



A Touchstone Energy Cooperative 

October 30, 2026

Via Electronic Filing System

Mr. Justin McNeil
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: *In the Matter of: Electronic Application of East Kentucky Power Cooperative, Inc. for 1) Certificates of Public Convenience and Necessity to Construct New Generation Resources; 2) For a Site Compatibility Certificate Related to Same; 3) Approval of Demand Side Management Tariffs; And 4) Other General Relief - Case No. 2024-00370 – Post Case Reference*

Dear Mr. McNeil:

Enclosed, please find for filing with the Commission, East Kentucky Power Cooperative, Inc.'s ("EKPC") quarterly report pursuant to the Commission's July 3, 2025 Order, specifically ordering paragraph, in the above-styled case.

Since the last quarterly report was filed, the Environmental Protection Agency ("EPA") has finalized a rule that repealed and rescinded greenhouse gas ("GHG") emission CCS standards for existing coal and new natural gas as "best system of emissions reductions". This rule does not change EKPC's commitment to co-firing its coal units. As discussed in the testimony of Jerry Purvis at the April 21, 2025, hearing in this matter, EKPC believes the co-firing projects gives EKPC fuel diversity and creates competition on the coal unit by co-firing with natural gas. EKPC tries to strike the middle of the road in its compliance plans because decisions can change with new administration and then enables EKPC to be ahead of those decisions.¹ If a change in the federal administration or litigation surrounding this new rule prevails, EKPC will be hedged on carbon emissions and fuels, EKPC's largest expense. This is in the best interest of EKPC, its Owner-Members and the Owner-Members' end-use members.

In addition, on December 5, 2025 EKPC applied for a Department of Energy ("DOE") grant under Broad Agency Announcement ("BAA") Solicitation Number: DE-FOA-0003605 and on June 1, 2026 EKPC was notified that its co-firing projects would be selected and funded using

¹ *In the Matter of: Electronic Application of East Kentucky Power Cooperative, Inc. for 1) Certificates of Public Convenience and Necessity to Construct a New Generation Resources; 2) for a Site Compatibility Certificate Relating to the Same; 3) Approval of Demand Side Management Tariffs; and 4) Other General Relief*, Hearing Video Record, 15:16:41-15:18:46 (Ky. P.S.C., Apr. 21, 2025).

DPA funds (“Selection of Application for Negotiation Under Broad Agency Announcement, Number DE-FOA-0003605, Restoring Reliability: Coal Recommissioning and Modernization receiving Defense Production Act (DPA) funds”). On September 17, 2026 EKPC executed the DPA Agreement and the award package was acknowledged. The DOE federal cost share amount is indicated and included in the total project costs on the reports that are contemporaneously being filed with this letter. DOE is providing \$19,326,832 for the co-firing of Cooper Unit 2 and \$64,524,884 for Spurlock Units 1-4.

This is to certify that the electronic filing was made on October 30, 2026, and there are no parties the Commission has excused from electronic filing procedures. Pursuant to the Commission’s July 22, 2022 Order in Case No. 2020-00085, no paper copies of filings will be made.

If you have any questions, please let me know.

Sincerely,

A handwritten signature in blue ink, appearing to read "Greg L. P.", is positioned below the word "Sincerely,".

Enclosures

Project Identification						
Site:	Spurlock Station	Case Number:	2024-00370			
Project Title:	Spurlock Unit 1-4 Co-Fire	Reporting Period:	April 1, 2026 to June 30, 2026			
		Next Reporting Period:	July 1, 2026 to September 30, 2026			
Construction Activities for the Reporting Period						
<p>The following project activities have been completed or are currently in progress during this reporting period:</p> <ul style="list-style-type: none">- Advanced further in the engineering design process with a focus on:<ul style="list-style-type: none">• Fuel gas system piping and instrumentation diagram development.• Basic pipe routing of fuel gas system• Modeling of mechanical equipment• Cable tray routing• Progressing CFD (Computational Fluid Dynamics) Modeling.- Awarded the following contracts:<ul style="list-style-type: none">• Special Service Valves• Fuel Gas Conditioning• Pilot Trenching• Gas Odorization- Developed contract packages and bid the following:<ul style="list-style-type: none">• Major Electrical Equipment• Distributed Control System- Pre-qualification surveys issued to potential General Contractors.- Completed schedule workshops to detail activities and timing.						
Construction Activities for the Next Reporting Period						
<p>The following project activities are scheduled for advancement or completion during the next reporting period:</p> <ul style="list-style-type: none">- Continue advancing the engineering design process as noted above and begin the following:<ul style="list-style-type: none">• Preliminary Steel and foundation Design• SWPPP development• Electrical Equipment modeling- Complete Pilot Trenching to support engineering design of underground gas line routing.- Technical review of vendor submittals and incorporate into engineering design.- Complete the bid evaluations, C&E's and award the following contracts:<ul style="list-style-type: none">• Major Electrical Equipment• Distributed Control System• Manual Valves- Continue monthly 3D model reviews of equipment modeling and pipe routing- Evaluate GC pre-qualifications.						
Equipment & Contractors						
Category	Details					
Availability of Major Equipment:	The Gas Firing Systems for Units 1 and 2, Fuel Gas Conditioning equipment, and Special Control Valves were ordered on schedule and remain on track for delivery. The overall project continues to progress as planned and remains on schedule for completion. Procurement of the Gas Firing Systems for Units 3 and 4 is scheduled for Q3, consistent with the planned project sequencing following the completion of procurement for Units 1 and 2.					
Major Contractors/Sub-contractors Selected:	Burns & McDonnell selected for Detailed Engineering Design. General Contractor to be selected mid 2027.					
Project Milestones						
Milestone Description	Milestone Date	Status/% Complete	Schedule/Critical Path Notes:			
Award Full Detailed Engineering Design	October 2025	100%	Complete			
Order Long Leads (Gas Firing System / Special Control Valves)	June 2026	70%	Unit 1 and 2 Gas Firing Systems and the site Fuel Gas Conditioning equipment, which are on the project's critical path, have been ordered, and the overall project remains on schedule for completion. The Special Control Valves have also been ordered. Procurement for the Unit 3 and 4 Gas Firing Systems is scheduled for Q3, in accordance with the planned project sequencing following Units 1 and 2.			
Complete Detailed Engineering Design IFC's	June 2027	14%				
Bid and Award General Contractor	June 2027	0%				
Long Leads Delivered to Site (Gas Firing System / Special Control Valves)	August 2027	0%				
Construction Start	January 2028	0%				
Complete gas line for interconnection	February 2029	0%				
Construction End (COD)	December 2029	0%				
Project Financial Report						
Description:	Budget At Completion (BAC)	Estimate At Completion (EAC)	Actual Cost (AC)	Estimate To Complete (ETC)	Variance At Completion (VAC)	Notes:
Engineering	\$ 36,200,000	\$ 33,753,500	\$ 4,601,582	\$ 29,151,918	-7%	
Procurement	\$ 20,100,000	\$ 31,779,000	\$ 1,859,883	\$ 29,919,117	58%	
Planning, Development and Construction	\$ 130,700,000	\$ 121,467,000	\$ 4,879,388	\$ 116,587,612	-7%	
Total	\$ 187,000,000	\$ 186,999,500	\$ 11,340,853	\$ 175,658,647	0%	

Financial Notes
<p>Although bids for some procurement packages exceeded initial estimates, engineering costs at completion are projected to be below budget. Additionally, overall construction and planning costs are also forecasted to be under budget, maintaining the project within its approved budget.</p> <p>Note: EKPC continues to evaluate potential cost risks associated with Units 3 and 4, including bidder-proposed options that may require additional balance-of-plant scope. As these evaluations progress and project details become more clearly defined, an update will be provided in the quarterly report.</p>

Regulatory & Risk Updates	
Category	Notes
Environmental/Regulatory Changes	<p>No current changes in laws/regulations affecting the project during this reporting period. Environmental update as follows:</p> <ul style="list-style-type: none"> - Air Permit was submitted in February 2026 - target approval is September 2027 - RUS Approval - target approval December 2026 - Gas line FERC has been submitted - target approval July 2027
Risk Metric Updates	<p>No new or shifting risks impacting project cost, schedule, or completion during this reporting period beyond concerns noted above.</p> <ul style="list-style-type: none"> - Risk to continually monitor: Tariff changes could impact project costs and are unknown at this time.

Project Identification						
Site:	Cooper Station	Case Number:	2024-00370			
Project Title:	Cooper Unit 2 Co-Fire	Reporting Period:	July 1, 2026 to September 30, 2026			
		Next Reporting Period:	October 1, 2026 to December 31, 2026			
Construction Activities for the Reporting Period						
<p>The following project activities have been completed or are currently in progress during this reporting period:</p> <ul style="list-style-type: none">◦ Initiated preliminary steel and foundation design.◦ Initiated Stormwater Pollution Prevention Plan (SWPPP) development.◦ Began electrical equipment modeling.◦ Developed fuel gas system piping and instrumentation diagrams (P&IDs) and advanced detailed pipe routing.◦ Advanced mechanical equipment modeling and Computational Fluid Dynamics (CFD) analysis.◦ Continued technical reviews of vendor submittals and incorporated findings into the engineering design.◦ Completed bid evaluations, clarifications and exceptions (C&Es) and awarded the Major Electrical Equipment contract.◦ Completed 3D modeling of mechanical equipment and associated piping.◦ Coordinated gas metering yard grading plans with TC Energy.◦ Completed general contractor prequalification evaluations and finalized the list of qualified bidders.◦ Initiated development of the boiler implosion study.◦ Continued project reviews with FM Global and advanced risk mitigation efforts.						
Construction Activities for the Next Reporting Period						
<p>The following project activities are scheduled for advancement or completion during the next reporting period:</p> <ul style="list-style-type: none">◦ Advance steel and foundation design.◦ Complete outstanding technical studies and vendor submittal reviews.◦ Advance project development and prepare for future construction activities.◦ Complete bid evaluations, including clarifications and exceptions (C&Es), and award the following contracts:<ul style="list-style-type: none">▪ Distributed Control System▪ Manual Valves◦ Issue the General Contractor Invitation for Bid (IFB) package.◦ Initiate procurement of shop-fabricated piping.◦ Conduct monthly 3D model reviews to assess overall system integration and design progress.◦ Continue coordination with TC Energy on gas metering yard activities.◦ Complete the boiler implosion study.◦ Continue project reviews with FM Global and advance risk mitigation efforts.						
Equipment & Contractors						
Category	Details					
Availability of Major Equipment:	Gas Firing System, Fuel Gas Conditioning equipment and Special Control Valves have been ordered per schedule and on track with delivery.					
Major Contractors/Sub-contractors Selected:	Burns & McDonnell selected for Detailed Engineering Design. General Contractor to be selected early 2027.					
Project Milestones						
Milestone Description	Milestone Date	Status/% Complete	Schedule/Critical Path Notes:			
Award Full Detailed Engineering Design	October 2025	100%	Complete			
Order Long Leads (Gas Firing System / Special Control Valves)	June 2026	100%	Complete			
Complete Detailed Engineering Design IFC's	June 2027	50%	On target to complete ahead of baseline scheduled milestone date.			
Bid and Award General Contractor	June 2027	0%	Planning to Bid and award prior to baseline scheduled milestone date to mitigate project risks associated with constrained resources in the industry and possible escalation.			
Long Leads Delivered to Site (Gas Firing System / Special Control Valves)	August 2027	0%				
Construction Start	January 2028	0%				
Complete gas line for interconnection	February 2029	0%				
Construction End (COD)	December 2029	0%				
Project Financial Report						
Description:	Budget At Completion (BAC)	Estimate At Completion (EAC)	Actual Cost (AC)	Estimate To Complete (ETC)	Variance At Completion (VAC) - \$	Variance At Completion (VAC) - %
Engineering	\$ 16,800,000	\$ 15,196,500	\$ 5,337,866	\$ 9,858,634	\$ 1,603,500	10%
Procurement	\$ 10,700,000	\$ 11,347,439	\$ 2,383,496	\$ 8,963,943	\$ (647,439)	-6%
Planning, Development and Construction	\$ 46,300,000	\$ 45,019,201	\$ 1,151,978	\$ 43,867,223	\$ 1,280,799	3%
Total	\$ 73,800,000	\$ 71,563,140	\$ 8,873,340	\$ 62,689,800	\$ 2,236,860	3%
DOE Federal Cost Share	-	\$ (19,326,832)	-	-		-
EKPC Total after DOE Cost Share	\$ 73,800,000	\$ 52,236,308	\$ 8,873,340	\$ 62,689,800	\$ 21,563,692	29%
Financial Notes						
EKPC and the U.S. Department of Energy (DOE) fully executed a Demonstration Project Agreement (DPA) on September 17, 2026, establishing a total DOE cost share of \$19,326,832 for Cooper Co-Fire. This funding will be applied toward project costs, thereby reducing costs to customers and helping mitigate risks associated with the General Contractor Package.						
Regulatory & Risk Updates						
Category	Notes					
Environmental/Regulatory Changes	<p>Current changes in laws/regulations related to the project during this reporting period:</p> <ul style="list-style-type: none">- On September 17, the EPA finalized a rule repealed and rescinded greenhouse gas (GHG) emission CCS standards for existing coal and new natural gas as "best system of emissions reductions". The rule removed exiting coal units' and new combined cycle base load restrictive GHG standards for CCS, and its time schedules respectively. However, the final rule left the natural gas combustion turbine phase I standards in place that must meet 800H/MWh on an annual basis and capacity factor ~40 percent. Given the nature of risk as a prudent utility, EKPC remains committed to co-firing its coal units to reduce the carbon footprint, to provide fuel flexibility, favorable fuel economics and fuel security. Additionally, should a change in federal administration or litigation prevail, EKPC will be hedged on carbon emissions and fuels, our largest expense, which is in the best interest of EKPC and its owner member ratepayers. <p>Environmental update as follows:</p> <ul style="list-style-type: none">- Air Permit has been submitted - target approval December 2026- RUS Approval received May 2026- Gas line FERC has been submitted - target approval July 2027					
Risk Metric Updates	<p>No new or shifting risks impacting project cost, schedule, or completion during this reporting period.</p> <ul style="list-style-type: none">- Risk to continually monitor: Tariff changes could impact project costs and are unknown at this time.					