

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

In the Matter of:

ELECTRONIC APPLICATION OF)	
CUMBERLAND VALLEY ELECTRIC,)	CASE NO.
INC. FOR A GENERAL ADJUSTMENT)	2024-00388
OF RATES PURSUANT TO 807 KAR 5:0078)	

CUMBERLAND VALLEY ELECTRIC, INC.'S
VERIFIED RESPONSE TO THE ATTORNEY GENERAL'S
FIRST REQUESTS FOR INFORMATION
ENTERED MAY 19, 2025

Comes now Cumberland Valley Electric, Inc. ("Cumberland Valley"), by counsel, and does hereby tender its Verified Response to the Attorney General's First Request for Information entered May 19, 2025.

Filed: May 29, 2025

In the Matter of:

CASE NO.
2024-00388

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF KNOX)

Robert Tolliver
Robert Tolliver

Barbara Elliott
Commission expiration: 2-13-27

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

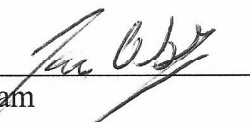
In the Matter of:

THE ELECTRONIC APPLICATION OF)	
CUMBERLAND VALLEY ELECTRIC,)	CASE NO.
INC. FOR A GENERAL ADJUSTMENT)	2024-00388
OF RATES PURSUANT TO 807 KAR 5:0078)	

VERIFICATION OF JOHN WOLFRAM


COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

John Wolfram, being duly sworn, states that he has supervised the preparation of his responses to certain requests for information in the above-referenced case 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.



John Wolfram

The foregoing Verification was signed, acknowledged and sworn to before me this 29th day of May, 2025, by John Wolfram.



Notary Commission No. KYNP75270

Commission expiration:  JULY 17, 2027

GERALD A BECKMAN, JR
Notary Public - State at Large
Kentucky
Commission Expires July 17, 2027
Notary ID KYNP75270

Cumberland Valley Electric, Inc.
Case No. 2024-00388
Attorney General's First Request for Information

Request 1: Refer to Tolliver's testimony, page 5. Has the new customer assuming control of the crypto mining facilities agreed to a power purchase agreement? If so: (i) what is the length of the agreement; and (ii) provide a copy of the agreement.

Response 1: Please see Attachment AG 1-1 for a copy of the power purchase agreement that was approved by the Commission on April 1, 2025. The initial term of the contract is for twelve months.

ATTACHMENT AG 1-1

**INDUSTRIAL POWER AGREEMENT
WITH INTERRUPTIBLE SERVICE**

THIS AGREEMENT, made and entered into this 25th day of February, 2025, by and between East Kentucky Power Cooperative, Inc. (a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, KY 40391) (“EKPC”), Cumberland Valley Electric, Inc., a Kentucky corporation with its principal offices at 6219 North U.S. Highway 25E, Gray, Kentucky 40734 (“Cooperative”); and Letcher Power, LLC, a Kentucky corporation, registered in the state of Kentucky, with its principal offices at 212 North 2nd Street, Suite 100, Richmond, Kentucky 40475. (“Customer”).

WITNESSETH:

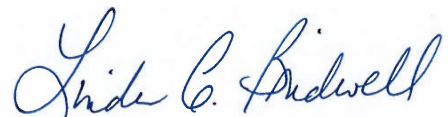
WHEREAS, EKPC is a Generation and Transmission Cooperative which supplies the wholesale energy requirements of 16 Member-owned Distribution Cooperatives located generally in Eastern and South-Central Kentucky, including Cooperative; and

WHEREAS, Cooperative is a rural electric cooperative corporation providing retail electric service in Harlan County, Kentucky, and

WHEREAS, Cooperative is a member of EKPC and purchases the majority of its wholesale electric power and energy requirements from EKPC pursuant to a Wholesale Power Contract dated October 1, 1964, and

WHEREAS, Customer has been, and is, a member of Cooperative and purchases, or desires to purchase, retail electric power and energy needs from Cooperative, under the terms and conditions contained herein, to serve its Harlan County cryptocurrency mining facility near the Chad Substation (hereinafter referred to as its “Plant”), and

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Executive Director



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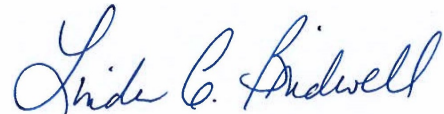
WHEREAS, EKPC fully integrated into the PJM Interconnection, LLC regional transmission system, on June 1, 2013;

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms and conditions contained herein, the parties agree as follows:

1. **Term**. This Agreement shall become effective upon the approval of the Kentucky Public Service Commission ("Commission") (the "Effective Date"), subject to the provisions of Paragraph 27 below. The initial term of this Agreement will be a twelve-month term beginning on the Effective Date. During this initial twelve-month term, the Customer cannot terminate the Agreement unless there is an Event of Default on the part of EKPC or the Cooperative. After the initial twelve-month term, the Agreement will continue for additional twelve-month terms thereafter with the ability of either party to terminate by providing notice of termination in writing no later than December 31st of any year, with an effective date of termination of May 31st of the following year.
2. **Rates and Charges**. For billing from EKPC to Cooperative, EKPC will provide wholesale power and energy to Cooperative for Customer pursuant to the rates, charges, and provisions of EKPC's Rate C, and as modified, replaced, or adjusted from time to time and approved by the Commission, where the billing demand shall be as defined in EKPC's Rate C and Rate D – Interruptible Service.

For billing from Cooperative to Customer, Cooperative will provide retail power and energy to the Customer pursuant to the rates, charges, and provisions of Cooperative's Large Power Rate – Industrial Schedule V-C, and the Interruptible Service Rider, as modified, replaced, or adjusted from time to time and approved by the Commission.

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Billing Demand shall be the Contract Demand as defined in Cooperative's Large Power Rate – Industrial Schedule V-C. The Demand Credit for interruptible service will be applied to all Billing Demand above the Firm Demand level to determine the effective Interruptible Demand rate.

Any additional demand billed as a result of the application of the power factor adjustment, as described in the applicable EKPC and Cooperative tariffs, shall not be eligible for the interruptible Demand Credit and shall be billed at the appropriate demand rate as provided in the applicable tariff.

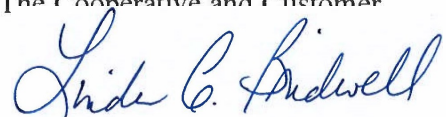
As a result of the location of the Customer's Plant relative to the substation, Customer will be charged a fuel adjustment clause ("FAC") based on EKPC's FAC and this charge will not be adjusted for Cooperative's line losses as long as the subject electric meter is located on the adjacent property to the substation.

For billing from EKPC to Cooperative, EKPC will bill the environmental surcharge pursuant to the provisions of EKPC's Rate ES – Environmental Surcharge. For billing from Cooperative to Customer, Cooperative will directly pass-through the wholesale environmental surcharge amount as billed by EKPC. The surcharge amount billed to the Customer as well as the retail revenues generated from the Customer will be excluded from the monthly calculation of Cooperative's Rates Schedule ES – Environmental Surcharge.

After the initial term of this Agreement, Customer may choose any existing tariff of Cooperative that is consistent with this Agreement and for which the Customer qualifies. Such change will require two (2) months' advance written notice to Cooperative. Customer agrees that if it chooses to change to an existing tariff it will remain on that tariff for at least one year following the effective date of the change. The Cooperative and Customer

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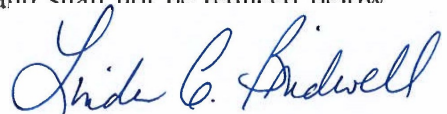
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may mutually agree to rate changes at any time, subject to any necessary approval of the Commission.

3. **Availability of Power.** Except as otherwise provided in this Agreement, Cooperative shall make available to Customer, and Customer shall take and purchase from Cooperative, all of Customer's requirements for electric power and energy and related services for the operation of Customer's Plant. The Point of Delivery for power and energy made available hereunder shall be the point at which Customer's Plant facilities connect to Cooperative's facilities. The power and energy made available hereunder shall be in the form of 3-phase alternating current at a frequency of approximately sixty (60) hertz and at a nominal voltage of 24,940volts at the metering point. Regulation of voltage shall be within such limits as prescribed by the applicable rules and regulations of the Commission. Maintenance by Cooperative at Point of Delivery of the above-described frequency and voltage within the above stated limits shall constitute availability of power for the purpose of this Agreement. The power and energy taken by Customer hereunder, shall be measured by meters and associated metering equipment to be, or cause to be, installed, operated and maintained by Cooperative or EKPC at its own respective costs. None of such electric power and energy shall be resold by Customer to third parties. The minimum "Contract Demand" for service under this Agreement shall be 2,500 kW, with a monthly energy usage equal to or greater than 400 hours per kW of Contract Demand per month. Customer cannot exceed 8,000 kW demand - if there are plans to exceed 8,000 kW demand then customer must give EKPC and Cooperative a minimum of twenty-four (24) months' advance notice as there will be substation and distribution system upgrades that will be required to be made and paid for by Customer prior to commencing work. Contract Demand shall not be reduced below

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2,500 kW. The power and energy made available to Customer hereunder shall be delivered, taken, and paid for subject to the provisions of Paragraph 2 of this Agreement and Cooperative's Large Power Rate – Industrial Schedule V-C, and the Interruptible Service Rider, applicable to demands in excess of the Firm Demand, as approved by the Commission, and as modified from time to time by appropriate authority, copies of which are attached hereto and made a part hereof. Customer shall comply with all requirements of such tariffs relating to eligibility for interruptible rates. In the event of any conflict between the provisions of this Agreement and said tariffs, the latter shall control.

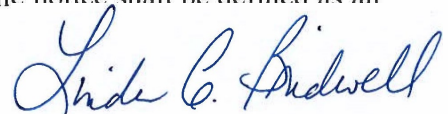
4. **Interruptible Service.** In accordance with Cooperative's Large Power Rate – Industrial Schedule V-C and Interruptible Service Rider, service to Customer may be interrupted by approved communication medium from EKPC. Customer chooses 1,000 kW of Firm Demand with the balance being Interruptible Demand. Interruptible Demand shall not be less than 250 kW and not exceed 20,000 kW.

The Customer shall have the right to request one change in the Firm Demand during a 12-month period. Changes in the Firm Demand will become effective on June 1st of a given year. A request for a change in the Firm Demand shall be made by giving written notice to the Cooperative and EKPC no later than December 31st of the year prior to the year the change is to be effective. The Cooperative and EKPC will review the request, and if agreed, shall provide the Customer with a written acceptance of the requested change in Firm Demand.

- a. **Optional Interruptions.** EKPC may interrupt Customer to avoid purchasing energy from the PJM Market (an "Optional Interruption"). EKPC shall notify Customer that it is calling for an interruption and the notice shall be defined as an

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Optional Interruption and include the interruption start and stop times. EKPC will endeavor to provide as much advance notice of interruptions as practicable, but the Customer will have thirty (30) minutes to reduce its electric power load to the Firm Demand level once notice is sent by EKPC to Customer. Customer shall have the opportunity to buy-through any Optional Interruption and will pay for such buy-through energy. The rate for buy-through energy shall be EKPC's out-of-pocket cost at the PJM EKPC Zone during the interruption hours, plus Cooperative's distribution charge. The amount of buy-through energy billed by the Cooperative to the Customer will be the actual energy consumed by the Customer above the Firm Demand each hour of the Optional Interruption. Interruptible buy-through energy shall not include the base energy charge, a fuel adjustment charge or environmental surcharge.

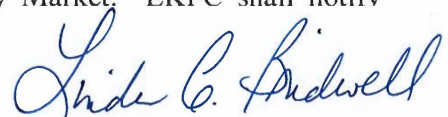
EKPC may offer Customer the ability to secure buy-through energy utilizing a day-ahead pricing option. When offered, Customer will be provided day-ahead information and must follow the instructions given in order to participate. Any difference between the purchased day-ahead energy and the Customer's consumption during the interruption above the Firm Demand will be balanced at the EKPC zone hourly Locational Marginal Price ("LMP") rate during the interruption. All metered energy above Firm Demand during the day-ahead interruption will have the Cooperative distribution charge applied.

- b. **Mandatory Interruption.** EKPC has the right to call upon a mandatory load-reducing interruption of Customer's Interruptible Demand (a "Mandatory Interruption") to participate in the PJM Capacity Market. EKPC shall notify

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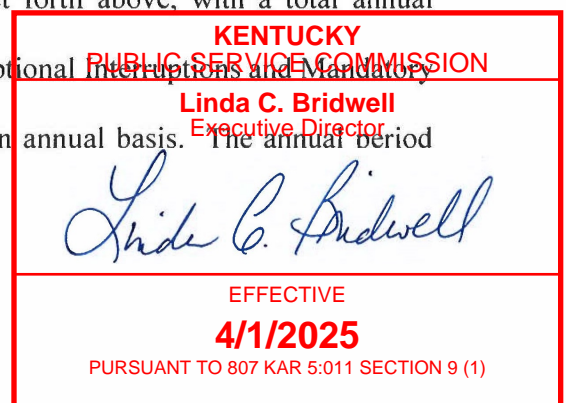
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Customer that it is calling for an interruption and the notice shall be defined as a Mandatory Interruption. Customer must interrupt its Interruptible Demand, and the buy-through energy provisions related to an Optional Interruption are not available for Mandatory Interruptions. For Mandatory Interruptions, the terms and conditions of PJM's Capacity Program then in place shall apply. The Customer will have thirty (30) minutes to reduce its load to the Firm Demand level once notice is sent by EKPC to Customer. In the event that PJM initiates a Mandatory Interruption during an EKPC-designated Optional Interruption, the Customer shall be obligated to curtail their load to the Firm Demand level. Additionally, the Customer shall be liable for all charges associated with energy consumption exceeding the Firm Demand level during hours in which the Mandatory Interruption aligns with the Optional Interruption.

Once per PJM delivery year (June-May) PJM requires Customer to prove its ability to interrupt load by having Customer reduce the load to or below the Firm Demand. The Customer must interrupt load as a result of this requirement. Failure by the Customer to reduce load to the Firm Demand during all hours of a Mandatory Interruption or all hours of a PJM mandatory annual test is considered a failure to interrupt and shall cause the Cooperative to invoke the failure to interrupt penalty provision of the Cooperative's Interruptible Service Rider.

- c. **Interruption Hours and Notice.** Customer is contracting for interruptible service for all demand over the Firm Demand as set forth above, with a total annual interruption of up to 400 hours. The sum of Optional Interruptions and Mandatory Interruptions shall not exceed 400 hours on an annual basis. The annual period



shall start on June 1 and end on May 31 of the following year. However, during the initial term of this Agreement, the annual period shall begin with the Effective Date of the Agreement and end on May 31 of the following year. The total interruptible hours during the initial term shall be pro-rated based on actual start date but shall not exceed 400 hours. Interruptions may occur between 6:00 a.m. to 9:00 p.m. EPT during the months of November through April and between 10:00 a.m. to 10:00 p.m. EPT during the months of May through October.

Notification of an interruption will be provided by EKPC to the Customer by phone call or email from EKPC's MOC to the Customer. The Customer will provide EKPC with Point of Contact ("POC") information for the communication of the notice of interruption and be responsible for keeping the POC information current. The Customer's POC to provide the communication of the notice of interruption is as follows:

Primary POC Name Mandy Jiang
Address 10443 AR124
 Russellville, AR 72802
Phone 347-612-5791
Email Mandy.h165@gmail.com
Text

Secondary POC Name Seven Kuang
Address 10443 AR124
 Russellville, AR 72802
Phone 626-328-3899
Email seven777.kuang@gmail.com



Text

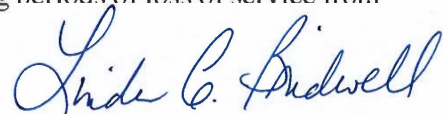
EKPC's POC is the MOC system operator on duty at the time of communication. The phone number for EKPC's POC is (859) 745-9210, and email is generation.operations@ekpc.coop.

5. **Responsibilities of Customer.** It is the responsibility of Customer to be sure its phone is working and that someone is available 24 hours per day, 365 days per year to promptly respond to the EKPC communication. Customer shall acknowledge to EKPC that they received notice of a Mandatory Interruption by either following the instructions in the communication message or directly contacting the EKPC MOC email generation.operations@ekpc.coop prior to the start of the event. If Customer does not acknowledge the notice of a Mandatory Interruption from EKPC for whatever reason, Customer will be considered as failing to interrupt and the failure to interrupt provisions of the Cooperative's Large Power Rate – Industrial Schedule V-C and Interruptible Service Rider will be invoked.

Neither Cooperative nor EKPC shall be obligated to provide, or be responsible for providing, protective equipment for Customer's lines, facilities, and equipment to protect against single phasing, low voltage, short circuits, or any other abnormal system conditions, but Cooperative or EKPC, as the case may be, may provide such protective equipment as is reasonably necessary for the protection of its own property and operations. The electrical equipment installed by Customer shall be capable of satisfactory coordination with any protective equipment installed by Cooperative or EKPC. Any back up generator installed by Customer may only be used during periods of loss of service from

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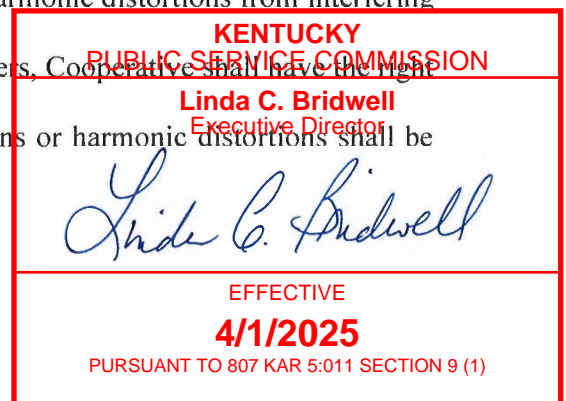
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Cooperative, to power minimum required equipment during a Mandatory Interruption, or to power minimum required equipment during a PJM performance test as noted in Paragraph 4(b). Running of back-up generators for demand peak shaving is prohibited.

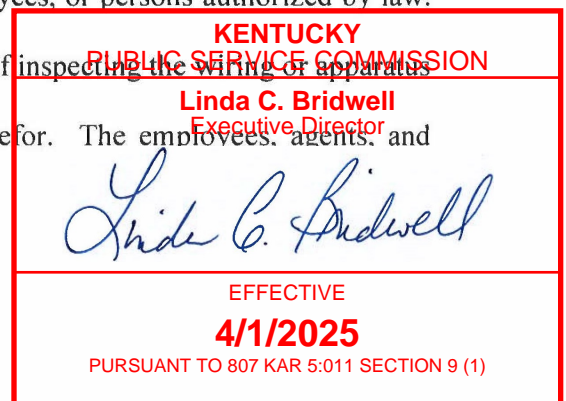
6. **Continuing Jurisdiction of the Commission.** The rates, terms and conditions of this Agreement for electric service shall be subject to modification or change by Order of the Commission, during the initial one-year term and thereafter. The rates provided hereinabove shall be adjusted to reflect any Commission approved changes in applicable tariff rates, including any FAC, Environmental Surcharge or changes in the base rates approved for EKPC and/or Cooperative on or after the Effective Date of this Agreement.
7. **Voltage Fluctuations.** Customer and Cooperative shall cooperate to see that Customer's load is operated in accordance with prudent utility practices, as defined in Paragraph 11 below. Customer agrees to operate its Plant and facilities to reduce voltage fluctuations or harmonic distortions. EKPC may install special meters to capture load and harmonics. Cooperative will notify Customer if its operations cause voltage fluctuations or harmonic distortions that result in interference with Cooperative's supply of service to other customers, and will attempt to identify and help Customer correct such problems. Any substantial deviation from prudent utility practices that would cause additional voltage fluctuations or harmonic distortions requires approval from Cooperative. If Customer fails to install and/or to operate the necessary facilities on its premises to correct the voltage fluctuations or harmonic distortions of its load based on applicable industry and IEEE standards, or to prevent such voltage fluctuations or harmonic distortions from interfering with Cooperative's supply of services to other customers, Cooperative shall have the right to deny service to Customer. Any voltage fluctuations or harmonic distortions shall be



corrected within twenty-four (24) hours after written notice from Cooperative to Customer stating the voltage fluctuation or harmonic distortion problems.

Customer acknowledges that the energy-intensive nature of its operations are dissimilar to that of most other members of Cooperative and that any load in excess of the maximum demand could result in damage to Cooperative's distribution system, EKPC's transmission system and/or the distribution substation. In the event that Customer's usage exceeds the maximum demand, Customer shall be liable for any damages caused to EKPC or Cooperative in addition to all tariffed charges for demand exceeding the maximum demand. Furthermore, EKPC and Cooperative each reserve the right to de-energize Customer's Facility in the event that Customer's load presents a threat, in the sole discretion of EKPC or Cooperative, to their respective systems.

8. **Right of Access.** The duly authorized agents and employees of EKPC and/or Cooperative shall have free access at all reasonable hours to the premises of Customer for the purpose of installing, repairing, inspecting, testing, operating, maintaining, renewing or exchanging any or all of their equipment which may be located on the premises of Customer for reading or testing meters, or for performing any other work incident to the performance of this Agreement. Customer shall not unreasonably withhold access from Cooperative and/or EKPC to access equipment or machinery owned by Cooperative or EKPC. The parties agree to take reasonable steps to protect the property of each other party located on its premises, and to permit no one to inspect or tamper with the wiring and apparatus of the other party except such other party's agents or employees, or persons authorized by law. It is agreed, however, that no party assumes the duty of inspecting the wiring or apparatus of any other party and shall not be responsible therefor. The employees, agents, and



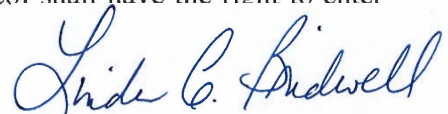
representatives of EKPC and Cooperative that access the Customer's facilities shall abide by all applicable safety, health and similar rules and requirements provided by the Customer.

9. **Substation Facilities.** Upon request, Customer, without cost to Cooperative or EKPC, shall convey to Cooperative or to EKPC, as appropriate, a suitably agreed upon site on Customer's premises for use as a substation facility. Such conveyance shall be in fee simple with General Warranty or by Substation Easement for so long as the site is used by Cooperative to furnish electrical power and energy. At such time as the site is no longer used by Cooperative for such purposes, it shall revert to Customer automatically, without the necessity of any action being taken or claim being made by Customer. It is agreed, however, that in the event of such reversion, Cooperative, EKPC or any successor in interest to them shall have ninety (90) days to remove any improvements erected by any of them upon such site. Customer shall also provide Cooperative and, as appropriate, EKPC, with such easements for any transmission line as may be required to connect the service to be provided by Cooperative hereunder, and shall take reasonable steps to provide for the safekeeping of such equipment and facilities and to prevent the access thereto by unauthorized persons.

10. **Right of Removal.** Any and all equipment, apparatus, devices, or facilities placed or installed, or caused to be placed or installed, by either of the parties hereto on or in the premises of the other party shall be and remain the property of the party owning and installing such equipment, apparatus, devices, or facilities regardless of the mode or manner of annexation or attachment of real property of the other. Upon the termination of this Agreement, or any extension thereof, the owner thereof shall have the right to enter

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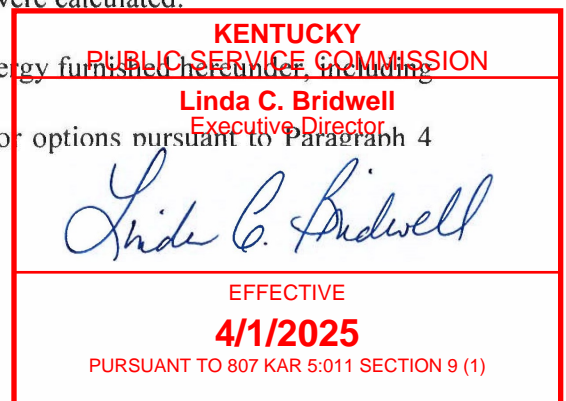
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upon the premises of the other and shall within a reasonable time upon notice and approval of the other party remove all or any portion of such equipment, apparatus, devices, or facilities, unless otherwise agreed by the parties at the time of such termination. As a part of any such removal, the owner shall perform restoration as required for any damage caused by said removal.

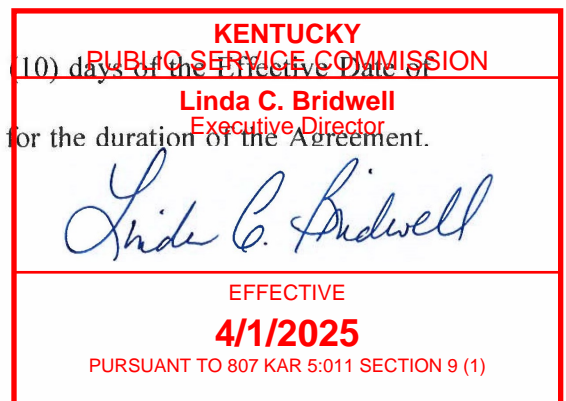
11. **Prudent Utility Practice.** Each party shall design, construct and operate its facilities in accordance with prudent electric utility practice in conformity with generally accepted standards for electric utilities in the Commonwealth of Kentucky, including, but not limited to, the applicable edition of the National Electric Safety Code.
12. **Maintenance of Equipment.** Each party agrees that it will at all times maintain its lines, equipment and other facilities up to the Delivery Points in a safe operating condition in conformity with generally accepted standards for electric utilities in the Commonwealth of Kentucky, including, but not limited to, the applicable edition of the National Electrical Safety Code and applicable IEEE standards.
13. **Billing and Payment.**
 - a. **Regular Monthly Billing.** EKPC shall invoice the Cooperative for all energy, capacity or other service delivered to the Cooperative in accordance with EKPC's tariffs. Cooperative will bill Customer each month for the cost of electric power and energy delivered to Customer during the preceding month. This bill will clearly state the amount due, the corresponding due date and sufficient information to demonstrate the manner in which the charges were calculated.
 - b. **Due Date.** Payment for electric power and energy furnished hereunder, including any amounts payable for replacement power or options pursuant to Paragraph 4



hereinabove, shall be due and payable at the office of Cooperative monthly in accordance with the applicable provisions of Cooperative's Large Power Rate – Industrial Schedule V-C and Interruptible Service Rider. If Customer shall fail to pay any such bill as provided in said tariffs, Cooperative may discontinue delivery of electric power and energy hereunder ten (10) days following written notice to Customer of its intention to do so. Such discontinuance for non-payment shall not in any way affect the obligations of Customer to pay the minimum monthly charge provided in the attached Rate Schedules. All amounts unpaid when due may be subject to a charge for late payment, as provided in the applicable Rate Schedules.

- c. **Failure to Take Delivery.** If Customer fails to accept all or part of the energy acquired or generated by EKPC or Cooperative when such purchases are made in performance of their respective obligations under this Agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and the efforts made by EKPC and/or Cooperative to market energy at the best market price attainable.

- d. **Security/Deposit.** Customer shall, within ten (10) days of the Effective Date of this Agreement, pay a deposit to Cooperative, for the duration of the Agreement.



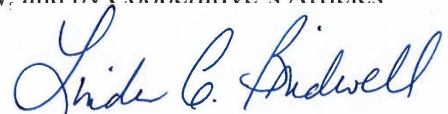
The amount of the deposit may be changed at the request of Cooperative to match any changes in load by Customer. Such deposit shall be equal to, but shall not exceed two times the amount of Customer's average monthly bill.

14. **Meter Testing and Billing Adjustment.** EKPC or Cooperative shall test and calibrate meters, or cause them to be tested and calibrated, by comparison with accurate standards at intervals of twenty-four (24) months. EKPC or Cooperative shall also make, or cause to be made, special meter tests at any time during normal business hours at Customer's request. The costs of all tests shall be borne or provided for by Cooperative, provided, however, that if any special meter test made by Customer's request shall disclose that the meters are recording accurately Customer shall reimburse Cooperative for the cost of such test. Meters registering not more than two (2) percent above or below normal shall be deemed to be accurate. The readings of any meter which shall have been disclosed by test to be inaccurate (as defined above) shall be corrected for the period during which meter error is known to have existed, or if not known, for one-half the elapsed time since the last such test in accordance with the percentage of inaccuracy found by such test. If any meter shall fail to register for any period, the parties shall agree as to the amount of kW Demand and energy furnished during such period. Such estimates shall be based on Customer's operating records for the period in question, historical load records and other pertinent data and records, and Cooperative shall render a bill to Customer therefore. Meter calibration records will be provided by the Cooperative upon request from the Customer.

15. **Membership/Capital Credits.** Cooperative is a non-profit Kentucky corporation and Customer will benefit from any savings or reductions in cost-of-service in the same manner as any comparable customer as authorized by Kentucky law, and by Cooperative's Articles

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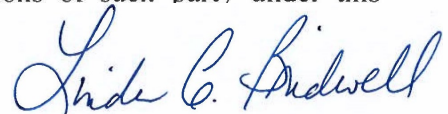
of Incorporation and Bylaws; provided, however, Cooperative's Board of Directors may defer retirement of so much of the capital credited to patrons for any year which reflects capital credited to Cooperative by EKPC until EKPC shall have retired such capital credited to Cooperative. Customer shall participate in capital credits of Cooperative in accordance with Kentucky law and Cooperative's Articles of Incorporation and Bylaws.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a party (a "Defaulting Party"), the occurrence of any of the following:

- a. the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within twenty (20) Business Days after written notice;
- b. any representation or warranty made by such party herein is false or misleading in any material respect when made or when deemed made or repeated and written notice is given to that party by another party;
- c. the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such party's obligations to receive energy, the exclusive remedy for which is provided in Paragraph 13.c. above) if such failure is either not remedied within twenty (20) business days after written notice or reasonable steps have not been taken, and continue to be taken, to remedy such failure as soon as practical;
- d. such party becomes bankrupt; or
- e. such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such party under this

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Executive Director



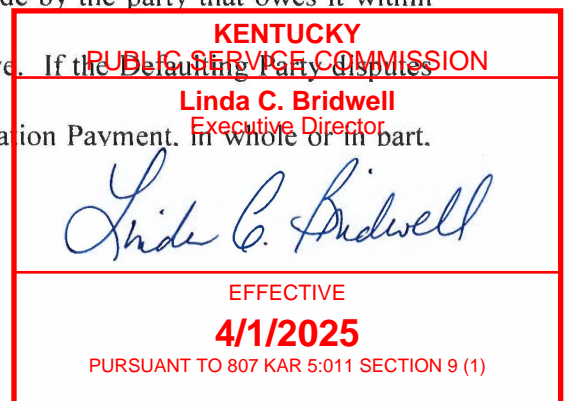
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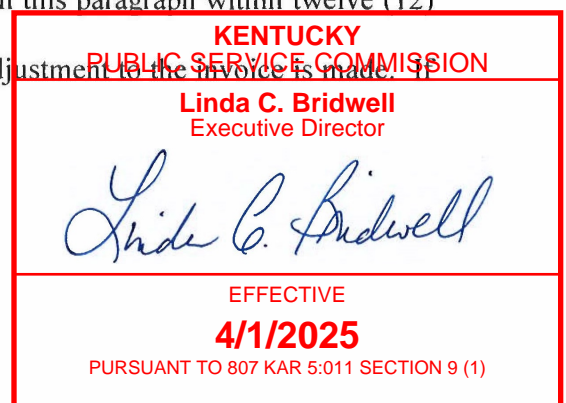
Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party. Notwithstanding this provision, the parties agree that Customer shall not be in default if it is merged or consolidated with or acquired by an entity or entities in which control or majority interest remains in an affiliate, parent, or subsidiary of Customer.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing and notice has been given in accordance with Paragraph 22 and any cure period(s) required in this Agreement have run, any other party (the “Non-Defaulting Party”) shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than ten (10) days after such notice is effective, as an early termination date (“Early Termination Date”) to accelerate all amounts owing between the parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement’s Initial Term, or any subsequent term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the party that owes it within twenty (20) business days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party’s calculation of the Termination Payment, in whole or in part.



the Defaulting Party shall, within twenty (20) business days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the invoice shall be required to be made when due, with notice of the objection given to the other parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Upon resolution of the dispute, any required refund shall be made within twenty (20) business days of such resolution along with interest accrued at the rate of three percent (3%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the dispute is given, from and including the due date to but excluding the date of the refund. Inadvertent overpayments shall be returned upon request or deducted by the party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If



an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

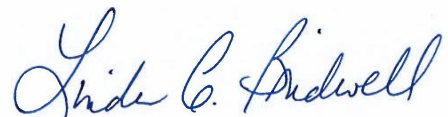
19. **Resolution of Disputes.** Any dispute or need of interpretation between the parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each party. Upon receipt of a notice describing the dispute and designating the notifying party's senior representative and that the dispute is to be resolved by the parties' senior representatives under this Agreement, the other parties shall promptly designate its senior representatives to the notifying party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying party's notice was received by the other parties, or within such other period as the parties may jointly agree, the parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. During this resolution process, EKPC and Cooperative shall continue to supply energy as requested by Customer and Customer shall continue to accept requested renewable energy. Notwithstanding any inconsistent provision herein, any party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each party represents and warrants to the other parties that:

- a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and that it is authorized to do business within the Commonwealth of Kentucky;

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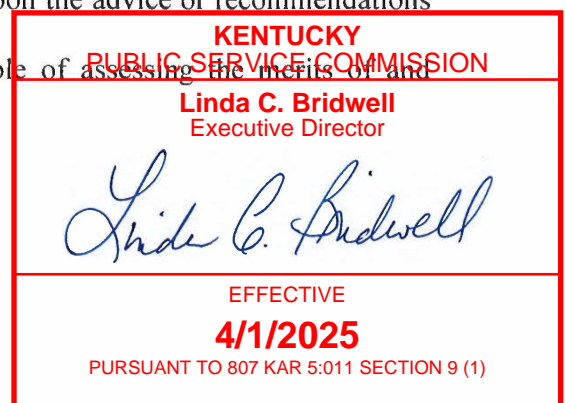


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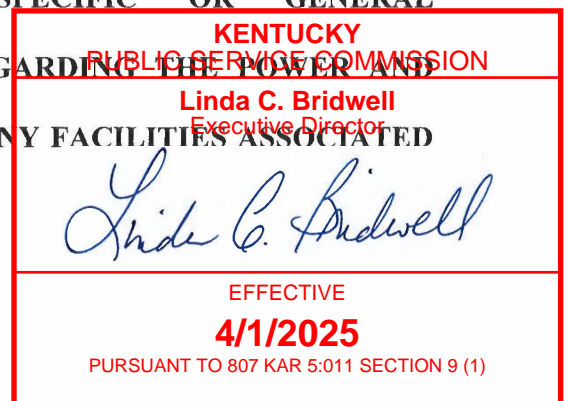
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- b. it has all legal and regulatory authorizations necessary for it to legally perform its obligations under this Agreement or is diligently pursuing them;
- c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;
- d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;
- e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;
- f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;
- g. no Event of Default or potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;
- h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other party in so doing, and is capable of assessing the merits of and



understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

- i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all power and energy referred to herein;
 - j. if applicable, it is compliant with all federal laws regarding the regulation and protection of securities, technology, infrastructure and financial data, including, without limitation, the Securities Act of 1933, Securities Exchange Act of 1934, Trust Indenture Act of 1939, Investment Company Act of 1940, Investment Advisors Act of 1940, Sarbanes-Oxley Act of 2002, Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Jumpstart Our Business Startups Act of 2012, the Foreign Investment Risk Review Modernization Act of 2018 and all rules and regulations promulgated thereunder, whether by the Securities and Exchange Commission, United States Treasury, Committee on Foreign Investment in the United States, Internal Revenue Service or other jurisdiction over Customer's business and operations;
 - k. the material economic terms of this Agreement were and are subject to individual negotiation by the parties.
21. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE POWER AND ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED**



WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.

22. **Notices.** Any written notice, demand, or request required or authorized under this Agreement, except for notices of an interruption which shall be given as set forth in Paragraph 4 herein, shall be deemed properly given to or served on Cooperative and EKPC if mailed/emailed to:

Cumberland Valley Electric, Inc.
Attn: Ted Hampton
PO Box 440
Gray, KY 40734

and

East Kentucky Power Cooperative, Inc.
Attn: Senior Vice President of Power Supply
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707



Any such notice, demand, or request shall be deemed properly given or served on Customer if mailed to:

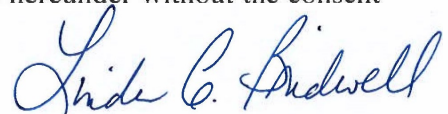
Letcher Power, LLC
212 N 2nd Street, Suite 100
Richmond, KY 40475

Each party shall have the right to change the name of the person to whom, or the location where the notices are to be given or served by notifying the other party, in writing, of such change.

23. **Responsibility for Damages or Loss.** The electric power and energy supplied under this Agreement is supplied upon the express condition that after it passes the Point of Delivery it becomes the responsibility of Customer. Neither Cooperative nor EKPC shall be liable for loss or damage to any person or property whatsoever, and Customer agrees to indemnify and hold EKPC and/or Cooperative harmless for damages suffered by any individual or business entity resulting directly or indirectly from the use, misuse or presence of the said electric power and energy on Customer's premises, or elsewhere, after it passes the Point of Delivery, except where such loss or damage shall be shown to have been occasioned by the gross negligence of EKPC or Cooperative, their agents or employees.
24. **Continuity of Service.** Cooperative shall use reasonable diligence required of a public utility in Kentucky to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail, neither EKPC nor Cooperative shall be liable therefor or for damages caused thereby.
25. **Successors in Interest - Assignment.** The terms and conditions of this Agreement shall inure to and be binding upon the parties, together with their respective successors in interest. No party to this Agreement may assign its rights hereunder without the consent

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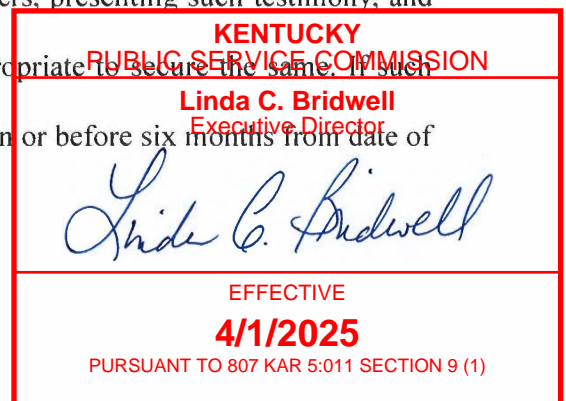
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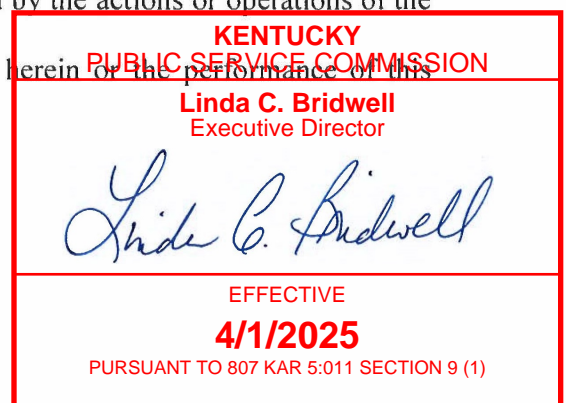
of the other, which shall not be unreasonably withheld; except that Cooperative or EKPC may assign this Agreement to the Rural Utilities Service ("RUS") and/or any other lenders to Cooperative or EKPC without such consent.

26. **Force Majeure.** The obligations of either party to this Agreement shall be suspended during the continuance of any occurrence, beyond the affected party's control (a "force majeure"), which wholly or partially prevents the affected party from fulfilling such obligations, provided that the affected party gives notice to the other party of the reasons for its inability to perform within a reasonable time from such occurrence, is diligently seeking to cure said force majeure, and gives notice to the other party within a reasonable time of such cure. As used in this Section, the term force majeure shall include, but is not limited to: acts of God; strikes; wars; acts of public enemy; riots; storms; floods; civil disturbances; explosions; failures of machinery or equipment; unavoidable disruptions in power deliveries from EKPC; or actions of federal, state, or local governmental authorities, which are not reasonably within the control of the party claiming relief. Notwithstanding the above provisions, no event of force majeure shall relieve Customer of the obligation to pay the minimum monthly charge provided herein or in the attached rate schedules.
27. **Approvals.** The rates and charges for electrical service established hereunder are subject to approval by the Commission pursuant to Kentucky Revised Statutes Chapter 278, and any necessary approvals by the RUS and the National Rural Utilities Cooperative Finance Corporation. The parties covenant to use their best efforts to forthwith seek and support such approvals for this Agreement by filing such papers, presenting such testimony, and taking such other action as may be necessary or appropriate to secure the same. If such approval shall not be received from the Commission on or before six months from date of



Agreement, any party may void this Agreement without further liability, except to the extent any liability has already accrued.

28. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.
29. **Modifications.** Any future revisions or modifications of this Agreement shall require the unanimous written approval of EKPC, Cooperative and Customer, and any necessary approvals by RUS, any other lenders to Cooperative, and the Commission.
30. **Indemnification.** Customer agrees to indemnify and hold Cooperative and EKPC, and their respective directors, officers, employees, attorneys, agents, representatives, successors and assigns harmless and to defend them at its sole cost and expense from each, every, any and all liabilities, judgments, claims, causes, actions, costs, expenses, compensation, demands or damages of any kind whatsoever asserted in any judicial or administrative form, whether arising in law, equity or other authority, including, without limitation, claims of third parties for indemnification and/or contribution, which may accrue to such others and their executors, administrators, heirs, successors and assigns, through any act, omission, event or occurrence caused by the actions or operations of the Customer, the violations of any authority identified herein or the performance of this Agreement.

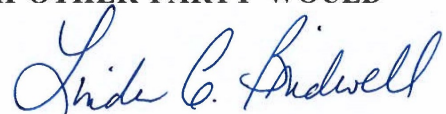


31. **Miscellaneous.**

- a. **Headlines of Articles.** Headings of articles of this Agreement have been inserted for convenience only and shall in no way affect the interpretation of any term or provision hereof.
- b. **Severability.** Except where expressly stated otherwise the duties, obligations and liabilities of the parties are intended to be several and not joint or collective.
- c. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Kentucky, notwithstanding any principles of choice of law.
- d. **Venue.** Any actions or claims arising from or relating to this Agreement shall be instituted in the Circuit Court of Knox County, Kentucky and each party hereto expressly acknowledges that such forum is convenient and acceptable.
- e. **Waiver of Trial by Jury.** EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT: (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD

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NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER; (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER; (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY; AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS PARAGRAPH.

- f. **Waivers**. Any waiver at any time by a party of its rights with respect to a default or with respect to any other matters arising on connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or other matter.
- g. **Prior Agreements**. The parties hereby acknowledge that this Agreement contains the entire agreement among the parties and supersedes all prior agreements and understandings related to the subject matter hereof.
- h. **No Agency**. In performing their respective obligations hereunder, no party is acting, or is authorized to act, as agent of any other party.
- i. **Forward Contract**. The parties acknowledge and agree that all sales of renewable power hereunder constitute “forward contracts” within the meaning of the United States Bankruptcy Code.
- j. **Counterparts**. This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed an original.



IN WITNESS WHEREOF, the parties have caused this Agreement to be executed, in six original counterparts, by their respective officers, thereunto duly authorized, as of the day and year first above written.

ATTEST:

LETCHER POWER, LLC

Mandy Jiang
SIGNATURE

Manager
TITLE

BY Mandy Jiang
PRINTED NAME

ATTEST:

EAST KENTUCKY POWER COOPERATIVE, INC.

Anthony Campbell
SIGNATURE

Pres. / CEO
TITLE

BY Anthony Campbell
PRINTED NAME

ATTEST:

CUMBERLAND VALLEY ELECTRIC, INC.

Ted Hampton
SIGNATURE

President & CEO
TITLE

BY Ted Hampton

PRINTED NAME **KENTUCKY
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Executive Director

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**INDUSTRIAL POWER AGREEMENT
WITH INTERRUPTIBLE SERVICE**

THIS AGREEMENT, made and entered into this 25th day of February, 2025, by and between East Kentucky Power Cooperative, Inc. (a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, KY 40391) ("EKPC"), Cumberland Valley Electric, Inc., a Kentucky corporation with its principal offices at 6219 North U.S. Highway 25E, Gray, Kentucky 40734 ("Cooperative"); and Letcher Power, LLC, a Kentucky corporation, registered in the state of Kentucky, with its principal offices at 212 North 2nd Street, Suite 100, Richmond, Kentucky 40475. ("Customer").

WITNESSETH:

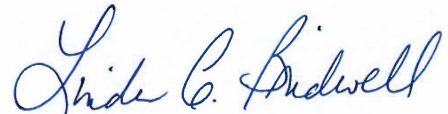
WHEREAS, EKPC is a Generation and Transmission Cooperative which supplies the wholesale energy requirements of 16 Member-owned Distribution Cooperatives located generally in Eastern and South-Central Kentucky, including Cooperative; and

WHEREAS, Cooperative is a rural electric cooperative corporation providing retail electric service in Letcher County, Kentucky, and

WHEREAS, Cooperative is a member of EKPC and purchases the majority of its wholesale electric power and energy requirements from EKPC pursuant to a Wholesale Power Contract dated October 1, 1964, and

WHEREAS, Customer has been, and is, a member of Cooperative and purchases, or desires to purchase, retail electric power and energy needs from Cooperative, under the terms and conditions contained herein, to serve its Letcher County cryptocurrency mining facility near the Oven Fork Substation (hereinafter referred to as its "Plant"), and

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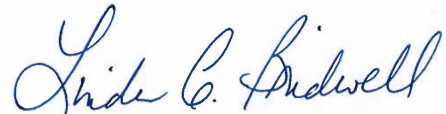
WHEREAS, EKPC fully integrated into the PJM Interconnection, LLC regional transmission system, on June 1, 2013;

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms and conditions contained herein, the parties agree as follows:

1. **Term.** This Agreement shall become effective upon the approval of the Kentucky Public Service Commission ("Commission") (the "Effective Date"), subject to the provisions of Paragraph 27 below. The initial term of this Agreement will be a twelve-month term beginning on the Effective Date. During this initial twelve-month term, the Customer cannot terminate the Agreement unless there is an Event of Default on the part of EKPC or the Cooperative. After the initial twelve-month term, the Agreement will continue for additional twelve-month terms thereafter with the ability of either party to terminate by providing notice of termination in writing no later than December 31st of any year, with an effective date of termination of May 31st of the following year.
2. **Rates and Charges.** For billing from EKPC to Cooperative, EKPC will provide wholesale power and energy to Cooperative for Customer pursuant to the rates, charges, and provisions of EKPC's Rate G, and as modified, replaced, or adjusted from time to time and approved by the Commission, where the billing demand shall be as defined in EKPC's Rate G and Rate D – Interruptible Service.

For billing from Cooperative to Customer, Cooperative will provide retail power and energy to the Customer pursuant to the rates, charges, and provisions of Cooperative's Large Power Rate – Industrial Schedule V-B, and the Interruptible Service Rider, as modified, replaced, or adjusted from time to time and approved by the Commission.

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Billing Demand shall be the Contract Demand as defined in Cooperative's Large Power Rate – Industrial Schedule V-B. The Demand Credit for interruptible service will be applied to all Billing Demand above the Firm Demand level to determine the effective Interruptible Demand rate.

Any additional demand billed as a result of the application of the power factor adjustment, as described in the applicable EKPC and Cooperative tariffs, shall not be eligible for the interruptible Demand Credit and shall be billed at the appropriate demand rate as provided in the applicable tariff.

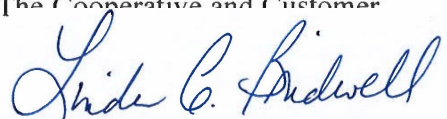
As a result of the location of the Customer's Plant relative to the substation, Customer will be charged a fuel adjustment clause ("FAC") based on EKPC's FAC and this charge will not be adjusted for Cooperative's line losses as long as the subject electric meter is located on the adjacent property to the substation.

For billing from EKPC to Cooperative, EKPC will bill the environmental surcharge pursuant to the provisions of EKPC's Rate ES – Environmental Surcharge. For billing from Cooperative to Customer, Cooperative will directly pass-through the wholesale environmental surcharge amount as billed by EKPC. The surcharge amount billed to the Customer as well as the retail revenues generated from the Customer will be excluded from the monthly calculation of Cooperative's Rates Schedule ES – Environmental Surcharge.

After the initial term of this Agreement, Customer may choose any existing tariff of Cooperative that is consistent with this Agreement and for which the Customer qualifies. Such change will require two (2) months' advance written notice to Cooperative. Customer agrees that if it chooses to change to an existing tariff it will remain on that tariff for at least one year following the effective date of the change. The Cooperative and Customer

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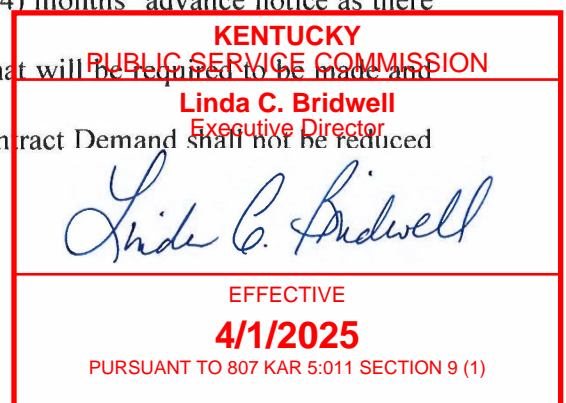
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may mutually agree to rate changes at any time, subject to any necessary approval of the Commission.

3. **Availability of Power.** Except as otherwise provided in this Agreement, Cooperative shall make available to Customer, and Customer shall take and purchase from Cooperative, all of Customer's requirements for electric power and energy and related services for the operation of Customer's Plant. The Point of Delivery for power and energy made available hereunder shall be the point at which Customer's Plant facilities connect to Cooperative's facilities. The power and energy made available hereunder shall be in the form of 3-phase alternating current at a frequency of approximately sixty (60) hertz and at a nominal voltage of 24,940volts at the metering point. Regulation of voltage shall be within such limits as prescribed by the applicable rules and regulations of the Commission. Maintenance by Cooperative at Point of Delivery of the above-described frequency and voltage within the above stated limits shall constitute availability of power for the purpose of this Agreement. The power and energy taken by Customer hereunder, shall be measured by meters and associated metering equipment to be, or cause to be, installed, operated and maintained by Cooperative or EKPC at its own respective costs. None of such electric power and energy shall be resold by Customer to third parties. The minimum "Contract Demand" for service under this Agreement shall be 10,000 kW, with a monthly energy usage equal to or greater than 400 hours per kW of Contract Demand per month. Customer cannot exceed 12,000 kW demand - if there are plans to exceed 12,000 kW demand then customer must give EKPC and Cooperative a minimum of twenty-four (24) months' advance notice as there will be substation and distribution system upgrades that will be required to be made and paid for by Customer prior to commencing work. Contract Demand shall not be reduced



below 10,000 kW. The power and energy made available to Customer hereunder shall be delivered, taken, and paid for subject to the provisions of Paragraph 2 of this Agreement and Cooperative's Large Power Rate – Industrial Schedule V-B, and the Interruptible Service Rider, applicable to demands in excess of the Firm Demand, as approved by the Commission, and as modified from time to time by appropriate authority, copies of which are attached hereto and made a part hereof. Customer shall comply with all requirements of such tariffs relating to eligibility for interruptible rates. In the event of any conflict between the provisions of this Agreement and said tariffs, the latter shall control.

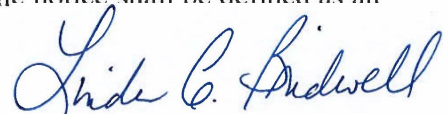
4. **Interruptible Service.** In accordance with Cooperative's Large Power Rate – Industrial Schedule V-B and Interruptible Service Rider, service to Customer may be interrupted by approved communication medium from EKPC. Customer chooses 1,000 kW of Firm Demand with the balance being Interruptible Demand. Interruptible Demand shall not be less than 250 kW and not exceed 20,000 kW.

The Customer shall have the right to request one change in the Firm Demand during a 12-month period. Changes in the Firm Demand will become effective on June 1st of a given year. A request for a change in the Firm Demand shall be made by giving written notice to the Cooperative and EKPC no later than December 31st of the year prior to the year the change is to be effective. The Cooperative and EKPC will review the request, and if agreed, shall provide the Customer with a written acceptance of the requested change in Firm Demand.

- a. **Optional Interruptions.** EKPC may interrupt Customer to avoid purchasing energy from the PJM Market (an "Optional Interruption"). EKPC shall notify Customer that it is calling for an interruption and the notice shall be defined as an

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Optional Interruption and include the interruption start and stop times. EKPC will endeavor to provide as much advance notice of interruptions as practicable, but the Customer will have thirty (30) minutes to reduce its electric power load to the Firm Demand level once notice is sent by EKPC to Customer. Customer shall have the opportunity to buy-through any Optional Interruption and will pay for such buy-through energy. The rate for buy-through energy shall be EKPC's out-of-pocket cost at the PJM EKPC Zone during the interruption hours, plus Cooperative's distribution charge. The amount of buy-through energy billed by the Cooperative to the Customer will be the actual energy consumed by the Customer above the Firm Demand each hour of the Optional Interruption. Interruptible buy-through energy shall not include the base energy charge, a fuel adjustment charge or environmental surcharge.

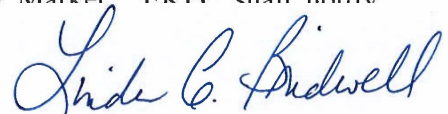
EKPC may offer Customer the ability to secure buy-through energy utilizing a day-ahead pricing option. When offered, Customer will be provided day-ahead information and must follow the instructions given in order to participate. Any difference between the purchased day-ahead energy and the Customer's consumption during the interruption above the Firm Demand will be balanced at the EKPC zone hourly Locational Marginal Price ("LMP") rate during the interruption. All metered energy above Firm Demand during the day-ahead interruption will have the Cooperative distribution charge applied.

- b. **Mandatory Interruption.** EKPC has the right to call upon a mandatory load-reducing interruption of Customer's Interruptible Demand (a "Mandatory Interruption") to participate in the PJM Capacity Market. EKPC shall notify

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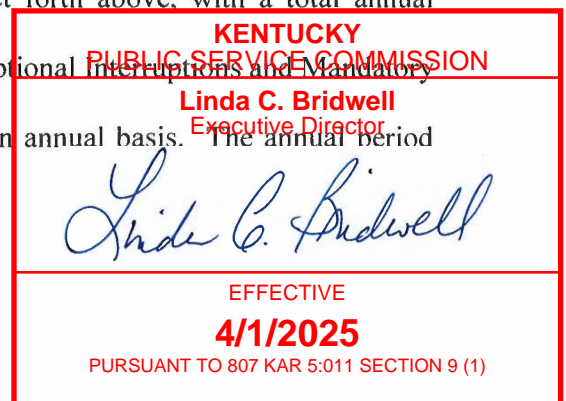
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Customer that it is calling for an interruption and the notice shall be defined as a Mandatory Interruption. Customer must interrupt its Interruptible Demand, and the buy-through energy provisions related to an Optional Interruption are not available for Mandatory Interruptions. For Mandatory Interruptions, the terms and conditions of PJM's Capacity Program then in place shall apply. The Customer will have thirty (30) minutes to reduce its load to the Firm Demand level once notice is sent by EKPC to Customer. In the event that PJM initiates a Mandatory Interruption during an EKPC-designated Optional Interruption, the Customer shall be obligated to curtail their load to the Firm Demand level. Additionally, the Customer shall be liable for all charges associated with energy consumption exceeding the Firm Demand level during hours in which the Mandatory Interruption aligns with the Optional Interruption.

Once per PJM delivery year (June-May) PJM requires Customer to prove its ability to interrupt load by having Customer reduce the load to or below the Firm Demand. The Customer must interrupt load as a result of this requirement. Failure by the Customer to reduce load to the Firm Demand during all hours of a Mandatory Interruption or all hours of a PJM mandatory annual test is considered a failure to interrupt and shall cause the Cooperative to invoke the failure to interrupt penalty provision of the Cooperative's Interruptible Service Rider.

- c. **Interruption Hours and Notice.** Customer is contracting for interruptible service for all demand over the Firm Demand as set forth above, with a total annual interruption of up to 400 hours. The sum of Optional Interruptions and Mandatory Interruptions shall not exceed 400 hours on an annual basis. The annual period



shall start on June 1 and end on May 31 of the following year. However, during the initial term of this Agreement, the annual period shall begin with the Effective Date of the Agreement and end on May 31 of the following year. The total interruptible hours during the initial term shall be pro-rated based on actual start date but shall not exceed 400 hours. Interruptions may occur between 6:00 a.m. to 9:00 p.m. EPT during the months of November through April and between 10:00 a.m. to 10:00 p.m. EPT during the months of May through October.

Notification of an interruption will be provided by EKPC to the Customer by phone call or email from EKPC's MOC to the Customer. The Customer will provide EKPC with Point of Contact ("POC") information for the communication of the notice of interruption and be responsible for keeping the POC information current. The Customer's POC to provide the communication of the notice of interruption is as follows:

Primary POC Name Mandy Jiang
Address 10443 AR124
 Russellville, AR 72802
Phone 347-612-5791
Email Mandy.h165@gmail.com
Text

Secondary POC Name Seven Kuang
Address 10443 AR124
 Russellville, AR 72802
Phone 626-328-3899
Email seven777.kuang@gmail.com



Text

EKPC's POC is the MOC system operator on duty at the time of communication. The phone number for EKPC's POC is (859) 745-9210, and email is generation.operations@ekpc.coop.

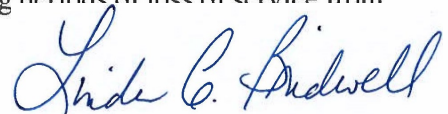
5. **Responsibilities of Customer.** It is the responsibility of Customer to be sure its phone is working and that someone is available 24 hours per day, 365 days per year to promptly respond to the EKPC communication. Customer shall acknowledge to EKPC that they received notice of a Mandatory Interruption by either following the instructions in the communication message or directly contacting the EKPC MOC email generation.operations@ekpc.coop prior to the start of the event. If Customer does not acknowledge the notice of a Mandatory Interruption from EKPC for whatever reason, Customer will be considered as failing to interrupt and the failure to interrupt provisions of the Cooperative's Large Power Rate – Industrial Schedule V-B and Interruptible Service Rider will be invoked.

Neither Cooperative nor EKPC shall be obligated to provide, or be responsible for providing, protective equipment for Customer's lines, facilities, and equipment to protect against single phasing, low voltage, short circuits, or any other abnormal system conditions, but Cooperative or EKPC, as the case may be, may provide such protective equipment as is reasonably necessary for the protection of its own property and operations.

The electrical equipment installed by Customer shall be capable of satisfactory coordination with any protective equipment installed by Cooperative or EKPC. Any back-up generator installed by Customer may only be used during periods of loss of service from

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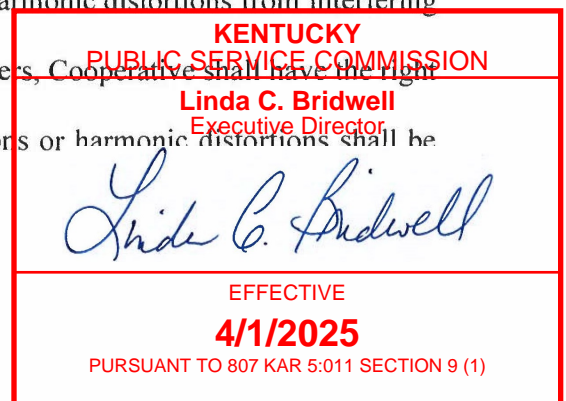
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Cooperative, to power minimum required equipment during a Mandatory Interruption, or to power minimum required equipment during a PJM performance test as noted in Paragraph 4(b). Running of back-up generators for demand peak shaving is prohibited.

6. **Continuing Jurisdiction of the Commission.** The rates, terms and conditions of this Agreement for electric service shall be subject to modification or change by Order of the Commission, during the initial one-year term and thereafter. The rates provided hereinabove shall be adjusted to reflect any Commission approved changes in applicable tariff rates, including any FAC, Environmental Surcharge or changes in the base rates approved for EKPC and/or Cooperative on or after the Effective Date of this Agreement.
7. **Voltage Fluctuations.** Customer and Cooperative shall cooperate to see that Customer's load is operated in accordance with prudent utility practices, as defined in Paragraph 11 below. Customer agrees to operate its Plant and facilities to reduce voltage fluctuations or harmonic distortions. EKPC may install special meters to capture load and harmonics. Cooperative will notify Customer if its operations cause voltage fluctuations or harmonic distortions that result in interference with Cooperative's supply of service to other customers, and will attempt to identify and help Customer correct such problems. Any substantial deviation from prudent utility practices that would cause additional voltage fluctuations or harmonic distortions requires approval from Cooperative. If Customer fails to install and/or to operate the necessary facilities on its premises to correct the voltage fluctuations or harmonic distortions of its load based on applicable industry and IEEE standards, or to prevent such voltage fluctuations or harmonic distortions from interfering with Cooperative's supply of services to other customers, Cooperative shall have the right to deny service to Customer. Any voltage fluctuations or harmonic distortions shall be

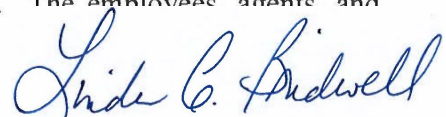


corrected within twenty-four (24) hours after written notice from Cooperative to Customer stating the voltage fluctuation or harmonic distortion problems.

Customer acknowledges that the energy-intensive nature of its operations are dissimilar to that of most other members of Cooperative and that any load in excess of the maximum demand could result in damage to Cooperative's distribution system, EKPC's transmission system and/or the distribution substation. In the event that Customer's usage exceeds the maximum demand, Customer shall be liable for any damages caused to EKPC or Cooperative in addition to all tariffed charges for demand exceeding the maximum demand. Furthermore, EKPC and Cooperative each reserve the right to de-energize Customer's Facility in the event that Customer's load presents a threat, in the sole discretion of EKPC or Cooperative, to their respective systems.

8. **Right of Access.** The duly authorized agents and employees of EKPC and/or Cooperative shall have free access at all reasonable hours to the premises of Customer for the purpose of installing, repairing, inspecting, testing, operating, maintaining, renewing or exchanging any or all of their equipment which may be located on the premises of Customer for reading or testing meters, or for performing any other work incident to the performance of this Agreement. Customer shall not unreasonably withhold access from Cooperative and/or EKPC to access equipment or machinery owned by Cooperative or EKPC. The parties agree to take reasonable steps to protect the property of each other party located on its premises, and to permit no one to inspect or tamper with the wiring and apparatus of the other party except such other party's agents or employees, or persons authorized by law. It is agreed, however, that no party assumes the duty of inspecting the wiring or apparatus of any other party and shall not be responsible therefor. The employees, agents, and

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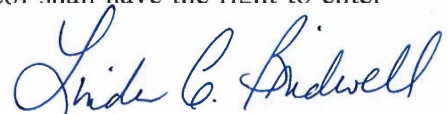
representatives of EKPC and Cooperative that access the Customer's facilities shall abide by all applicable safety, health and similar rules and requirements provided by the Customer.

9. **Substation Facilities.** Upon request, Customer, without cost to Cooperative or EKPC, shall convey to Cooperative or to EKPC, as appropriate, a suitably agreed upon site on Customer's premises for use as a substation facility. Such conveyance shall be in fee simple with General Warranty or by Substation Easement for so long as the site is used by Cooperative to furnish electrical power and energy. At such time as the site is no longer used by Cooperative for such purposes, it shall revert to Customer automatically, without the necessity of any action being taken or claim being made by Customer. It is agreed, however, that in the event of such reversion, Cooperative, EKPC or any successor in interest to them shall have ninety (90) days to remove any improvements erected by any of them upon such site. Customer shall also provide Cooperative and, as appropriate, EKPC, with such easements for any transmission line as may be required to connect the service to be provided by Cooperative hereunder, and shall take reasonable steps to provide for the safekeeping of such equipment and facilities and to prevent the access thereto by unauthorized persons.

10. **Right of Removal.** Any and all equipment, apparatus, devices, or facilities placed or installed, or caused to be placed or installed, by either of the parties hereto on or in the premises of the other party shall be and remain the property of the party owning and installing such equipment, apparatus, devices, or facilities regardless of the mode or manner of annexation or attachment of real property of the other. Upon the termination of this Agreement, or any extension thereof, the owner thereof shall have the right to enter

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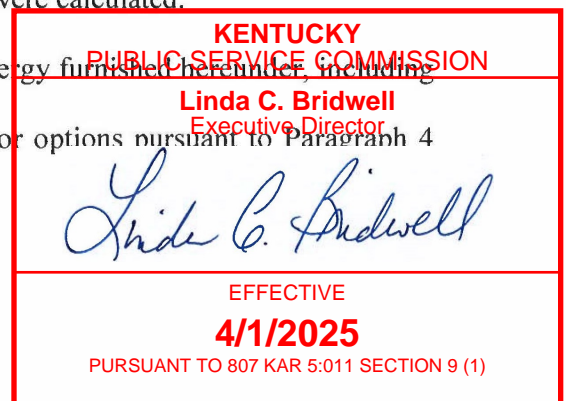
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upon the premises of the other and shall within a reasonable time upon notice and approval of the other party remove all or any portion of such equipment, apparatus, devices, or facilities, unless otherwise agreed by the parties at the time of such termination. As a part of any such removal, the owner shall perform restoration as required for any damage caused by said removal.

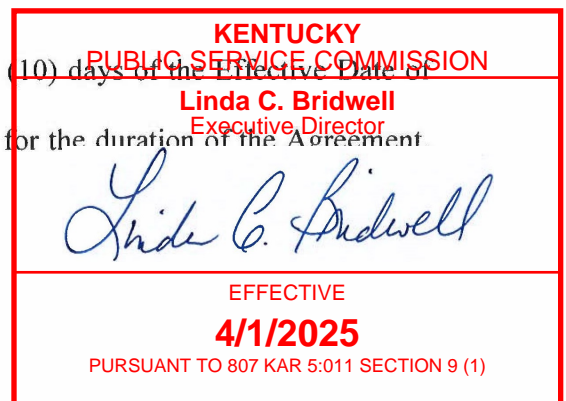
11. **Prudent Utility Practice.** Each party shall design, construct and operate its facilities in accordance with prudent electric utility practice in conformity with generally accepted standards for electric utilities in the Commonwealth of Kentucky, including, but not limited to, the applicable edition of the National Electric Safety Code.
12. **Maintenance of Equipment.** Each party agrees that it will at all times maintain its lines, equipment and other facilities up to the Delivery Points in a safe operating condition in conformity with generally accepted standards for electric utilities in the Commonwealth of Kentucky, including, but not limited to, the applicable edition of the National Electrical Safety Code and applicable IEEE standards.
13. **Billing and Payment.**
 - a. **Regular Monthly Billing.** EKPC shall invoice the Cooperative for all energy, capacity or other service delivered to the Cooperative in accordance with EKPC's tariffs. Cooperative will bill Customer each month for the cost of electric power and energy delivered to Customer during the preceding month. This bill will clearly state the amount due, the corresponding due date and sufficient information to demonstrate the manner in which the charges were calculated.
 - b. **Due Date.** Payment for electric power and energy furnished hereunder, including any amounts payable for replacement power or options pursuant to Paragraph 4



hereinabove, shall be due and payable at the office of Cooperative monthly in accordance with the applicable provisions of Cooperative's Large Power Rate – Industrial Schedule V-B and Interruptible Service Rider. If Customer shall fail to pay any such bill as provided in said tariffs, Cooperative may discontinue delivery of electric power and energy hereunder ten (10) days following written notice to Customer of its intention to do so. Such discontinuance for non-payment shall not in any way affect the obligations of Customer to pay the minimum monthly charge provided in the attached Rate Schedules. All amounts unpaid when due may be subject to a charge for late payment, as provided in the applicable Rate Schedules.

- c. **Failure to Take Delivery.** If Customer fails to accept all or part of the energy acquired or generated by EKPC or Cooperative when such purchases are made in performance of their respective obligations under this Agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and the efforts made by EKPC and/or Cooperative to market energy at the best market price attainable.

- d. **Security/Deposit.** Customer shall, within ten (10) days of the Effective Date of this Agreement, pay a deposit to Cooperative, for the duration of the Agreement



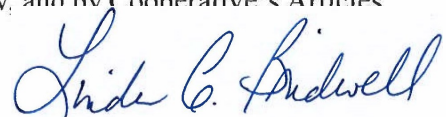
The amount of the deposit may be changed at the request of Cooperative to match any changes in load by Customer. Such deposit shall be equal to, but shall not exceed two times the amount of Customer's average monthly bill.

14. **Meter Testing and Billing Adjustment.** EKPC or Cooperative shall test and calibrate meters, or cause them to be tested and calibrated, by comparison with accurate standards at intervals of twenty-four (24) months. EKPC or Cooperative shall also make, or cause to be made, special meter tests at any time during normal business hours at Customer's request. The costs of all tests shall be borne or provided for by Cooperative, provided, however, that if any special meter test made by Customer's request shall disclose that the meters are recording accurately Customer shall reimburse Cooperative for the cost of such test. Meters registering not more than two (2) percent above or below normal shall be deemed to be accurate. The readings of any meter which shall have been disclosed by test to be inaccurate (as defined above) shall be corrected for the period during which meter error is known to have existed, or if not known, for one-half the elapsed time since the last such test in accordance with the percentage of inaccuracy found by such test. If any meter shall fail to register for any period, the parties shall agree as to the amount of kW Demand and energy furnished during such period. Such estimates shall be based on Customer's operating records for the period in question, historical load records and other pertinent data and records, and Cooperative shall render a bill to Customer therefore. Meter calibration records will be provided by the Cooperative upon request from the Customer.

15. **Membership/Capital Credits.** Cooperative is a non-profit Kentucky corporation and Customer will benefit from any savings or reductions in cost-of-service in the same manner as any comparable customer as authorized by Kentucky law, and by Cooperative's Articles

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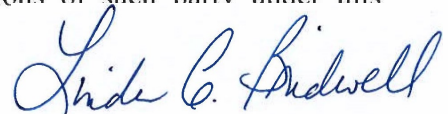
of Incorporation and Bylaws; provided, however, Cooperative's Board of Directors may defer retirement of so much of the capital credited to patrons for any year which reflects capital credited to Cooperative by EKPC until EKPC shall have retired such capital credited to Cooperative. Customer shall participate in capital credits of Cooperative in accordance with Kentucky law and Cooperative's Articles of Incorporation and Bylaws.

16. **Events of Default.** An "Event of Default" shall mean, with respect to a party (a "Defaulting Party"), the occurrence of any of the following:

- a. the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within twenty (20) Business Days after written notice;
- b. any representation or warranty made by such party herein is false or misleading in any material respect when made or when deemed made or repeated and written notice is given to that party by another party;
- c. the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such party's obligations to receive energy, the exclusive remedy for which is provided in Paragraph 13.c. above) if such failure is either not remedied within twenty (20) business days after written notice or reasonable steps have not been taken, and continue to be taken, to remedy such failure as soon as practical;
- d. such party becomes bankrupt; or
- e. such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such party under this

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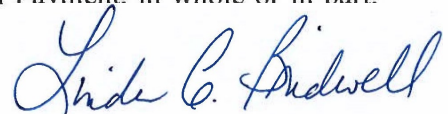
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Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party. Notwithstanding this provision, the parties agree that Customer shall not be in default if it is merged or consolidated with or acquired by an entity or entities in which control or majority interest remains in an affiliate, parent, or subsidiary of Customer.

17. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing and notice has been given in accordance with Paragraph 22 and any cure period(s) required in this Agreement have run, any other party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than ten (10) days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Initial Term, or any subsequent term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the party that owes it within twenty (20) business days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part.

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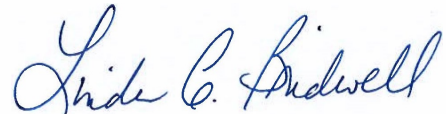
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the Defaulting Party shall, within twenty (20) business days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

18. **Disputes and Adjustments of Bills.** A party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the invoice shall be required to be made when due, with notice of the objection given to the other parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Upon resolution of the dispute, any required refund shall be made within twenty (20) business days of such resolution along with interest accrued at the rate of three percent (3%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the dispute is given, from and including the due date to but excluding the date of the refund. Inadvertent overpayments shall be returned upon request or deducted by the party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If

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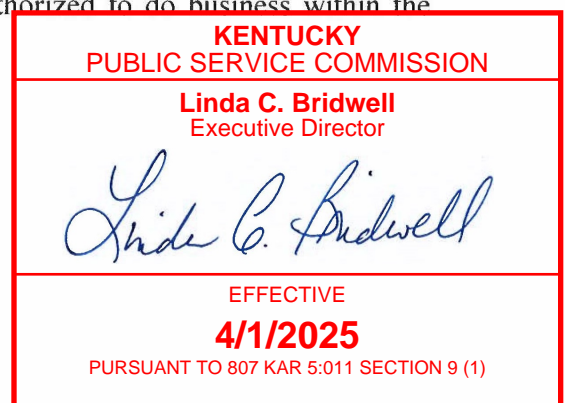
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an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

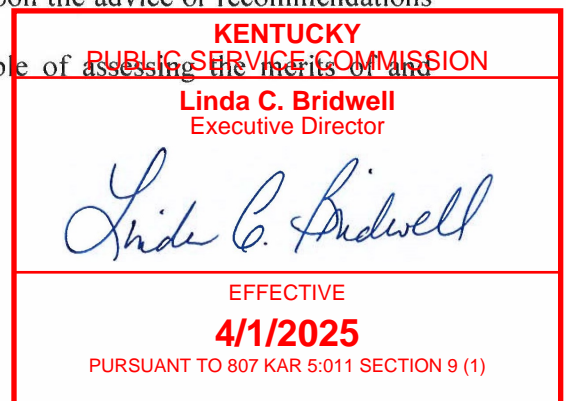
19. **Resolution of Disputes.** Any dispute or need of interpretation between the parties involving or arising under this Agreement first shall be referred for resolution to a senior representative of each party. Upon receipt of a notice describing the dispute and designating the notifying party's senior representative and that the dispute is to be resolved by the parties' senior representatives under this Agreement, the other parties shall promptly designate its senior representatives to the notifying party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying party's notice was received by the other parties, or within such other period as the parties may jointly agree, the parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. During this resolution process, EKPC and Cooperative shall continue to supply energy as requested by Customer and Customer shall continue to accept requested renewable energy. Notwithstanding any inconsistent provision herein, any party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

20. **Representations and Warranties.** Each party represents and warrants to the other parties that:

- a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and that it is authorized to do business within the Commonwealth of Kentucky;



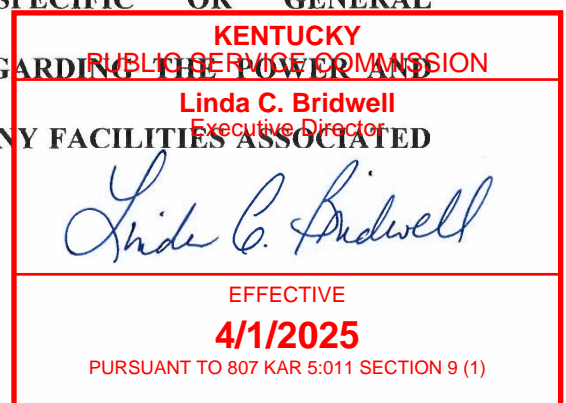
- b. it has all legal and regulatory authorizations necessary for it to legally perform its obligations under this Agreement or is diligently pursuing them;
- c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;
- d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;
- e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;
- f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;
- g. no Event of Default or potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;
- h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other party in so doing, and is capable of assessing the merits of and



understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

- i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all power and energy referred to herein;
- j. if applicable, it is compliant with all federal laws regarding the regulation and protection of securities, technology, infrastructure and financial data, including, without limitation, the Securities Act of 1933, Securities Exchange Act of 1934, Trust Indenture Act of 1939, Investment Company Act of 1940, Investment Advisors Act of 1940, Sarbanes-Oxley Act of 2002, Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Jumpstart Our Business Startups Act of 2012, the Foreign Investment Risk Review Modernization Act of 2018 and all rules and regulations promulgated thereunder, whether by the Securities and Exchange Commission, United States Treasury, Committee on Foreign Investment in the United States, Internal Revenue Service or other jurisdiction over Customer's business and operations;
- k. the material economic terms of this Agreement were and are subject to individual negotiation by the parties.

21. **Limitation of Liability. EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE POWER AND ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED**



WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.

22. **Notices.** Any written notice, demand, or request required or authorized under this Agreement, except for notices of an interruption which shall be given as set forth in Paragraph 4 herein, shall be deemed properly given to or served on Cooperative and EKPC if mailed/emailed to:

Cumberland Valley Electric, Inc.
Attn: Ted Hampton
PO Box 440
Gray, KY 40734

and

East Kentucky Power Cooperative, Inc.
Attn: Senior Vice President of Power Supply
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707



Any such notice, demand, or request shall be deemed properly given or served on Customer if mailed to:

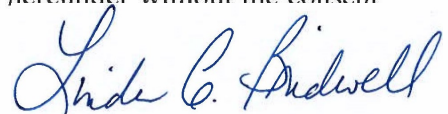
Letcher Power, LLC
212 N 2nd Street, Suite 100
Richmond, KY 40475

Each party shall have the right to change the name of the person to whom, or the location where the notices are to be given or served by notifying the other party, in writing, of such change.

23. **Responsibility for Damages or Loss.** The electric power and energy supplied under this Agreement is supplied upon the express condition that after it passes the Point of Delivery it becomes the responsibility of Customer. Neither Cooperative nor EKPC shall be liable for loss or damage to any person or property whatsoever, and Customer agrees to indemnify and hold EKPC and/or Cooperative harmless for damages suffered by any individual or business entity resulting directly or indirectly from the use, misuse or presence of the said electric power and energy on Customer's premises, or elsewhere, after it passes the Point of Delivery, except where such loss or damage shall be shown to have been occasioned by the gross negligence of EKPC or Cooperative, their agents or employees.
24. **Continuity of Service.** Cooperative shall use reasonable diligence required of a public utility in Kentucky to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail, neither EKPC nor Cooperative shall be liable therefor or for damages caused thereby.
25. **Successors in Interest - Assignment.** The terms and conditions of this Agreement shall inure to and be binding upon the parties, together with their respective successors in interest. No party to this Agreement may assign its rights hereunder without the consent

KENTUCKY
PUBLIC SERVICE COMMISSION

Linda C. Bridwell
Executive Director



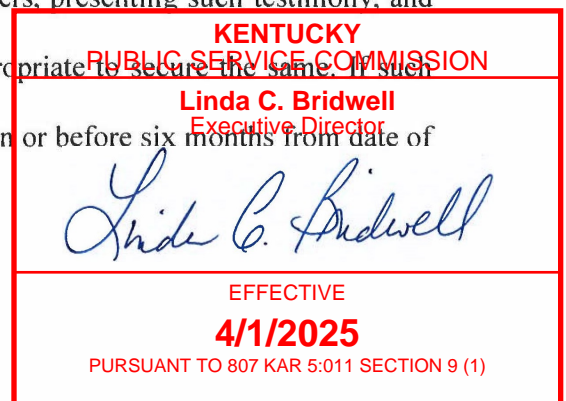
EFFECTIVE

4/1/2025

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

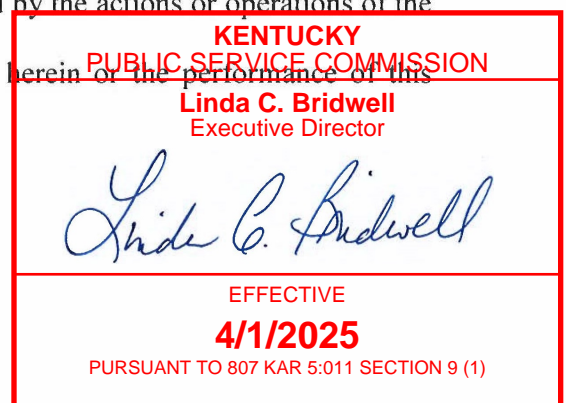
of the other, which shall not be unreasonably withheld; except that Cooperative or EKPC may assign this Agreement to the Rural Utilities Service ("RUS") and/or any other lenders to Cooperative or EKPC without such consent.

26. **Force Majeure.** The obligations of either party to this Agreement shall be suspended during the continuance of any occurrence, beyond the affected party's control (a "force majeure"), which wholly or partially prevents the affected party from fulfilling such obligations, provided that the affected party gives notice to the other party of the reasons for its inability to perform within a reasonable time from such occurrence, is diligently seeking to cure said force majeure, and gives notice to the other party within a reasonable time of such cure. As used in this Section, the term force majeure shall include, but is not limited to: acts of God; strikes; wars; acts of public enemy; riots; storms; floods; civil disturbances; explosions; failures of machinery or equipment; unavoidable disruptions in power deliveries from EKPC; or actions of federal, state, or local governmental authorities, which are not reasonably within the control of the party claiming relief. Notwithstanding the above provisions, no event of force majeure shall relieve Customer of the obligation to pay the minimum monthly charge provided herein or in the attached rate schedules.
27. **Approvals.** The rates and charges for electrical service established hereunder are subject to approval by the Commission pursuant to Kentucky Revised Statutes Chapter 278, and any necessary approvals by the RUS and the National Rural Utilities Cooperative Finance Corporation. The parties covenant to use their best efforts to forthwith seek and support such approvals for this Agreement by filing such papers, presenting such testimony, and taking such other action as may be necessary or appropriate to secure the same. If such approval shall not be received from the Commission on or before six months from date of



Agreement, any party may void this Agreement without further liability, except to the extent any liability has already accrued.

28. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.
29. **Modifications.** Any future revisions or modifications of this Agreement shall require the unanimous written approval of EKPC, Cooperative and Customer, and any necessary approvals by RUS, any other lenders to Cooperative, and the Commission.
30. **Indemnification.** Customer agrees to indemnify and hold Cooperative and EKPC, and their respective directors, officers, employees, attorneys, agents, representatives, successors and assigns harmless and to defend them at its sole cost and expense from each, every, any and all liabilities, judgments, claims, causes, actions, costs, expenses, compensation, demands or damages of any kind whatsoever asserted in any judicial or administrative form, whether arising in law, equity or other authority, including, without limitation, claims of third parties for indemnification and/or contribution, which may accrue to such others and their executors, administrators, heirs, successors and assigns, through any act, omission, event or occurrence caused by the actions or operations of the Customer, the violations of any authority identified herein or the performance of this Agreement.

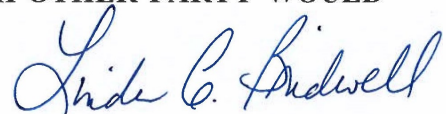


31. **Miscellaneous.**

- a. **Headlines of Articles.** Headings of articles of this Agreement have been inserted for convenience only and shall in no way affect the interpretation of any term or provision hereof.
- b. **Severability.** Except where expressly stated otherwise the duties, obligations and liabilities of the parties are intended to be several and not joint or collective.
- c. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Kentucky, notwithstanding any principles of choice of law.
- d. **Venue.** Any actions or claims arising from or relating to this Agreement shall be instituted in the Circuit Court of Knox County, Kentucky and each party hereto expressly acknowledges that such forum is convenient and acceptable.
- e. **Waiver of Trial by Jury.** EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT: (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD

KENTUCKY
PUBLIC SERVICE COMMISSION

Linda C. Bridwell
Executive Director



EFFECTIVE

4/1/2025

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER; (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER; (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY; AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS PARAGRAPH.

- f. **Waivers.** Any waiver at any time by a party of its rights with respect to a default or with respect to any other matters arising on connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or other matter.
- g. **Prior Agreements.** The parties hereby acknowledge that this Agreement contains the entire agreement among the parties and supersedes all prior agreements and understandings related to the subject matter hereof.
- h. **No Agency.** In performing their respective obligations hereunder, no party is acting, or is authorized to act, as agent of any other party.
- i. **Forward Contract.** The parties acknowledge and agree that all sales of renewable power hereunder constitute “forward contracts” within the meaning of the United States Bankruptcy Code.
- j. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed an original.



IN WITNESS WHEREOF, the parties have caused this Agreement to be executed, in six original counterparts, by their respective officers, thereunto duly authorized, as of the day and year first above written.

ATTEST:

LETCHER POWER, LLC

Mandy Jiang
SIGNATURE

Manager
TITLE

BY Mandy Jiang
PRINTED NAME

ATTEST:

EAST KENTUCKY POWER COOPERATIVE, INC.

Anthony S. Campbell
SIGNATURE

Pres. / CEO
TITLE

BY Anthony S. Campbell
PRINTED NAME

ATTEST:

CUMBERLAND VALLEY ELECTRIC, INC.

Ted Hampton
SIGNATURE

President & CEO
TITLE

BY Ted Hampton
PRINTED NAME

KENTUCKY PUBLIC SERVICE COMMISSION
Linda C. Bridwell Executive Director
<u>Linda C. Bridwell</u>
EFFECTIVE 4/1/2025 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Cumberland Valley Electric, Inc.
Case No. 2024-00388
Attorney General's First Request for Information

Request 2: Explain why CVE decided to proceed with a streamlined rate case, instead of a general rate case.

Response 2: Cumberland Valley elected to pursue a streamlined rate case instead of a general rate case in order to reduce rate case expense, avoid (or at least diminish) rate shock that may result from large infrequent rate increases, and reduce the strain on Commission resources. This process also puts new rates into effect sooner and with less administrative burden on Cumberland Valley staff relative to a general rate case. All of this is consistent with the Commission's stated objectives in the original streamlined rate pilot program established in Case No. 2018-00407 and now promulgated in 807 KAR 5:078.

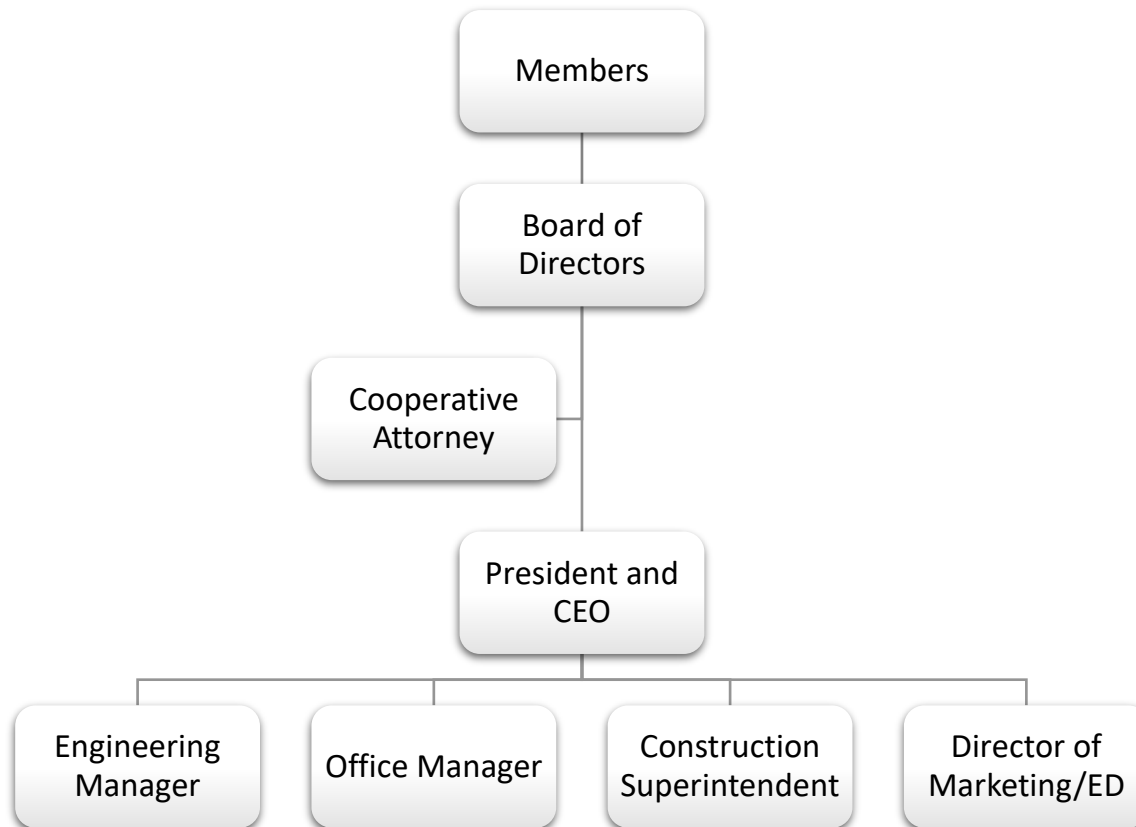
Cumberland Valley Electric, Inc.
Case No. 2024-00388
Attorney General's First Request for Information

Request 3: Refer to the Application generally. Provide an organizational chart of CVE, including all positions. If a position is vacant designate as such.

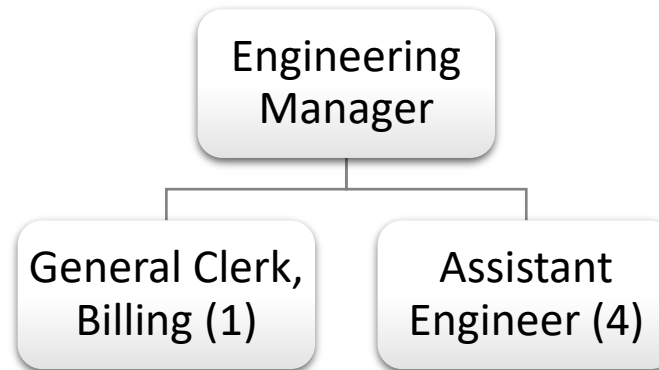
Response 3: Please see Attachment AG 1-3.

ATTACHMENT AG 1-3

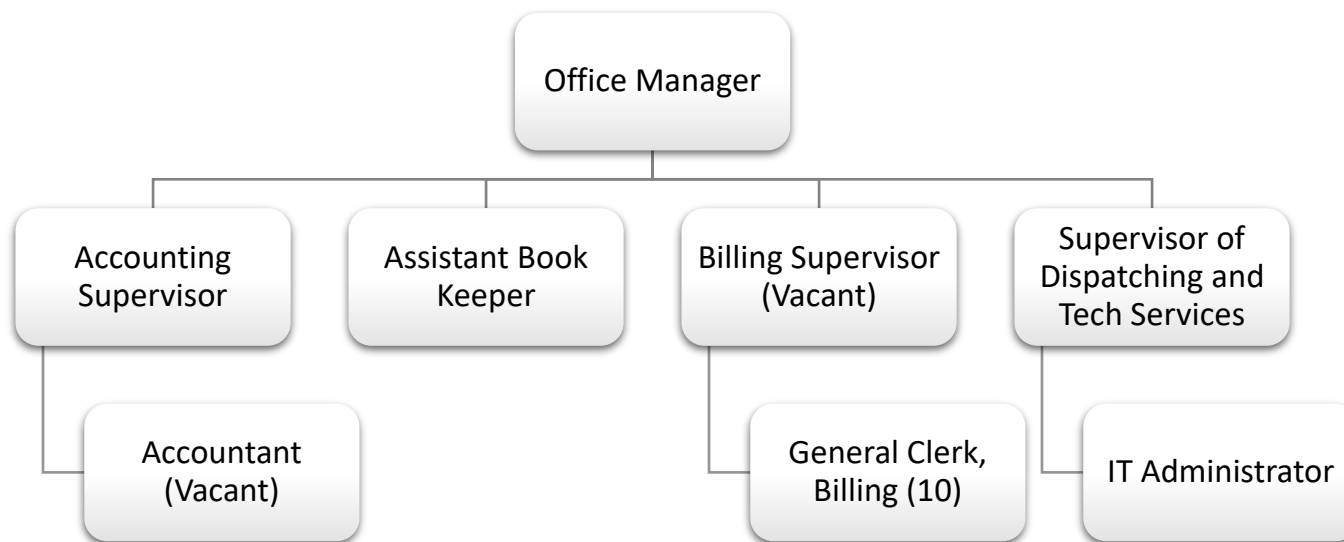
General Cooperative Organization



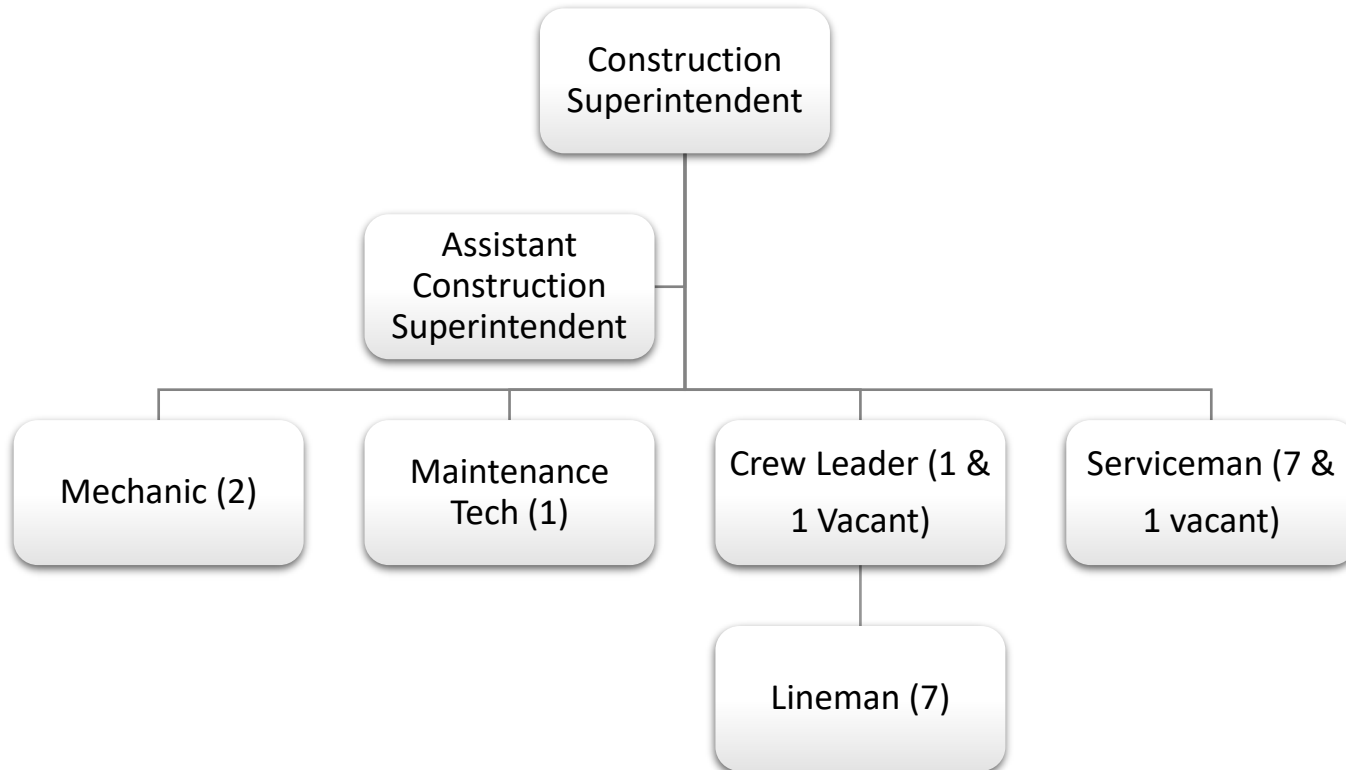
Engineering Department



Business Office



Service and Construction



Cumberland Valley Electric, Inc.
Case No. 2024-00388
Attorney General's First Request for Information

Request 4: Refer to the Application, page 1, in which CVE states that it provides electric power to approximately 24,300 members in the Kentucky counties of Bell, Clay, Harlan, Knox, Laurel, Leslie, Letcher, McCreary, and Whitely.

- a. Provide a detailed account of all economic issues that the Company's customers in the above-referenced counties are combating at the present time.
- b. Provide CVE's actual number of customers for the years 2021 – 2025.
- c. Explain in detail whether CVE projects a future gain or loss in its customer count and provide copies of all projections concerning the same.
- d. Provide CVE's total annual energy sales for the years 2021 – 2025.
- e. Explain whether CVE expects annual energy sales to increase or decrease, and provide copies of all projections concerning the same.
- f. Provide a map of CVE's electric service territory.
- g. Provide a list of all rural electric cooperatives and investor-owned electric utilities whose service territory is contiguous with CVE's service territory.
- h. Explain whether CVE has ever worked, or plans on working, with any other rural electric cooperative or investor-owned electric utility on any joint ventures to provide electricity to Bell, Clay, Harlan, Knox, Laurel, Leslie, Letcher, McCreary, and Whitely counties.
- i. Based upon the most recent United States Census information, the poverty rates for CVE electric service area are as follows:
 - Bell County – 28.9%,
 - Clay County – 37.2%,
 - Harlan County – 29.7%,
 - Knox County – 35.0%,
 - Laurel County – 21.8%,

Leslie County – 26.7%,
Letcher County – 23.8%,
McCreary County – 35.9%,
Whitely County – 26.9%,

Confirm that CVE is aware of the above high percentages of its electric customers who live at or below the poverty line or on fixed incomes.

j. Based upon the high poverty rates that exist in the CVE electric service area, explain in detail all low-income assistance programs and payment plan options that CVE provides to its customers experiencing difficulty paying their electric bills.

Response 4(a): Southeast Kentucky, part of the broader Central Appalachian region, faces a unique set of economic challenges rooted in historical dependence on the coal industry, geographic isolation, and limited economic diversification. Here's a summary of the current economic conditions in the region:

- Persistent poverty – Southeast Kentucky counties have some of the highest poverty rates in the United States and median household income is significantly below state and national averages.
- Job market – the decline of the coal industry and lack of other major industries has led to high unemployment.
- Educational/workforce – high school graduation rates are near average, but college attainment rates are lower than state and national levels; this leads to a mismatch between the available jobs and the skills of the local workforce.
- Public health – the region faces serious health problems; including, diabetes, heart disease, and substance abuse.
- Infrastructure – the mountain terrain has led to infrastructure challenges and lack of rural broadband.

Response 4(b):

Year	Members
2021	24,052
2022	24,088
2023	24,219
2024	24,301
April 30, 2025	24,270

Response 4(c): Cumberland Valley’s load forecast projects flat to minimal growth over the foreseeable future.

Response 4(d):

Year	YTD Sales (kWh)
2021	416,306,219
2022	508,616,013
2023	509,779,907
2024	519,395,841
April 30, 2025	166,216,899

Response 4(e): Please see the Response to Item 4(c).

Response 4(f): Please see Attachment AG 1-4(f).

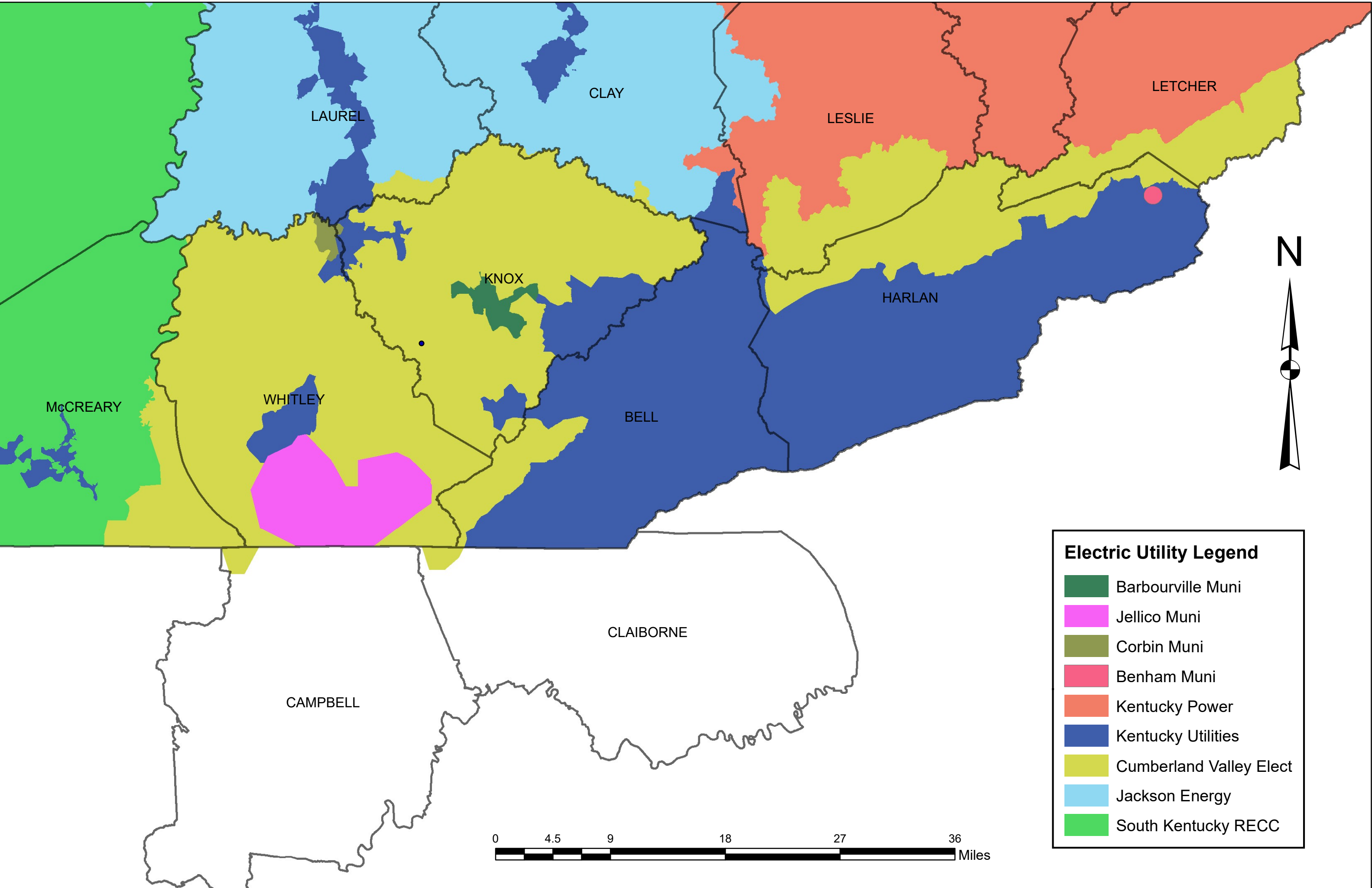
Response 4(g): South Kentucky Rural Electric Cooperative Corporation, Jackson Energy, Powell Valley (Tennessee), Kentucky Utilities, Kentucky Power Company.

Response 4(h): Cumberland Valley is always open to communications with other utilities to discuss mutual beneficial endeavors or achieving economies of scale.

Response 4(i): Cumberland Valley is aware of the poverty rates within its service territory.

Response 4(j): Cumberland Valley follows the Commission’s rules and regulations in regard to payment plans or arrangements. Cumberland Valley informs and directs our members in need of low-income energy assistance to the appropriate local community agency or to any other known organization that might provide assistance. Cumberland Valley also has a Community Assistance Resources for Energy Savings Program (“CARES”) which was approved by the Commission. Please see Cumberland Valley’s Tariff First Revised Sheet 97-99.

ATTACHMENT AG 1-4(f)



Electric Utility Legend

- Barbourville Muni
- Jellico Muni
- Corbin Muni
- Benham Muni
- Kentucky Power
- Kentucky Utilities
- Cumberland Valley Elect
- Jackson Energy
- South Kentucky RECC

Witness: Robert Tolliver and John Wolfram

Cumberland Valley Electric, Inc.
Case No. 2024-00388
Attorney General's First Request for Information

Request 5: Refer to the Application, pages 1-2. CVE asserts that its existing rates went into effect on March 23, 2021, and since then the costs of operation have increased, despite attempts to minimize cost escalation.

- a. Please provide a list of all pro forma adjustments, the monetary value of each adjustment, and a description of why each adjustment is being requested.
- b. Explain in detail, and provide examples of how management has attempted to minimize cost escalation.
- c. Explain why CVE is requesting to achieve an Operating Times Interest Earned Ratio ("OTIER") of 1.85.
- d. Identify the Time Interest Earned Ratio ("TIER") correspondence to the requested OTIER.
- e. Provide the TIER and OTIER that are required by all loan contract terms.

Response 5(a): See the Application, Exhibit 32, Direct Testimony of John Wolfram and Exhibit JW-2.

Response 5(b): Cumberland Valley's management attempted to minimize costs across all areas of the company. In one instance, when an employee left they were not replaced and their job duties were absorbed by other existing employees. This type of decision does minimize cost; however, continuous evaluation is required to determine if they are sustainable.

Cumberland Valley continuously and actively monitors its borrowing and long-term debt. Cumberland Valley historically either rode out variable rates or locked in long term rates depending on the interest rate environment. At one point in time, Cumberland Valley had the second lowest composite interest rate of any electric cooperative in the nation per CFC's Key Ratio Trend Analysis. Cumberland Valley also actively monitors investments to maximize interest and

maintain sufficient cash flow. These types of decisions are attempts to minimize cost escalation and be as efficient as possible with resources.

Cumberland Valley recently moved its phone system into the cloud. This move resulted in savings of approximately \$9,300 per year. This is an example of cost savings while getting a much better product and more flexible functionality.

Response 5(c): Cumberland Valley is not requesting an OTIER of 1.85. Consistent with 807 KAR 5:087, Cumberland Valley *may* request up to an OTIER of 1.85 or an overall increase of 1 percent per year since the last rate adjustment. The latter requirement provides a cap on the overall increase of 4 percent, which for Cumberland Valley's adjusted test period is an OTIER of 1.54.

Response 5(d): The requested OTIER of 1.54 corresponds to a TIER of 1.94 for this adjusted test year. See Exhibit JW-2 for additional details.

Response 5(e): TIER 1.25; OTIER 1.10.

Response 5(f): The loan covenants establish minimum requirements for financial metrics like TIER and OTIER. Cumberland Valley considers it prudent to establish rates that permit the achievement of financial metrics above these minimums, and the Commission has supported this view in every distribution cooperative rate case of which Cumberland Valley is aware.

Response 5(g): Please see the response to Commission Staff's First Request for Information, Item 13. Through April 2025 – Cumberland Valley's TIER is 1.71 and OTIER is 1.50.

Cumberland Valley Electric, Inc.
Case No. 2024-00388
Attorney General's First Request for Information

Request 6: Refer to Application, pages 1-2. CVE states that it has determined that an adjustment of retail rates is necessary for virtually all areas of operations.

- a. Explain the criteria CVE uses to determine if the rates provide sufficient revenue.
- b. Explain the criteria CVE uses to determine if it has the requisite financial strength.

Response 6(a)-(b): The appropriate criteria actually relates to the determination of whether the rates provide sufficient margins. The primary criteria used in this case is OTIER, although TIER is also a supporting criteria. The unadjusted test period OTIER is 0.62 and TIER is 1.38 (compared to reasonable targets of 1.85 and 2.00 respectively). Both metrics decline for the adjusted test year – OTIER drops to 0.26 and TIER drops to 0.66. See Exhibit JW-2 for additional details.

Cumberland Valley Electric, Inc.
Case No. 2024-00388
Attorney General's First Request for Information

Request 7: Refer to the Application generally. Provide the following information for CVE executive staff employees.

- a. Provide the position title and salary for each executive staff employee for the years 2021 – 2025.
- b. Provide the average raise that the executive staff employees received for the years 2021 – 2025. Ensure to explain whether the annual raise is directly connected to a performance review.
- c. Provide the average bonus that each executive staff employee received for the years 2021 - 2025.
- d. Provide all awards given to the executive staff employees for the years 2021 – 2025.
- e. Provide all vehicle allowances given to the executive staff employees for the years 2021 – 2025.
- f. Provide all incentive compensation given to the executive staff employees for the years 2021 – 2025.
- g. Provide the average raise, if any, which will be given to executive staff employees in 2026.
- h. Provide a detailed explanation of the insurance benefits provided to the Company's executive staff employees, including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company's executive staff employees, premiums paid by the Company or parent company on the executive staff employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.
- i. Provide a detailed explanation of the retirement benefits provided to the Company's executive staff employees, including but not limited to, whether there is a defined

benefit plan, 401(k) matching, etc. Identify all employees who are eligible for both the defined benefit plan and 401k contributions from the Company.

j. Explain whether any of the executive staff employees are members of a union.

Response 7(a)-(d): Please see the Excel spreadsheet provided separately. Portions are being provided under seal subject to a motion for confidential treatment.

Response 7(e): Cumberland Valley does not have a vehicle allowance, but does provide a vehicle for the executive staff employee for company use only.

Response 7(f): Please see the Excel spreadsheet provided separately.

Response 7(g): No adjustment to wages for 2026 has been determined.

Response 7(h): Cumberland Valley offers health, dental, life and long-term disability insurance for employees (executive staff, salaried and non-salaried employees). Employees contribute to health and dental insurance. Salaried employees and executive staff members contributed twelve and one-half percent to medical and forty percent to dental insurance during the test year. These percentages apply to all categories of coverage (e.g. single, family, etc.).

Non-salaried employees contributed eleven and one-tenth percent during the first eight months of 2023 and thirteen and six-tenth percent for the last four months for medical insurance. For non-salaried employees, the contribution rate is for all medical coverage. Non-salaried employees contribute thirty-three and seventy-seven hundredths percent for employee/spouse and family coverage for dental insurance. Non-salaried employees do not contribute to dental insurance for single coverage. Life and long-term disability insurance offered by the Company are paid for by the Company.

While the Company does not offer vision insurance, a clause in the union contract allows for reimbursement for some vision expenses for non-salaried employees. Employees also have the option to participate in supplemental life, spouse life, child life, supplemental AD&D, medical air service, and cancer insurance with one hundred percent employee contributions. Since the medical plan is a self-funded plan, the Company may be assessed a surcharge and/or assessments or a receive a surplus depending on the plan performance. This can vary from year to year. The employees do not contribute to the surcharge or assessments, and they do not receive reimbursements resulting from a surplus. The employee contribution is based on the premiums. Employee contributions for medical premiums are \$110,440.59 and employer contributions for medical premiums, surcharges, copays and deductibles are

\$997,449.95. Employee contributions for dental premiums are \$20,051.30 and employer contributions for dental premiums are \$39,188.54. Employer contributions for life and AD&D premiums are \$108,084.80. Employer reimbursements for vision for non-salaried employees is \$3,717.64. Employee contributions for supplemental life, spouse life, child life, supplemental AD&D, helicopter and cancer insurance premiums is \$31,332.51.

Response 7(i): Executive staff members, and salaried employees, participate in a defined benefit plan. They do not participate in a 401(k) matching plan. No employees are eligible for both the defined benefit plan and 401(k) contributions. Non-salaried employees participate in a 401(k) plan with employer contributions. They do not participate in a defined benefit plan or 401(k) matching plan.

Response 7(j): No executive staff are members of a union.

**ATTACHMENT
IS AN EXCEL
SPREADSHEET
AND UPLOADED
SEPARATELY**

Cumberland Valley Electric, Inc.
Case No. 2024-00388
Attorney General's First Request for Information

Request 8: Refer to the Application generally. Provide the following information for CVE salaried employees.

- a. Provide the position title and salary for each salaried employee for the years 2021 – 2025.
- b. Provide the average raise that the salaried employees received for the years 2021 – 2025. Ensure to explain whether the annual raise is directly connected to a performance review.
- c. Provide the average bonus that each salaried employee received for the years 2021 - 2025. Ensure to explain all bases used to calculate all bonuses.
- d. Provide all awards given to the salaried employees for the years 2021 – 2025.
- e. Provide all vehicle allowances given to the salaried employees for the years 2021 – 2025.
- f. Provide all incentive compensation given to the salaried employees for the years 2021 – 2025.
- g. Provide the average raise, if any, which will be given to salaried employees for 2026.
- h. Provide a detailed explanation of the insurance benefits provided to the Company's salaried employees, including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company's salaried employees, premiums paid by the Company or parent company on the salaried employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.

i. Provide a detailed explanation of the retirement benefits provided to the Company's salaried employees, including but not limited to, whether there is a defined benefit plan, 401(k) matching, etc.

j. Explain whether any of the salaried employees are members of a union.

Response 8(a)-(d): Please see the Excel spreadsheet provided separately. Portions are being provided under seal subject to a motion for confidential treatment.

Response 8(e): Cumberland Valley does not have a vehicle allowance, but does provide a vehicle to five salaried employees for company use only.

Response 8(f): Please see the Excel spreadsheet provided separately.

Response 8(g): No adjustment to wages for 2026 has been determined.

Response 8(h): Please see the response to Item 7(h).

Response 8(i): Please see the response to Item 7(i).

Response 8(j): No salaried employees are members of a union.

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SPREADSHEET
AND UPLOADED
SEPARATELY**

Cumberland Valley Electric, Inc.
Case No. 2024-00388
Attorney General's First Request for Information

Request 9: Refer to the Application generally. Provide the following information for CVE non-salaried employees.

- a. Provide the position title and wages for each non-salaried employee for the years 2021 – 2025.
- b. Provide the average raise provided to the non-salaried employees for the years 2021 – 2025. Ensure to explain whether the annual raise is directly connected to a performance review.
- c. Provide the average bonus provided to the non-salaried employees for the years 2021 – 2025.
- d. Provide all awards given to the non-salaried employees for the years 2021 – 2025.
- e. Provide all vehicle allowances given to the non-salaried employees for the years 2021 – 2025.
- f. Provide all incentive compensation given to the non-salaried employees for the years 2021 – 2025.
- g. Provide the average raise, if any, which will be given to non-salaried employees for 2026.
- h. Provide a detailed explanation of the insurance benefits provided to the Company's non-salaried employees, including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company's non-salaried employees, premiums paid by the Company on the non-salaried employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.
- i. Provide a detailed explanation of the retirement benefits provided to the Company's non-salaried employees, including but not limited to, whether there is a defined benefit plan, 401(k) matching, etc.

j. Explain whether any of the non-salaried employees are members of a union.

Response 9(a)-(d): Please see the Excel spreadsheet provided separately. Portions are being provided under seal subject to a motion for confidential treatment.

Response 9(e): Cumberland Valley does not have a vehicle allowance for non-salaried employees.

Response 9(f): Please see the Excel spreadsheet provided separately.

Response 9(g): No adjustment to wages for 2026 has been determined at this time.

Response 9(h): Please see the response to Item 7(h).

Response 9(i): Please see the response to Item 7(i).

Response 9(j): There are two non-salaried employees that are not members of the union. All other non-salaried employees are members of the union.

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IS AN EXCEL
SPREADSHEET
AND UPLOADED
SEPARATELY**

Cumberland Valley Electric, Inc.
Case No. 2024-00388
Attorney General's First Request for Information

Request 10: Refer to the Application generally. Provide a copy of all formal studies conducted that compare CVE wage and benefit information to the local wage and benefit information for the geographic area in which CVE operates. If no such study exists, explain why not.

Response 10: Cumberland Valley utilizes Intandem, LLC for all wage and salary studies. One report compares local wage rates (all that are available) with Cumberland Valley's wage rates. A copy of the report is being provided under seal pursuant to a motion for confidential treatment.

Cumberland Valley Electric, Inc.
Case No. 2024-00388
Attorney General's First Request for Information

Request 11: Refer to the Application generally. Explain the current process of awarding wage/salary increases to salaried versus non-salaried and union versus non- union employees.

Response 11:

Salaried (Non-Union) Employees

The non-union employees' wage increases are governed by Cumberland Valley's Wage and Salary Plan. The plan is designed to address three areas of salary increase: economic, competency and performance/merit. Each year, the President & CEO presents to the Board of Directors any revisions to the ranges in the Wage and Salary Plan. These revisions are based on the compensation plan methodology which reflects changes in the labor market values. The President & CEO recommends an annual salary increase budget to the Board of Directors for their consideration and action. This budget will include both market and merit increases. The Board of Directors review the President & CEO's performance annually. This review along with consideration of updated wage data is used to determine salary.

Non-Salaried (Union) Employees

The union employees wage increase is governed by a collective bargaining agreement with the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union. Wage increases are negotiated and incorporated into the contract. Contract terms are normally for a 3-year period. Sometimes wages are set for the 3-year period and other times wages have been negotiated annually. The current contract expires August 31, 2025.

Cumberland Valley Electric, Inc.
Case No. 2024-00388
Attorney General's First Request for Information

Request 12: Refer to the application generally. What is the highest TIER and OTIER that is required by the Company's current debt covenants?

Response 12: Please see the response to Item 5.

Cumberland Valley Electric, Inc.
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Request 13: Refer to the Application generally.

a. Provide a detailed explanation of all salary and benefits provided to the members of the Board of Directors during the years 2021 – 2025. Ensure to provide the salary amounts, and specific details regarding all benefit packages, including but not limited to health, dental, vision, accidental death and disability, life insurance, bonuses, awards, vehicle allowances, reimbursement of travel expenses, and the like.

b. Provide the total amount of the Board of Directors' fees for the test year.

c. Provide a breakdown of the total amount of the Board of Directors' fees for the test year.

d. Discuss if there will be any changes to the Board of Directors' salaries and/or benefit packages in 2026.

e. When setting the Board of Directors' fees and benefits did the Company review other Kentucky rural electric cooperative Board of Directors' fees and benefits? If so, explain in detail the findings. If not, explain in detail why not.

f. Provide a detailed explanation of all salary and benefits provided to the Company's attorney during the years 2021 – 2025. Ensure to provide the salary amounts, and specific details regarding all benefit packages, including but not limited to health, dental, vision, accidental death and disability, life insurance, bonuses, awards, vehicle allowances, reimbursement for travel expenses, and the like.

Response 13(a): Cumberland Valley's Board receive a board fee for meetings. Below are the fees from 2021-02025.

	2021	2022	2023	2024	2025
Regular Board Meeting Fee	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Special Meeting Fee	\$300	\$300	\$300	\$300	\$300

Benefits:

	2021	2022	2023	2024	2025
Health Insurance	\$10,526	\$12,129	\$2,467	\$0	\$0
Dental Insurance	\$4,805	\$3,768	\$540	\$0	\$0
Life Insurance	\$696	\$690	\$170	\$0	\$0
AD&D Insurance	\$84	\$78	\$18	\$0	\$0

Beginning in April 2020, Cumberland Valley began a phased approach to cease contributions for all director's benefits. All of Cumberland Valley's contributions to director's benefits ended on April 1, 2023.

Cumberland Valley reimburses directors for mileage and travel expenses for company related meetings.

Response 13(b): \$63,000.00.

Response 13(c):

	2023
Regular Board Meeting Fee	\$60,000
Special Meeting Fee	\$3,300

Response 13(d): There are no planned changes to the expenses in 2026.

Response 13(e): The board fees have not changed since 2013. Cumberland Valley has not reviewed any other cooperative's board fees.

Response 13(f): Cumberland Valley does not pay a salary or provide benefits to a company attorney. During 2021-2025 Cumberland Valley's retainer fee was \$1,000 per month. Refer to the Application, Exhibit 8 for further details.

Cumberland Valley Electric, Inc.
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Request 14: Refer to Tolliver testimony, page 8. Regarding comments made about the CVE workforce, are there currently any open positions or plans to create new positions? If so, please provide a list of all open positions and the wages or salaries offered.

Response 14: See the response to Item 3.

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Request 15: Provide the total sum that CVE residential ratepayers subsidized the cost of service ("COS") for the bit coin miners. How much have other ratepayer classes subsidized the bitcoin miners?

Response 15: None. The bitcoin members are not subsidized by other rate classes.

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Request 16: When the new bitcoin miner begins operations, provide the amount by which all ratepayer cases will subsidize their operations.

Response 16: None. See the response to Item 15.

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Request 17: Explain in detail whether CVE is concerned that increasing electricity prices will make it even more difficult to attract much needed businesses and jobs to its service area.

Response 17: Attraction is a function of “relative” rates not “absolute” rates, so Cumberland Valley is not overly concerned that the proposed rate increase will make attraction more difficult because many neighboring utilities are facing the same cost pressures. Cumberland Valley must recover the fixed costs to serve all customers. Even with increased rates, utility rates and property rates are relatively low in Kentucky and for Cumberland Valley. This will keep Cumberland Valley competitive in this regard.

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Request 18: Reference Revised Exhibit JW-2, page 22, (Reference Schedule 1.14.) Please confirm that the departure of the bit coin mining companies left CVE with a negative impact to margins of \$433,661. If not confirmed, explain fully why not. If confirmed, explain which classes were assigned the additional revenue impacts from this margin loss, and provide a per class breakdown.

Response 18: Confirmed. The additional revenue deficiency was not directly assigned to any one class or classes; instead, the adjustment reduces overall margins, which increase the overall revenue deficiency, which is mitigated by the proposed rate adjustments for every adjusted class. It is not possible to provide a per class breakdown for this pro forma adjustment in isolation.

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Request 19: Reference the Tolliver Testimony at page 9. If CVE were to maintain the current energy charge rather than decreasing it, as proposed, explain the effect on the proposal to increase the residential monthly charge from \$17.62 to \$25.00.

a. Confirm that maintaining the current energy charge would meet the Company's claimed revenue deficit of \$2,248,000.

Response 19: If Cumberland Valley maintained the current residential energy charge, Cumberland Valley would have to increase the residential customer charge to only \$23.15 monthly in order to achieve the same target rate of return for the class. This is less consistent with the cost of service study, which demonstrates that the actual residential monthly cost to serve is \$26.43.

Response 19(a): This depends on the customer charge. If the customer charge were increased to \$23.15, and the residential energy charge were not changed, this combination would yield the revenue deficiency of \$2.25 million (with rounding). However, this is less consistent with the cost of service study, as noted in the response above.

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Request 20: Reference the Wolfram testimony at page 9. Provide complete details regarding the purported \$542,143 downward adjustment that the Company states the Commission could make “. . . without impacting CVE’s overall requested rate increase or proposed rates.” Include in your response a complete explanation of how the adjustment was reached, and why the Company did not offer it as a pro forma adjustment.

Response 20: The quote above was provided to note Cumberland Valley is limited in this case to requesting an increase that results in the lower of (a) OTIER of 1.85 and (b) a 4 percent increase over test year actuals. The difference between the revenue deficiencies at these two levels is \$542,143. If the Commission were to make any revisions to the proposed pro forma adjustments, one would have to re-examine this “lower of” conditional, and it is possible that it could change. The \$542,143 amount is not a “pro forma adjustment” on its own.

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Request 21: Reference the Wolfram testimony at page 5, table 1. What is the estimated percentage of revenue that will or may be attributed to the new crypto mining customer?

Response 21: The prior crypto mining customers resulted in \$5.77 million in revenue for 2024. If this were included in Table 1, it would account for 10.7% of the total annual revenue. Please see below for an estimate.

Class	Revenue	%
Crypto	\$ 5,770,000	10.7%
R	\$ 34,527,805	63.9%
TOD	\$ 7,534	0.0%
C1	\$ 1,909,412	3.5%
C2	\$ 1,357,876	2.5%
IB	\$ 103,827	0.2%
E1	\$ 1,272,161	2.4%
L1	\$ 7,414,374	13.7%
S	\$ 1,672,273	3.1%
Total	\$ 54,035,262	100.0%

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Request 22: Reference the Wolfram testimony at page 20. Please clarify as to what rate classes are subsidized and to what extent under the proposed rate increase.

Response 22: Please see Exhibit JW-3, page 1, under the “After Proposed Rate Revisions” header. Rate classes R, TOD, C1, IB and L1 are subsidized to a degree by C2, E1 and S. The subsidized classes have rates of return lower than the overall rate of return for the system. The Unitized Rate of Return on Rate Base is an indicator of the extent of subsidization.

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Request 23: CVE states that it is requesting an increase in the monthly residential customer charge from \$17.62 to \$25.00.

- a. Explain how seeking to increase the monthly residential customer charge from \$17.62 to \$25.00, which is an increase of approximately 41.9%, is in line with the principle of gradualism.
- b. Explain whether CVE contemplated proposing a lower increase to the monthly residential customer charge so as not to create rate shock for the customers.
- c. Explain whether CVE contemplated implementing the proposed higher customer charge in two or multiple phases instead of a 41.9% increase at one time.
- d. Explain whether the increase in the customer charge is beneficial to residential ratepayers, and if so, how.
- e. Explain whether CVE contemplated the prospect of more members being unable to timely pay their monthly bills in the event that the proposed increase is approved.
- f. Explain how much of the cost of service for each rate class in the instant application is comprised of fixed costs.
- g. Provide a list of all electric utilities in Kentucky, with the corresponding monthly residential customer charge, residential volumetric charge, average residential customer bill, and rank the utilities from lowest to highest average bill. Ensure to include CVE's current and proposed residential customer charge, residential volumetric charge, residential average bill, and rank based upon its proposed revenue requirement.

Response 23(a): Cumberland Valley notes that the increase to the total residential billings rather than one component of those billings is more relevant for assessing gradualism. The overall increase to residential billings is only 4.3 percent after 4 years, or approximately 1 percent per year. Cumberland Valley considers this to be gradual.

Response 23(b): Cumberland Valley did not consider this because the overall increase is moderate at 1 percent per year.

Response 23(c): Cumberland Valley did not consider a phased increase, because addressing financial metrics and cash flow challenges is a high priority and doing so sooner than later is in the best interest of the members. Furthermore, the more meaningful percentage metric is the overall increase, which is 4.3%.

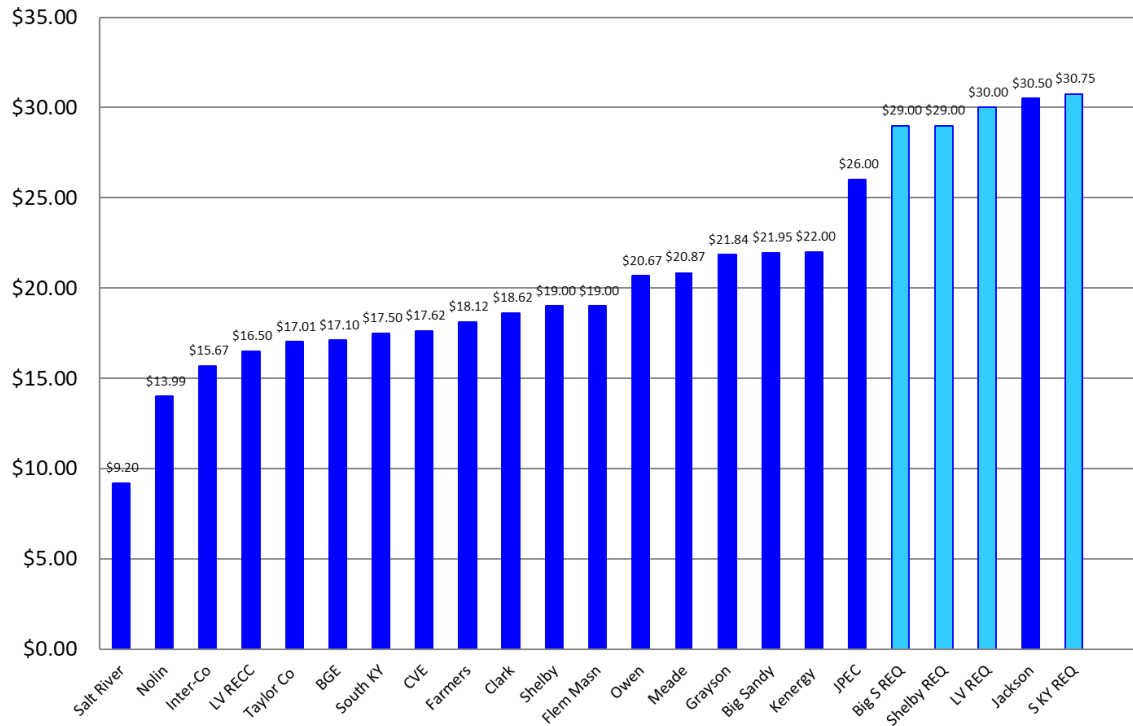
Response 23(d): Cumberland Valley considers the proposed monthly residential customer charge to be beneficial to residential ratepayers because the charges are more aligned with the actual cost of service. This results in a more appropriate price signal to residential consumers which better promotes economic, efficient usage and reduces subsidies between members.

Response 23(e): Cumberland Valley is mindful of members' ability to pay, and will continue to offer payment options to those most in need. But that does not nullify the revenue deficiency or the appropriateness of moving rates closer to actual cost-based rates.

Response 23(f): The portion that is "fixed" includes power supply demand, transmission demand, distribution demand, and distribution related costs; the portion that is "variable" includes power supply energy from the filed COSS. See attachment AG 1-23(f).

Response 23(g): Cumberland Valley did not compile all the requested information during the development of this case. The relevant information that is available, which only includes the monthly residential customer charge for electric distribution cooperatives in Kentucky at that time, from publicly available data on the Commission's website, follows. (Those labeled "REQ" are requested in open cases at this time.)

Monthly Residential Fixed Charges



ATTACHMENT AG 1-23(f)

CVE Fixed vs Variable Costs - 2024

[illegible]

Cumberland Valley Electric, Inc.
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Request 24: Refer to the Application generally. Provide the current average residential customer's monthly usage, total monthly bill, and the projected average bill if the Commission grants CVE's rate increase request.

Response 24: See Exhibit JW-9.

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Request 25: Does CVE currently have any anti-nepotism policies in place? If so, provide copies of any and all such policies, and/or memoranda referring to such policies. If CVE does have a policy in place, has it removed any exception, as suggested by the PSC in the order entered on February 6, 2017, for 2016-00169?

Response 25: As suggested by the Commission, Cumberland Valley removed the exception and updated the nepotism policy. Please see Attachment AG 1-25 for the updated policy.

ATTACHMENT AG 1-25

Nepotism

1. Policy

The board recognizes that the practice of nepotism in the employment of personnel or other favorable considerations by virtue of family relationships is bad practice as there is natural tendency for kinsman to favor kinsman if the opportunity presents itself. The cooperative shall not, in the future, employ any person or persons who are kin either by blood or by marriage, to be closer than that of a second cousin, to any Board member, manager, supervisor, or other employee of the cooperative.

2. Responsibility

Board of Directors and CEO

Approval

/s/ Vernon Shelley
Chairman of the Board

2/9/2017
Date

Date of Change(s)	Revised by	Summary of Change(s)
February 17 th , 1983		Originally Adopted
February 9 th , 2017		Board approval of exceptions removed

Cumberland Valley Electric, Inc.
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Request 26: Does CVE employ the relatives of:

- a. Any CVE board member;
- b. Any CVE officer;
- c. Any CVE consultant; and/or
- d. Any other CVE employee?
- e. If the answer to any of a-d was yes, provide details.

Response 26: Yes. A Board Member is related to the CEO, Superintendent, and Bookkeeper. The CEO is related to a Board Member, Superintendent, and Bookkeeper. The Superintendent is related to a Board Member, CEO, and Bookkeeper. Bookkeeper is related to Board Member, CEO, and Superintendent. A billing clerk is related to a lineman. A serviceman is related to an assistant engineer. A serviceman is related to a crew leader. A lineman is related to an assistant engineer.

Cumberland Valley Electric, Inc.
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Request 27: Explain whether any members of CVE's Board of Directors, or the Company's chief executives serve on the boards of directors of any other organizations. If so, identify all such organizations, including their name and address, the nature of each such organization, and the length of time they served as a member of that board.

Response 27:

<u>CVE Board Member/CEO</u>	<u>Other Organization</u>	<u>Address</u>	<u>Nature</u>	<u>Time Served</u>
Lansford Lay	East Kentucky Power Cooperative	4775 Lexington Road, Winchester, KY 40392	Generation & Transmission Cooperative	Since May 2024
Vernon Shelley	Kentucky Electric Cooperatives	1630 Lyndon Farm Ct, Ste 200, Louisville, KY 40223	Statewide Association of Electric Cooperatives	Since June 2004
Ted Hampton	Kentucky Electric Cooperatives	1630 Lyndon Farm Ct, Ste 200, Louisville, KY 40223	Statewide Association of Electric Cooperatives	Since 1965

Cumberland Valley Electric, Inc.
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Request 28: Explain whether CVE is seeking any funds/grants from federal, state, or local sources which have been or will be made available. If so, identify the source and amount of those funds/grants, and the current status of the applications for all such funds / grants. If the Company has foregone any relevant opportunities for funds/grants for which it is eligible, explain why.

Response 28: In the fall of 2023, Cumberland Valley submitted a grant application to the U.S. Department of Energy's Office of Clean Energy Demonstrations (OCED) under the Bipartisan Infrastructure Law Energy Improvement in Rural or Remote Areas Fixed Award Grant Program. Cumberland Valley's application proposed a reliability-focused project targeting the Carpenter substation, which includes two of the least reliable circuits on the system. The project includes the replacement of outdated fuses with modern self-restoring reclosers, as well as strategic right-of-way clearing and replanting with native vegetation to reduce vegetation-related outages.

In the spring of 2024, Cumberland Valley was selected as a recipient of this competitive federal grant and awarded \$4.9 million. This is a 100% federally funded grant that requires no matching contribution from Cumberland Valley. The project is scheduled to begin in the next few months and will be fully financed by OCED. Cumberland Valley has not applied for any additional federal, state, or local funding related to this or any other reliability improvement projects at this time. The funds awarded through this grant will not offset or replace Cumberland Valley's existing right-of-way clearing program. Instead, they will supplement ongoing efforts by targeting specific circuits. The intent of this project is to enhance overall grid reliability by implementing focused vegetation management and modernizing protective equipment, without reducing Cumberland Valley's current operational commitments.

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Request 29: Refer to the Application, pages 6-7.

- a. Please provide further details regarding the use of the \$4.9 million Department of Energy and clarify if it is being used for right-of-way and vegetation management.
- b. Advise if this grant has had an impact on the COS, and if so, how.

Response 29(a)-(b): See the response to Commission Staff's First Request, Item 5(b).

Witness: Robert Tolliver and John Wolfram

Cumberland Valley Electric, Inc.
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Response 30: Please provide a detailed list of all organizations to which CVE pays membership dues, and the annual amount of these dues. Please also identify if CVE has already, or plans to, renew its membership in these organizations. Please advise if these dues are included in the revenue requirement in the pending rate case, and if so, precisely where.

Response 30: In 2023, Cumberland Valley paid dues to the National Rural Electric Cooperative Association ("NRECA"), \$33,633 and Kentucky Electric Cooperatives ("KEC"), \$59,395.74. These were removed from the revenue requirement as required by 807 KAR 5:078 and Commission precedent.

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Request 31: Confirm that all charitable contributions and lobbying expenses have been removed from the application.

Response 31: Confirmed.

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Request 32: Please address why a test year ending December 31, 2023 was used, rather than one that is more recent.

Response 32: 807 KAR 5:078, Section 2(8) requires an application for an alternative adjustment of rates to be based upon the most recent annual report on file with the Commission. Due to the timing of the application, the 2023 Annual Report was the most recent.

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Request 33: Explain whether CVE has any plans in place in the event that the proposed LIPHEAP cuts lower the amount of funds provided to citizens in its service area.

Response 33: Cumberland Valley must comply with the payment plans in its tariff, see Cumberland Valley Tariff, First Revised Sheet No 32. Cumberland Valley will refer members to any other assistance programs in the areas.

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Request 34: Provide the total long-term debt for 2024 and the present-day value.

Response 34: Please see the response to Commission Staff's First Request for Information, Item 13 and the Application, Exhibit 14.

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Request 35: Provide the Operations and Maintenance expenses of CVE for 2024 and 2025.

Response 35:

2024 – \$5,847,812

As of April 30, 2025 – \$1,883,234