.3k, Accruals increased \$9k.  
No significant maintenance performed.

February 2020

Project 03330- Contractor payments decreased \$26.2k, EKPC Payroll & Benefits decreased \$4.1k, Materials increased \$0.8k, Accruals decreased \$13k.  
Project 03501- Contractor payments decreased \$2k, EKPC Payroll & Benefits increased \$0.9k, Materials increased \$1.5k, Accruals decreased \$10.8k.  
No significant maintenance performed.

March 2020

Project 03330- Contractor payments increased \$15.2k, EKPC Payroll & Benefits increased \$11k, Materials decreased \$1.4k, Accruals increased \$184.8k.  
Project 03501- Contractor payments increased \$102.8k, EKPC Payroll & Benefits increased \$13.3k, Materials decreased \$1.5k, Accruals increased \$3k.  
Unit 1 PT cubicle replacemnt \$110k; Repair Unit 1 Precipitator \$201K--Expenses in both March and April for these items

April 2020

Project 03330- Contractor payments increased \$342.3k, EKPC Payroll & Benefits decreased \$0.8k, Materials decreased \$0.5k, Accruals decreased \$456.2k.  
Project 03501- Contractor payments decreased \$19.6k, EKPC Payroll & Benefits decreased \$8.3k, Accruals decreased \$18.1k.  
Unit 1 PT cubicle replacemnt \$110k; Repair Unit 1 Precipitator \$201K--Expenses in both March and April for these items



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May 2020

Project 03330- Contractor payments decreased \$262.2k, EKPC Payroll & Benefits decreased \$13.7k, Accruals increased \$242.9k.  
Project 03501- Contractor payments decreased \$76.8k, EKPC Payroll & Benefits decreased \$1.4k, Accruals increased \$15.1k.  
No significant maintenance performed.

512000 - SP02	Maintenance of Boiler Plant Spurlock 2	Nov	Dec	Jan	Feb	Mar	Apr	May
Projects 03330	Expense Dollars	\$ 161,587	\$ 415,836	\$ 44,612	\$ 24,619	\$ 14,448	\$ 5,562	\$ 41,452
and 03501	Expense Dollars Change		\$ 254,249	\$ (371,224)	\$ (19,993)	\$ (10,171)	\$ (8,886)	\$ 35,890
	Percent Change		157.34%	-89.27%	-44.82%	-41.31%	-61.50%	645.27%

Project 03330 is for the Spurlock 2 Electrostatic Precipitator and Project 03501 is for Spurlock 2 SCR maintenance.

December 2019

Project 03330- Contractor payments decreased \$7.8k, EKPC Payroll & Benefits decreased \$22.9k, Materials decreased \$18.4k, Accruals increased \$387.9k.  
Project 03501- Contractor payments decreased \$6.4k, EKPC Payroll & Benefits decreased \$12.4k, Materials decreased \$1.3k, Accruals decreased \$64.5k.  
No significant maintenance performed.--Large delta was an accrual entry.

January 2020

Project 03330- Contractor payments increased \$64.9k, EKPC Payroll & Benefits increased \$0.5k, Materials decreased \$8.5k, Accruals decreased \$421.9k.  
Project 03501- Contractor payments decreased \$42.8k, EKPC Payroll & Benefits increased \$2.2k, Materials increased \$0.3k, Accruals increased \$34.1k.  
No significant maintenance performed.

February 2020

Project 03330- Contractor payments decreased \$65.9k, EKPC Payroll & Benefits increased \$0.3k, Materials increased \$8.2k, Accruals increased \$49.2k.  
Project 03501- Contractor payments decreased \$3.1k, EKPC Payroll & Benefits decreased \$1.2k, Materials increased \$2.3k, Accruals decreased \$9.8k.  
No significant maintenance performed.

March 2020

Project 03330- Contractor payments increased \$5.5k, EKPC Payroll & Benefits increased \$4.3k, Materials decreased \$12.9k, Accruals decreased \$17.8k.  
Project 03501- EKPC Payroll & Benefits increased \$9.2k, Materials decreased \$2.6k, Accruals increased \$4.1k.  
No significant maintenance performed.

April 2020

Project 03330- Contractors decreased \$2.1k, EKPC Payroll & Benefits decreased \$4.7k, Materials increased \$13.9, Accruals decreased \$12.9k.  
Project 03501- Contractor payments increased \$5.3k, EKPC Payroll & Benefits decreased \$6.4k, Materials increased \$2.3k, Accruals decreased \$4.3k.  
No significant maintenance performed.

May 2020

Project 03330- Contractor payments increased \$28.7k, EKPC Payroll & Benefits increased \$5.2k, Materials decreased \$4.3k, Accruals increased \$15.4k.  
Project 03501- Contractor payments decreased \$5k, EKPC Payroll & Benefits decreased \$1.8k, Materials decreased \$2.3k, Accruals increased \$0.1k.  
No significant maintenance performed.

512000 - SP03	Maintenance of Boiler Plant Gilbert	Nov	Dec	Jan	Feb	Mar	Apr	May
Projects 03206	Expense Dollars	\$ 83,686	\$ 129,581	\$ 167,543	\$ 56,218	\$ 1,159,460	\$ 1,547,355	\$ 247,225
and 03350	Expense Dollars Change		\$ 45,895	\$ 37,962	\$ (111,325)	\$ 1,103,242	\$ 387,895	\$ (1,300,130)
	Percent Change		54.84%	29.30%	-66.45%	1962.44%	33.45%	-84.02%

Project 03206 is for Spurlock 3 Boiler Pollution Control equipment and Project 03350 is for Spurlock 3 Bag House, SNCR and FDA equipment.

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December 2019

Project 03206- Contractor payments decreased \$32.9k, EKPC Payroll & Benefits increased \$1.3k, Materials increased \$38.5k, Accruals increased \$46.1k.  
Project 03350- Contractor payments decreased \$14.1k, EKPC Payroll & Benefits decreased \$10.1k, Materials decreased \$0.1k, Accruals increased \$17.2k.  
No significant maintenance performed.

January 2020

Project 03206- Contractor payments increased \$51.6k, EKPC Payroll & Benefits decreased \$16.9k, Materials decreased \$38.2k, Accruals decreased \$70.7k.  
Project 03350- Contractor payments increased \$15.8k, EKPC Payroll & Benefits decreased \$4.5k, Materials increased \$2.5k, Accruals increased \$98.4k.  
No significant maintenance performed.

February 2020

Project 03206- Contractor payments decreased \$62.4k, EKPC Payroll & Benefits increased \$10.8k, Materials increased \$6.8k, Accruals increased \$46.5k.  
Project 03350- Contractor payments decreased \$19.9k, EKPC Payroll & Benefits increased \$4.5k, Materials decreased \$2.5k, Accruals decreased \$95.1k.  
No significant maintenance performed.

March 2020

Project 03206- Contractor payments increased \$593.9k, EKPC Payroll & Benefits increased \$9.4k, Materials increased \$21.8k, Accruals increased \$400.8k.  
Project 03350- Contractor payments decreased \$3.2k, EKPC Payroll & Benefits increased \$56.9k, Accruals increased \$23.6k.  
T&M REFRACTORY SERVICES DURING OUTAGE \$1.7M; Vacuum of boiler \$300k ----part of expense in March and part in April

April 2020

Project 03206- Contractor payments increased \$1,097.2k, EKPC Payroll & Benefits increased \$109.5k, Materials increased \$38.4k, Accruals decreased \$1,081.8k.  
Project 03350- Contractor payments increased \$172.8k, EKPC Payroll & Benefits decreased \$16k, Materials increased \$109.2k, Accruals decreased \$41.4k.  
No significant maintenance performed.

May 2020

Project 03206- Contractor payments decreased \$1,677.3k, EKPC Payroll & Benefits decreased \$117.8k, Materials decreased \$6.8k, Accruals increased \$773.2k.  
Project 03350- Contractor payments decreased \$151.7k, EKPC Payroll & Benefits decreased \$28.9k, Materials decreased \$105.1k, Accruals increased \$14.3k.  
No significant maintenance performed.

512000 - SP04	Maintenance of Boiler Plant Spurlock 4	Nov	Dec	Jan	Feb	Mar	Apr	May
Projects 03206 and 03350	Expense Dollars	\$ 48,695	\$ 196,368	\$ 298,123	\$ 101,197	\$ 77,162	\$ 27,886	\$ 199,069
	Expense Dollars Change		\$ 147,673	\$ 101,755	\$ (196,926)	\$ (24,035)	\$ (49,276)	\$ 171,183
	Percent Change		303.26%	51.82%	-66.06%	-23.75%	-63.86%	613.87%

**Project 03206 is for Spurlock 4 Boiler Pollution Control equipment and Project 03350 is for Spurlock 4 Bag House, SNCR and FDA equipment.**

December 2019

Project 03206- Contractor payments increased \$28.5k, EKPC Payroll & Benefits increased \$0.7k, Materials decreased \$5.1k, Accruals increased \$92.9k.  
Project 03350- Contractor payments decreased \$1.2k, EKPC Payroll & Benefits increased \$21.6k, Materials increased \$0.6k, Accruals increased \$9.7k.  
No significant maintenance performed.

January 2020

Project 03206- Contractor payments decreased \$55.3k, EKPC Payroll & Benefits decreased \$16.4k, Materials increased \$0.3k, Accruals decreased \$67.2k.  
Project 03350- Contractor payments increased \$46.6k, EKPC Payroll & Benefits decreased \$1.6k, Materials increased \$221.6k, Accruals decreased \$26.2k.  
No significant maintenance performed.

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February 2020

Project 03206- Contractor payments decreased \$7.8k, EKPC Payroll & Benefits increased \$21.2k, Materials increased \$18.3k, Accruals increased \$7.8k.  
Project 03350- Contractor payments decreased \$53.9k, EKPC Payroll & Benefits decreased \$11.9k, Materials decreased \$206.4k, Accruals increased \$35.8k.  
No significant maintenance performed.

March 2020

Project 03206- Contractor payments increased \$11.6k, EKPC Payroll & Benefits decreased \$19.2k, Materials decreased \$16.8k, Accruals increased \$15k.  
Project 03350- Contractor payments increased \$32.9k, EKPC Payroll & Benefits decreased \$8.3k, Materials decreased \$3.2k, Accruals decreased \$36k.  
No significant maintenance performed.

April 2020

Project 03206- Contractor payments decreased \$23.6k, EKPC Payroll & Benefits increased \$15.2k, Materials increased \$0.6k, Accruals increased \$1.7k.  
Project 03350- Contractor payments decreased \$35.4k, EKPC Payroll & Benefits decreased \$9.9k, Materials decreased \$12.6k, Accruals increased \$14.7k.  
No significant maintenance performed.

May 2020

Project 03206- Contractor payments increased \$56.2k, EKPC Payroll & Benefits increased \$32.6k, Materials increased \$17k, Accruals increased \$39.3k.  
Project 03350- Contractor payments increased \$11.1k, EKPC Payroll & Benefits increased \$13k, Accruals increased \$2k.  
No significant maintenance performed.

512000 - SP21	Maintenance of Boiler Plant Scrubber 1	Nov	Dec	Jan	Feb	Mar	Apr	May
Project 03521	Expense Dollars	\$ 112,524	\$ 118,365	\$ 162,912	\$ 39,193	\$ 341,022	\$ 573,939	\$ 102,819
	Expense Dollars Change		\$ 5,841	\$ 44,547	\$ (123,719)	\$ 301,829	\$ 232,917	\$ (471,120)
	Percent Change		5.19%	37.64%	-75.94%	770.11%	68.30%	-82.09%

December 2019

Project 03521- Contractor payments decreased \$109.3k, EKPC Payroll & Benefits increased \$6.5k, Materials decreased \$22.4k, Accruals increased \$131k.  
No significant maintenance performed.

January 2020

Project 03521- Contractor payments increased \$63.9k, EKPC Payroll & Benefits decreased \$3k, Materials decreased \$32.7k, Accruals increased \$16.3k.  
No significant maintenance performed.

February 2020

Project 03521- Contractor payments decreased \$76.3k, EKPC Payroll & Benefits increased \$0.3k, Materials increased \$3.6k, Accruals decreased \$51.3k.  
No significant maintenance performed.

March 2020

Project 03521- Contractor payments increased \$203.1k, EKPC Payroll & Benefits increased \$19.7k, Materials increased \$2.7k, Accruals increased \$76.3k.  
No significant maintenance performed.

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Environmental Surcharge Operating and Expense Month over Month Analysis  
For the Expense Period December 2019 to May 2020

April 2020

Project 03521- Contractor payments increased \$224.7k, EKPC Payroll & Benefits decreased \$13.6k, Materials decreased \$2.9k, Accruals increased \$24.7k.  
Replaced Liner, Frame, and Cover. PO 139706

May 2020

Project 03521- Contractor payments decreased \$295.9k, EKPC Payroll & Benefits increased \$5.7k, Materials decreased \$3.8k, Accruals decreased \$177.1k.  
No significant maintenance performed.

512000 - SP22	Maintenance of Boiler Plant Scrubber 2	Nov	Dec	Jan	Feb	Mar	Apr	May
Project 03521	Expense Dollars	\$ 698,458	\$ 138,189	\$ 340,906	\$ 13,026	\$ 174,486	\$ 142,152	\$ 174,230
	Expense Dollars Change		\$ (560,269)	\$ 202,717	\$ (327,880)	\$ 161,460	\$ (32,334)	\$ 32,078
	Percent Change		-80.22%	146.70%	-96.18%	1239.52%	-18.53%	22.57%

December 2019

Project 03521- Contractor payments increased \$20.6k, EKPC Payroll & Benefits decreased \$18.1k, Materials decreased \$6.7k, Accruals decreased \$556.1k.  
No significant maintenance performed.

January 2020

Project 03521- Contractor payments decreased \$73.8k, EKPC Payroll & Benefits increased \$3.3k, Materials decreased \$9.2k, Accruals increased \$282.4k.  
No significant maintenance performed.

February 2020

Project 03521- Contractor payments decreased \$91.7k, EKPC Payroll & Benefits decreased \$2.7k, Materials decreased \$15.7k, Accruals decreased \$217.8k.  
No significant maintenance performed.

March 2020

Project 03521- Contractor payments decreased \$30k, EKPC Payroll & Benefits increased \$9k, Materials increased \$15.2k, Accruals increased \$167.3k.  
No significant maintenance performed.

April 2020

Project 03521- Contractor payments decreased \$38.8k, EKPC Payroll & Benefits decreased \$8k, Materials increased \$13.3k, Accruals increased \$1.2k.  
No significant maintenance performed.

May 2020

Project 03521- Contractor payments decreased \$24.7k, EKPC Payroll & Benefits decreased \$1.7k, Materials decreased \$3.1k, Accruals increased \$61.6k.  
No significant maintenance performed.

East Kentucky Power Cooperative, Inc.  
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**Air Permit Fees**

506002 - CP00	Misc Stm Pwr Env - Cooper	Nov	Dec	Jan	Feb	Mar	Apr	May
	Expense Dollars	\$ -	\$ -	\$ 81,670	\$ -	\$ -	\$ -	\$ -
	Expense Dollars Change			\$ 81,670	\$ (81,670)			
	Percent Change				-100.00%			

506002 - SP00	Misc Stm Pwr Env - Spurlock	Nov	Dec	Jan	Feb	Mar	Apr	May
	Expense Dollars	\$ 18,897	\$ 17,000	\$ 868,477	\$ 15,900	\$ 66,410	\$ 11,700	\$ 14,500
	Expense Dollars Change		\$ (1,897)	\$ 851,477	\$ (852,577)	\$ 50,510	\$ (54,710)	\$ 2,800
	Percent Change		-10.04%	5008.69%	-98.17%	317.67%	-82.38%	23.93%

Air permit fees paid for Cooper and Spurlock for calendar 2019, 2020 emissions.

**Operating Expense- Ammonia**

506001 - CPxx	Misc Stm Pwr Exp - Cooper	Nov	Dec	Jan	Feb	Mar	Apr	May
	Expense Dollars	\$ 6,374	\$ 3,225	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense Dollars Change		\$ (3,149)	\$ (3,225)				
	Percent Change		-49.40%	-100.00%				

The monthly change in expense is due to the increase or decrease in Ammonia usage.

**Operating Expense- Ammonia**

506001 - CP22	Misc Stm Pwr Exp - Cooper Unit #2 AQCS	Nov	Dec	Jan	Feb	Mar	Apr	May
	Expense Dollars	\$ 119,537	\$ 57,659	\$ 17,668	\$ -	\$ -	\$ -	\$ -
	Expense Dollars Change		\$ (61,878)	\$ (39,991)	\$ (17,668)			
	Percent Change		-51.76%	-69.36%	-100.00%			

The monthly change in expense is due to the increase or decrease in Ammonia usage based on generation.

**Operating Expense- Ammonia**

506001 - SP01	Misc Stm Pwr Exp - Spurlock 1	Nov	Dec	Jan	Feb	Mar	Apr	May
	Expense Dollars	\$ 56,728	\$ 20,513	\$ 33,501	\$ 39,997	\$ -	\$ -	\$ 6,982
	Expense Dollars Change		\$ (36,215)	\$ 12,988	\$ 6,496	\$ (39,997)		\$ 6,982
	Percent Change		-63.84%	63.32%	19.39%	-100.00%		

The monthly change in expense is due to the increase or decrease in Ammonia usage based on generation.

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Environmental Surcharge Operating and Expense Month over Month Analysis  
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506001 - SP02	Misc Steam Power Exp - Spurlock 2	Nov	Dec	Jan	Feb	Mar	Apr	May
	Expense Dollars	\$ -	\$ 35,285	\$ 23,890	\$ 24,712	\$ 38,949	\$ 46,995	\$ 38,779
	Expense Dollars Change		\$ 35,285	\$ (11,395)	\$ 822	\$ 14,237	\$ 8,046	\$ (8,216)
	Percent Change		-	-32.29%	3.44%	57.61%	20.66%	-17.48%

The monthly change in expense is due to the increase or decrease in Ammonia usage based on generation.

Operating Expense- Ammonia and Limestone

506001 - SP03	Misc Steam Power Expense- Gilbert	Nov	Dec	Jan	Feb	Mar	Apr	May
	Ammonia Expense	\$ 18,295	\$ 23,614	\$ 13,814	\$ 22,462	\$ 6,829	\$ 7,037	\$ 23,422
	Limestone Expense	\$ 194,882	\$ 292,075	\$ 154,176	\$ 349,855	\$ 76,050	\$ 67,423	\$ 348,579
	Limestone Tons Used	13,971	20,921	10,891	24,428	5,296	4,703	24,475
	Total Expense Dollars	\$ 213,177	\$ 315,689	\$ 167,990	\$ 372,317	\$ 82,879	\$ 74,460	\$ 372,001
	Expense Dollars Change		\$ 102,512	\$ (147,699)	\$ 204,327	\$ (289,438)	\$ (8,419)	\$ 297,541
	Percent Change		48.09%	-46.79%	121.63%	-77.74%	-10.16%	399.60%

Limestone is stockpiled throughout the year and taken from the stockpile for usage. There may be slight variances in the cost according to fluctuations in contract prices and freight cost per shipment of limestone, but the noted change in limestone primarily reflects the level of stockpile usage by the unit for the month indicated.

December 2019 - Limestone expenses increased \$97.2k and Ammonia expenses increased \$5.3k.  
Tons burned increased 6,950.

January 2020 - Limestone expenses decreased \$137.9k and Ammonia expenses decreased \$9.8k.  
Tons burned decreased 10,030.

February 2020 - Limestone expenses increased \$195.7k and Ammonia expenses increased \$8.6k.  
Tons burned increased 13,537.

March 2020 - Limestone expenses decreased \$273.8k and Ammonia expenses decreased \$15.6k.  
Tons burned decreased 19,132.

April 2020 - Limestone expenses decreased \$8.6k and Ammonia expenses increased \$0.2k.  
Tons burned decreased 593.

May 2020 - Limestone expenses increased \$281.1k and Ammonia expenses increased \$16.4k.  
Tons burned increased 19,772.

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Environmental Surcharge Operating and Expense Month over Month Analysis  
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Operating Expense- Limestone and Magnesium

506001 - SP21	Misc Stm Pwr Exp- Spurlock 1	Nov	Dec	Jan	Feb	Mar	Apr	May
	Magnesium Expense	\$ 9,156	\$ 12,022	\$ (380)	\$ 12,020	\$ 7,827	\$ 5,056	\$ 11,542
	Limestone Expense	\$ 94,736	\$ 36,149	\$ 44,942	\$ 58,263	\$ 58,901	\$ -	\$ 13,059
	Limestone Tons Used	8,533	3,254	4,004	5,122	5,148	-	1,148
	Expense Dollars	\$ 103,892	\$ 48,171	\$ 44,562	\$ 70,283	\$ 66,728	\$ 5,056	\$ 24,601
	Expense Dollars Change		\$ (55,721)	\$ (3,609)	\$ 25,721	\$ (3,555)	\$ (61,672)	\$ 19,545
	Percent Change		-53.63%	-7.49%	57.72%	-5.06%	-92.42%	386.57%

Limestone is stockpiled throughout the year and taken from the stockpile for usage. There may be slight variances in the cost according to fluctuations in contract prices and freight cost per shipment of limestone, but the noted change in limestone primarily reflects the level of stockpile usage by the unit for the month indicated.

December 2019 - Limestone expenses decreased \$58.6k and Ammonia expenses increased \$2.9k.  
Tons burned decreased 5,279

January 2020 - Limestone expenses increased \$8.8k and Ammonia expenses decreased \$12.4k.  
Tons burned increased 750.

February 2020 - Limestone expenses increased \$13.3k and Ammonia expenses increased \$12.4k.  
Tons burned increased 1,118.

March 2020 - Limestone expenses increased \$.6k and Ammonia expenses decreased \$4.2k.  
Tons burned increased 26.

April 2020 - Limestone expenses decreased \$58.9k and Ammonia expenses decreased \$2.8k.  
Tons burned decreased 5,148.

May 2020 - Limestone expenses increased \$13k and Ammonia expenses increased \$6.5k.  
Tons burned increased 1,148.

Operating Expense-Limestone and Magnesium

506001 - SP22	Misc Stm Pwr Exp- Spurlock 2	Nov	Dec	Jan	Feb	Mar	Apr	May
	Magnesium Expense	\$ 9,216	\$ 60,537	\$ 16,814	\$ 99,202	\$ 97,370	\$ 97,737	\$ 137,002
	Limestone Expense	\$ -	\$ 164,681	\$ 97,241	\$ 103,579	\$ 104,712	\$ 162,358	\$ 150,183
	Limestone Tons Used	-	14,823	7,772	9,105	9,151	14,198	13,199
	Expense Dollars	\$ 9,216	\$ 225,218	\$ 114,055	\$ 202,781	\$ 202,082	\$ 260,095	\$ 287,185
	Expense Dollars Change		\$ 216,002	\$ (111,163)	\$ 88,726	\$ (699)	\$ 58,013	\$ 27,090
	Percent Change		2343.77%	-49.36%	77.79%	-0.34%	28.71%	10.42%

Limestone is stockpiled throughout the year and taken from the stockpile for usage. There may be slight variances in the cost according to fluctuations in contract prices and freight cost per shipment of limestone, but the noted change in limestone primarily reflects the level of stockpile usage by the unit for the month indicated.

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December 2019 - Limestone expenses increased \$164.7k and Ammonia expenses increased \$51.3k.  
Tons burned increased 14,823.

January 2020 - Limestone expenses decreased \$67.5k and Ammonia expenses decreased by \$43.7k.  
Tons burned decreased 7,051.

February 2020 - Limestone expenses increased \$6.3k and Ammonia expenses increased \$82.4k.  
Tons burned increased 1,334.

March 2020 - Limestone expenses increased \$1.1k and Ammonia expenses decreased \$1.8k.  
Tons burned increased 46.

April 2020 - Limestone expenses increased \$57.6k and Ammonia expenses increased \$0.4k.  
Tons burned increased 5,047.

May 2020 - Limestone expenses decreased \$12.2k and Ammonia expenses increased \$39.3k.  
Tons burned decreased 999.

**Operating Expense- Ammonia and Limestone**

506001 - SP04	Misc Strm Pwr Exp- Spurlock 4	Nov	Dec	Jan	Feb	Mar	Apr	May
	Ammonia Expense	\$ 22,541	\$ (9,916)	\$ 28,512	\$ 25,720	\$ 15,682	\$ 3,943	\$ 3,943
	Limestone Expense	\$ 324,817	\$ 192,248	\$ 346,431	\$ 394,997	\$ 174,765	\$ -	\$ -
	Limestone Tons Used	23,286	13,768	24,543	27,587	12,178	-	-
	Expense Dollars	\$ 347,358	\$ 182,332	\$ 374,943	\$ 420,717	\$ 190,447	\$ 3,943	\$ 3,943
	Expense Dollars Change		\$ (165,026)	\$ 192,611	\$ 45,774	\$ (230,270)	\$ (186,504)	\$ -
	Percent Change		-47.51%	105.64%	12.21%	-54.73%	-97.93%	0.00%

Limestone is stockpiled throughout the year and taken from the stockpile for usage. There may be slight variances in the cost according to fluctuations in contract prices and freight cost per shipment of limestone, but the noted change in limestone primarily reflects the level of stockpile usage by the unit for the month indicated.

December 2019 - Limestone expenses decreased \$132.6k and Ammonia expenses decreased \$32.4k.  
Tons burned decreased 9,518.

January 2020 - Limestone expenses increased \$154.2k and Ammonia expenses increased \$38.4k.  
Tons burned increased 10,775.

February 2020 - Limestone expenses increased \$48.6k and Ammonia expenses decreased \$2.8k.  
Tons burned increased 3,044.

March 2020 - Limestone expenses decreased \$220.2k and Ammonia expenses decreased \$10.1k.  
Tons burned decreased 15,409.

April 2020 - Limestone expenses decreased \$174.8k and Ammonia expenses decreased \$11.7k.  
Tons burned decreased 12,178.



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		2020	2020	2020	2020	2020	2020	2020
501010 - SP03	Fuel Coal Gilbert	May	Jun	Jul	Aug	Sep	Oct	Nov
400-2610	Expense Dollars	\$ 229,373	\$ 218,629	\$ 226,262	\$ 244,352	\$ 240,349	\$ 227,928	\$ -
	Expense Dollars Change		\$ (10,744)	\$ 7,633	\$ 18,090	\$ (4,003)	\$ (12,421)	\$ (227,928)
	Percent Change		-4.68%	3.49%	8.00%	-1.64%	-5.17%	-100.00%

Monthly expense changes are due to increases or decreases in volume of ash removed.

		May	Jun	Jul	Aug	Sep	Oct	Nov
501010 - SP04	Fuel Coal Spurlock 4	May	Jun	Jul	Aug	Sep	Oct	Nov
400-2610	Expense Dollars	\$ 4,569	\$ 118,676	\$ 227,169	\$ 246,309	\$ 254,441	\$ 45,633	\$ -
	Expense Dollars Change		\$ 114,107	\$ 108,493	\$ 19,140	\$ 8,132	\$ (208,808)	\$ (45,633)
	Percent Change		2497.42%	91.42%	8.43%	3.30%	-82.07%	-100.00%

Monthly expense changes are due to increases or decreases in volume of ash removed.

		May	Jun	Jul	Aug	Sep	Oct	Nov
501010 - CPxx	Fuel Coal Cooper (Unit 2 AQCS)	May	Jun	Jul	Aug	Sep	Oct	Nov
Project 02610	Expense Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,948
	Expense Dollars Change		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,948
	Percent Change		-	-	-	-	-	-

Monthly expense changes are due to increases or decreases in volume of ash removed.

		May	Jun	Jul	Aug	Sep	Oct	Nov
512000 - CPxx	Maintenance of Cooper (Unit 2 AQCS)	May	Jun	Jul	Aug	Sep	Oct	Nov
Projects 03350 and 03521	Expense Dollars	\$ 26,947	\$ 33,303	\$ 72,845	\$ 12,064	\$ 15,037	\$ 76,795	\$ 31,181
	Expense Dollars Change		\$ 6,356	\$ 39,542	\$ (60,781)	\$ 2,973	\$ 61,758	\$ (45,614)
	Percent Change		23.59%	118.73%	-83.44%	24.64%	410.71%	-59.40%

**Project 03350 is Bag House, Dry Scrub, SNCR & SCR, Project 03521 is Scrubber Maintenance**

June 2020

Project 03350- Contractor payments decreased \$17.7k, EKPC Payroll & Benefits increased \$2.5k, Accruals decreased \$4.4k.

Project 03521- Contractor payments increased \$24.4k, EKPC Payroll & Benefits decreased \$0.9k, Accruals increased \$2.5k.

No significant maintenance performed.

July 2020

Project 03350- Contractor payments decreased \$0.3k, EKPC Payroll & Benefits decreased \$3.0k, Materials increased \$3.3k, Accruals increased \$7.6k.

Project 03521- Contractor payments increased \$43.7k, EKPC Payroll & Benefits decreased \$4.9k, Materials increased \$20.3k, Accruals decreased \$27.2k.

No significant maintenance performed.

August 2020

Project 03350- Contractor payments increased \$1.2k, EKPC Payroll & Benefits increased \$1.5k, Materials decreased \$3.3k, Accruals decreased \$3k.

Project 03521- Contractor payments decreased \$70.7k, EKPC Payroll & Benefits increased \$2.1k, Materials decreased \$15.8k, Accruals increased \$27.2k.

No significant maintenance performed.

**East Kentucky Power Cooperative, Inc.**  
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September 2020

Project 03350- Contractor payments decreased \$2.0k, EKPC Payroll & Benefits decreased \$1.6k, Materials increased \$1.0k, Accruals increased \$2.8k.  
Project 03521- EKPC Payroll & Benefits increased \$6.8k, Materials decreased \$4.0k.  
No significant maintenance performed.

October 2020

Project 03350- Contractor payments increased \$0.8k, EKPC Payroll & Benefits increased \$3.5k, Materials increased \$0.9k, Accruals decreased \$1.0k.  
Project 03521- Contractor payments increased \$35.5k, EKPC Payroll & Benefits increased \$9.0k, Materials increased \$13.1k.  
No significant maintenance performed.

November 2020

Project 03350- Contractor payments decreased \$0.1k, EKPC Payroll & Benefits decreased \$3.9k, Materials decreased \$1.9k, Accruals decreased \$0.6k.  
Project 03521- Contractor payments decreased \$17.3k, EKPC Payroll & Benefits decreased \$8.3k, Materials decreased \$13.5k.  
No significant maintenance performed.

512000 - SP01	Maintenance of Boiler Plant Spurlock 1	May	Jun	Jul	Aug	Sep	Oct	Nov
Projects 03330 and 03501	Expense Dollars	\$ 107,755	\$ (1,970)	\$ 34,962	\$ 55,866	\$ 45,076	\$ 18,501	\$ 9,553
	Expense Dollars Change		\$ (109,725)	\$ 36,932	\$ 20,904	\$ (10,790)	\$ (26,575)	\$ (8,948)
	Percent Change		-101.83%	-1874.72%	59.79%	-19.31%	-58.96%	-48.36%

**Project 03330 is for the Spurlock 1 Electrostatic Precipitator and Project 03501 is for Spurlock 1 SCR maintenance.**

June 2020

Project 03330- Contractor payments increased \$184.1k, EKPC Payroll & Benefits increased \$3.7k, Materials increased \$0.6k, Accruals decreased \$305.9k.  
Project 03501- Contractor payments increased \$6.8k, EKPC Payroll & Benefits decreased \$1.8k, Materials increased \$0.6k, Accruals increased \$2.2k.  
No significant maintenance performed.

July 2020

Project 03330- Contractor payments decreased \$260.4k, EKPC Payroll & Benefits increased \$5.9k, Materials decreased \$0.6k, Accruals increased \$297.9k.  
Project 03501- Contractor payments decreased \$3.8k, EKPC Payroll & Benefits increased \$3.3k, Materials decreased \$0.6k, Accruals decreased \$4.8k.  
No significant maintenance performed.

August 2020

Project 03330- Contractor payments decreased \$14.8k, EKPC Payroll & Benefits decreased \$6k, Materials increased \$2.6k, Accruals increased \$23k.  
Project 03501- Contractor payments decreased \$3.8k, EKPC Payroll & Benefits decreased \$4k, Materials increased \$2.6k, Accruals increased \$21.4k.  
No significant maintenance performed.

September 2020

Project 03330- Contractor payments increased \$16.2k, EKPC Payroll & Benefits increased \$0.2k, Materials decreased \$1.3k, Accruals decreased \$18.8k.  
Project 03501- Contractor payments increased \$15.2k, EKPC Payroll & Benefits decreased \$0.8k, Materials decreased \$2.6k, Accruals decreased \$18.9k.  
No significant maintenance performed.

October 2020

Project 03330- Contractor payments decreased \$10.4k, EKPC Payroll & Benefits increased \$3.1k, Materials increased \$1.1k.  
Project 03501- Contractor payments decreased \$20.3k, EKPC Payroll & Benefits decreased \$0.3k, Materials increased \$0.1k, Accruals increased \$0.1k.  
No significant maintenance performed.

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November 2020

Project 03330- Contractor payments decreased \$4.1k, EKPC Payroll & Benefits decreased \$2.9k, Materials decreased \$2.5k.  
Project 03501- Contractor payments decreased \$0.5k, EKPC Payroll & Benefits increased \$1.1k, Materials decreased \$0.1k.  
No significant maintenance performed.

512000 - SP02	Maintenance of Boiler Plant Spurlock 2	May	Jun	Jul	Aug	Sep	Oct	Nov
Projects 03330	Expense Dollars	\$ 41,452	\$ 20,611	\$ 37,614	\$ 105,148	\$ 131,992	\$ 361,708	\$ 370,029
and 03501	Expense Dollars Change		\$ (20,841)	\$ 17,003	\$ 67,534	\$ 26,844	\$ 229,716	\$ 8,321
	Percent Change		-50.28%	82.49%	179.54%	25.53%	174.04%	2.30%

**Project 03330 is for the Spurlock 2 Electrostatic Precipitator and Project 03501 is for Spurlock 2 SCR maintenance.**

June 2020

Project 03330- Contractor payments increased \$318k, EKPC Payroll & Benefits decreased \$3.7k, Materials increased \$1.9k, Accruals decreased \$347.2k.  
Project 03501- Contractor payments increased \$2.3k, EKPC Payroll & Benefits increased \$2.2k, Materials increased \$2.4k, Accruals increased \$3.3k.  
No significant maintenance performed.

July 2020

Project 03330- Contractor payments decreased \$339.5k, EKPC Payroll & Benefits increased \$9.9k, Materials decreased \$1.7k, Accruals increased \$344.9k.  
Project 03501- Contractor payments increased \$7.4k, EKPC Payroll & Benefits increased \$4.8k, Materials decreased \$2.4k, Accruals decreased \$6.4k.  
No significant maintenance performed.

August 2020

Project 03330- Contractor payments increased \$13.9k, EKPC Payroll & Benefits decreased \$12.8k, Materials increased \$3.8k, Accruals increased \$31.7k.  
Project 03501- Contractor payments decreased \$1.3k, EKPC Payroll & Benefits decreased \$6.3k, Materials increased \$4.4k, Accruals increased \$34.1k.  
No significant maintenance performed.

September 2020

Project 03330- Contractor payments increased \$15.9k, EKPC Payroll & Benefits increased \$8.5k, Materials decreased \$3.1k, Accruals increased \$6.5k.  
Project 03501- Contractor payments increased \$32.5k, Materials decreased \$2.3k, Accruals decreased \$31.2k.  
No significant maintenance performed.

October 2020

Project 03330- Contractors decreased \$23k, EKPC Payroll & Benefits increased \$12k, Materials increased \$4.4k, Accruals increased \$228.2k.  
Project 03501- Contractor payments decreased \$0.5k, EKPC Payroll & Benefits increased \$7.5k, Materials increased \$1k, Accruals increased \$0.1k.  
No significant maintenance performed.

November 2020

Project 03330- Contractor payments increased \$81.5k, EKPC Payroll & Benefits increased \$11k, Materials decreased \$4.4k, Accruals decreased \$86.9k.  
Project 03501- Contractor payments decreased \$10.5k, EKPC Payroll & Benefits decreased \$6.9k, Materials decreased \$3.1k, Accruals increased \$27.6k.  
No significant maintenance performed.

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512000 - SP03	Maintenance of Boiler Plant Gilbert	May	Jun	Jul	Aug	Sep	Oct	Nov
Projects 03206 and 03350	Expense Dollars	\$ 247,225	\$ 84,054	\$ 38,501	\$ 69,710	\$ 109,725	\$ 186,681	\$ 134,497
	Expense Dollars Change		\$ (163,171)	\$ (45,553)	\$ 31,209	\$ 40,015	\$ 76,956	\$ (52,184)
	Percent Change		-66.00%	-54.19%	81.06%	57.40%	70.14%	-27.95%

Project 03206 is for Spurlock 3 Boiler Pollution Control equipment and Project 03350 is for Spurlock 3 Bag House, SNCR and FDA equipment.

June 2020

Project 03206- Contractor payments increased \$72.3k, EKPC Payroll & Benefits increased \$15k, Materials decreased \$50k, Accruals decreased \$199k.  
Project 03350- Contractor payments increased \$11.8k, EKPC Payroll & Benefits decreased \$9.1k, Materials decreased \$2.9k, Accruals decreased \$1.3k.  
No significant maintenance performed.

July 2020

Project 03206- Contractor payments decreased \$92.1k, EKPC Payroll & Benefits decreased \$12.3k, Materials increased \$2.4k, Accruals increased \$105.3k.  
Project 03350- Contractor payments decreased \$27.8k, EKPC Payroll & Benefits decreased \$2k, Materials decreased \$21.5k, Accruals increased \$2.4k.  
No significant maintenance performed.

August 2020

Project 03206- Contractor payments decreased \$4.3k, EKPC Payroll & Benefits increased \$4.2k, Materials decreased \$8k, Accruals decreased \$2.8k.  
Project 03350- Contractor payments increased \$8.1k, EKPC Payroll & Benefits increased \$18.2k, Materials increased \$22.8k, Accruals decreased \$7k.  
No significant maintenance performed.

September 2020

Project 03206- Contractor payments increased \$18.3k, EKPC Payroll & Benefits decreased \$3.7k, Materials decreased \$4.6k, Accruals increased \$3.1k.  
Project 03350- Contractor payments increased \$3.2k, EKPC Payroll & Benefits decreased \$16.6k, Materials increased \$34k, Accruals increased \$6.3k.  
No significant maintenance performed.

October 2020

Project 03206- Contractor payments decreased \$21.9k, EKPC Payroll & Benefits increased \$5.7k, Materials increased \$29.9k, Accruals increased \$59.3k.  
Project 03350- Contractor payments decreased \$1.2k, EKPC Payroll & Benefits increased \$19.2k, Materials decreased \$27.9k, Accruals increased \$13.9k.  
No significant maintenance performed.

November 2020

Project 03206- Contractor payments increased \$148k, EKPC Payroll & Benefits decreased \$4.8k, Materials decreased \$23.8k, Accruals decreased \$120.6k.  
Project 03350- Contractor payments increased \$2.2k, EKPC Payroll & Benefits decreased \$22.8k, Materials decreased \$2.5k, Accruals decreased \$27.9k.  
No significant maintenance performed.

512000 - SP04	Maintenance of Boiler Plant Spurlock 4	May	Jun	Jul	Aug	Sep	Oct	Nov
Projects 03206 and 03350	Expense Dollars	\$ 199,069	\$ 95,742	\$ 76,010	\$ 491,512	\$ 329,195	\$ 2,581,177	\$ 424,832
	Expense Dollars Change		\$ (103,327)	\$ (19,732)	\$ 415,502	\$ (162,317)	\$ 2,251,982	\$ (2,156,345)
	Percent Change		-51.91%	-20.61%	546.64%	-33.02%	684.09%	-83.54%

Project 03206 is for Spurlock 4 Boiler Pollution Control equipment and Project 03350 is for Spurlock 4 Bag House, SNCR and FDA equipment.

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June 2020

Project 03206- Contractor payments increased \$25.5k, EKPC Payroll & Benefits decreased \$41.1k, Materials decreased \$12.9k, Accruals decreased \$78.4k.  
Project 03350- Contractor payments increased \$4.1k, EKPC Payroll & Benefits decreased \$5.4k, Materials increased \$14.8k, Accruals decreased \$9.9k.  
No significant maintenance performed.

July 2020

Project 03206- Contractor payments decreased \$76k, EKPC Payroll & Benefits increased \$2.8k, Materials decreased \$4.7k, Accruals increased \$51.2k.  
Project 03350- Contractor payments increased \$0.5k, EKPC Payroll & Benefits increased \$0.2k, Materials decreased \$5.6k, Accruals increased \$11.9k.  
No significant maintenance performed.

August 2020

Project 03206- Contractor payments increased \$10.5k, EKPC Payroll & Benefits increased \$6.4k, Materials decreased \$0.4k, Accruals decreased \$23.9k.  
Project 03350- Contractor payments increased \$5.7k, EKPC Payroll & Benefits increased \$10.4k, Materials decreased \$14k, Accruals increased \$420.8k.  
Accruals related to maintenance items identified in Sept-Nov

September 2020

Project 03206- Contractor payments increased \$53.5k, EKPC Payroll & Benefits decreased \$7.3k, Materials increased \$114.2k, Accruals increased \$46.1k.  
Project 03350- Contractor payments increased \$465.7k, EKPC Payroll & Benefits decreased \$2.3k, Materials increased \$17.8k, Accruals decreased \$850k.  
Filter bag for Alstom Boiler \$458k

October 2020

Project 03206- Contractor payments increased \$1,744.5k, EKPC Payroll & Benefits increased \$59.4k, Materials decreased \$20.4k, Accruals increased \$58.7k.  
Project 03350- Contractor payments decreased \$389.9k, EKPC Payroll & Benefits increased \$41.1k, Materials increased \$17.4k, Accruals increased \$741.2k.  
T&M refractory services on cyclone mid-cone brick replacement \$1.9M

November 2020

Project 03206- Contractor payments decreased \$1,395.2k, EKPC Payroll & Benefits decreased \$54.2k, Materials decreased \$78.1k, Accruals decreased \$209.7k.  
Project 03350- Contractor payments increased \$284.3k, EKPC Payroll & Benefits decreased \$51k, Materials decreased \$33.5k, Accruals decreased \$618.9k.

512000 - SP21	Maintenance of Boiler Plant Scrubber 1	May	Jun	Jul	Aug	Sep	Oct	Nov
Project 03521	Expense Dollars	\$ 102,819	\$ 129,497	\$ 199,683	\$ 113,247	\$ 113,369	\$ 152,514	\$ 78,199
	Expense Dollars Change		\$ 26,678	\$ 70,186	\$ (86,436)	\$ 122	\$ 39,145	\$ (74,315)
	Percent Change		25.95%	54.20%	-43.29%	0.11%	34.53%	-48.73%

June 2020

Project 03521- Contractor payments decreased \$46.3k, EKPC Payroll & Benefits decreased \$7.2k, Materials increased \$21.1k, Accruals increased \$59.1k.  
No significant maintenance performed.

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July 2020

Project 03521- Contractor payments decreased \$88.4k, EKPC Payroll & Benefits decreased \$2.7k, Materials decreased \$8.1k, Accruals increased \$169.4k.  
No significant maintenance performed.

August 2020

Project 03521- Contractor payments increased \$147.2k, EKPC Payroll & Benefits decreased \$2.6k, Materials increased \$12.9k, Accruals decreased \$243.9k.  
No significant maintenance performed.

September 2020

Project 03521- Contractor payments decreased \$102.1k, EKPC Payroll & Benefits increased \$8.2k, Materials decreased \$13k, Accruals increased \$107k.  
No significant maintenance performed.

October 2020

Project 03521- Contractor payments decreased \$29.9k, EKPC Payroll & Benefits increased \$11k, Materials increased \$45.8k, Accruals increased \$12.2k.  
No significant maintenance performed.

November 2020

Project 03521- Contractor payments decreased \$30.4k, EKPC Payroll & Benefits decreased \$15.3k, Materials decreased \$40k, Accruals increased \$11.4k.  
No significant maintenance performed.

512000 - SP22	Maintenance of Boiler Plant Scrubber 2	May	Jun	Jul	Aug	Sep	Oct	Nov
Project 03521	Expense Dollars	\$ 174,230	\$ 279,134	\$ 202,707	\$ 405,629	\$ 269,423	\$ 415,149	\$ 379,152
	Expense Dollars Change		\$ 104,904	\$ (76,427)	\$ 202,922	\$ (136,206)	\$ 145,726	\$ (35,997)
	Percent Change		60.21%	-27.38%	100.11%	-33.58%	54.09%	-8.67%

June 2020

Project 03521- Contractor payments increased \$241.2k, EKPC Payroll & Benefits increased \$0.6k, Materials decreased \$30.6k, Accruals decreased \$106.3k.  
No significant maintenance performed.

July 2020

Project 03521- Contractor payments decreased \$209.5k, EKPC Payroll & Benefits increased \$7.4k, Materials increased \$10.4k, Accruals increased \$115.3k.  
No significant maintenance performed.

August 2020

Project 03521- Contractor payments increased \$211.4k, EKPC Payroll & Benefits decreased \$6.7k, Materials increased \$129.8k, Accruals decreased \$131.6k.  
No significant maintenance performed.

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September 2020

Project 03521- Contractor payments decreased \$42k, EKPC Payroll & Benefits increased \$8.9k, Materials decreased \$139.9k, Accruals increased \$36.8k.  
No significant maintenance performed.

October 2020

Project 03521- Contractor payments increased \$12.7k, EKPC Payroll & Benefits increased \$2.6k, Materials increased \$33.4k, Accruals increased \$97k.  
No significant maintenance performed.

November 2020

Project 03521- Contractor payments increased \$48.5k, EKPC Payroll & Benefits decreased \$4.5k, Materials decreased \$4k, Accruals decreased \$76k.  
No significant maintenance performed.

**Air Permit Fees**

506002 - CP00	Misc Stm Pwr Env - Cooper	May	Jun	Jul	Aug	Sep	Oct	Nov
	Expense Dollars	\$ -	\$ -	\$ -	\$ 63,197	\$ -	\$ -	\$ -
	Expense Dollars Change		\$ -	\$ -	\$ 63,197	\$ (63,197)	\$ -	\$ -
	Percent Change		-	-	-	-100.00%	-	-
506002 - SP00	Misc Stm Pwr Env - Spurlock	May	Jun	Jul	Aug	Sep	Oct	Nov
	Expense Dollars	\$ 14,500	\$ 5,623	\$ 5,175	\$ -	\$ 8,315	\$ 9,415	\$ 51,329
	Expense Dollars Change		\$ (8,877)	\$ (448)	\$ (5,175)	\$ 8,315	\$ 1,100	\$ 41,914
	Percent Change		-61.22%	-7.97%	-100.00%	-	13.23%	445.18%

Air permit fees paid for Cooper and Spurlock for calendar 2019 emissions.

**Operating Expense- Ammonia**

506001 - CPxx	Misc Stm Pwr Exp - Cooper	May	Jun	Jul	Aug	Sep	Oct	Nov
	Expense Dollars	\$ -	\$ -	\$ 22,539	\$ 15,881	\$ 6,369	\$ 6,370	\$ (6,370)
	Expense Dollars Change		\$ -	\$ 22,539	\$ (6,658)	\$ (9,512)	\$ 1	\$ (12,740)
	Percent Change		-	-	-29.54%	-59.90%	0.02%	-200.00%

The monthly change in expense is due to the increase or decrease in Ammonia usage.

**Operating Expense- Ammonia**

506001 - CP22	Misc Stm Pwr Exp - Cooper Unit #2 AQCS	May	Jun	Jul	Aug	Sep	Oct	Nov
	Expense Dollars	\$ -	\$ -	\$ 123,587	\$ 149,195	\$ 35,662	\$ 35,662	\$ (35,662)
	Expense Dollars Change		\$ -	\$ 123,587	\$ 25,608	\$ (113,533)	\$ -	\$ (71,324)
	Percent Change		-	-	20.72%	-76.10%	0.00%	-200.00%

The monthly change in expense is due to the increase or decrease in Ammonia usage based on generation.

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Operating Expense- Ammonia

506001 - SP01	Misc Strm Pwr Exp - Spurlock 1	May	Jun	Jul	Aug	Sep	Oct	Nov
	Expense Dollars	\$ 6,982	\$ 46,364	\$ 52,168	\$ 39,322	\$ 35,716	\$ 45,101	\$ 16,816
	Expense Dollars Change		\$ 39,382	\$ 5,804	\$ (12,846)	\$ (3,606)	\$ 9,385	\$ (28,285)
	Percent Change		564.05%	12.52%	-24.62%	-9.17%	26.28%	-62.71%

The monthly change in expense is due to the increase or decrease in Ammonia usage based on generation.

506001 - SP02	Misc Steam Power Exp - Spurlock 2	May	Jun	Jul	Aug	Sep	Oct	Nov
	Expense Dollars	\$ 38,779	\$ 30,139	\$ 36,343	\$ 26,191	\$ 27,552	\$ -	\$ -
	Expense Dollars Change		\$ (8,640)	\$ 6,204	\$ (10,152)	\$ 1,361	\$ (27,552)	\$ -
	Percent Change		-22.28%	20.58%	-27.93%	5.20%	-100.00%	-

The monthly change in expense is due to the increase or decrease in Ammonia usage based on generation.

Operating Expense- Ammonia and Limestone

506001 - SP03	Misc Steam Power Expense- Gilbert	May	Jun	Jul	Aug	Sep	Oct	Nov
	Ammonia Expense	\$ 23,422	\$ 21,794	\$ (25,015)	\$ 21,216	\$ 25,646	\$ 25,392	\$ 10,472
	Limestone Expense	\$ 348,579	\$ 398,382	\$ 474,295	\$ 393,130	\$ 342,105	\$ 477,670	\$ 297,493
	Limestone Tons Used	24,475	28,215	33,674	27,944	24,299	33,934	21,148
	Total Expense Dollars	\$ 372,001	\$ 420,176	\$ 449,280	\$ 414,346	\$ 367,751	\$ 503,062	\$ 307,965
	Expense Dollars Change		\$ 48,175	\$ 29,104	\$ (34,934)	\$ (46,595)	\$ 135,311	\$ (195,097)
	Percent Change		12.95%	6.93%	-7.78%	-11.25%	36.79%	-38.78%

Limestone is stockpiled throughout the year and taken from the stockpile for usage. There may be slight variances in the cost according to fluctuations in contract prices and freight cost per shipment of limestone, but the noted change in limestone primarily reflects the level of stockpile usage by the unit for the month indicated.

June 2020 - Limestone expenses increased \$49.8k and Ammonia expenses decreased \$1.6k.  
Tons burned increased 3,740.

July 2020 - Limestone expenses increased \$75.9k and Ammonia expenses decreased \$46.8k.  
Tons burned increased 5,459.

August 2020 - Limestone expenses decreased \$81.2k and Ammonia expenses increased \$46.2k.  
Tons burned decreased 5,730.

September 2020 - Limestone expenses decreased \$51k and Ammonia expenses increased \$4.4k.  
Tons burned decreased 3,645.



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October 2020 - Limestone expenses increased \$135.6k and Ammonia expenses decreased \$0.3k.  
Tons burned increased 9,635.

November 2020 - Limestone expenses decreased \$180.2k and Ammonia expenses decreased \$14.9k.  
Tons burned decreased 12,786.

**Operating Expense- Limestone and Magnesium**

506001 - SP21	Misc Stm Pwr Exp- Spurlock 1	May	Jun	Jul	Aug	Sep	Oct	Nov
	Magnesium Expense	\$ 11,542	\$ 10,588	\$ 10,320	\$ 11,985	\$ 15,763	\$ 19,092	\$ 16,480
	Limestone Expense	\$ 13,059	\$ 88,562	\$ 91,518	\$ 92,046	\$ 64,331	\$ 104,234	\$ 95,228
	Limestone Tons Used	1,148	7,834	10,379	8,205	5,730	9,285	8,485
	Expense Dollars	\$ 24,601	\$ 99,150	\$ 101,838	\$ 104,031	\$ 80,094	\$ 123,326	\$ 111,708
	Expense Dollars Change		\$ 74,549	\$ 2,688	\$ 2,193	\$ (23,937)	\$ 43,232	\$ (11,618)
	Percent Change		303.03%	2.71%	2.15%	-23.01%	53.98%	-9.42%

Limestone is stockpiled throughout the year and taken from the stockpile for usage. There may be slight variances in the cost according to fluctuations in contract prices and freight cost per shipment of limestone, but the noted change in limestone primarily reflects the level of stockpile usage by the unit for the month indicated.

June 2020 - Limestone expenses increased \$75.5k and Ammonia expenses decreased \$1.0k.  
Tons burned increased 6,687.

July 2020 - Limestone expenses increased \$3.0k and Ammonia expenses decreased \$0.3k.  
Tons burned increased 2,544.

August 2020 - Limestone expenses increased \$0.5k and Ammonia expenses increased \$1.7k.  
Tons burned decreased 2,174.

September 2020 - Limestone expenses decreased \$27.7k and Ammonia expenses increased \$3.8k.  
Tons burned decreased 2,475.

October 2020 - Limestone expenses increased \$39.9k and Ammonia expenses increased \$3.3k.  
Tons burned increased 3,555.

November 2020 - Limestone expenses decreased \$9.0k and Ammonia expenses decreased \$2.6k.  
Tons burned decreased 800.

East Kentucky Power Cooperative, Inc.  
Environmental Surcharge Operating and Expense Month over Month Analysis  
For the Expense Period June 2020 to November 2020

Operating Expense-Limestone and Magnesium

506001 - SP22	Misc Stm Pwr Exp- Spurlock 2	May	Jun	Jul	Aug	Sep	Oct	Nov
	Magnesium Expense	\$ 137,002	\$ 196,548	\$ 180,334	\$ 136,788	\$ 162,566	\$ 11,965	\$ 10,540
	Limestone Expense	\$ 150,183	\$ 144,496	\$ 162,698	\$ 163,638	\$ 130,610	\$ -	\$ -
	Limestone Tons Used	13,199	12,783	18,451	14,587	11,635	-	-
	Expense Dollars	\$ 287,185	\$ 341,044	\$ 343,032	\$ 300,426	\$ 293,176	\$ 11,965	\$ 10,540
	Expense Dollars Change		\$ 53,859	\$ 1,988	\$ (42,606)	\$ (7,250)	\$ (281,211)	\$ (1,425)
	Percent Change		18.75%	0.58%	-12.42%	-2.41%	-95.92%	-11.91%

Limestone is stockpiled throughout the year and taken from the stockpile for usage. There may be slight variances in the cost according to fluctuations in contract prices and freight cost per shipment of limestone, but the noted change in limestone primarily reflects the level of stockpile usage by the unit for the month indicated.

June 2020 - Limestone expenses decreased \$5.7k and Ammonia expenses increased \$59.6k.  
Tons burned decreased 417.

July 2020 - Limestone expenses increased \$18.2k and Ammonia expenses decreased by \$16.2k.  
Tons burned increased 5,669.

August 2020 - Limestone expenses increased \$0.9k and Ammonia expenses decreased \$43.5k.  
Tons burned decreased 3,864.

September 2020 - Limestone expenses decreased \$33k and Ammonia expenses increased \$25.7k.  
Tons burned decreased 2,952.

October 2020 - Limestone expenses decreased \$130.6k and Ammonia expenses decreased \$150.6k.  
Tons burned decreased 11,635.

November 2020 - Ammonia expenses decreased \$1.4k.  
Tons burned no change.

Operating Expense- Ammonia and Limestone

506001 - SP04	Misc Stm Pwr Exp- Spurlock 4	May	Jun	Jul	Aug	Sep	Oct	Nov
	Ammonia Expense	\$ 3,943	\$ 20,578	\$ 19,478	\$ 22,047	\$ 23,843	\$ 4,070	\$ 11,327
	Limestone Expense	\$ -	\$ 317,664	\$ 440,601	\$ 457,927	\$ 362,982	\$ -	\$ 364,370
	Limestone Tons Used	-	22,521	31,314	32,549	25,782	-	25,903
	Expense Dollars	\$ 3,943	\$ 338,242	\$ 460,079	\$ 479,974	\$ 386,825	\$ 4,070	\$ 375,697
	Expense Dollars Change		\$ 334,299	\$ 121,837	\$ 19,895	\$ (93,149)	\$ (382,755)	\$ 371,627
	Percent Change		8478.29%	36.02%	4.32%	-19.41%	-98.95%	9130.88%

Limestone is stockpiled throughout the year and taken from the stockpile for usage. There may be slight variances in the cost according to fluctuations in contract prices and freight cost per shipment of limestone, but the noted change in limestone primarily reflects the level of stockpile usage by the unit for the month indicated.

**East Kentucky Power Cooperative, Inc.**  
**Environmental Surcharge Operating and Expense Month over Month Analysis**  
**For the Expense Period June 2020 to November 2020**

June 2020 - Limestone expenses increased \$317.7k and Ammonia expenses increased \$16.6k.  
Tons burned increased 22,521.

July 2020 - Limestone expenses increased \$122.9k and Ammonia expenses decreased \$1.1k.  
Tons burned increased 8,793.

August 2020 - Limestone expenses increased \$17.3k and Ammonia expenses increased \$2.6k.  
Tons burned increased 1,235.

September 2020 - Limestone expenses decreased \$94.9k and Ammonia expenses increased \$1.8k.  
Tons burned decreased 6,767.

October 2020 - Limestone expenses decreased \$363k and Ammonia expenses decreased \$19.8k.  
Tons burned decreased 25,782.

East Kentucky Power Cooperative, Inc.  
Environmental Surcharge Operating and Expense Month over Month Analysis  
For the Expense Period December 2020 to May 2021

501010 - SP01	Fuel Coal Spurlock 1	2020		2021		2021		2021	
		Nov	Dec	Jan	Feb	Mar	Apr	May	
400-2610	Expense Dollars	\$ -	\$ -	\$ -	\$ 318,014	\$ 96,206	\$ 55,843	\$ 155,569	
	Expense Dollars Change		\$ -	\$ -	\$ 318,014	\$ (221,808)	\$ (40,363)	\$ 99,726	
	Percent Change					-69.75%	-41.95%	178.58%	

Monthly expense changes are due to increases or decreases in volume of ash removed.

501010 - SP02	Fuel Coal Spurlock 2	2020		2021		2021		2021	
		Nov	Dec	Jan	Feb	Mar	Apr	May	
400-2610	Expense Dollars	\$ -	\$ -	\$ -	\$ 569,873	\$ 223,566	\$ 302,379	\$ 260,603	
	Expense Dollars Change		\$ -	\$ -	\$ 569,873	\$ (346,307)	\$ 78,813	\$ (41,776)	
	Percent Change					-60.77%	35.25%	-13.82%	

Monthly expense changes are due to increases or decreases in volume of ash removed.

501010 - SP03	Fuel Coal Gilbert	2020		2021		2021		2021	
		Nov	Dec	Jan	Feb	Mar	Apr	May	
400-2610	Expense Dollars	\$ -	\$ 90,811	\$ 162,755	\$ 247,498	\$ 203,724	\$ 218,850	\$ 25,461	
	Expense Dollars Change		\$ 90,811	\$ 71,944	\$ 84,743	\$ (43,774)	\$ 15,126	\$ (193,389)	
	Percent Change			79.22%	52.07%	-17.69%	7.42%	-88.37%	

Monthly expense changes are due to increases or decreases in volume of ash removed.

501010 - SP04	Fuel Coal Spurlock 4	2020		2021		2021		2021	
		Nov	Dec	Jan	Feb	Mar	Apr	May	
400-2610	Expense Dollars	\$ -	\$ 75,376	\$ 163,402	\$ 821,291	\$ 239,679	\$ 190,352	\$ 208,664	
	Expense Dollars Change		\$ 75,376	\$ 88,026	\$ 657,889	\$ (581,612)	\$ (49,327)	\$ 18,312	
	Percent Change			116.78%	402.62%	-70.82%	-20.58%	9.62%	

Monthly expense changes are due to increases or decreases in volume of ash removed.

501010 - CPxx	Fuel Coal Cooper (Unit 2 AQCS)	2020		2021		2021		2021	
		Nov	Dec	Jan	Feb	Mar	Apr	May	
Project 02610	Expense Dollars	\$ 47,948	\$ 11,513	\$ -	\$ 2,965	\$ 42,038	\$ 960	\$ 24,343	
	Expense Dollars Change		\$ (36,435)	\$ (11,513)	\$ 2,965	\$ 39,073	\$ (41,078)	\$ 23,383	
	Percent Change		-75.99%	-100.00%		1317.81%	-97.72%	2435.73%	

Monthly expense changes are due to increases or decreases in volume of ash removed.

512000 - CPxx	Maintenance of Cooper (Unit 2 AQCS)	2020		2021		2021		2021	
		Nov	Dec	Jan	Feb	Mar	Apr	May	
Projects 03350 and 03521	Expense Dollars	\$ 31,181	\$ 62,134	\$ (1,015)	\$ 21,717	\$ 17,120	\$ 55,732	\$ 17,019	
	Expense Dollars Change		\$ 30,953	\$ (63,149)	\$ 22,732	\$ (4,597)	\$ 38,612	\$ (38,713)	
	Percent Change		99.27%	-101.63%	-2239.61%	-21.17%	225.54%	-69.46%	

Project 03350 is Bag House, Dry Scrub, SNCR & SCR, Project 03521 is Scrubber Maintenance

East Kentucky Power Cooperative, Inc.  
Environmental Surcharge Operating and Expense Month over Month Analysis  
For the Expense Period December 2020 to May 2021

December 2020

Project 03350- Contractor payments increased \$8.6k, EKPC Payroll & Benefits increased \$0.2k, Accruals increased \$1.4k.  
Project 03521- Contractor payments decreased \$2.9k, EKPC Payroll & Benefits decreased \$1.3k, Materials increased \$3.8k, Accruals increased \$21.2k.  
No significant maintenance performed.

January 2021

Project 03350- Contractor payments decreased \$8.4k, EKPC Payroll & Benefits increased \$2.6k, Accruals increased \$5.7k.  
Project 03521- Contractor payments decreased \$15.4k, EKPC Payroll & Benefits decreased \$10.7k, Materials decreased \$4k, Accruals decreased \$32.9k.  
No significant maintenance performed.

February 2021

Project 03350- Contractor payments increased \$8.8k, EKPC Payroll & Benefits decreased \$3.7k, Materials increased \$3.2k, Accruals decreased \$12.5k.  
Project 03521- Contractor payments increased \$9.6k, EKPC Payroll & Benefits increased \$10.6k, Materials decreased \$7.1k, Accruals increased \$13.8k.  
No significant maintenance performed.

March 2021

Project 03350- Contractor payments decreased \$7.7k, EKPC Payroll & Benefits increased \$1.6k, Materials decreased \$2.2k, Accruals increased \$5.9k.  
Project 03521- Contractor payments decreased \$2.9k, EKPC Payroll & Benefits decreased \$3.2k, Materials increased \$8.6k, Accruals decreased \$4.7k.  
No significant maintenance performed.

April 2021

Project 03350- Contractor payments decreased \$2.3k, EKPC Payroll & Benefits decreased \$1.4k, Materials decreased \$1k, Accruals increased \$1.1k.  
Project 03521- Contractor payments increased \$27.7k, EKPC Payroll & Benefits increased \$8.7k, Materials increased \$3.3k, Accruals increased \$2.5k.  
No significant maintenance performed.

May 2021

Project 03350- Contractor payments no change, EKPC Payroll & Benefits increased \$2.5k, Materials increased \$1.5k, Accruals increased \$0.8k.  
Project 03521- Contractor payments decreased \$32.6k, EKPC Payroll & Benefits decreased \$15.2k, Materials decreased \$4.7k.  
No significant maintenance performed.

512000 - SP01	Maintenance of Boiler Plant Spurlock 1	Nov	Dec	Jan	Feb	Mar	Apr	May
Projects 03330 and 03501	Expense Dollars	\$ 9,553	\$ 27,289	\$ 6,731	\$ 9,934	\$ 183,762	\$ 141,162	\$ 48,531
	Expense Dollars Change		\$ 17,736	\$ (20,558)	\$ 3,203	\$ 173,828	\$ (42,600)	\$ (92,631)
	Percent Change		185.66%	-75.33%	47.59%	1749.83%	-23.18%	-65.62%

Project 03330 is for the Spurlock 1 Electrostatic Precipitator and Project 03501 is for Spurlock 1 SCR maintenance.

December 2020

Project 03330- Contractor payments increased \$8k, EKPC Payroll & Benefits increased \$2.9k, Materials increased \$1.5k.  
Project 03501- Contractor payments increased \$3.7k, EKPC Payroll & Benefits increased \$0.5k, Materials increased \$0.1k.  
No significant maintenance performed.

**East Kentucky Power Cooperative, Inc.**  
**Environmental Surcharge Operating and Expense Month over Month Analysis**  
**For the Expense Period December 2020 to May 2021**

January 2021

Project 03330- Contractor payments decreased \$14.8k, EKPC Payroll & Benefits decreased \$6.8k, Materials decreased \$1.5k.  
Project 03501- Contractor payments increased \$4.9k, EKPC Payroll & Benefits decreased \$2.3k, Materials decreased \$0.1k.  
No significant maintenance performed.

February 2021

Project 03330- EKPC Payroll & Benefits increased \$3.8k.  
Project 03501- Contractor payments decreased \$5.3k, EKPC Payroll & Benefits increased \$1.1k, Accruals increased \$3.6k.  
No significant maintenance performed.

March 2021

Project 03330- Contractor payments increased \$3.6k, EKPC Payroll & Benefits decreased \$0.5k, Materials increased \$7.8k, Accruals increased \$101.8k.  
Project 03501- Contractor payments increased \$14.5k, EKPC Payroll & Benefits increased \$1.7k, Materials increased \$9.1k, Accruals increased \$35.8k.  
No significant maintenance performed.

April 2021

Project 03330- Contractor payments decreased \$3.7k, EKPC Payroll & Benefits increased \$11.7k, Materials decreased \$6.6k, Accruals decreased \$41.5k.  
Project 03501- Contractor payments increased \$73.6k, EKPC Payroll & Benefits increased \$13.4k, Materials decreased \$9k, Accruals decreased \$80.5k.  
No significant maintenance performed.

May 2021

Project 03330- Contractor payments increased \$203.2k, EKPC Payroll & Benefits decreased \$11.8k, Materials decreased \$1.2k, Accruals decreased \$224.9k.  
Project 03501- Contractor payments decreased \$80k, EKPC Payroll & Benefits decreased \$14.8k, Materials increased \$0.1k, Accruals increased \$36.8.  
No significant maintenance performed.

512000 - SP02	Maintenance of Boiler Plant Spurlock 2	Nov	Dec	Jan	Feb	Mar	Apr	May
Projects 03330	Expense Dollars	\$ 370,029	\$ 80,059	\$ 27,811	\$ 7,105	\$ 29,646	\$ 4,112	\$ 290,920
and 03501	Expense Dollars Change		\$ (289,970)	\$ (52,248)	\$ (20,706)	\$ 22,541	\$ (25,534)	\$ 286,808
	Percent Change		-78.36%	-65.26%	-74.45%	317.26%	-86.13%	6974.90%

**Project 03330 is for the Spurlock 2 Electrostatic Precipitator and Project 03501 is for Spurlock 2 SCR maintenance.**

December 2020

Project 03330- Contractor payments increased \$368.5k, EKPC Payroll & Benefits decreased \$27.8k, Materials increased \$14.5k, Accruals decreased \$608.3k.  
Project 03501- Contractor payments increased \$18.4k, EKPC Payroll & Benefits decreased \$0.2k, Materials increased \$0.1k, Accruals decreased \$55.2k.  
No significant maintenance performed.

January 2021

Project 03330- Contractor payments decreased \$409.5k, EKPC Payroll & Benefits decreased \$3.4k, Materials decreased \$31.2k, Accruals increased \$384.1k.  
Project 03501- Contractor payments decreased \$41.9k, EKPC Payroll & Benefits increased \$0.6k, Materials increased \$15k, Accruals increased \$34.1k.  
No significant maintenance performed.

**East Kentucky Power Cooperative, Inc.**  
**Environmental Surcharge Operating and Expense Month over Month Analysis**  
**For the Expense Period December 2020 to May 2021**

February 2021

Project 03330- Contractor payments decreased \$58.5k, EKPC Payroll & Benefits increased \$3.4k, Materials increased \$15.6k, Accruals increased \$46.9k.  
Project 03501- Contractor payments increased \$6.9k, EKPC Payroll & Benefits increased \$2.9k, Materials decreased \$14.8k, Accruals decreased \$23.1k.  
No significant maintenance performed.

March 2021

Project 03330- Contractor payments increased \$1k, EKPC Payroll & Benefits decreased \$0.5k, Materials decreased \$0.2k.  
Project 03501- Contractor payments decreased \$2.5k, EKPC Payroll & Benefits increased \$10k, Materials increased \$0.4k, Accruals increased \$14.3k.  
No significant maintenance performed.

April 2021

Project 03330- EKPC Payroll & Benefits decreased \$1.5k, Materials increased \$.3k, Accruals decreased \$.9k.  
Project 03501- EKPC Payroll & Benefits decreased \$14k, Materials decreased \$1k, Accruals decreased \$8.4k.  
No significant maintenance performed.

May 2021

Project 03330- Contractor payments increased \$2.1k, EKPC Payroll & Benefits no change, Materials increased \$4.7k, Accruals decreased \$2.9k.  
Project 03501- Contractor payments increased \$283.9k, EKPC Payroll & Benefits decreased \$1.4k, Materials increased \$3.3k, Accruals decreased \$2.9k.  
No significant maintenance performed.

512000 - SP03	Maintenance of Boiler Plant Gilbert	Nov	Dec	Jan	Feb	Mar	Apr	May
Projects 03206	Expense Dollars	\$ 134,497	\$ 154,265	\$ 85,538	\$ 392,667	\$ 557,328	\$ 996,447	\$ 2,675,153
and 03350	Expense Dollars Change		\$ 19,768	\$ (68,727)	\$ 307,129	\$ 164,661	\$ 439,119	\$ 1,678,706
	Percent Change		14.70%	-44.55%	359.06%	41.93%	78.79%	168.47%

**Project 03206 is for Spurlock 3 Boiler Pollution Control equipment and Project 03350 is for Spurlock 3 Bag House, SNCR and FDA equipment.**

December 2020

Project 03206- Contractor payments decreased \$118.1k, EKPC Payroll & Benefits increased \$7.7k, Materials increased \$6.7k, Accruals increased \$70.4k.  
Project 03350- Contractor payments increased \$21.1k, EKPC Payroll & Benefits increased \$11.1k, Materials decreased \$8.7k, Accruals increased \$29.6k.  
No significant maintenance performed.

January 2021

Project 03206- Contractor payments decreased \$13.7k, EKPC Payroll & Benefits decreased \$17.5k, Materials decreased \$9.5k, Accruals decreased \$19.4k.  
Project 03350- Contractor payments decreased \$3k, EKPC Payroll & Benefits increased \$16k, Materials increased \$9.6k, Accruals decreased \$31.2k.  
No significant maintenance performed.

February 2021

Project 03206- Contractor payments increased \$221.3k, EKPC Payroll & Benefits increased \$21.3k, Materials increased \$14.7k, Accruals increased \$12k.  
Project 03350- Contractor payments decreased \$22.5k, EKPC Payroll & Benefits decreased \$16.7k, Materials increased \$35.2k, Accruals increased \$41.8k.  
No significant maintenance performed.

**East Kentucky Power Cooperative, Inc.**  
**Environmental Surcharge Operating and Expense Month over Month Analysis**  
**For the Expense Period December 2020 to May 2021**

**March 2021**

Project 03206- Contractor payments decreased \$169.9k, EKPC Payroll & Benefits decreased \$9.7k, Materials increased \$6.4k, Accruals decreased \$3.9k.  
Project 03350- Contractor payments increased \$292.4k, EKPC Payroll & Benefits increased \$24.6k, Materials increased \$1k, Accruals increased \$23.8k.  
No significant maintenance performed.

**April 2021**

Project 03206- Contractor payments increased \$311.4k, EKPC Payroll & Benefits decreased \$17.4k, Materials increased \$77.6k, Accruals increased \$57k.  
Project 03350- Contractor payments increased \$59.9k, EKPC Payroll & Benefits decreased \$4.4k, Materials increased \$39k, Accruals decreased \$84k.  
Filter bag for Alstom Boiler \$403k; Short Outage Vacuum \$82k

**May 2021**

Project 03206- Contractor payments increased \$1,297k, EKPC Payroll & Benefits increased \$80.1k, Materials decreased \$44.4k, Accruals increased \$190.3k.  
Project 03350- Contractor payments decreased \$92.7k, EKPC Payroll & Benefits increased \$5.2k, Materials decreased \$67.6k, Accruals increased \$310.8k.  
T&M REFRACTORY SERVICES DURING OUTAGE \$2M; Vacuum \$328k

512000 - SP04	Maintenance of Boiler Plant Spurlock 4	Nov	Dec	Jan	Feb	Mar	Apr	May
Projects 03206 and 03350	Expense Dollars	\$ 424,832	\$ 192,553	\$ 149,966	\$ 89,522	\$ 88,063	\$ 104,668	\$ 96,546
	Expense Dollars Change		\$ (232,279)	\$ (42,587)	\$ (60,444)	\$ (1,459)	\$ 16,605	\$ (8,122)
	Percent Change		-54.68%	-22.12%	-40.31%	-1.63%	18.86%	-7.76%

**Project 03206 is for Spurlock 4 Boiler Pollution Control equipment and Project 03350 is for Spurlock 4 Bag House, SNCR and FDA equipment.**

**December 2020**

Project 03206- Contractor payments decreased \$385.6k, EKPC Payroll & Benefits decreased \$5.3k, Materials increased \$59k, Accruals increased \$119.7k.  
Project 03350- Contractor payments decreased \$332.9k, EKPC Payroll & Benefits increased \$8.8k, Materials increased \$3.3k, Accruals increased \$300.7k.  
No significant maintenance performed.

**January 2021**

Project 03206- Contractor payments increased \$70.7k, EKPC Payroll & Benefits decreased \$9.6k, Materials decreased \$72.2k, Accruals decreased \$17.7k.  
Project 03350- Contractor payments decreased \$0.3k, EKPC Payroll & Benefits decreased \$12.8k, Materials increased \$9k, Accruals decreased \$9.7k.  
No significant maintenance performed.

**February 2021**

Project 03206- Contractor payments decreased \$108.2k, EKPC Payroll & Benefits increased \$13.9k, Materials increased \$19k, Accruals increased \$26k.  
Project 03350- Contractor payments decreased \$32.6k, EKPC Payroll & Benefits increased \$11.2k, Materials decreased \$5.8k, Accruals increased \$16.1k.  
No significant maintenance performed.

**March 2021**

Project 03206- Contractor payments increased \$27.5k, EKPC Payroll & Benefits increased \$0.3k, Materials decreased \$13.3k, Accruals decreased \$22k.  
Project 03350- Contractor payments increased \$25.6k, EKPC Payroll & Benefits decreased \$6.9k, Materials decreased \$2.1k, Accruals decreased \$10.6k.  
No significant maintenance performed.



**East Kentucky Power Cooperative, Inc.**  
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**For the Expense Period December 2020 to May 2021**

**April 2021**

Project 03206- Contractor payments decreased \$15.7k, EKPC Payroll & Benefits increased \$2.6k, Materials decreased \$7.3k, Accruals increased \$10.5k.  
Project 03350- Contractor payments decreased \$1.3k, EKPC Payroll & Benefits increased \$19.5k, Materials increased \$2.2k, Accruals increased \$6.1k.  
No significant maintenance performed.

**May 2021**

Project 03206- Contractor payments decreased \$0.6k, EKPC Payroll & Benefits decreased \$7.4k, Materials increased \$1.9k, Accruals decreased \$1.3k.  
Project 03350- Contractor payments increased \$8.5k, EKPC Payroll & Benefits decreased \$16.1k, Materials increased \$6.5k, Accruals increased \$0.4k.  
No significant maintenance performed.

512000 - SP21	Maintenance of Boiler Plant Scrubber 1	Nov	Dec	Jan	Feb	Mar	Apr	May
Project 03521	Expense Dollars	\$ 78,199	\$ 140,284	\$ (38,642)	\$ 368,571	\$ 409,091	\$ 440,147	\$ 114,878
	Expense Dollars Change		\$ 62,085	\$ (178,926)	\$ 407,213	\$ 40,520	\$ 31,056	\$ (325,269)
	Percent Change		79.39%	-127.55%	-1053.81%	10.99%	7.59%	-73.90%

**December 2020**

Project 03521- Contractor payments increased \$28.6k, EKPC Payroll & Benefits increased \$2.3k, Materials decreased \$5.6k, Accruals increased \$36.8k.  
No significant maintenance performed.

**January 2021**

Project 03521- Contractor payments decreased \$62.7k, EKPC Payroll & Benefits decreased \$11.5k, Materials decreased \$5.6k, Accruals decreased \$99.1k.  
No significant maintenance performed.

**February 2021**

Project 03521- Contractor payments increased \$201.1k, EKPC Payroll & Benefits increased \$10.7k, Materials increased \$111.2k, Accruals increased \$84.2k.  
No significant maintenance performed.

**March 2021**

Project 03521- Contractor payments increased \$16.1k, EKPC Payroll & Benefits increased \$1k, Materials decreased \$81.3k, Accruals increased \$104.7k.  
No significant maintenance performed.

**April 2021**

Project 03521- Contractor payments increased \$218.3k, EKPC Payroll & Benefits increased \$18.1k, Materials decreased \$35.8k, Accruals decreased \$169.5k.  
No significant maintenance performed.

**May 2021**

Project 03521- Contractor payments decreased \$304.5k, EKPC Payroll & Benefits decreased \$24.1k, Materials increased \$4.3k, Accruals decreased \$1k.  
No significant maintenance performed.

East Kentucky Power Cooperative, Inc.  
Environmental Surcharge Operating and Expense Month over Month Analysis  
For the Expense Period December 2020 to May 2021

512000 - SP22	Maintenance of Boiler Plant Scrubber 2	Nov	Dec	Jan	Feb	Mar	Apr	May
Project 03521	Expense Dollars	\$ 379,152	\$ 808,348	\$ (100,847)	\$ 156,244	\$ 212,664	\$ 179,308	\$ 134,671
	Expense Dollars Change		\$ 429,196	\$ (909,195)	\$ 257,091	\$ 56,420	\$ (33,356)	\$ (44,637)
	Percent Change		113.20%	-112.48%	-254.93%	36.11%	-15.68%	-24.89%

December 2020

Project 03521- Contractor payments increased \$149.3k, EKPC Payroll & Benefits increased \$1.1k, Materials increased \$6.6k, Accruals increased \$272.2k.  
No significant maintenance performed.

January 2021

Project 03521- Contractor payments decreased \$402k, EKPC Payroll & Benefits decreased \$5.7k, Materials increased \$61.6k, Accruals decreased \$563.1k.  
No significant maintenance performed.

February 2021

Project 03521- Contractor payments increased \$81.5k, EKPC Payroll & Benefits increased \$6.1k, Materials decreased \$112.6k, Accruals increased \$282.1k.  
No significant maintenance performed.

March 2021

Project 03521- Contractor payments increased \$2.7k, EKPC Payroll & Benefits increased \$2.5k, Materials increased \$73.9k, Accruals decreased \$22.7k.  
No significant maintenance performed.

April 2021

Project 03521- Contractor payments decreased \$8k, EKPC Payroll & Benefits decreased \$18.1k, Materials decreased \$40.3k, Accruals increased \$33k.  
No significant maintenance performed.

May 2021

Project 03521- Contractor payments decreased \$41.7k, EKPC Payroll & Benefits increased \$3.2k, Materials decreased \$62.1k, Accruals increased \$56k.  
No significant maintenance performed.

East Kentucky Power Cooperative, Inc.  
Environmental Surcharge Operating and Expense Month over Month Analysis  
For the Expense Period December 2020 to May 2021

Air Permit Fees

506002 - CP00	Misc Stm Pwr Env - Cooper	Nov	Dec	Jan	Feb	Mar	Apr	May
	Expense Dollars	\$ -	\$ 30,559	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense Dollars Change		\$ 30,559	\$ (30,559)	\$ -	\$ -	\$ -	\$ -
	Percent Change			-100.00%				

506002 - SP00	Misc Stm Pwr Env - Spurlock	Nov	Dec	Jan	Feb	Mar	Apr	May
	Expense Dollars	\$ 51,329	\$ 710,691	\$ 11,300	\$ 13,910	\$ 67,552	\$ -	\$ 14,760
	Expense Dollars Change		\$ 659,362	\$ (699,391)	\$ 2,610	\$ 53,642	\$ (67,552)	\$ 14,760
	Percent Change		1284.58%	-98.41%	23.10%	385.64%	-100.00%	

Air permit fees paid for Cooper and Spurlock for calendar 2019 emissions.

Operating Expense- Ammonia

506001 - CPxx	Misc Stm Pwr Exp - Cooper	Nov	Dec	Jan	Feb	Mar	Apr	May
	Expense Dollars	\$ (6,370)	\$ -	\$ -	\$ 38,894	\$ 11,410	\$ -	\$ 14,067
	Expense Dollars Change		\$ 6,370	\$ -	\$ 38,894	\$ (27,484)	\$ (11,410)	\$ 14,067
	Percent Change		-100.00%			-70.66%	-100.00%	

The monthly change in expense is due to the increase or decrease in Ammonia usage.

Operating Expense- Ammonia

506001 - CP22	Misc Stm Pwr Exp - Cooper Unit #2 AQCS	Nov	Dec	Jan	Feb	Mar	Apr	May
	Expense Dollars	\$ (35,662)	\$ 80,516	\$ -	\$ 539,189	\$ -	\$ 146,271	\$ 126,912
	Expense Dollars Change		\$ 116,178	\$ (80,516)	\$ 539,189	\$ (539,189)	\$ 146,271	\$ (19,359)
	Percent Change		-325.78%	-100.00%		-100.00%		-13.24%

The monthly change in expense is due to the increase or decrease in Ammonia usage based on generation.

Operating Expense- Ammonia

506001 - SP01	Misc Stm Pwr Exp - Spurlock 1	Nov	Dec	Jan	Feb	Mar	Apr	May
	Expense Dollars	\$ 16,816	\$ 92,496	\$ 58,654	\$ 50,928	\$ 25,232	\$ 60,018	\$ 96,185
	Expense Dollars Change		\$ 75,680	\$ (33,842)	\$ (7,726)	\$ (25,696)	\$ 34,786	\$ 36,167
	Percent Change		450.05%	-36.59%	-13.17%	-50.46%	137.86%	60.26%

The monthly change in expense is due to the increase or decrease in Ammonia usage based on generation.

506001 - SP02	Misc Steam Power Exp - Spurlock 2	Nov	Dec	Jan	Feb	Mar	Apr	May
	Expense Dollars	\$ -	\$ 29,000	\$ 38,835	\$ 38,652	\$ 35,171	\$ 63,396	\$ 44,951
	Expense Dollars Change		\$ 29,000	\$ 9,835	\$ (183)	\$ (3,481)	\$ 28,225	\$ (18,445)
	Percent Change			33.91%	-0.47%	-9.01%	80.25%	-29.09%

The monthly change in expense is due to the increase or decrease in Ammonia usage based on generation.

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For the Expense Period December 2020 to May 2021

Operating Expense- Ammonia and Limestone

506001 - SP03	Misc Steam Power Expense- Gilbert	Nov	Dec	Jan	Feb	Mar	Apr	May
	Ammonia Expense	\$ 10,472	\$ (104,274)	\$ 38,346	\$ 38,987	\$ 34,593	\$ 44,216	\$ 23,314
	Limestone Expense	\$ 297,493	\$ 524,591	\$ 396,274	\$ 384,841	\$ 275,546	\$ 294,224	\$ 97,074
	Limestone Tons Used	21,148	37,272	27,445	26,325	18,747	19,905	6,533
	Total Expense Dollars	\$ 307,965	\$ 420,317	\$ 434,620	\$ 423,828	\$ 310,139	\$ 338,440	\$ 120,388
	Expense Dollars Change		\$ 112,352	\$ 14,303	\$ (10,792)	\$ (113,689)	\$ 28,301	\$ (218,052)
	Percent Change		36.48%	3.40%	-2.48%	-26.82%	9.13%	-64.43%

Limestone is stockpiled throughout the year and taken from the stockpile for usage. There may be slight variances in the cost according to fluctuations in contract prices and freight cost per shipment of limestone, but the noted change in limestone primarily reflects the level of stockpile usage by the unit for the month indicated.

December 2020 - Limestone expenses increased \$227.1k and Ammonia expenses decreased \$114.7k.  
Tons burned increased 16,124.

January 2021 - Limestone expenses decreased \$128.3k and Ammonia expenses increased \$142.6k.  
Tons burned decreased 9,827.

February 2021 - Limestone expenses decreased \$11.4k and Ammonia expenses increased \$0.6k.  
Tons burned decreased 1,120.

March 2021 - Limestone expenses decreased \$109.3k and Ammonia expenses decreased \$4.4k.  
Tons burned decreased 7,578.

April 2021 - Limestone expenses increased \$18.7k and Ammonia expenses increased \$9.6k.  
Tons burned increased 1,158.

May 2021 - Limestone expenses decreased \$197.1k and Ammonia expenses decreased \$20.9k.  
Tons burned decreased 13,372.

Operating Expense- Limestone and Magnesium

506001 - SP21	Misc Stm Pwr Exp- Spurlock 1	Nov	Dec	Jan	Feb	Mar	Apr	May
	Magnesium Expense	\$ 16,480	\$ 15,895	\$ 19,465	\$ 18,601	\$ 15,687	\$ 202,748	\$ 19,703
	Limestone Expense	\$ 95,228	\$ 106,159	\$ 107,735	\$ 79,887	\$ 38,228	\$ 60,484	\$ 86,929
	Limestone Tons Used	8,485	10,590	9,399	6,835	3,245	5,096	7,269
	Expense Dollars	\$ 111,708	\$ 122,054	\$ 127,200	\$ 98,488	\$ 53,915	\$ 263,232	\$ 106,632
	Expense Dollars Change		\$ 10,346	\$ 5,146	\$ (28,712)	\$ (44,573)	\$ 209,317	\$ (156,600)
	Percent Change		9.26%	4.22%	-22.57%	-45.26%	388.24%	-59.49%

**East Kentucky Power Cooperative, Inc.**  
**Environmental Surcharge Operating and Expense Month over Month Analysis**  
**For the Expense Period December 2020 to May 2021**

Limestone is stockpiled throughout the year and taken from the stockpile for usage. There may be slight variances in the cost according to fluctuations in contract prices and freight cost per shipment of limestone, but the noted change in limestone primarily reflects the level of stockpile usage by the unit for the month indicated.

December 2020 - Limestone expenses increased \$10.9k and Ammonia expenses decreased \$0.6k.  
Tons burned increased 2,105.

January 2021 - Limestone expenses increased \$1.5k and Ammonia expenses increased \$3.6k.  
Tons burned decreased 1,191.

February 2021 - Limestone expenses decreased \$27.8k and Ammonia expenses decreased \$0.9k.  
Tons burned decreased 2,563.

March 2021 - Limestone expenses decreased \$41.7k and Ammonia expenses decreased \$2.9k.  
Tons burned decreased 3,590.

April 2021 - Limestone expenses increased \$22.3k and Ammonia expenses increased \$187k.  
Tons burned increased 1,851.

May 2021- Limestone expenses increased \$26.4k and Ammonia expenses decreased \$183k.  
Tons burned increased 2,173.

**Operating Expense-Limestone and Magnesium**

506001 - SP22	Misc Stm Pwr Exp- Spurlock 2	Nov	Dec	Jan	Feb	Mar	Apr	May
	Magnesium Expense	\$ 10,540	\$ 127,594	\$ 135,556	\$ 152,114	\$ 155,293	\$ (84,439)	\$ 108,521
	Limestone Expense	\$ -	\$ 135,112	\$ 191,529	\$ 162,194	\$ 143,809	\$ 181,452	\$ 110,637
	Limestone Tons Used	-	13,478	16,708	13,878	12,208	15,288	9,251
	Expense Dollars	\$ 10,540	\$ 262,706	\$ 327,085	\$ 314,308	\$ 299,102	\$ 97,013	\$ 219,158
	Expense Dollars Change		\$ 252,166	\$ 64,379	\$ (12,777)	\$ (15,206)	\$ (202,089)	\$ 122,145
	Percent Change		2392.47%	24.51%	-3.91%	-4.84%	-67.57%	125.91%

Limestone is stockpiled throughout the year and taken from the stockpile for usage. There may be slight variances in the cost according to fluctuations in contract prices and freight cost per shipment of limestone, but the noted change in limestone primarily reflects the level of stockpile usage by the unit for the month indicated.

December 2020 - Limestone expenses increased \$135.1k and Ammonia expenses increased \$117.1k.  
Tons burned increased 13,478.

January 2021 - Limestone expenses increased \$56.4k and Ammonia expenses increased by \$8k.  
Tons burned increased 3,231.

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**Environmental Surcharge Operating and Expense Month over Month Analysis**  
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February 2021 - Limestone expenses decreased \$29.3k and Ammonia expenses increased \$16.5k.  
Tons burned decreased 2,831.

March 2021 - Limestone expenses decreased \$18.4k and Ammonia expenses increased \$3.2k.  
Tons burned decreased 1,670.

April 2021 - Limestone expenses increased \$37.6k and Ammonia expenses decreased \$239.7k.  
Tons burned increased 3,080.

May 2021 - Limestone expenses decreased \$70.8k and Ammonia expenses increased \$192.9k.  
Tons burned decreased 6,037.

**Operating Expense- Ammonia and Limestone**

506001 - SP04	Misc Stm Pwr Exp- Spurlock 4	Nov	Dec	Jan	Feb	Mar	Apr	May
	Ammonia Expense	\$ 11,327	\$ 44,284	\$ 37,096	\$ 38,101	\$ 37,641	\$ 47,458	\$ 43,502
	Limestone Expense	\$ 364,370	\$ 387,926	\$ 420,766	\$ 404,755	\$ 404,868	\$ 410,370	\$ 359,952
	Limestone Tons Used	25,903	27,565	29,145	27,687	27,535	27,722	24,225
	Expense Dollars	\$ 375,697	\$ 432,210	\$ 457,862	\$ 442,856	\$ 442,509	\$ 457,828	\$ 403,454
	Expense Dollars Change		\$ 56,513	\$ 25,652	\$ (15,006)	\$ (347)	\$ 15,319	\$ (54,374)
	Percent Change		15.04%	5.94%	-3.28%	-0.08%	3.46%	-11.88%

Limestone is stockpiled throughout the year and taken from the stockpile for usage. There may be slight variances in the cost according to fluctuations in contract prices and freight cost per shipment of limestone, but the noted change in limestone primarily reflects the level of stockpile usage by the unit for the month indicated.

December 2020 - Limestone expenses increased \$23.6k and Ammonia expenses increased \$32.9k.  
Tons burned increased 1,662.

January 2021 - Limestone expenses increased \$32.8k and Ammonia expenses decreased \$7.1k.  
Tons burned increased 1,580.

February 2021 - Limestone expenses decreased \$16k and Ammonia expenses increased \$1k.  
Tons burned decreased 1,458.

March 2021 - Limestone expenses increased \$0.1k and Ammonia expenses decreased \$0.5k.  
Tons burned decreased 152.

April 2021 - Limestone expenses increased \$5.5k and Ammonia expenses increased \$9.8k.  
Tons burned increased 187.

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For the Expense Period June 2021 to November 2021

		2021	2021	2021	2021	2021	2021	2021
501010 - SP01	Fuel Coal Spurlock 1	May	June	July	Aug	Sept	Oct	Nov
400-2610	Expense Dollars	\$ 155,569	\$ 159,909	\$ 172,226	\$ 145,196	\$ 12,247	\$ 17,501	\$ 17,192
	Expense Dollars Change		\$ 4,340	\$ 12,317	\$ (27,030)	\$ (132,950)	\$ 5,255	\$ (309)
	Percent Change		2.79%	7.70%	-15.69%	-91.57%	42.91%	-1.77%

Monthly expense changes are due to increases or decreases in volume of ash removed.

		May	June	July	Aug	Sept	Oct	Nov
501010 - SP02	Fuel Coal Spurlock 2	May	June	July	Aug	Sept	Oct	Nov
400-2610	Expense Dollars	\$ 260,603	\$ 146,560	\$ 275,399	\$ 224,910	\$ 22,963	\$ 8,305	\$ 1,270
	Expense Dollars Change		\$ (114,043)	\$ 128,839	\$ (50,489)	\$ (201,947)	\$ (14,658)	\$ (7,035)
	Percent Change		-43.76%	87.91%	-18.33%	-89.79%	-63.83%	-84.71%

Monthly expense changes are due to increases or decreases in volume of ash removed.

		May	June	July	Aug	Sept	Oct	Nov
501010 - SP03	Fuel Coal Gilbert	May	June	July	Aug	Sept	Oct	Nov
400-2610	Expense Dollars	\$ 25,461	\$ 209,590	\$ -	\$ 181,326	\$ 32,584	\$ 31,994	\$ 33,156
	Expense Dollars Change		\$ 184,129	\$ (209,590)	\$ 181,326	\$ (148,742)	\$ (590)	\$ 1,162
	Percent Change		723.18%	-100.00%	-	-82.03%	-1.81%	3.63%

Monthly expense changes are due to increases or decreases in volume of ash removed.

		May	June	July	Aug	Sept	Oct	Nov
501010 - SP04	Fuel Coal Spurlock 4	May	June	July	Aug	Sept	Oct	Nov
400-2610	Expense Dollars	\$ 208,664	\$ 260,308	\$ -	\$ 190,057	\$ 33,490	\$ 26,644	\$ 6,508
	Expense Dollars Change		\$ 51,644	\$ (260,308)	\$ 190,057	\$ (156,567)	\$ (6,846)	\$ (20,136)
	Percent Change		24.75%	-100.00%	-	-82.38%	-20.44%	-75.57%

Monthly expense changes are due to increases or decreases in volume of ash removed.

		May	June	July	Aug	Sept	Oct	Nov
501010 - CPxx	Fuel Coal Cooper (Unit 2 AQCS)	May	June	July	Aug	Sept	Oct	Nov
Project 02610	Expense Dollars	\$ 24,343	\$ -	\$ 4,955	\$ 40,915	\$ 28,629	\$ 26,042	\$ 10,152
	Expense Dollars Change		\$ (24,343)	\$ 4,955	\$ 35,960	\$ (12,287)	\$ (2,587)	\$ (15,890)
	Percent Change		-100.00%	-	725.73%	-30.03%	-9.03%	-61.02%

Monthly expense changes are due to increases or decreases in volume of ash removed.

		May	June	July	Aug	Sept	Oct	Nov
512000 - CPxx	Maintenance of Cooper (Unit 2 AQCS)	May	June	July	Aug	Sept	Oct	Nov
Projects 03350 and 03521	Expense Dollars	\$ 17,019	\$ 20,960	\$ 14,744	\$ 7,396	\$ 10,294	\$ 65,693	\$ 131,947
	Expense Dollars Change		\$ 3,941	\$ (6,216)	\$ (7,348)	\$ 2,898	\$ 55,399	\$ 66,254
	Percent Change		23.16%	-29.66%	-49.84%	39.19%	538.16%	100.85%

Project 03350 is Bag House, Dry Scrub, SNCR & SCR, Project 03521 is Scrubber Maintenance

**East Kentucky Power Cooperative, Inc.**  
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June 2021

Project 03350- Contractor payments no change, EKPC Payroll & Benefits decreased \$0.6k, Materials decreased \$1.5k, Accruals decreased \$0.2k.  
 Project 03521- Contractor payments decreased \$0.4k, EKPC Payroll & Benefits increased \$14.8k, Materials decreased \$8.5k, Accruals increased \$0.4k.  
 No significant maintenance performed.

July 2021

Project 03350- Contractor payments decreased \$1.4k, EKPC Payroll & Benefits no change, Materials decreased \$0.6k, Accruals no change.  
 Project 03521- Contractor payments increased \$2.9k, EKPC Payroll & Benefits decreased \$9.9k, Materials increased \$0.4k, Accruals increased \$2.4k.  
 No significant maintenance performed.

August 2021

Project 03350- Contractor payments increased \$6.4k, EKPC Payroll & Benefits increased \$0.3k, Materials no change, Accruals decreased \$1.8k.  
 Project 03521- Contractor payments decreased \$1.8k, EKPC Payroll & Benefits decreased \$6.2k, Materials increased \$0.5k, Accruals decreased \$4.7k.  
 No significant maintenance performed.

September 2021

Project 03350- Contractor payments decreased \$6.4k, EKPC Payroll & Benefits increased \$1.5k, Materials increased \$1.3k, Accruals increased \$1.9k.  
 Project 03521- Contractor payments decreased \$2.1k, EKPC Payroll & Benefits increased \$3.1k, Materials increased \$0.2k, Accruals increased \$3.3k.  
 No significant maintenance performed.

October 2021

Project 03350- Contractor payments increased \$4.2k, EKPC Payroll & Benefits increased \$4.7k, Materials decreased \$0.4k, Accruals decreased \$2.9k.  
 Project 03521- Contractor payments increased \$29.8k, EKPC Payroll & Benefits increased \$22.2k, Materials decreased \$0.4k, Accruals decreased \$1.8k.  
 No significant maintenance performed.

November 2021

Project 03350- Contractor payments increased \$5.5k, EKPC Payroll & Benefits decreased \$4.7k, Materials decreased \$0.7k, Accruals increased \$3.2k.  
 Project 03521- Contractor payments decreased \$22.2k, EKPC Payroll & Benefits decreased \$18.7k, Materials increased \$9.9k, Accruals increased \$94k.  
 No significant maintenance performed.

512000 - SP01	Maintenance of Boiler Plant Spurlock 1	May	June	July	Aug	Sept	Oct	Nov
Projects 03330	Expense Dollars	\$ 48,531	\$ 20,852	\$ 28,365	\$ 11,916	\$ 12,493	\$ 40,252	\$ 20,635
and 03501	Expense Dollars Change		\$ (27,679)	\$ 7,513	\$ (16,449)	\$ 577	\$ 27,759	\$ (19,617)
	Percent Change		-57.03%	36.03%	-57.99%	4.84%	222.20%	-48.74%

Project 03330 is for the Spurlock 1 Electrostatic Precipitator and Project 03501 is for Spurlock 1 SCR maintenance.

June 2021

Project 03330- Contractor payments decreased \$26.7k, EKPC Payroll & Benefits increased \$2.9k  
 Project 03501- Contractor payments decreased \$6.9k, EKPC Payroll & Benefits increased \$2k, Materials increased \$0.7k.  
 No significant maintenance performed.



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July 2021

Project 03330- Contractor payments decreased \$12.6k, EKPC Payroll & Benefits increased \$1.3k, Materials increased \$1.6k.  
Project 03501- Contractor payments increased \$16.3k, EKPC Payroll & Benefits increased \$0.6k, Materials increased \$0.2k.  
No significant maintenance performed.

August 2021

Project 03330- EKPC Payroll & Benefits decreased \$1.5k.  
Project 03501- Contractor payments decreased \$14.9, EKPC Payroll & Benefits increased \$1.1k, Accruals increased \$3.6k.  
No significant maintenance performed.

September 2021

Project 03330- Contractor payments increased 4.7k, EKPC Payroll & Benefits decreased \$0.6k, Materials decreased \$2.3k.  
Project 03501- Contractor payments increased \$1.4k, EKPC Payroll & Benefits decreased \$2.6k.  
No significant maintenance performed.

October 2021

Project 03330- Contractor payments decreased \$3k, EKPC Payroll & Benefits increased \$2k, Materials increased \$2.5k.  
Project 03501- Contractor payments increased \$18.2k, EKPC Payroll & Benefits increased \$7.2k.  
No significant maintenance performed.

November 2021

Project 03330- Contractor payments increased \$10.3k, EKPC Payroll & Benefits decreased \$1.6k, Materials decreased \$2.5k.  
Project 03501- Contractor payments decreased \$20.6k, EKPC Payroll & Benefits decreased \$5.3k/  
No significant maintenance performed.

512000 - SP02	Maintenance of Boiler Plant Spurlock 2	May	June	July	Aug	Sept	Oct	Nov
Projects 03330	Expense Dollars	\$ 290,920	\$ 39,686	\$ 75,650	\$ 25,247	\$ 621,680	\$ 422,858	\$ 382,104
and 03501	Expense Dollars Change		\$ (251,234)	\$ 35,964	\$ (50,403)	\$ 596,433	\$ (198,822)	\$ (40,754)
	Percent Change		-86.36%	90.62%	-66.63%	2362.39%	-31.98%	-9.64%

**Project 03330 is for the Spurlock 2 Electrostatic Precipitator and Project 03501 is for Spurlock 2 SCR maintenance.**

June 2021

Project 03330- Contractor payments decreased \$1.9k, EKPC Payroll & Benefits increased \$10.7k, Materials increased \$6.5k, Accruals increased \$2.9k.  
Project 03501- Contractor payments decreased \$283.8k, EKPC Payroll & Benefits increased \$12.7k, Materials decreased \$1.2k, Accruals increased \$3k.  
No significant maintenance performed.

July 2021

Project 03330- Contractor payments increased \$25.6k, EKPC Payroll & Benefits decreased \$7.9k, Materials decreased \$4.6k.  
Project 03501- Contractor payments increased \$21.5k, EKPC Payroll & Benefits decreased \$2.8k, Materials decreased \$0.7k, Accruals increased \$4.9k.  
No significant maintenance performed.

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August 2021

Project 03330- Contractor payments decreased \$21.9k, EKPC Payroll & Benefits increased \$3.2k, Materials decreased \$17.1k, Accruals increased \$5.7k.  
Project 03501- Contractor payments decreased \$15.1k, EKPC Payroll & Benefits decreased \$4.2k, Materials decreased \$1k.  
No significant maintenance performed.

September 2021

Project 03330- Contractor payments increased \$11.7k, EKPC Payroll & Benefits decreased \$7.5k, Materials increased \$4.8k, Accruals decreased \$11.4k.  
Project 03501- Contractor payments increased \$600.2k, EKPC Payroll & Benefits increased \$1.4k, Materials increased \$6.9k, Accruals decreased \$9.7k.  
U2 Catalyst \$597K

October 2021

Project 03330- Contractors increased \$265.6k, EKPC Payroll & Benefits increased \$9.3k, Materials increased \$15.7k, Accruals increased \$6.4k.  
Project 03501- Contractor payments decreased \$535.8k, EKPC Payroll & Benefits increased \$7.2k, Materials decreased \$5.8k, Accruals increased \$38.5k.  
No significant maintenance performed.

November 2021

Project 03330- Contractor payments decreased \$269k, EKPC Payroll & Benefits decreased \$9.1k, Materials decreased \$5.2k, Accruals increased \$2.1k.  
Project 03501- Contractor payments increased \$201.3k, EKPC Payroll & Benefits decreased \$13.7k, Materials decreased \$1.5k, Accruals increased \$54.4k.  
Fall 2021 Outage Layer #3 Catalyst Install \$233k

512000 - SP03	Maintenance of Boiler Plant Gilbert	May	June	July	Aug	Sept	Oct	Nov
Projects 03206 and 03350	Expense Dollars	\$ 2,675,153	\$ 147,780	\$ 450,817	\$ 132,125	\$ 97,844	\$ 60,001	\$ 115,098
	Expense Dollars Change		\$ (2,527,373)	\$ 303,037	\$ (318,692)	\$ (34,281)	\$ (37,843)	\$ 55,097
	Percent Change		-94.48%	205.06%	-70.69%	-25.95%	-38.68%	91.83%

**Project 03206 is for Spurlock 3 Boiler Pollution Control equipment and Project 03350 is for Spurlock 3 Bag House, SNCR and FDA equipment.**

June 2021

Project 03206- Contractor payments decreased \$1,351.6k, EKPC Payroll & Benefits decreased \$69.3k, Materials increased \$17.6k, Accruals decreased \$548.7k.  
Project 03350- Contractor payments increased \$66.7k, EKPC Payroll & Benefits decreased \$33.8k, Materials decreased \$14.5k, Accruals decreased \$593.6k.  
No significant maintenance performed.

July 2021

Project 03206- Contractor payments decreased \$279.1k, EKPC Payroll & Benefits decreased \$2.2k, Materials decreased \$75.9k, Accruals increased \$303k.  
Project 03350- Contractor payments decreased \$80.6k, EKPC Payroll & Benefits increased \$29k, Materials increased \$9.8k, Accruals increased \$309.2k.  
No significant maintenance performed.

August 2021

Project 03206- Contractor payments decreased \$42.8k, EKPC Payroll & Benefits increased \$4.2k, Materials increased \$29.9k, Accruals increased \$26.3k.  
Project 03350- Contractor payments decreased \$161.4k, EKPC Payroll & Benefits decreased \$30k, Materials decreased \$6.2k, Accruals decreased \$138.6k.  
No significant maintenance performed.

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September 2021

Project 03206- Contractor payments increased \$41.5k, EKPC Payroll & Benefits increased \$11.4k, Materials increased \$10k, Accruals decreased \$69k.  
Project 03350- Contractor payments decreased \$63.2k, EKPC Payroll & Benefits decreased \$1.7k, Materials increased \$8.7k, Accruals increased \$28.2k.  
No significant maintenance performed.

October 2021

Project 03206- Contractor payments decreased \$44.7k, EKPC Payroll & Benefits decreased \$13.8k, Materials decreased \$35.6k, Accruals increased \$55.2k.  
Project 03350- Contractor payments decreased \$20.5k, EKPC Payroll & Benefits increased \$4.6k, Materials decreased \$11.2k, Accruals increased \$28.1k.  
No significant maintenance performed.

November 2021

Project 03206- Contractor payments increased \$38.6k, EKPC Payroll & Benefits increased \$31k, Materials decreased \$15k, Accruals decreased \$24.8k.  
Project 03350- Contractor payments increased \$19k, EKPC Payroll & Benefits increased \$2.9k, Materials increased \$3.1k, Accruals increased \$0.3k.  
No significant maintenance performed.

512000 - SP04	Maintenance of Boiler Plant Spurlock 4	May	June	July	Aug	Sept	Oct	Nov
Projects 03206	Expense Dollars	\$ 96,546	\$ 54,487	\$ 148,657	\$ 55,348	\$ 102,334	\$ 1,014,831	\$ 1,718,221
and 03350	Expense Dollars Change		\$ (42,059)	\$ 94,170	\$ (93,309)	\$ 46,986	\$ 912,497	\$ 703,390
	Percent Change		-43.56%	172.83%	-62.77%	84.89%	891.69%	69.31%

Project 03206 is for Spurlock 4 Boiler Pollution Control equipment and Project 03350 is for Spurlock 4 Bag House, SNCR and FDA equipment.

June 2021

Project 03206- Contractor payments increased \$3.3k, EKPC Payroll & Benefits increased \$3.8k, Materials decreased \$13.5k, Accruals increased \$1.3k.  
Project 03350- Contractor payments decreased \$37.4k, EKPC Payroll & Benefits increased \$7.7k, Materials decreased \$9.3k, Accruals increased \$2k.  
No significant maintenance performed.

July 2021

Project 03206- Contractor payments decreased \$8.6k, Materials increased \$33.2k.  
Project 03350- Contractor payments increased \$16.2k, EKPC Payroll & Benefits decreased \$8.3k, Materials increased \$65.7k, Accruals decreased \$4.1k.  
No significant maintenance performed.

August 2021

Project 03206- Contractor payments decreased \$9.6k, EKPC Payroll & Benefits decreased \$7.1k, Materials decreased \$19.3k, Accruals increased \$23.2k.  
Project 03350- Contractor payments decreased \$20.9k, EKPC Payroll & Benefits decreased \$2.3k, Materials decreased \$64.6k, Accruals increased \$7.3k.  
No significant maintenance performed.

September 2021

Project 03206- Contractor payments increased \$64.55k, EKPC Payroll & Benefits increased \$3.4k, Materials decreased \$22.1k, Accruals decreased \$44.2k.  
Project 03350- Contractor payments increased \$27.4k, EKPC Payroll & Benefits increased \$7.6k, Materials increased \$7.4k, Accruals increased \$3k.  
No significant maintenance performed.

**East Kentucky Power Cooperative, Inc.**  
**Environmental Surcharge Operating and Expense Month over Month Analysis**  
**For the Expense Period June 2021 to November 2021**

October 2021

Project 03206- Contractor payments decreased \$33.1k, EKPC Payroll & Benefits increased \$26.8k, Materials increased \$54.5k, Accruals increased \$762.1k.  
Project 03350- Contractor payments increased \$22.2k, EKPC Payroll & Benefits decreased \$1.3k, Materials increased \$28.5k, Accruals increased \$52.8k.  
T&M refractory services on cyclone lower-cone brick replacement

November 2021

Project 03206- Contractor payments increased \$1,511.1k, EKPC Payroll & Benefits increased \$61.3k, Materials increased \$92.8k, Accruals decreased \$1,098.4k.  
Project 03350- Contractor payments increased \$147.1k, EKPC Payroll & Benefits increased \$36.2k, Materials increased \$0.8k, Accruals decreased \$47.6k.  
T&M refractory services on cyclone lower-cone brick placement

512000 - SP21	Maintenance of Boiler Plant Scrubber 1	May	June	July	Aug	Sept	Oct	Nov
Project 03521	Expense Dollars	\$ 114,878	\$ 42,742	\$ 60,760	\$ 199,850	\$ 227,943	\$ 179,241	\$ 119,917
	Expense Dollars Change		\$ (72,136)	\$ 18,018	\$ 139,090	\$ 28,093	\$ (48,702)	\$ (59,324)
	Percent Change		-62.79%	42.16%	228.92%	14.06%	-21.37%	-33.10%

June 2021

Project 03521- Contractor payments decreased \$60.4k, EKPC Payroll & Benefits increased \$1.4k, Materials decreased \$50.5k, Accruals increased \$37.4k.  
No significant maintenance performed.

July 2021

Project 03521- Contractor payments decreased \$27.1k, EKPC Payroll & Benefits decreased \$7k, Materials increased \$54.8k, Accruals decreased \$2.8k.  
No significant maintenance performed.

August 2021

Project 03521- Contractor payments increased \$110.6k, EKPC Payroll & Benefits increased \$1.5k, Materials increased \$26.9k.  
No significant maintenance performed.

September 2021

Project 03521- Contractor payments decreased \$54.6k, EKPC Payroll & Benefits increased \$3.4k, Materials increased \$79.2k.  
No significant maintenance performed.

October 2021

Project 03521- Contractor payments increased \$50.6k, EKPC Payroll & Benefits increased \$2.2k, Materials decreased \$102.7k, Accruals increased \$1.2k.  
No significant maintenance performed.

November 2021

Project 03521- Contractor payments decreased \$50.6k, EKPC Payroll & Benefits decreased \$5.4k, Materials decreased \$3.3kk.  
No significant maintenance performed.

East Kentucky Power Cooperative, Inc.  
Environmental Surcharge Operating and Expense Month over Month Analysis  
For the Expense Period June 2021 to November 2021

512000 - SP22	Maintenance of Boiler Plant Scrubber 2	May	June	July	Aug	Sept	Oct	Nov
Project 03521	Expense Dollars	\$ 134,671	\$ 111,235	\$ 107,165	\$ 225,888	\$ 323,347	\$ 643,359	\$ 347,303
	Expense Dollars Change		\$ (23,436)	\$ (4,070)	\$ 118,723	\$ 97,459	\$ 320,012	\$ (296,056)
	Percent Change		-17.40%	-3.66%	110.79%	43.14%	98.97%	-46.02%

June 2021

Project 03521- Contractor payments increased \$29.7k, EKPC Payroll & Benefits increased \$7k, Materials increased \$51.6k, Accruals decreased \$111.7k.  
No significant maintenance performed.

July 2021

Project 03521- Contractor payments decreased \$60.3k, EKPC Payroll & Benefits decreased \$10k, Materials increased \$6.4k, Accruals increased \$59.8k.  
No significant maintenance performed.

August 2021

Project 03521- Contractor payments increased \$2k, EKPC Payroll & Benefits increased \$4.5k, Materials increased \$97.1k, Accruals increased \$14.8k.  
No significant maintenance performed.

September 2021

Project 03521- Contractor payments increased \$202.9k, EKPC Payroll & Benefits increased \$2.5k, Materials decreased \$98.4k, Accruals decreased \$9.5k.  
No significant maintenance performed.

October 2021

Project 03521- Contractor payments increased \$101.2k, EKPC Payroll & Benefits decreased \$1.7k, Materials increased \$74.9k, Accruals increased \$145.5k.  
No significant maintenance performed.

November 2021

Project 03521- Contractor payments increased \$21.8k, EKPC Payroll & Benefits decreased \$6.2k, Materials decreased \$58.4k, Accruals decreased \$253.2k.  
No significant maintenance performed.

Air Permit Fees

506002 - CP00	Misc Strm Pwr Env - Cooper	May	June	July	Aug	Sept	Oct	Nov
	Expense Dollars	\$ -	\$ -	\$ -	\$ 80,595	\$ 4,700	\$ -	\$ -
	Expense Dollars Change		\$ -	\$ -	\$ 80,595	\$ (75,895)	\$ (4,700)	\$ -
	Percent Change		-	-	-	-94.17%	-100.00%	-
506002 - SP00	Misc Strm Pwr Env - Spurlock	May	June	July	Aug	Sept	Oct	Nov
	Expense Dollars	\$ 14,760	\$ -	\$ 5,175	\$ 63,046	\$ 4,344	\$ 22,861	\$ 15,003
	Expense Dollars Change		\$ (14,760)	\$ 5,175	\$ 57,871	\$ (58,702)	\$ 18,517	\$ (7,858)
	Percent Change		-100.00%	-	1118.28%	-93.11%	426.27%	-34.37%

Air permit fees paid for Cooper and Spurlock for calendar 2021 emissions.

East Kentucky Power Cooperative, Inc.  
Environmental Surcharge Operating and Expense Month over Month Analysis  
For the Expense Period June 2021 to November 2021

Operating Expense- Ammonia

506001 - CPxx	Misc Stm Pwr Exp - Cooper	May	June	July	Aug	Sept	Oct	Nov
	Expense Dollars	\$ 14,067	\$ 13,986	\$ 46,726	\$ 58,261	\$ 29,861	\$ 40,037	\$ -
	Expense Dollars Change		\$ (81)	\$ 32,740	\$ 11,535	\$ (28,400)	\$ 10,176	\$ (40,037)
	Percent Change		-0.58%	234.09%	24.69%	-48.75%	34.08%	-100.00%

The monthly change in expense is due to the increase or decrease in Ammonia usage.

Operating Expense- Ammonia

506001 - CP22	Misc Stm Pwr Exp - Cooper Unit #2 AQCS	May	June	July	Aug	Sept	Oct	Nov
	Expense Dollars	\$ 126,912	\$ 65,594	\$ 330,439	\$ 316,674	\$ 238,379	\$ 178,572	\$ 37,613
	Expense Dollars Change		\$ (61,318)	\$ 264,845	\$ (13,765)	\$ (78,295)	\$ (59,807)	\$ (140,959)
	Percent Change		-48.32%	403.76%	-4.17%	-24.72%	-25.09%	-78.94%

The monthly change in expense is due to the increase or decrease in Ammonia usage based on generation.

Operating Expense- Ammonia

506001 - SP01	Misc Stm Pwr Exp - Spurlock 1	May	June	July	Aug	Sept	Oct	Nov
	Expense Dollars	\$ 96,185	\$ 97,689	\$ 118,360	\$ 110,521	\$ 87,282	\$ 101,153	\$ 103,464
	Expense Dollars Change		\$ 1,504	\$ 20,671	\$ (7,839)	\$ (23,239)	\$ 13,871	\$ 2,311
	Percent Change		1.56%	21.16%	-6.62%	-21.03%	15.89%	2.28%

The monthly change in expense is due to the increase or decrease in Ammonia usage based on generation.

506001 - SP02	Misc Steam Power Exp - Spurlock 2	May	June	July	Aug	Sept	Oct	Nov
	Expense Dollars	\$ 44,951	\$ 52,785	\$ 76,306	\$ 68,380	\$ 54,288	\$ -	\$ -
	Expense Dollars Change		\$ 7,834	\$ 23,521	\$ (7,926)	\$ (14,092)	\$ (54,288)	\$ -
	Percent Change		17.43%	44.56%	-10.39%	-20.61%	-100.00%	-

The monthly change in expense is due to the increase or decrease in Ammonia usage based on generation.

Operating Expense- Ammonia and Limestone

506001 - SP03	Misc Steam Power Expense- Gilbert	May	Jun	Jul	Aug	Sep	Oct	Nov
	Ammonia Expense	\$ 23,314	\$ 48,872	\$ 28,310	\$ 46,069	\$ 49,760	\$ 44,942	\$ 45,200
	Limestone Expense	\$ 97,074	\$ 335,227	\$ 258,097	\$ 410,852	\$ 406,697	\$ 438,280	\$ 455,214
	Limestone Tons Used	6,533	22,510	17,296	27,466	27,156	29,245	30,248
	Total Expense Dollars	\$ 120,388	\$ 384,099	\$ 286,407	\$ 456,921	\$ 456,457	\$ 483,222	\$ 500,414
	Expense Dollars Change		\$ 263,711	\$ (97,692)	\$ 170,514	\$ (464)	\$ 26,765	\$ 17,192
	Percent Change		219.05%	-25.43%	59.54%	-0.10%	5.86%	3.56%

**East Kentucky Power Cooperative, Inc.**

**Environmental Surcharge Operating and Expense Month over Month Analysis**

**For the Expense Period June 2021 to November 2021**

Limestone is stockpiled throughout the year and taken from the stockpile for usage. There may be slight variances in the cost according to fluctuations in contract prices and freight cost per shipment of limestone, but the noted change in limestone primarily reflects the level of stockpile usage by the unit for the month indicated.

June 2021 - Limestone expenses increased \$238.2k and Ammonia expenses increased \$25.6k.  
Tons burned increased 15,977

July 2021 - Limestone expenses decreased \$77.1k and Ammonia expenses decreased \$20.6k.  
Tons burned decreased 5,214

August 2021 - Limestone expenses increased \$152.8k and Ammonia expenses increased \$17.8k.  
Tons burned increased 10,170

September 2021 - Limestone expenses decreased \$4.2k and Ammonia expenses increased \$3.7k.  
Tons burned decreased 310.

October 2021 - Limestone expenses increased \$31.6k and Ammonia expenses decreased \$4.8k.  
Tons burned increased 2,089

November 2021 - Limestone expenses increased \$16.9k and Ammonia expenses no change.  
Tons burned increased 1,003

**Operating Expense- Limestone and Magnesium**

506001 - SP21	Misc Strm Pwr Exp- Spurlock 1	May	Jun	Jul	Aug	Sep	Oct	Nov
	Magnesium Expense	\$ 19,703	\$ 23,866	\$ 25,411	\$ 36,504	\$ 19,526	\$ 17,583	\$ 20,999
	Limestone Expense	\$ 86,929	\$ 93,770	\$ 89,447	\$ 110,550	\$ 77,933	\$ 114,682	\$ 107,934
	Limestone Tons Used	7,269	7,811	9,883	9,109	6,426	9,454	8,870
	Expense Dollars	\$ 106,632	\$ 117,636	\$ 114,858	\$ 147,054	\$ 97,459	\$ 132,265	\$ 128,933
	Expense Dollars Change		\$ 11,004	\$ (2,778)	\$ 32,196	\$ (49,595)	\$ 34,806	\$ (3,332)
	Percent Change		10.32%	-2.36%	28.03%	-33.73%	35.71%	-2.52%

**East Kentucky Power Cooperative, Inc.**

**Environmental Surcharge Operating and Expense Month over Month Analysis  
For the Expense Period June 2021 to November 2021**

Limestone is stockpiled throughout the year and taken from the stockpile for usage. There may be slight variances in the cost according to fluctuations in contract prices and freight cost per shipment of limestone, but the noted change in limestone primarily reflects the level of stockpile usage by the unit for the month indicated.

June 2021 - Limestone expenses increased \$6.8 and Ammonia expenses increased \$4.2k.  
Tons burned increased 543.

July 2021 - Limestone expenses decreased \$4.3k and Ammonia expenses increased \$1.5k.  
Tons burned increased 2,071

August 2021 - Limestone expenses increased \$21.1k and Ammonia expenses increased \$11.1k.  
Tons burned decreased 773.

September 2021 - Limestone expenses decreased \$32.6k and Ammonia expenses decreased \$17k.  
Tons burned decreased 2,683.

October 2021 - Limestone expenses increased \$36.7k and Ammonia expenses decreased \$1.9k.  
Tons burned increased 3,028.

November 2021- Limestone expenses decreased \$6.7k and Ammonia expenses increased \$3.4k.  
Tons burned decreased 584.

**Operating Expense-Limestone and Magnesium**

506001 - SP22	Misc Stm Pwr Exp- Spurlock 2	May	Jun	Jul	Aug	Sep	Oct	Nov
	Magnesium Expense	\$ 108,521	\$ 67,067	\$ 257,670	\$ 192,538	\$ 155,046	\$ 9,099	\$ 9,629
	Limestone Expense	\$ 110,637	\$ 134,938	\$ 152,302	\$ 188,234	\$ 138,547	\$ -	\$ -
	Limestone Tons Used	9,251	11,241	16,827	15,511	11,424	-	-
	Expense Dollars	\$ 219,158	\$ 202,005	\$ 409,972	\$ 380,772	\$ 293,593	\$ 9,099	\$ 9,629
	Expense Dollars Change		\$ (17,153)	\$ 207,967	\$ (29,200)	\$ (87,179)	\$ (284,494)	\$ 530
	Percent Change		-7.83%	102.95%	-7.12%	-22.90%	-96.90%	5.82%

Limestone is stockpiled throughout the year and taken from the stockpile for usage. There may be slight variances in the cost according to fluctuations in contract prices and freight cost per shipment of limestone, but the noted change in limestone primarily reflects the level of stockpile usage by the unit for the month indicated.



**East Kentucky Power Cooperative, Inc.**  
**Environmental Surcharge Operating and Expense Month over Month Analysis**  
**For the Expense Period June 2021 to November 2021**

June 2021 - Limestone expenses increased \$24.3k and Ammonia expenses decreased \$41.5k.  
Tons burned increased 1,989.

July 2021 - Limestone expenses increased \$17.4k and Ammonia expenses increased by \$190.6k.  
Tons burned increased 5,587. Includes inventory adjustment of 2,131 tons.

August 2021 - Limestone expenses increased \$35.9k and Ammonia expenses decreased \$65.1k.  
Tons burned decreased 1,317

September 2021 - Limestone expenses decreased \$49.7k and Ammonia expenses decreased \$37.5k.  
Tons burned decreased 4,087.

October 2021 - Limestone expenses decreased \$138.5k and Ammonia expenses decreased \$145.9k.  
Tons burned decreased 11,424.

November 2021 - Limestone expenses no change and Ammonia expenses increased \$.5k.  
Tons burned no change.

**Operating Expense- Ammonia and Limestone**

506001 - SP04	Misc Stm Pwr Exp- Spurlock 4	May	Jun	Jul	Aug	Sep	Oct	Nov
	Ammonia Expense	\$ 43,502	\$ 54,008	\$ 50,816	\$ 47,787	\$ 53,432	\$ 23,114	\$ 23,003
	Limestone Expense	\$ 359,952	\$ 423,830	\$ 501,429	\$ 508,022	\$ 505,957	\$ 252,918	\$ 224,079
	Limestone Tons Used	24,225	28,458	33,591	33,962	33,784	16,879	14,860
	Expense Dollars	\$ 403,454	\$ 477,838	\$ 552,245	\$ 555,809	\$ 559,389	\$ 276,032	\$ 247,082
	Expense Dollars Change		\$ 74,384	\$ 74,407	\$ 3,564	\$ 3,580	\$ (283,357)	\$ (28,950)
	Percent Change		18.44%	15.57%	0.65%	0.64%	-50.65%	-10.49%

Limestone is stockpiled throughout the year and taken from the stockpile for usage. There may be slight variances in the cost according to fluctuations in contract prices and freight cost per shipment of limestone, but the noted change in limestone primarily reflects the level of stockpile usage by the unit for the month indicated.

June 2021 - Limestone expenses increased \$63.9k and Ammonia expenses increased \$10.5k.  
Tons burned increased 4,233

July 2021 - Limestone expenses increased \$77.6k and Ammonia expenses decreased \$3.2k.  
Tons burned increased 5,133.

August 2021 - Limestone expenses increased \$6.6k and Ammonia expenses decreased \$3k.  
Tons burned increased 371.

September 2021 - Limestone expenses decreased \$2.1k and Ammonia expenses increased \$5.6k.  
Tons burned decreased 178.

October 2021 - Limestone expenses decreased \$253k and Ammonia expenses decreased \$30.3k.  
Tons burned decreased 16,905.

November 2021 - Limestone expenses decreased \$28.8k and Ammonia expenses decreased \$0.1k.  
Tons burned decreased 2,019.

**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2022-00141**

**FIRST REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST INFORMATION REQUEST DATED 06/03/22**

**REQUEST 5**

**RESPONSIBLE PARTY: Tom Stachnik**

**Request 5.** This question is addressed to EKPC. The Settlement Agreement approved in Case No. 2004-00321<sup>3</sup> provides that EKPC's rate of return on compliance-related capital expenditures will be updated to reflect current average debt cost at the conclusion of the surcharge review period. Provide the following information as of November 30, 2021:

a. The debt issuances directly related to projects in the approved compliance plan and corresponding outstanding balances of each debt issuance;

b. The debt cost for each debt issuance directly related to the projects in the approved compliance plan, and whether the debt cost is a fixed or variable rate;

c. EKPC's calculation of the weighted average debt cost and the rate of return resulting from multiplying the weighted average debt cost by a 1.475 Times Interest Earned Ratio (TIER), including all supporting calculations showing how the weighted average debt cost was determined; and

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<sup>3</sup> Case No. 2004-00321, *Application of East Kentucky Power Cooperative, Inc. for Approval of an Environmental Compliance Plan and Authority to Implement an Environmental Surcharge* (Ky. PSC Mar. 17, 2005).

d. Provide all schedules and supporting calculations and documentation in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

**Response 5a-d.** Please see the Excel spreadsheet *DRI Response 5 – WAC of Debt 11-30-21.xlsx*. The debt cost for each long-term debt issuance is at a fixed interest rate, while the Credit Facility is at a variable interest rate. EKPC is proposing a weighted average cost of debt of 3.318% based on the debt cost of each debt issuance directly related to the projects in the environmental compliance plan as of November 30, 2021 and debt cost for the Credit Facility for all environmental compliance plan construction work in progress as of November 30, 2021. Using a weighted average cost of debt and a TIER of 1.475 produces a rate of return on the environmental compliance related capital expenditures of 4.894%.

EAST KENTUCKY POWER COOPERATIVE, INC.  
PSC CASE NO. PSC CASE NO. 2022-00141  
FIRST REQUEST FOR INFORMATION RESPONSE

COMMISSION STAFF'S FIRST INFORMATION REQUEST DATED 06/03/22  
REQUEST 6

RESPONSIBLE PARTY: Isaac Scott

**Request 6.** This question is addressed to EKPC. KRS 278.183(3) provides that during the two-year review, the Commission must, to the extent appropriate, incorporate surcharge amounts found just and reasonable into the existing base rates of the utility.

**Request 6a.** Provide the surcharge amount that EKPC believes should be incorporated into its existing base rates. Include all supporting calculations, work papers, and assumptions.

**Response 6a.** As stated in Mr. Scott's direct testimony, EKPC does not believe that any surcharge amounts should be incorporated into its existing base rates. However, EKPC has provided a calculation of the estimated roll-in amount, as shown on the spreadsheets provided in the Excel spreadsheet *DRI Response 6 – Potential Roll-in 11-30-21.xlsx*. The total estimated roll-in (revenue requirement) is \$131,718,299 and EKPC has further estimated that \$79,052,110 of the total would be assigned to demand and \$52,666,189 would be assigned to energy. Please note that this demand and energy assignment assumes the entire return on environmental compliance rate base would be assigned to demand. A cost of service study would likely assign the components

of the environmental compliance rate base to both demand and energy. Likewise, the return on environmental compliance rate base would likely be assigned to demand and energy as well.

To determine this estimated roll-in, EKPC used the environmental compliance rate base as shown in the monthly surcharge report for the expense month of November 30, 2021, the last expense month included in the 30-month review. This rate base was multiplied by the rate of return that was authorized as of November 30, 2021, which was 5.093%, to calculate the dollar return on rate base. Pollution control operating expenses reflect the actual balances for the twelve month period ending November 30, 2021, including the corrections described in the response to Request 1 above. There were no proceeds from the sale of by-products or emission allowances for the twelve months ending November 30, 2021 to include in the calculations. The sum of the dollar return on rate base and pollution control operating expenses was multiplied by the Member System allocation ratio for November 30, 2021 of 97.77% to recognize that only the portion of the surcharge applicable to Member sales would be rolled into base rates. This adjusted surcharge revenue requirement constitutes the estimated roll-in amount.

In preparing this response, EKPC has utilized the same approach it followed when it responded to Request 6a of the Commission Staff's First Data Request in Case No. 2012-00486.

**Request 6b.** The surcharge factor reflects a percentage of revenue approach, rather than a per-kWh approach. Taking this into consideration, explain how the surcharge amount should be incorporated into EKPC's base rates. Include any analysis that EKPC believes supports its position. Provide all schedules in Excel spreadsheet format with all cells and formulas intact and unprotected.

**Response 6b.** The environmental costs included in EKPC's revenue requirement represent both investment costs and energy costs. Because both types of costs are present, a roll-in of the surcharge into base rates is more complicated than the roll-in performed in a two-year fuel adjustment clause proceeding, where only energy costs are involved. EKPC believes that the most appropriate approach for incorporating surcharge amounts into its base rates is through a traditional cost of service study performed during a base rate proceeding. EKPC has not performed a cost of service study in conjunction with this surcharge review proceeding. If a roll-in of the surcharge is required despite EKPC's belief that it is not needed, and absent a cost of service study, EKPC would propose allocating a portion of the revenue requirement to demand and a portion to energy, as shown in the response to Request 6a. EKPC has assigned the dollar return on compliance rate base and depreciation to the demand portion. The portion assigned to energy reflects the pollution control operating expenses minus the depreciation expense.

**Request 6c.** Provide the Base Period Jurisdictional Environmental Surcharge Factor (BESF) that reflects all environmental surcharge amounts previously incorporated into existing base rates and the amount determined in part (a). Include all supporting calculations, work papers, and assumptions.

**Response 6c.** EKPC's BESF as of November 30, 2021 was zero, as established by the Commission in Case No. 2009-00317. In the response to Request 6a, EKPC has provided a calculated amount of a base rate roll-in. If the Commission were to require EKPC to roll-in its

environmental surcharge into base rates, based on the Member System base rate revenues for the twelve months ending November 30, 2021, the BESF would be 17.59%. However, EKPC notes that it would need to recalculate the BESF based on the most recent twelve month revenue information following the Order in this proceeding. EKPC believes this recalculation is consistent with the approach followed by Louisville Gas and Electric Company and Kentucky Utilities Company when recalculating its BESF.

**Request 6d.** State whether EKPC believes that there will need to be modifications to either the surcharge mechanism or the monthly surcharge reports, other than a revision to BESF, as a result of incorporating additional environmental surcharge amounts into EKPC's existing base rates. If so, provide a detailed explanation of the modifications and provide updated monthly surcharge reports.

**Response 6d.** Although EKPC does not support incorporating the environmental surcharge revenue requirement into base rates as part of this proceeding, such a roll-in would not require the need to modify the surcharge mechanism or monthly surcharge reports utilizing the approved base/current mechanism. While a roll-in of the environmental surcharge revenue requirement into EKPC's wholesale base rates would not require a modification to the surcharge mechanism or monthly surcharge reports, such a roll-in would require the Member Systems to modify their retail base rates accordingly. No mechanism to accomplish a retail base rate change

due to an environmental surcharge roll-in was established in conjunction with the approval of the environmental surcharge for EKPC or the pass-through mechanism for the Member Systems.

**Request 6e.** Provide all schedules in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

**Response 6e.** The Excel spreadsheet *DRI Response 6 – Potential Roll-in 11-30-21.xlsx* provided with this response includes all schedules in Excel spreadsheet format with all cells and formulas intact and unprotected.



EAST KENTUCKY POWER COOPERATIVE, INC.  
PSC CASE NO. 2022-00141  
FIRST REQUEST FOR INFORMATION RESPONSE

COMMISSION STAFF'S FIRST INFORMATION REQUEST DATED 06/03/22  
REQUEST 8

RESPONSIBLE PARTY: Isaac Scott

**Request 8.** This question is addressed to each of the Member Cooperatives. For your particular Member Cooperative, provide a summary schedule showing the Member Cooperative's pass-through revenue requirement for the months corresponding with the six-month and two-year reviews, which uses a 12-month rolling average of Column 3 – "EKPC MESF %" to calculate Column 8 – "Member Cooperative Revenue Requirement." Based on the recalculated factors, include a calculation of any additional over- or under recovery amount that would need to be recognized for the six-month and two-year reviews. Provide the schedule and all supporting calculations and documentation in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

**Response 8.** The referenced Columns 3 and 8 come from each Member Cooperative's monthly "Pass Through Mechanism Report" which is prepared by EKPC. This monthly report is provided to the Member Cooperatives for review and comment before the report is included with the EKPC monthly surcharge filing. Therefore, EKPC is preparing and sponsoring the response to this request and has shared it with the Member Cooperatives for review and concurrence.

The request directs that the Member Cooperative's monthly revenue requirement be recalculated using a 12-month rolling average of EKPC's monthly environmental surcharge factor ("MESF"). The request fails to state what the 12-month rolling average of EKPC's MESF should be applied to in order to determine the recalculated Member Cooperative revenue requirement. Further, the Member Cooperatives' Rate Schedule ES – Environmental Surcharge, approved in Case No. 2004-00372<sup>2</sup>, clearly states that the Member Cooperative monthly revenue requirement will be determined by applying EKPC's MESF for the current expense month times the average of the 12-months ended revenues from sales to Member Cooperatives for the current expense month, excluding environmental surcharge.

As shown on Form 1.1 of EKPC's monthly environmental surcharge report, the current month environmental surcharge factor ("CESF") is the result of dividing Line 14 – E(m), the monthly total surcharge revenue requirement plus the one-month true-up adjustment, by Line 15 – R(m), the 12-month average monthly Member Cooperative revenues. The MESF is the result of subtracting any base environmental surcharge factor ("BESF") from the CESF. The calculation of R(m) is detailed on Form 3.0 of EKPC's environmental monthly surcharge report. The revenue amounts included on Form 3.0 are taken from EKPC monthly billing invoices and applicable accounting records.

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<sup>2</sup> See *In the Matter of Application of Big Sandy RECC, Blue Grass Energy Cooperative Corporation, Clark Energy Cooperative, Cumberland Valley Electric, Farmers RECC, Fleming-Mason Energy, Grayson RECC, Inter-County Energy Cooperative, Jackson Energy Cooperative, Licking Valley RECC, Nolin RECC, Owen Electric Cooperative, Salt River Electric, Shelby Energy Cooperative, South Kentucky RECC and Taylor County RECC for Authority to Pass Through the Environmental Surcharge of East Kentucky Power Cooperative, Inc.*, Case No. 2004-00372, (Ky. P.S.C., Mar. 17, 2005).

Turning to the Member Cooperatives' Pass Through Mechanism Report, Columns 1 through 3 report the CESF, BESF, and MESF from Form 1.1 of the corresponding EKPC monthly environmental surcharge report. Columns 4 through 8 reflect the process followed to allocate EKPC's E(m) to each of the Member Cooperatives. The revenue amounts shown in Columns 4 through 6 are taken from the same monthly billing invoices used to prepare Form 3.0 of EKPC's monthly environmental surcharge report, but only reporting those amounts applicable to the particular Member Cooperative. Column 7 is the determination of the most current 12-month average of the revenues reported in Column 6. Finally, Column 8 is the result of multiplying the MESF shown in Column 3 times the 12-month average revenues shown in Column 7. Column 8 represents the allocation of the EKPC revenue requirement, E(m), to each Member Cooperative. The revenue information shown in Column 7 for the 16 Member Cooperatives should be approximately the same as the R(m) amount shown on Line 15, Form 1.1 of EKPC's monthly environmental surcharge report, as the same billing invoices and accounting records were utilized to determine the amounts. The only difference would be due to rounding as a result of the averaging calculations. Likewise, the revenue requirements shown in Column 8 for the 16 Member Cooperatives should be approximately the same as the E(m) amount shown on Line 14, Form 1.1 of EKPC's monthly environmental surcharge report. Again, the only difference would be due to rounding as a result of the averaging calculations. To verify this, please see the Excel spreadsheet *DRI Response 8 – Member Surcharge Allocation.xlsx*, where EKPC compared Columns 7 and 8 from all 16 Member Cooperatives' Pass Through Mechanism Reports for five different expense months with the corresponding Lines 14 and 15 from Form 1.1 of EKPC's monthly environmental surcharge report.

The remaining columns in the Member Cooperatives' Pass Through Mechanism Report are used to determine the Member Cooperatives' Pass Through Mechanism Factor for the applicable period. This process begins with the revenue requirement determined in Column 8. For the Member Cooperatives that have elected to directly bill their Rate B, C, G, and Special Contract customers the environmental surcharge amounts determined by EKPC, adjustments are recognized in sub-columns of Column 8. The amortization of any over- or under-recoveries approved by the Commission in previous six-month and two-year surcharge reviews are shown in Column 9. Column 10 reflects the net revenue requirement used to determine the Member Cooperative's Pass Through Mechanism Factor. Columns 11 through 13 show revenues and adjustments reported by the Member Cooperatives to EKPC for the applicable month. Column 14 is the current 12-month average of the Member Cooperatives' net revenues. Column 15 shows the Pass Through Mechanism Factor, which is determined by dividing the amount in Column 10 by the amount in Column 14 for the previous 12-month period. This approach was necessary due to certain timing differences with several of the Member Cooperatives revenue reporting.

As this request appeared to be concerned with over- and under-recoveries of the surcharge, EKPC would like review how it determines the over- and under-recoveries. For EKPC, the MESF shown on Line 18 of Form 1.1 of the monthly environmental surcharge report is applied to the revenues in the subsequent billing period. The total surcharge revenues billed are then compared to the  $E(m)$  shown on Line 14 of Form 1.1 that was used to calculate the MESF in order to determine if there was an over- or under-recovery. That over- or under-recovery will be reflected as the one-month true-up adjustment in the next EKPC monthly environment surcharge report. For the Member Cooperatives, the Pass Through Mechanism Factor determined on the

Pass Through Mechanism Report is applied to the Member Cooperative's revenues in the subsequent billing period. During the six-month and two-year surcharge review cases, the Member Cooperatives' total surcharge revenues billed are compared to the corresponding periods' surcharge amounts billed by EKPC. This comparison is documented in the data responses provided by EKPC and the Member Cooperatives during the six-month and two-year reviews. It is important to note that the Member Cooperatives' Pass Through Mechanism Report is not utilized in the determination of any over- or under-recovery of the surcharge by the Member Cooperatives.