

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF EAST)
KENTUCKY POWER COOPERATIVE, INC.)
FOR A GENERAL ADJUSTMENT OF RATES,) Case No. 2025-00208
APPROVAL OF DEPRECIATION STUDY,)
AMORTIZATION OF CERTAIN REGULATORY)
ASSETS, AND OTHER GENERAL RELIEF)

EAST KENTUCKY POWER COOPERATIVE, INC.'S
VERIFIED APPLICATION

Comes now East Kentucky Power Cooperative, Inc. (“EKPC”), by counsel, pursuant to KRS 278.180, KRS 278.190, 807 KAR 5:001, and other law, and does hereby request the Kentucky Public Service Commission (“Commission”) to grant it a general adjustment of rates and other relief, respectfully stating as follows:

I. INTRODUCTION

1. EKPC is a not-for-profit, rural electric cooperative corporation established under KRS Chapter 279 with its headquarters in Winchester, Kentucky. Pursuant to various agreements, EKPC provides electric generation capacity and electric energy to its sixteen (16) Owner-Member Cooperatives (“owner-members”), which in turn serve over 570,000 Kentucky homes, farms and commercial and industrial establishments in eighty-nine (89) Kentucky counties. EKPC’s Board has stated its strategic objective is to maintain a generation fleet that prudently diversifies its fuel sources while maximizing its capital investments and minimizing stranded assets. EKPC is a “utility” as that term is defined in KRS 278.010(3)(a) and a “generation and transmission cooperative” as that term is defined in KRS 278.010(9).

2. In total, EKPC owns and operates approximately 2,963 MW of net summer generating capacity and 3,265 MW of net winter generating capacity. EKPC owns and operates

coal-fired generation at the John S. Cooper Station in Pulaski County, Kentucky (341 MW) and the Hugh L. Spurlock Station (1,346 MW) in Mason County, Kentucky. EKPC also owns and operates natural gas-fired generation at the J. K. Smith Station in Clark County, Kentucky (753 MW (summer)/989 MW (winter)) and the Bluegrass Generating Station in Oldham County, Kentucky (501 MW (summer)/567 MW (winter)), landfill gas-to-energy facilities in Boone County, Greenup County, Hardin County, Pendleton County and Barren County (13.8 MW total), Cooperative Solar Farm One (8.5 MW) in Clark County, Kentucky and Cooperative Solar Farm Four – Star Hill Farm (0.5 MW) in Marion County, Kentucky. Finally, EKPC purchases hydropower from the Southeastern Power Administration at Laurel Dam in Laurel County, Kentucky (70 MW), and the Cumberland River system of dams in Kentucky and Tennessee (100 MW). EKPC also has 200 MWs of interruptible load and approximately 28 MWs in peak reduction mechanisms. EKPC’s record peak demand of 3,754 MW occurred on January 17, 2024.

3. EKPC owns 2,994 circuit miles of high voltage transmission lines in various voltages, mainly 69kV and greater. EKPC also owns the substations necessary to support this transmission line infrastructure. Currently, EKPC has seventy-seven (77) free-flowing interconnections with its neighboring utilities. EKPC’s transmission system is operated by PJM Interconnection, LLC (“PJM”), of which EKPC has been a fully integrated member since June 1, 2013. PJM is a regional electric grid and market operator with operational control of over 180,000 MW of regional electric generation through all, or parts of, Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and the District of Columbia. It operates the largest capacity and energy market in North America.

4. Despite close management supervision to minimize cost-escalation, overall expenses in several aspects of EKPC's operations have increased. EKPC's Board of Directors, in conjunction with its management, has determined that an adjustment of rates is necessary. EKPC proposes to adjust its tariffed rates in order to achieve an increase in its annual revenues of just over \$79.73 million in order to maintain equity, maintain its materially improved financial condition, satisfy current and future loan covenants, account for inflationary pressures, and sustain its ability to provide safe, adequate, and efficient service at rates that are fair, just and reasonable. This equates to an approximate 7.49% increase in EKPC's wholesale base rates.

5. EKPC's application also includes proposed modifications to several of its existing tariffs, amortization of certain regulatory assets and relief from certain ongoing reporting and filing obligations which are now out of date.

II. FILING REQUIREMENTS

6. Pursuant to 807 KAR 5:001, Section 14(1), EKPC's business address is 4775 Lexington Road, Winchester, Kentucky 40391 and its mailing address is Post Office Box 707, Winchester, Kentucky 40392-0707. EKPC's email address is: psc@ekpc.coop. EKPC's telephone number is 859-744-4812 and its fax number is 859-744-6008. EKPC requests that the following individuals be included on the service list:

Gregory H. Cecil, EKPC Director of Regulatory and Compliance

Greg.cecil@ekpc.coop

Counsel for EKPC, L. Allyson Honaker, Heather S. Temple, and Meredith L. Cave:

allyson@hloky.com

heather@hloky.com

meredith@hloky.com

7. Pursuant to 807 KAR 5:001, Section 14(2), EKPC is a Kentucky corporation, in good standing, and was incorporated on July 9, 1941. A Certificate of Good Standing is attached as Volume 1, Exhibit 2.

8. Pursuant to 807 KAR 5:001, Section 16(1)(a), EKPC's application is based upon an historic test year ending on December 31, 2023, and, except where noted, includes known and measurable adjustments through the period ending on June 30, 2024.

9. Pursuant to 807 KAR 5:001, Section 16(1)(b)1., EKPC's application is supported by the testimony of nine supporting witnesses and numerous supporting schedules and exhibits which describe why the adjustment is required.

10. Pursuant to 807 KAR 5:001, Section 16(1)(b)2., EKPC also operates under the assumed name of Cooperative Solar and a certified copy of the certificate of assumed name is attached hereto at Volume 1, Exhibit 5.

11. Pursuant to 807 KAR 5:001, Section 16(1)(b)3., revised tariff sheets are attached hereto at Volume 1, Exhibit 6. The new rates are proposed to be effective on September 1, 2025.

12. Pursuant to 807 KAR 5:001, Section 16(1)(b)4., revised tariff sheets showing the proposed tariff sheets with italicized inserts and strikethroughs over proposed deletions are attached hereto at Volume 1, Exhibit 7.

13. Pursuant to 807 KAR 5:001, Section 16(1)(b)5., a statement that notice has been given in accordance with 807 KAR 5:001, Section 17 is attached hereto at Volume 1, Exhibit 8.

14. Pursuant to 807 KAR 5:001, Section 16(2), a copy of the Notice of Intent filed with the Commission and sent to the Attorney General's Office of Rate Intervention on July 1, 2025 is attached hereto at Volume 1, Exhibit 9.

15. Pursuant to 807 KAR 5:001, Section 16(3), EKPC is not proposing a retail rate increase and the notice requirements of 807 KAR 5:051 do not apply.

16. Pursuant to 807 KAR 5:001, Section 16(4), EKPC provides an index of the attached additional exhibits which are required for a rate filing involving an historic test year:

Reference	Exhibit	Volume	Exhibit(s)
807 KAR 5:001, Section 16(4)(a)	A complete description and quantified explanation for all proposed adjustments with proper support for proposed changes in price or activity levels, if applicable, and other factors that may affect the adjustment;	1	11
807 KAR 5:001, Section 16(4)(b)	If the utility has gross annual revenues greater than \$5,000,000, the written testimony of each witness the utility proposes to use to support its application;	1 - 2	12-20
807 KAR 5:001, Section 16(4)(c)	If a utility has gross annual revenues less than \$5,000,000, the written testimony of each witness the utility proposes to use to support its application or a statement that the utility does not plan to submit written testimony.	2	21
807 KAR 5:001, Section 16(4)(d)	A statement estimating the effect that each new rate will have upon the revenues of the utility including, at minimum, the total amount of revenues resulting from the increase or decrease and the percentage of the increase or decrease;	2	22
807 KAR 5:001, Section 16(4)(e)	If the utility provides electric, gas, water, or sewer service, the effect upon the average bill for each customer classification to which the proposed rate change will apply;	2	23
807 KAR 5:001, Section 16(4)(f)	If the utility is an incumbent local exchange company, the effect upon the	2	24

				average bill for each customer class for the proposed rate change in basic local service.		
807 KAR 16(4)(g)	5:001,	Section		A detailed analysis of customers' bills whereby revenues from the present and proposed rates can be readily determined for each customer class;	2	25
807 KAR 16(4)(h)	5:001,	Section		A summary of the utility's determination of its revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage, or operating ratio, with supporting schedules;	2	26
807 KAR 16(4)(i)	5:001,	Section		A reconciliation of the rate base and capital used to determine its revenue requirements;	2	27
807 KAR 16(4)(j)	5:001,	Section		A current chart of accounts if more detailed than the Uniform System of Accounts;	2	28
807 KAR 16(4)(k)	5:001,	Section		The independent auditor's annual opinion report, with written communication from the independent auditor to the utility, if applicable, which indicates the existence of a material weakness in the utility's internal controls;	2	29
807 KAR 16(4)(l)	5:001,	Section		The most recent Federal Energy Regulatory Commission or Federal Communication Commission audit reports;	3	30
807 KAR 16(4)(m)	5:001,	Section		The most recent FERC Financial Report FERC Form No.1, FERC Financial Report FERC Form No. 2, or Public Service Commission Form T (telephone);	3	31
807 KAR 16(4)(n)	5:001,	Section		A summary of the utility's latest depreciation study with schedules by major plant accounts, except that	3	32

telecommunications utilities that have adopted the commission's average depreciation rates shall provide a schedule that identifies the current and test period depreciation rates used by major plant accounts. If the required information has been filed in another commission case, a reference to that case's number shall be sufficient;

807 KAR 5:001, Section 16(4)(o)	A list of all commercially available or in-house developed computer software, programs, and models used in the development of the schedules and work papers associated with the filing of the utility's application. This list shall include: <ol style="list-style-type: none"> 1. Each software, program, or model; 2. What the software, program, or model was used for; 3. The supplier of each software, program, or model; 4. A brief description of the software, program, or model; and 5. The specifications for the computer hardware and the operating system required to run the program; 	3	33
807 KAR 5:001, Section 16(4)(p)	Prospectuses of the most recent stock or bond offerings;	3	34
807 KAR 5:001, Section 16(4)(q)	The annual report to shareholders or members and statistical supplements covering the two (2) most recent years from the utility's application filing date;	3	35
807 KAR 5:001, Section 16(4)(r)	The monthly managerial reports providing financial results of operations for the twelve (12) months in the test period;	3	36
807 KAR 5:001, Section 16(4)(s)	A copy of the utility's annual report on Form 10-K as filed with the Securities and Exchange Commission for the most recent two (2) years, any Form 8-K issued during the past two (2) years, and	3	37

any Form 10-Q issued during the past six (6) quarters updated as current information becomes available;

807 KAR 16(4)(t)	5:001,	Section	Certain information from a utility with an affiliate or general or home office;	3	38
807 KAR 16(4)(u)	5:001,	Section	If the utility provides gas, electric, water, or sewage utility service and has annual gross revenues greater than \$5,000,000, a cost of service study based on a methodology generally accepted within the industry and based on current and reliable data from a single time period; and	3	39
807 KAR 16(4)(v)	5:001,	Section	Certain information from local exchange carriers with more than 50,000 access lines.	3	40
807 KAR 16(5)(a)	5:001,	Section	A detailed income statement and balance sheet reflecting the impact of all proposed adjustments;	3	41
807 KAR 16(5)(b)	5:001,	Section	The most recent capital construction budget containing at least the period of time as proposed for any pro forma adjustment for plant additions;	3	42
807 KAR 16(5)(c)	5:001,	Section	Information for each proposed pro forma adjustment reflecting plant additions;	3	43
807 KAR 16(5)(d)	5:001,	Section	The operating budget for each month of the period encompassing the pro forma adjustments; and	3	44
807 KAR 16(5)(e)	5:001,	Section	The number of customers to be added to the test period end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers.	3	45

17. The filing requirements set forth in 807 KAR 5:001, Section 16(4)(c), (f), (l), (p), (s), (t) and (v) do not apply because EKPC: (1) has gross annual revenues greater than \$5,000,000; (2) is not an incumbent local exchange carrier; (3) has not been audited by either the Federal Energy Regulatory Commission or the Federal Communications Commission; (4) has not tendered any stock or bond offerings; (5) is not a Securities and Exchange Commission registrant; (6) does not have monies charged or allocated to it by an affiliate or home office; and (7) is not a local exchange carrier with more than 50,000 access lines. Likewise, the filing requirements set forth in 807 KAR 5:001, Section 16(5)(b) and (c) do not apply because EKPC is not proposing any pro forma adjustments for plant additions.

18. EKPC has given notice of its application in accordance with 807 KAR 5:001, Section 17. A copy of the notice provided is attached at Volume 1 Exhibit 8.

19. Pursuant to the Commission's Order in Case No. 2008-00408, Case No. 2019-00059,¹ and 2021-00103, EKPC is including its consideration of cost-effective energy efficiency resources as defined in the Commission's IRP regulation (807 KAR 5:058) in the testimony of Mr. Jacob R. Watson (Vol. 2, Exhibit 16).

20. Pursuant to the Commission's Order in Case No. 2012-00428,² EKPC is including a discussion of smart grid investments in the testimony of Denver York (Vol. 2, Exhibit 20).

¹ See *In the Matter of Consideration of the New Federal Standards of the Energy Independence and Security Act of 2007*, Rehearing Order, Case No. 2008-00408, p. 10 (Ky. P.S.C. July 24, 2012) ("Each electric utility shall integrate energy efficiency resources into its plans and shall adopt policies establishing cost-effective energy efficiency resources with equal priority as other resource options. In each integrated resource plan, certificate case, and rate case, the subject electric utility shall fully explain its consideration of cost-effective energy efficiency resources as defined in the Commission's IRP regulation (807 KAR 5:058)."); *In the Matter of the Demand Side Management Filing of East Kentucky Power Cooperative, Inc.*, Order, Case No. 2019-00059 (Ky. P.S.C. Nov. 26, 2019).

² See *In the Matter of the Consideration of the Implementation of Smart Grid and Smart Meter Technologies*, Order, Case No. 2012-00428 (Ky. P.S.C. Apr. 13, 2016).

21. Pursuant to KRS 278.2205(6), EKPC is attaching its current Cost Allocation Manual (Vol. 3, Exhibit 48).

22. Although not a formal filing requirement, EKPC is pleased to be able to share some of the ways in which it has been able to manage its costs and leverage developments in federal law and policy in order to forestall an increase in its base rates. These efforts will be explained in greater detail in the direct testimony of Mr. Anthony S. Campbell and others.

III. OVERVIEW OF RELIEF SOUGHT

23. As part of EKPC's request for an increase in its base rates, it is seeking to increase its revenue requirement by a total of \$79,731,915.

24. As part of the application, EKPC respectfully requests the Commission to approve the depreciation study attached at Volume 2, Exhibit 19, Direct Testimony John J. Spanos, Attachment JJS-1 of its application, which incorporates interim and terminal net salvage components into depreciation rates for Production Plant. EKPC believes that this approach best aligns recovery through depreciation expense with those benefiting from the generating plants while in service and is consistent with current practices for EKPC. EKPC requests that the new depreciation rates become effective on and after the effective date of its new rates (see paragraph twenty-five (25) below).

25. In addition to the proposed revenue requirement, EKPC requests the Commission to make certain changes in the design of EKPC's tariffed rates. As demonstrated in the proposed tariffs set forth in Volume 1, Exhibits 6 – 7, EKPC proposes increases in its demand, energy, metering point and substation charges.

26. Due to the timing of its billing cycle, **EKPC respectfully requests that its new rates be made effective as of the first day of the calendar month following the issuance of the Commission's Final Order in this docket.**

27. As part of its application, EKPC is also seeking additional relief in the form of modifications to several of its existing tariffs, including:

- a. Removing the Earnings Share Mechanism;
- b. Rate B – Including clarifying language for the allowed number of contract changes per year;
- c. Rate D - Removing the 20,000-kW max eligibility and removing the time frames that interruptions may occur; and
- d. Rate H - Adopting Option B as a permanent option rather than a pilot option.

28. For the reasons set forth in the testimony of Jacob R. Watson, EKPC is not proposing a roll-in of its existing environmental surcharge rate base into existing generation plant rate base.

29. EKPC proposes to amortize and reset its Generation Maintenance Tracker in base rates.

30. EKPC requests approval of its proposed tracking and recovery mechanism for RTEP expenses

31. EKPC requests relief from certain existing reporting obligations which now appear to be obsolete, outdated and unnecessary, including:

- a. An Annual comprehensive report identifying benefits and costs that accrue from its PJM Interconnection, LLC ("PJM") membership and comparing these

to benefits and costs if EKPC left PJM as modified in Case No. 2021-00103³ and originally from Case No. 2012-00169;⁴ and

- b. Annual operating reports setting forth details of the performance of the Bluegrass Station from Case No. 2015-00267.⁵

32. EKPC also requests to realign the filing of EKPC's small power production and cogeneration rates to a biennial basis in accordance with 807 KAR 5:054

33. EKPC also requests recovery of its rate case expenses, including the amounts for its Owner-Members' pass-through cases and for the amounts to be amortized over a period of three years.

IV. OVERVIEW OF TESTIMONY

34. EKPC is offering the supporting testimony of nine witnesses in support of its application:

- a. Mr. Anthony S. Campbell, EKPC's President and Chief Executive Officer offers testimony providing an overview of EKPC, the reasons for the rate case and various cost savings measures implemented since the last rate case;
- b. Mr. Cliff Scott, EKPC's Executive Vice President and Chief Financial Officer offers testimony concerning EKPC's financial condition and an overview of the proposed rate adjustment;

³ See *Electronic Application of East Kentucky Power Cooperative, INC. For a General Adjustment of Rates, Approval of Depreciation Study, Amortization of Certain Regulatory Assets, and Other General Relief*, Order, Case No. 2021-00103, ordering paragraph 10 (Ky. P.S.C. Sept. 30, 2021) & ordering paragraph 2 and 3 (Ky. P.S.C. May. 25, 2022).

⁴ See *In the Matter of Application of East Kentucky Power Cooperative, Inc. to Transfer Functional Control of Certain Transmission Facilities to PJM Interconnection, LLC*, Order, Case No. 2012-00169, ordering paragraph 6 (Ky. P.S.C. Dec. 20, 2012).

⁵ See *In the Matter of Application of East Kentucky Power Cooperative, Inc. for Approval of the Acquisition of Existing Combustion Turbine Facilities from Bluegrass Generation Company, LLC at the Bluegrass Generating Station in LaGrange, Oldham County, Kentucky and for Approval of the Assumption of Certain Evidences of Indebtedness*, Order, Case No. 2015-00267, ordering paragraphs 3 and 4 (Ky. P.S.C. Dec. 1, 2015).

- c. Mr. Gregory H. Cecil, EKPC's Director of Regulatory and Compliance Services, offers testimony concerning EKPC's provision of notice and other filing requirements;
- d. Ms. Michelle K. Carpenter, EKPC's Controller offers testimony on the company's accounts, audit reports, regulatory assets and other financing requirements;
- e. Mr. Jacob R. Watson, EKPC's Pricing Manager offers testimony concerning several details of EKPC's rate proposal and various adjustments, schedules, filing requirements and surcharges;
- f. Mr. Jeffrey W. Wernert, Jr, Principal at the Prime Group, offers testimony supporting the cost-of-service study and rate design prepared in anticipation of this rate filing;
- g. Mr. Thomas J. Stachnik, EKPC's Vice President of Finance and Treasurer, offers testimony concerning EKPC's debt covenants, TIER and DSC ratios;
- h. Mr. John J. Spanos, President of Gannett Fleming Valuation and Rate Consultants, LLC, offers testimony supporting his depreciation study and the terminal net salvage methodology; and,
- i. Mr. Denver York, EKPC's Senior Vice President of Power Delivery and System Operations, offers testimony concerning EKPC's investment in various SmartGrid technologies.

V. CONCLUSION

35. EKPC's application, supporting exhibits, schedules and testimony fully demonstrate that an adjustment to the company's wholesale base rates is both necessary and

appropriate. EKPC respectfully requests the Commission to award it an increase in rates that are fair, just and reasonable so that EKPC may continue to maintain equity, maintain its materially improved financial condition, satisfy current and future loan covenants, account for a decade of inflationary pressures and sustain its ability to provide safe, adequate and efficient service at rates that are fair, just and reasonable.

WHEREFORE, on the basis of the foregoing, EKPC respectfully prays the Commission:

1. Approve the adjustments of EKPC's base rates as set forth herein with an effective date to be the first day of the month following the Commission's entry of a Final Order in this docket;
2. Approve EKPC's proposed changes to rate design;
3. Accept EKPC's depreciation study and related accounting treatments with an effective date for the new depreciation rates to be same day that EKPC's new rates become effective;
4. Approve the changes to each of the tariffs described herein;
5. Approve EKPC's proposed tracking and recovery mechanism for RTEP expenses;
6. Approve EKPC's request to end the Earnings Mechanism that was established in Case No. 2021-00103;
7. Approve EKPC's request to amortize and reset its Generation Maintenance Tracker in base rates;
8. Authorize EKPC to recover its reasonable rate case expense over a period of three (3) years;
9. Rescind certain recurring reporting requirements as set forth herein;

10. Realign the filing of EKPC's small power production and cogeneration rates to a biennial basis in accordance with 807 KAR 5:054; and
11. Award EKPC any and all other relief to which it may be entitled.

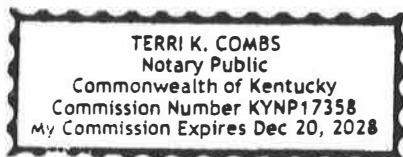
VERIFICATION


COMMONWEALTH OF KENTUCKY)
)
COUNTY OF CLARK)

Comes now Anthony S. Campbell, President and Chief Executive Officer of East Kentucky Power Cooperative, Inc., and, after being duly sworn, does hereby verify, swear and affirm that the averments set forth in this Application are true and correct based upon my personal knowledge and belief, formed after reasonable inquiry, as of this 1st day of August, 2025.


Anthony S. Campbell
President and Chief Executive Officer
East Kentucky Power Cooperative, Inc.

The foregoing Verification was verified, sworn to and affirmed before me, a NOTARY PUBLIC, by Anthony S. Campbell, President and Chief Executive Officer of East Kentucky Power Cooperative, Inc., on this 1st day of August, 2025.




NOTARY PUBLIC
Notary identification no.: KYNP17358
My Commission Expires: 12/20/2028

{NOTARY SEAL}

Respectfully submitted,



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Counsel for East Kentucky Power Cooperative, Inc.

CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing is a true and accurate copy of the document being filed in paper medium; that the electronic filing was transmitted to the Commission on August 1, 2025; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; pursuant to prior Commission orders no paper copies of this filing will be made.



Counsel for East Kentucky Power Cooperative, Inc.

COMMONWEALTH OF KENTUCKY
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Case No. 2025-00208

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807 KAR 5:001, Section 16(1)(a)	Test Year	Jacob R. Watson	1	3
807 KAR 5:001, Section 16(1)(b)1	A statement of the reason the adjustment is required	Anthony S. Campbell	1	4
807 KAR 5:001, Section 16(1)(b)2	A certified copy of a certificate of assumed name as required by KRS 365.015 or a statement that a certificate is not necessary	Michelle K. Carpenter	1	5
807 KAR 5:001, Section 16(1)(b)3	New or revised tariff sheets, if applicable in a format that complies with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed	Jacob R. Watson	1	6
	Attachment: Tariff Sheets			
807 KAR 5:001, Section 16(1)(b)4	New or revised tariff sheets, if applicable, identified in compliance with 807 KAR 5:011, shown either by providing: ... A copy of the present tariff indicating proposed additions by italicized inserts or underscoring and striking over proposed deletions	Jacob R. Watson	1	7

Reference	Exhibit	Witness	Volume	Exhibit
	Attachment: Tariff Sheets			
807 KAR 5:001, Section 16(1)(b)5, 807 KAR 5:001, Section 16(3) and 807 KAR 5:001, Section 17	A statement that notice has been given in accordance with 807 KAR 5:001, Section 17	Gregory H. Cecil	1	8
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807 KAR 5:001 Section 16(3)	Notice given pursuant to Section 17 of this administrative regulation shall satisfy the requirements of 807 KAR 5:051, Section 2.	Gregory H. Cecil	1	10
807 KAR 5:001, Section 16(4)(a)	A complete description and quantified explanation for all proposed adjustments with proper support for proposed changes in price or activity levels, if applicable, and other factors that may affect the adjustment	Jacob R. Watson	1	11
807 KAR 5:001, Section 16(4)(b)	If the utility has gross annual revenues greater than \$5,000,000, the written testimony of each witness the utility proposes to use to support its application	Anthony S. Campbell	1	12
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Reference	Exhibit	Witness	Volume	Exhibit
	Exhibit 16 Attachment JRW-1 – Workpaper 1.07 (Wages & Salaries)			
	Exhibit 16 Attachment JRW-1 – Workpaper 1.08 (Payroll Tax)			
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Reference	Exhibit	Witness	Volume	Exhibit
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807 KAR 5:001, Section 16(4)(c)	If a utility has gross annual revenues less than \$5,000,000, the written testimony of each witness the utility proposes to use to support its application or a statement that the utility does not plan to submit written testimony.	Gregory H. Cecil	2	21
807 KAR 5:001, Section 16(4)(d)	A statement estimating the effect that each new rate will have upon the revenues of the utility including, at minimum, the total amount of revenues resulting from the increase or decrease and the percentage of the increase or decrease	Jeffrey W. Wernert, Jr.	2	22
807 KAR 5:001, Section 16(4)(e)	If the utility provides electric, gas, water, or sewer service, the effect upon the average bill for each customer classification to which the proposed rate change will apply	Jacob R. Watson	2	23
807 KAR 5:001, Section 16(4)(f)	If the utility is an incumbent local exchange company, the effect upon the average bill for each customer class for the proposed rate change in basic local service.	Gregory H. Cecil	2	24
807 KAR 5:001, Section 16(4)(g)	A detailed analysis of customers' bills whereby revenues from the present and proposed rates can be readily determined for each customer class	Jeffrey W. Wernert, Jr.	2	25
807 KAR 5:001, Section 16(4)(h)	A summary of the utility's determination of its revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage, or operating ratio, with supporting schedules	Jacob R. Watson	2	26
807 KAR 5:001, Section 16(4)(i)	A reconciliation of the rate base and capital used to determine its revenue requirements	Jacob R. Watson	2	27
	Attachment: Reconciliation			
807 KAR 5:001, Section 16(4)(j)	A current chart of accounts if more detailed than the Uniform System of Accounts	Michelle K. Carpenter	2	28
	Attachment: Uniform System of Accounts			

Reference	Exhibit	Witness	Volume	Exhibit
807 KAR 5:001, Section 16(4)(k)	The independent auditor's annual opinion report, with written communication from the independent auditor to the utility, if applicable, which indicates the existence of a material weakness in the utility's internal controls	Michelle K. Carpenter	2	29
	Attachment: Auditor Reports			
807 KAR 5:001, Section 16(4)(l)	The most recent Federal Energy Regulatory Commission or Federal Communication Commission audit reports.	Gregory H. Cecil	3	30
807 KAR 5:001, Section 16(4)(m)	The most recent FERC Financial Report FERC Form No.1, FERC Financial Report FERC Form No. 2, or Public Service Commission Form T (telephone)	Michelle K. Carpenter	3	31
	Attachment: FERC Form 1			
807 KAR 5:001, Section 16(4)(n)	A summary of the utility's latest depreciation study with schedules by major plant accounts, except that telecommunications utilities that have adopted the commission's average depreciation rates shall provide a schedule that identifies the current and test period depreciation rates used by major plant accounts. If the required information has been filed in another commission case, a reference to that case's number shall be sufficient	John J. Spanos	3	32

Reference	Exhibit	Witness	Volume	Exhibit
807 KAR 5:001, Section 16(4)(o)	<p>A list of all commercially available or in-house developed computer software, programs, and models used in the development of the schedules and work papers associated with the filing of the utility's application. This list shall include:</p> <ol style="list-style-type: none"> 1. Each software, program, or model; 2. What the software, program, or model was used for; 3. The supplier of each software, program, or model; 4. A brief description of the software, program, or model; and 5. The specifications for the computer hardware and the operating system required to run the program 	Jacob R. Watson	3	33
	Attachment: Software List			
807 KAR 5:001, Section 16(4)(p)	Prospectuses of the most recent stock or bond offerings	Cliff Scott	3	34
807 KAR 5:001, Section 16(4)(q)	The annual report to shareholders or members and statistical supplements covering the two (2) most recent years from the utility's application filing date	Michelle K. Carpenter	3	35
	Attachment 1: 2023 Annual Report			
	Attachment 2: 2024 Annual Report			
807 KAR 5:001, Section 16(4)(r)	The monthly managerial reports providing financial results of operations for the twelve (12) months in the test period	Cliff Scott	3	36
	Attachment: Monthly Managerial Reports			

Reference	Exhibit	Witness	Volume	Exhibit
807 KAR 5:001, Section 16(4)(s)	A copy of the utility's annual report on Form 10-K as filed with the Securities and Exchange Commission for the most recent two (2) years, any Form 8-K issued during the past two (2) years, and any Form 10-Q issued during the past six (6) quarters updated as current information becomes available.	Gregory H. Cecil	3	37
807 KAR 5:001, Section 16(4)(t)	<p>If the utility had amounts charged or allocated to it by an affiliate or general or home office or paid monies to an affiliate or general or home office during the test period or during the previous three (3) calendar years, the utility shall file:</p> <ol style="list-style-type: none"> 1. A detailed description of the method and amounts allocated or charged to the utility by the affiliate or general or home office for each charge allocation or payment; 2. An explanation of how the allocator for the test period was determined; and 3. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated, or paid during the test period was reasonable. 	Gregory H. Cecil	3	38
807 KAR 5:001, Section 16(4)(u)	If the utility provides gas, electric, water, or sewage utility service and has annual gross revenues greater than \$5,000,000, a cost of service study based on a methodology generally accepted within the industry and based on current and reliable data from a single time period	Jeffrey W. Wernert, Jr.	3	39
807 KAR 5:001, Section 16(4)(v)	Local exchange carriers with more than 50,000 access lines shall file:...	Gregory H. Cecil	3	40
807 KAR 5:001, Section 16(5)(a)	A detailed income statement and balance sheet reflecting the impact of all proposed adjustments	Jacob R. Watson	3	41
807 KAR 5:001, Section 16(5)(b)	The most recent capital construction budget containing at least the period of time as proposed for any pro forma adjustment for plant additions.	Gregory H. Cecil	3	42

Reference	Exhibit	Witness	Volume	Exhibit
807 KAR 5:001, Section 16(5)(c)	For each proposed pro forma adjustment reflecting plant additions, the following information....	Gregory H. Cecil	3	43
807 KAR 5:001, Section 16(5)(d)	The operating budget for each month of the period encompassing the pro forma adjustments	Cliff Scott	3	44
	Attachment: Pro Forma Operating Budget			
807 KAR 5:001, Section 16(5)(e)	The number of customers to be added to the test period end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers	Jacob R. Watson	3	45
Case No. 2008-00408 Case No. 2019-00059 Case No. 2021-00103	Consideration of cost-effective energy efficiency resources as defined in the Commission's IRP regulation (807 KAR 5:058) EKPC shall provide testimony in its next base rate case supporting the value of DSM upon EKPC's system and the reasons why DSM expenses should continue to be in base rates and not in a ride (sic) specific to each member system. The Commission directs EKPC to continue evaluating appropriate DSM programs that will minimize the need for more expensive supply-side resources and to continue monitoring the DSM costs between the Owner-Members so that any subsidization continues to be minimal	Jacob R. Watson	3	46
Case No. 2012-00428	A Discussion of SmartGrid Investments	Denver York	3	47
KRS 278.2205(6)	A utility's Cost Allocation Manual shall be filed as part of the initial filing requirement in a proceeding involving an application for an adjustment in rates pursuant to KRS 278.190.	Cliff Scott	3	48
	Attachment: 2025 Cost Allocation Manual			

East Kentucky Power Cooperative, Inc.
Case No. 2025-00208
General Adjustment of Rates
Filing Requirements / Exhibit List

Exhibit 1

807 KAR 5:001 Section 14(1)
Sponsoring Witnesses: Gregory H. Cecil

Description of Filing Requirement:

Full name, mailing address, and e-mail address of applicant.

Response:

EKPC's business address is 4775 Lexington Road, Winchester, Kentucky 40391 and its mailing address is Post Office Box 707, Winchester, Kentucky 40392-0707. EKPC's email address is: psc@ekpc.coop. EKPC's telephone number is 859-744-4812 and its fax number is 859-744-6008. EKPC requests that the following individuals be included on the service list:

- Gregory H. Cecil, EKPC's Director of Regulatory and Compliance Services:
greg.cecil@ekpc.coop
- L. Allyson Honaker, Counsel for EKPC: allyson@hloky.com
- Heather S. Temple, Counsel for EKPC: heather@hloky.com
- Meredith L. Cave, Counsel for EKPC: meredith@hloky.com

**East Kentucky Power Cooperative, Inc. Case
No. 2025-00208
General Adjustment of Rates
Filing Requirements / Exhibit List**

Exhibit 2

**807 KAR 5:001 Section 14(2)
Sponsoring Witnesses: Gregory H. Cecil**

Description of Filing Requirement:

If applicant is a corporation, the applicant shall identify in the application the state in which it is incorporated and the date of its incorporation, attest that it is currently in good standing in the state in which it is incorporated, and, if it is not a Kentucky corporation, state whether it is authorized to transact business in Kentucky.

Response:

EKPC is a Kentucky corporation in good standing and was incorporated on July 9, 1941.

Please see attached for EKPC's Certificate of Good Standing.

Commonwealth of Kentucky
Michael G. Adams, Secretary of State

Michael G. Adams
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
<http://www.sos.ky.gov>

Certificate of Existence

Authentication number: 337878
Visit <https://web.sos.ky.gov/ftshow/certvalidate.aspx> to authenticate this certificate.

I, Michael G. Adams, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

EAST KENTUCKY POWER COOPERATIVE, INC.

EAST KENTUCKY POWER COOPERATIVE, INC. is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 273, whose date of incorporation is July 9, 1941 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 27th day of June, 2025, in the 234th year of the Commonwealth.



Michael G. Adams

Michael G. Adams
Secretary of State
Commonwealth of Kentucky
337878/0015195

East Kentucky Power Cooperative, Inc.
Case No. 2025-00208
General Adjustment of Rates
Filing Requirements/Exhibit List

Exhibit 3

807 KAR 5:001 Section 16(1)(a)
Sponsoring Witness: Jacob R. Watson

Description of Filing Requirement:

A twelve (12) month historical test period that may include adjustments for known and measurable changes;

Response:

EKPC's application is based upon a historic test year ending December 31, 2023 and except where noted, includes known and measurable adjustments through the period ending June 30, 2024.

East Kentucky Power Cooperative, Inc.
Case No. 2025-00208
General Adjustment of Rates
Filing Requirements/Exhibit List

Exhibit 4

807 KAR 5:001 Section 16(1)(b)1
Sponsoring Witness: Anthony S. Campbell

Description of Filing Requirement:

A statement of the reason the adjustment is required.

Response:

In the current case, EKPC is requesting an increase in base rates of just under \$80 million. The principal drivers of this application are to account for the multiple years of above-average inflation that EKPC – like all other businesses and residences – experienced over the past few years. In addition to inflationary pressures, interest rates rose in recent years which has a negative impact upon EKPC’s debt costs. Additionally, this rate increase is necessary to help EKPC maintain its equity and credit ratings as it heads into a significant investment cycle. This rate increase application does not incorporate any of the investment for new generation resources; however, EKPC expects load growth to help dilute the impact of this and future rate increases on Owner-Members. All of these factors are discussed in more detail in Exhibit 13, the Direct Testimony of Cliff Scott and Exhibit 18, the Direct Testimony of Thomas J. Stachnik.

**East Kentucky Power Cooperative, Inc.
Case No. 2025-00208
General Adjustment of Rates
Filing Requirements / Exhibit List**

Exhibit 5

**Filing Requirement
807 KAR 5:001 Section 16(1)(b)(2)
Sponsoring Witnesses: Michelle K. Carpenter**

Description of Filing Requirement:

A certified copy of a certificate of assumed name as required by KRS 365.015 or a statement that such a certificate is not necessary.

Response:

The legal name of EKPC is East Kentucky Power Cooperative, Inc. and has an assumed name, Cooperative Solar. Please see attached for the certificate of assumed name.

Commonwealth of Kentucky
Michael G. Adams, Secretary of State

Michael G. Adams
 Secretary of State
 P. O. Box 718
 Frankfort, KY 40602-0718
 (502) 564-3490
<http://www.sos.ky.gov>

Certificate of Assumed Name

ASN

0015195.09
 Michael G. Adams
 Secretary of State
 Received and Filed
 7/23/2024 8:37:08 AM
 Fee receipt: \$20

Pursuant to the provisions of KRS 365, the undersigned applies to assume a name and, for that purpose, submits the following statement:

1. The assumed name is:

COOPERATIVE SOLAR

2. The name of the business entity that is adopting the assumed name:

EAST KENTUCKY POWER COOPERATIVE, INC.

3. The entity is organized and existing in the state or country of **KY**

4. The mailing address is:

4775 LEXINGTON RD, WINCHESTER KY 403920707

This application will be effective on **Tuesday, July 23, 2024.**

I declare under penalty of perjury under the laws of Kentucky that the forgoing is true and correct.

Signature of individual signing on behalf of **CONTROLLER:**

MICHELLE K. CARPENTER

7/23/2024 8:37:08 AM

East Kentucky Power Cooperative, Inc.
Case No. 2025-00208
General Adjustment of Rates
Filing Requirements/Exhibit List

Exhibit 6

807 KAR 5:001 Section 16(1)(b)(1)
Sponsoring Witness: Jacob R. Watson

Description of Filing Requirement:

New or revised tariff sheets, if applicable, in a format that complies with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed.

Response:

Please see attached. EKPC previously filed tariffs by Order dated May 29, 2025 in Case No. 2024-00370, but did not update the Index page. Therefore, the Index page included to this exhibit includes that change.

PSC KY. NO. 35
CANCELLING PSC KY. NO. 34

EAST KENTUCKY POWER COOPERATIVE, INC.

OF

4775 LEXINGTON ROAD

T

WINCHESTER, KY, 40391

RATES – CHARGES – RULES - REGULATIONS

FOR FURNISHING

WHOLESALE POWER SERVICE

AT

VARIOUS LOCATIONS TO

RURAL ELECTRIC COOPERATIVES MEMBERS

THROUGHOUT KENTUCKY

FILED WITH THE

PUBLIC SERVICE COMMISSION

OF

KENTUCKY

T

DATE OF ISSUE: August 1, 2025

DATE EFFECTIVE: Service rendered on and after September 1, 2025

ISSUED BY:


Anthony S. Campbell,
President and Chief Executive Officer

EAST KENTUCKY POWER COOPERATIVE, INC

P.S.C. No. 35, *Fifth* Revised Sheet No. 1
Canceling P.S.C. No. 35, *Fourth* Revised Sheet No. 1

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DATE OF ISSUE: *August 1, 2025*

DATE EFFECTIVE: Service rendered on and after *September 1, 2025*

ISSUED BY: *Anthony S. Campbell*
Anthony S. Campbell,
President and Chief Executive Officer

EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, *Third Revised Sheet No. 5*
Canceling P.S.C. No. 35, *Second Revised Sheet No. 5*

Rate B

Applicability

In all territories of owner-member cooperatives ("owner-members") of East Kentucky Power Cooperative, Inc. ("EKPC").

Availability

Available to owner-members and end-use retail members ("retail members") willing to execute EKPC-approved contracts for demands of 500 kW or greater and a monthly minimum energy usage equal to or greater than 400 hours per kW of contract demand. Wholesale monthly contract demand shall be agreed upon between the owner-member and EKPC. *Any changes to contract demand between the owner-member and EKPC shall be limited to two (2) per year.* The electric power and energy furnished hereunder shall be separately metered for each point of delivery.

Monthly Rate

Demand Charge per kW of Contract Demand	\$9.38
Demand Charge per kW of Billing Demand in Excess of Contract Demand	\$10.87
Energy Charge per kWh	\$0.054332

Billing Demand


The billing demand shall be the contract demand plus any excess demand. Excess demand occurs when the retail member's highest demand during the current month, coincident with EKPC's system peak (coincident peak), exceeds the contract demand. EKPC's system peak demand is the highest average rate at which energy is used during any fifteen (15)-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EPT</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Minimum Monthly Charge

The minimum monthly charge shall not be less than the sum of (a) and (b) below:

- The product of the contract demand multiplied by the demand charge, plus
- The product of the contract demand multiplied by 400 hours and the energy charge per kWh minus the fuel base per kWh as established in the Fuel Adjustment Clause.

DATE OF ISSUE: August 1, 2025
DATE EFFECTIVE: Service rendered on and after September 1, 2025
ISSUED BY: 
Anthony S. Campbell,
President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2025-00208 dated _____, ____ 2026.

EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, *Third Revised Sheet No. 7*
Canceling P.S.C. No. 35, *Second Revised Sheet No. 7*

Rate C

Applicability

In all territories of owner-member of EKPC.

Availability

Available to owner-members and retail members willing to execute EKPC-approved contracts for demands of 500 kW or greater and a monthly minimum energy usage equal to or greater than 400 hours per kW of billing demand. The electric power and energy furnished hereunder shall be separately metered for each point of delivery.

Monthly Rate

Demand Charge per kW of Billing Demand	\$9.20	I
Energy Charge per kWh	\$0.054236	I

Billing Demand

The billing demand shall be the greater of (a) or (b) listed below:

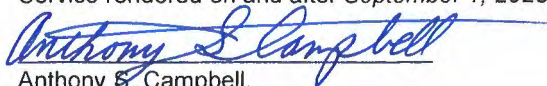
- The contract demand; or
- The retail member's highest demand during the current month or preceding eleven months coincident with EKPC's system peak demand. EKPC's system peak demand is the highest average rate at which energy is used during any fifteen (15)-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EPT</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Minimum Monthly Charge

The minimum monthly charge shall not be less than the sum of (a) and (b) below:

- The product of the billing demand multiplied by the demand charge, plus
- The product of the billing demand multiplied by 400 hours and the energy charge per kWh minus the fuel base per kWh as established in the Fuel Adjustment Clause.

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Anthony S. Campbell,
President and Chief Executive Officer

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of Kentucky in Case No. 2025-00208 dated _____, ____ 2026.

EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, *Third* Revised Sheet No. 9
Canceling P.S.C. No. 35, *Second* Revised Sheet No. 9

Rate E

Applicability

In all territories of owner-member of EKPC.

Availability

Available to all owner-members of EKPC for all power usage at the load center not subject to the provisions of Rate B, Rate C, or Rate G of this tariff and special contract participants. The electric power and energy furnished hereunder shall be separately metered for each point of delivery.

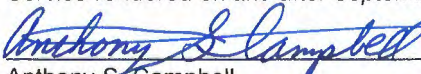
Monthly Rate - Per Load Center

An owner-member may select either Option 1 or Option 2 of this section of the tariff to apply to all load centers. The owner-member must remain on a selected option for at least one (1) year and may change options, no more often than every twelve (12) months, after giving a minimum notice of two (2) months advance notice of an election to change options.

	<u>Option 1</u>	<u>Option 2</u>
Demand Charge per kW of Billing Demand	\$10.05	\$7.72
Energy Charge per kWh		
On-Peak kWh	\$0.056518	\$0.065829
Off-Peak kWh	\$0.055958	\$0.056661

On-peak and off-peak hours are provided below:

<u>Months</u>	<u>On-Peak Hours - EPT</u>	<u>Off-Peak Hours - EPT</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.	12:00 noon to 5:00 p.m. 10:00 p.m. to 7:00 a.m.
May through September	10:00 a.m. to 10:00 p.m.	10:00 p.m. to 10:00 a.m.

DATE OF ISSUE: August 1, 2025
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ISSUED BY: 
Anthony S. Campbell,
President and Chief Executive Officer

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of Kentucky in Case No. 2025-00208 dated _____, ____ 2026.

EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, *Third Revised Sheet No. 12*
Canceling P.S.C. No. 35, *Second Revised Sheet No. 12*

Rate G

SPECIAL ELECTRIC CONTRACT RATE

Applicability

In all territories of owner-member of EKPC.

Availability

Available to all owner-members and retail members willing to execute EKPC-approved contracts. The electric power and energy furnished hereunder shall be separately metered for each point of delivery.

Monthly Rate

Demand Charge per kW of Billing Demand	\$9.14	I
Energy Charge per kWh	\$0.052463	I

Determination of Billing Demand

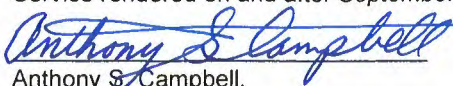
The billing demand shall be the greater of (a) or (b) listed below:

- The contract demand; or
- The retail member's highest demand during the current month or preceding eleven months coincident with EKPC's system peak demand. EKPC's system peak demand is the highest average rate at which energy is used during any fifteen (15)-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing – EPT</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

DATE OF ISSUE: August 1, 2025

DATE EFFECTIVE: Service rendered on and after September 1, 2025

ISSUED BY: 
Anthony S. Campbell,
President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission
of Kentucky in Case No. 2025-00208 dated _____, ____ 2026.

EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, *Second Revised Sheet No. 15*
Canceling P.S.C. No. 35, *First Revised Sheet No. 15*

Wholesale Power Rate Schedule

Applicability

In all territories of owner-members of EKPC.

Availability

This rate schedule shall apply to all rates in this tariff and to each EKPC load center separately.

Load Center Charges – Monthly

A. Metering Point Charge

1. Applicable to each metering point and to each substation.
2. Charge: \$162.00

B. Substation Charge

1. Applicable to each substation based on its size.
2. Charges:

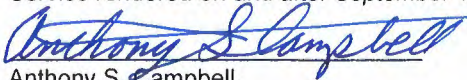
1,000 - 2,999 kVa substation	\$1,220.00
3,000 - 7,499 kVa substation	\$3,075.00
7,500 - 14,999 kVa substation	\$3,699.00
15,000 and over kVa substation	\$5,965.80

Minimum Monthly Charge

The minimum monthly charge shall be equal to the Load Center Charges plus the minimum monthly charges for Rates B, C and G. Load Center Charges cover metering point and substation charge.

DATE OF ISSUE: August 1, 2025

DATE EFFECTIVE: Service rendered on and after September 1, 2025

ISSUED BY: 
Anthony S. Campbell,
President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission
of Kentucky in Case No. 2025-00208 dated _____, _____ 2026.

EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, *Third Revised Sheet No. 23*
Canceling P.S.C. No. 35, *Second Revised Sheet No. 23*

Rate D

Interruptible Service

Standard Rider

This Interruptible Rate is a rider to Rates B, C, E, and G.

Applicability

In all territories of owner-member of EKPC.

Availability

This rate shall be made available at any load center, to any owner-member where a retail member will contract for an interruptible demand of not less than 250 kW, subject to a maximum number of hours of interruption per year and a notice period as listed below. Note that hours of interruption per year or annual hours of interruption refer to the twelve (12)-month period ended May 31.

Monthly Rate

A monthly interruptible demand credit per kW is based on the following matrix:

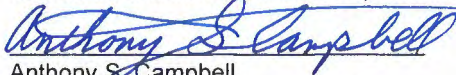
Notice of Minutes	<u>Annual Hours of Interruption</u>		
	<u>200</u>	<u>300</u>	<u>400</u>
30	\$4.20	\$4.90	\$5.60

Definitions

The billing demand shall be determined as defined in to Rates B, C, E, or G as applicable.

The firm demand shall be the retail member's minimum level of demand needed to continue operations during an interruption. The firm demand shall not be subject to interruption and shall be specified in the contract.

The interruptible demand shall be equal to the amount by which the monthly billing demand exceeds the firm demand.

DATE OF ISSUE: August 1, 2025
DATE EFFECTIVE: Service rendered on and after September 1, 2025
ISSUED BY: 
Anthony S. Campbell,
President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission
of Kentucky in Case No. 2025-00208 dated _____, ____ 2026.

EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, *Third Revised Sheet No. 24*
Canceling P.S.C. No. 35, *Second Revised Sheet No. 24*

Rate D (continued)

Conditions of Service for Customer

1. The retail member will, upon notification by EKPC, reduce the load being supplied by the owner-member to the firm demand specified by the contract.
2. EKPC will endeavor to provide the retail member as much advance notice as possible of the interruption of service. However, the retail member shall interrupt service within the notice period as contracted.
3. Service will be furnished under the owner-member's "General Rules and Regulations" or "Terms and Conditions" except as set out herein and/or provisions agreed to by written contract.
4. No responsibility of any kind shall attach to EKPC and/or the owner-member for, or on account of, any loss or damage caused by, or resulting from, any interruptions or curtailment of this service.
5. The retail member shall own, operate, and maintain all necessary equipment for receiving electric energy and all telemetering and communications equipment, within the retail member's premises, required for interruptible service.
6. The minimum original contract period shall be one-year and thereafter until terminated by giving at least sixty (60)-days previous written notice. EKPC may require a contract be executed for a longer initial term when deemed necessary by the size of the load and other conditions.

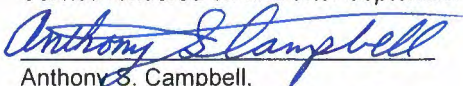
Calculation of Monthly Bill

The monthly bill is calculated as follows:

- A. The demand and energy charges of the bill shall be calculated consistent with the applicable provisions of Rates B, C, E, or G.
- B. The interruptible demand credit shall be determined by multiplying the interruptible demand for the billing month by the monthly demand credit per kW and applied to the bill calculation.
- C. All other applicable bill riders, including the Fuel Adjustment Clause and Environmental Surcharge, shall be applied to the bill calculation consistent with the provisions of those riders.

DATE OF ISSUE: August 1, 2025

DATE EFFECTIVE: Service rendered on and after September 1, 2025

ISSUED BY: 
Anthony S. Campbell,
President and Chief Executive Officer

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of Kentucky in Case No. 2025-00208 dated _____, _____ 2026.

EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, *Third* Revised Sheet No. 25
Canceling P.S.C. No. 35, *Second* Revised Sheet No. 25

Rate D (continued)


Number and Duration of Interruptions

- A. There shall be no more than two (2) interruptions during any 24-hour calendar day. No interruption shall last more than twelve hours.
- B. The maximum number of annual hours of interruption shall be in accordance with the retail member-contracted level of interruptible service.

D

Charge for Failure to Interrupt

If the retail member fails to interrupt its demand as requested by EKPC, the owner-member shall bill the uninterrupted demand at a rate equal to five (5) times the applicable firm power demand charge for that billing month. Uninterrupted demand is equal to actual demand during the requested interruption minus firm demand.

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EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, *Third Revised Sheet No. 35*
Canceling P.S.C. No. 35, *Second Revised Sheet No. 35*

Rate H

Wholesale Renewable Energy Program

Standard Rider

This Renewable Energy Program is a rider to Rates B, C, E and G. The purpose of this program is to provide EKPC owner-members with a source of renewable energy or renewable energy attributes for resale to their retail members.

Applicability

In all territories of owner-member of EKPC.

Definitions

- a. "Renewable energy" is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable certified resources.
- b. A "Renewable Energy Certificate" ('REC') is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of renewable energy.

Availability of Service

Option A: Owner-members may participate in the program by contributing monthly as much as they like in \$2.50 increments (e.g. \$2.50, \$5.00, \$7.50, or more per month). Funds provided by owner-members are not refundable.


Option B: Owner-members may, after entering into an agreement with their retail member and EKPC, offer renewable energy to offset a portion or all of the energy consumed by the retail member utilizing owner-member's firm service rates.

Option C: Owner-members may participate in this REC program, after entering into an agreement with their commercial and industrial ("C&I") retail member, by offering the C&I retail members the opportunity to purchase RECs through their owner-member and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumed to be considered renewable.

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Anthony S. Campbell,
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of Kentucky in Case No. 2025-00208 dated _____, ____ 2026.

EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, *Third Revised Sheet No. 36*
Canceling P.S.C. No. 35, *Second Revised Sheet No. 36*

Rate H (continued)

Eligibility

All EKPC owner-members are eligible for this rider.

Under Option A, the owner-member will indicate the amount of voluntary Renewable Energy Program Contributions that the owner-member intends to purchase monthly. All owner-members will have executed a Renewable Energy Program Agreement with the participating retail member.

Under Option B, the retail member in conjunction with the owner-member and EKPC, will determine the amount of renewable energy to be provided to the retail member. The minimum renewable energy capacity to be purchased, supplied, or secured by EKPC in the agreement should be 1 MW. The maximum annual renewable energy under the agreement can't exceed the participating retail member's average annual consumption over the previous three (3) years. For new businesses with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be selected by individually participating retail members. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with the owner-member and EKPC, will determine the type of renewable resource and *number* of RECs the owner-member and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the *number* of RECs or the type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC.

T/D

T/D

The sum of renewable energy purchased under Option B and RECs purchased and retired under Option C shall not exceed the customer's annual usage.

Monthly Program Participation

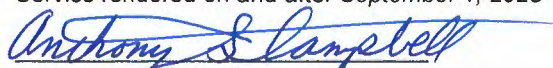
Option A

Renewable Energy Program Contributions: The monthly Renewable Energy Program Contributions by the owner-member is the total monthly voluntary contribution by the owner-member's participating retail members in any \$2.50 increments for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type minus \$0.25 per increment retained to help offset administrative and advertising costs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kwhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.

DATE OF ISSUE: August 1, 2025

DATE EFFECTIVE: Service rendered on and after September 1, 2025

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Anthony S. Campbell,
President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission
of Kentucky in Case No. 2025-00208 dated _____, _____ 2026.

EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, *Third Revised Sheet No. 37*
Canceling P.S.C. No. 35, *Second Revised Sheet No. 37*

Rate H (continued)

Option C

Participating C&I retail members will pay the market value of the RECs purchased on their behalf without markup from the owner-member or EKPC. They will have the option to instruct the owner-member and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements

Monthly Program Participation

Under Option A, EKPC will bill the owner-member at the rate of \$2.50 per increment. The sum of the Renewable Energy Program Contributions from each renewable energy resource type pledged under this tariff shall constitute the total amount that the owner-member may be billed during a normal billing period. Existing Wholesale Renewable Energy Program ("Envirowatts") retail participants will be billed at the existing retail rate from their owner-member.

Under Option B, EKPC will increase the owner-member monthly wholesale power bill by the negotiated and contracted renewable energy rate and delivered renewable energy for each participating agreement while providing a credit for the avoided cost of base fuel per MWh of renewable energy delivered and capacity credits when applicable.

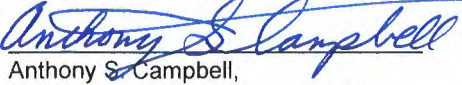
Under Option C, EKPC will increase the owner-member monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of \$100 and incurred volumetric fees. Volumetric fees include per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1112 of the annual short-term borrowing rate will be added to the participant's bill.

D

D

Terms of Service and Payment

This rate shall be subject to all other terms of service and payment of the wholesale power tariff.

DATE OF ISSUE: August 1, 2025
DATE EFFECTIVE: Service rendered on and after September 1, 2025
ISSUED BY: 
Anthony S. Campbell,
President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission
of Kentucky in Case No. 2025-00208 dated _____, ____ 2026.

EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, *Third Revised Sheet No. 38*
Canceling P.S.C. No. 35, *Second Revised Sheet No. 38*

Rate H (continued)

Fuel Adjustment Clause

Under Options A and C, the fuel adjustment clause is not applicable to the Renewable Energy Program Contributions.

Under Option B, EKPC will provide a credit on the owner-member's monthly wholesale power bill for the avoided cost of the base fuel and the Fuel Adjustment Clause equal to the delivered renewable energy monthly for each participating agreement.

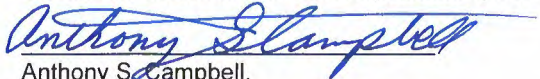
Environmental Surcharge

Under Options A and C, the environmental surcharge is not applicable to the Renewable Energy Program Contributions.

Under Option B, EKPC will provide a credit on the owner-member's monthly wholesale power bill for the avoided cost of the variable environmental surcharge equal to the delivered renewable energy monthly for each participating agreement.

Total Credits

Under Option B, the total credit on the owner-member's monthly wholesale power bill will be the total of the avoided costs from base fuel, the fuel adjustment clause, capacity credits when applicable, and the variable environmental surcharge for the delivered renewable energy. The total credit will be limited to the lesser of the total credit as described in the Fuel Adjustment Clause and Environmental Surcharge sections above or the PJM Localized Marginal Cost ("LMP").

DATE OF ISSUE: August 1, 2025
DATE EFFECTIVE: Service rendered on and after September 1, 2025
ISSUED BY: 
Anthony S. Campbell,
President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission
of Kentucky in Case No. 2025-00208 dated _____, ____ 2026.

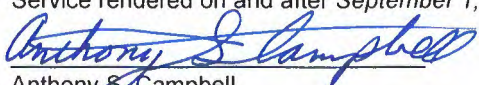
EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, Second Revised Sheet No. 47
Canceling P.S.C. No. 35, First Revised Sheet No. 47

D/T

RESERVED FOR FUTURE USE

DATE OF ISSUE: August 1, 2025
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Anthony S. Campbell,
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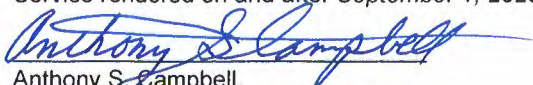
EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, Second Revised Sheet No. 48
Canceling P.S.C. No. 35, First Revised Sheet No. 48

D/T

RESERVED FOR FUTURE USE

DATE OF ISSUE: August 1, 2025
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ISSUED BY: 
Anthony S. Campbell,
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Issued by authority of an Order of the Public Service Commission
of Kentucky in Case No. 2025-00208 dated _____, _____ 2026.

East Kentucky Power Cooperative, Inc.
Case No. 2025-00208
General Adjustment of Rates
Filing Requirements/Exhibit List

Exhibit 7

807 KAR 5:001 Section 16(1)(b)(4)
Sponsoring Witness: Jacob R. Watson

Description of Filing Requirement:

New or revised tariff sheets, if applicable identified in compliance with 807 KAR 5:011, shown either by providing: A copy of the present tariff indicating proposed additions by italicized inserts or underscoring and striking over proposed deletions.

Response:

Please see attached. EKPC previously filed tariffs by Order dated May 29, 2025 in Case No. 2024-00370, but did not update the Index page. Therefore, the Index page included to this exhibit includes that change.

PSC KY. NO. 35
CANCELLING PSC KY. NO. 34

EAST KENTUCKY POWER COOPERATIVE, INC.

OF

~~WINCHESTER, KENTUCKY~~

~~4775 LEXINGTON ROAD~~

~~WINCHESTER, KY, 40391~~

T
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RATES – CHARGES – RULES - REGULATIONS

FOR FURNISHING

WHOLESALE POWER SERVICE

AT

VARIOUS LOCATIONS TO

RURAL ELECTRIC COOPERATIVES MEMBERS

THROUGHOUT KENTUCKY

~~FILED WITH THE~~

PUBLIC SERVICE COMMISSION

OF

KENTUCKY

T

DATE OF ISSUE: ~~October 2, 2017~~ August 1, 2025

DATE EFFECTIVE: ~~November 2, 2017~~ September 1, 2025

ISSUED BY:

Anthony S. Campbell,
President and Chief Executive Officer

EAST KENTUCKY POWER COOPERATIVE, INC

P.S.C. No. 35, ~~Fourth~~ **Fifth** Revised Sheet No. 1
Canceling P.S.C. No. 35, ~~Third~~ **Fourth** Revised Sheet No. 1

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DATE OF ISSUE: ~~December 29, 2023~~ August 1, 2025

DATE EFFECTIVE: Service rendered on and after ~~February 1, 2024~~ September 1, 2025

ISSUED BY: _____
Anthony S. Campbell,
President and Chief Executive Officer

EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, **Second Third** Revised Sheet No. 5
Canceling P.S.C. No. 35, **First Second** Revised Sheet No. 5

Rate B

Applicability

In all territories of owner-member cooperatives ("owner-members") of East Kentucky Power Cooperative, Inc. ("EKPC").

Availability

Available to owner-members and end-use retail members ("retail members") willing to execute EKPC-approved contracts for demands of 500 kW or greater and a monthly minimum energy usage equal to or greater than 400 hours per kW of contract demand. Wholesale monthly contract demand shall be agreed **upon** between the owner-member and EKPC. **Any changes to contract demand between the owner-member and EKPC shall be limited to two (2) per year.** The electric power and energy furnished hereunder shall be separately metered for each point of delivery.

Monthly Rate

Demand Charge per kW of Contract Demand	\$7.49	\$9.38
Demand Charge per kW of Billing Demand in Excess of Contract Demand	\$9.98	\$10.87
Energy Charge per kWh	\$-.054134	\$0.054332

Billing Demand

The billing demand shall be the contract demand plus any excess demand. Excess demand occurs when the retail member's highest demand during the current month, coincident with EKPC's system peak (coincident peak), exceeds the contract demand. EKPC's system peak demand is the highest average rate at which energy is used during any fifteen (15)-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EPT</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Minimum Monthly Charge

The minimum monthly charge shall not be less than the sum of (a) and (b) below:

- The product of the contract demand multiplied by the demand charge, plus
- The product of the contract demand multiplied by 400 hours and the energy charge per kWh minus the fuel base per kWh as established in the Fuel Adjustment Clause.

DATE OF ISSUE: ~~September 13, 2024~~ **August 1, 2025**

DATE EFFECTIVE: Service rendered on and after ~~September 1, 2024~~ **September 1, 2025**

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Anthony S. Campbell,
President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission
of Kentucky in Case No. ~~2023-00009~~ **2025-00208** dated ~~May 6, 2024~~ _____, _____ 2026.

EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, ~~Second~~ *Third* Revised Sheet No. 7
Canceling P.S.C. No. 35, ~~First~~ *Second* Revised Sheet No. 7

Rate C

Applicability

In all territories of owner-member of EKPC.

Availability

Available to owner-members and retail members willing to execute EKPC-approved contracts for demands of 500 kW or greater and a monthly minimum energy usage equal to or greater than 400 hours per kW of billing demand. The electric power and energy furnished hereunder shall be separately metered for each point of delivery.

Monthly Rate

Demand Charge per kW of Billing Demand	\$7.49 <i>\$9.20</i>	I
Energy Charge per kWh	\$.051134 <i>\$0.054236</i>	I

Billing Demand

The billing demand shall be the greater of (a) or (b) listed below:

- The contract demand; or
- The retail member's highest demand during the current month or preceding eleven months coincident with EKPC's system peak demand. EKPC's system peak demand is the highest average rate at which energy is used during any fifteen (15)-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EPT</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Minimum Monthly Charge

The minimum monthly charge shall not be less than the sum of (a) and (b) below:

- The product of the billing demand multiplied by the demand charge, plus
- The product of the billing demand multiplied by 400 hours and the energy charge per kWh minus the fuel base per kWh as established in the Fuel Adjustment Clause.

DATE OF ISSUE: ~~September 13, 2024~~ *August 1, 2025*

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EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, ~~Second~~ **Third** Revised Sheet No. 9
Canceling P.S.C. No. 35, ~~First~~ **Second** Revised Sheet No. 9

Rate E

Applicability

In all territories of owner-member of EKPC.

Availability

Available to all owner-members of EKPC for all power usage at the load center not subject to the provisions of Rate B, Rate C, or Rate G of this tariff and special contract participants. The electric power and energy furnished hereunder shall be separately metered for each point of delivery.

Monthly Rate - Per Load Center

An owner-member may select either Option 1 or Option 2 of this section of the tariff to apply to all load centers. The owner-member must remain on a selected option for at least one (1) year and may change options, no more often than every twelve (12) months, after giving a minimum notice of two (2) months advance notice of an election to change options.

	<u>Option 1</u>		<u>Option 2</u>	
Demand Charge per kW of Billing Demand	\$8.49	\$10.05	\$6.52	\$7.72
Energy Charge per kWh				
On-Peak kWh	\$.053841	\$0.056518	\$.062649	\$0.065829
Off-Peak kWh	\$.053263	\$0.055958	\$.053924	\$0.056661

On-peak and off-peak hours are provided below:

<u>Months</u>	<u>On-Peak Hours - EPT</u>	<u>Off-Peak Hours – EPT</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.	12:00 noon to 5:00 p.m. 10:00 p.m. to 7:00 a.m.
May through September	10:00 a.m. to 10:00 p.m.	10:00 p.m. to 10:00 a.m.

DATE OF ISSUE: ~~September 13, 2024~~ August 1, 2025

DATE EFFECTIVE: Service rendered on and after ~~September 1, 2024~~ September 1, 2025

ISSUED BY: _____
Anthony S. Campbell,
President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission
of Kentucky in Case No. ~~2023-00009~~ 2025-00208 dated ~~May 6, 2024~~ _____, _____ 2026.

EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, ~~Second~~ **Third** Revised Sheet No. 12
Canceling P.S.C. No. 35, ~~First~~ **Second** Revised Sheet No. 12

Rate G

SPECIAL ELECTRIC CONTRACT RATE

Applicability

In all territories of owner-member of EKPC.

Availability

Available to all owner-members and retail members willing to execute EKPC-approved contracts. The electric power and energy furnished hereunder shall be separately metered for each point of delivery.

Monthly Rate

Demand Charge per kW of Billing Demand	\$7.30 \$9.14	I
Energy Charge per kWh	\$.049030 \$0.052463	I

Determination of Billing Demand

The billing demand shall be the greater of (a) or (b) listed below:

- The contract demand; or
- The retail member's highest demand during the current month or preceding eleven months coincident with EKPC's system peak demand. EKPC's system peak demand is the highest average rate at which energy is used during any fifteen (15)-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing – EPT</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

DATE OF ISSUE: ~~September 13, 2024~~ **August 1, 2025**

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ISSUED BY: _____
Anthony S. Campbell,
President and Chief Executive Officer

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of Kentucky in Case No. ~~2023-00009~~ **2025-00208** dated ~~May 6, 2024~~ _____, _____ 2026.

EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, **First Second** Revised Sheet No. 15
Canceling P.S.C. No. 35, **Original First** Revised Sheet No. 15

Wholesale Power Rate Schedule

Applicability

In all territories of owner-members of EKPC.

Availability

This rate schedule shall apply to all rates in this tariff and to each EKPC load center separately.

Load Center Charges – Monthly

A. Metering Point Charge

1. Applicable to each metering point and to each substation.
2. Charge: ~~\$151.20~~ **\$162.00**

B. Substation Charge

1. Applicable to each substation based on its size.
2. Charges:

1,000 - 2,999 kVa substation	\$1,142.40	\$1,220.00
3,000 - 7,499 kVa substation	\$2,873.85	\$3,075.00
7,500 - 14,999 kVa substation	\$3,456.60	\$3,699.00
15,000 and over kVa substation	\$5,575.50	\$5,965.80

Minimum Monthly Charge

The minimum monthly charge shall be equal to the Load Center Charges plus the minimum monthly charges for Rates B, C and G. Load Center Charges cover metering point and substation charge.

DATE OF ISSUE: ~~September 13, 2024~~ **August 1, 2025**

DATE EFFECTIVE: Service rendered on and after ~~September 1, 2024~~ **September 1, 2025**

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Issued by authority of an Order of the Public Service Commission
of Kentucky in Case No. ~~2023-00009~~ **2025-00208** dated ~~May 6, 2024~~ _____, _____ 2026.

EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, ~~Second~~ **Third** Revised Sheet No. 23
Canceling P.S.C. No. 35, ~~First~~ **Second** Revised Sheet No. 23

Rate D

Interruptible Service

Standard Rider

This Interruptible Rate is a rider to Rates B, C, E, and G.

Applicability

In all territories of owner-member of EKPC.

Availability

This rate shall be made available at any load center, to any owner-member where a retail member will contract for an interruptible demand of not less than 250 kW ~~and not more than 20,000 kW~~, subject to a maximum number of hours of interruption per year and a notice period as listed below. Note that hours of interruption per year or annual hours of interruption refer to the twelve (12)-month period ended May 31.

Monthly Rate

A monthly interruptible demand credit per kW is based on the following matrix:

Notice of Minutes	<u>Annual Hours of Interruption</u>		
	<u>200</u>	<u>300</u>	<u>400</u>
30	\$4.20	\$4.90	\$5.60

Definitions

The billing demand shall be determined as defined in to Rates B, C, E, or G as applicable.

The firm demand shall be the retail member's minimum level of demand needed to continue operations during an interruption. The firm demand shall not be subject to interruption and shall be specified in the contract.

The interruptible demand shall be equal to the amount by which the monthly billing demand exceeds the firm demand, ~~up to 20,000 kW maximum~~.

DATE OF ISSUE: ~~September 13, 2024~~ August 1, 2025

DATE EFFECTIVE: Service rendered on and after ~~September 1, 2024~~ September 1, 2025

ISSUED BY: _____
Anthony S. Campbell,
President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission
of Kentucky in Case No. ~~2023-00009~~ 2025-00208 dated May 6, 2024, ____ 2026.

EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, ~~Second~~ **Third** Revised Sheet No. 24
Canceling P.S.C. No. 35, ~~First~~ **Second** Revised Sheet No. 24

Rate D (continued)

Conditions of Service for Customer

1. The retail member will, upon notification by EKPC, reduce the load being supplied by the owner-member to the firm demand specified by the contract.
2. EKPC will endeavor to provide the retail member as much advance notice as possible of the interruption of service. However, the retail member shall interrupt service within the notice period as contracted.
3. Service will be furnished under the owner-member's "General Rules and Regulations" or "Terms and Conditions" except as set out herein and/or provisions agreed to by written contract.
4. No responsibility of any kind shall attach to EKPC and/or the owner-member for, or on account of, any loss or damage caused by, or resulting from, any interruptions or curtailment of this service.
5. The retail member shall own, operate, and maintain all necessary equipment for receiving electric energy and all telemetering and communications equipment, within the retail member's premises, required for interruptible service.
6. The minimum original contract period shall be one-year and thereafter until terminated by giving at least sixty (60)-days previous written notice. EKPC may require a contract be executed for a longer initial term when deemed necessary by the size of the load and other conditions.

Calculation of Monthly Bill

The monthly bill is calculated as follows:

- A. The demand and energy charges of the bill shall be calculated consistent with the applicable provisions of Rates B, C, E, or G.
- B. The interruptible demand credit shall be determined by multiplying the interruptible demand for the billing month by the monthly demand credit per kW and applied to the bill calculation.
- C. All other applicable bill riders, including the Fuel Adjustment Clause and Environmental Surcharge, shall be applied to the bill calculation consistent with the provisions of those riders.

DATE OF ISSUE: ~~September 13, 2024~~ **August 1, 2025**

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EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, ~~Second~~ **Third** Revised Sheet No. 25
Canceling P.S.C. No. 35, ~~First~~ **Second** Revised Sheet No. 25

Rate D (continued)

Number and Duration of Interruptions

- A. There shall be no more than two (2) interruptions during any 24-hour calendar day. No interruption shall last more than twelve hours.
- ~~B. Interruptions may occur between 6:00 a.m. and 9:00 p.m. EPT during the months of November through April and between 10:00 a.m. and 10:00 p.m. during the months of May through October.~~
- B. The maximum number of annual hours of interruption shall be in accordance with the retail member-contracted level of interruptible service.

D

Charge for Failure to Interrupt

If the retail member fails to interrupt its demand as requested by EKPC, the owner-member shall bill the uninterrupted demand at a rate equal to five (5) times the applicable firm power demand charge for that billing month. Uninterrupted demand is equal to actual demand during the requested interruption minus firm demand.

DATE OF ISSUE: ~~September 13, 2024~~ **August 1, 2025**

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EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, **Second Third** Revised Sheet No. 35
Canceling P.S.C. No. 35, **First Second** Revised Sheet No. 35

Rate H

Wholesale Renewable Energy Program

Standard Rider

This Renewable Energy Program is a rider to Rates B, C, E and G. The purpose of this program is to provide EKPC owner-members with a source of renewable energy or renewable energy attributes for resale to their retail members.

Applicability

In all territories of owner-member of EKPC.

Definitions

- a. "Renewable energy" is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable certified resources.
- b. A "Renewable Energy Certificate" ("REC") is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of renewable energy.

Availability of Service

Option A: Owner-members may participate in the program by contributing monthly as much as they like in \$2.50 increments (e.g. \$2.50, \$5.00, \$7.50, or more per month). Funds provided by owner-members are not refundable.

Option B: ~~Option B is a five-year pilot program. On and before March 25, 2025, o~~ Owner-members may, after entering into an agreement with their retail member and EKPC, offer renewable energy to offset a portion or all of the energy consumed by the retail member utilizing owner-member's firm service rates.

Option C: Owner-members may participate in this REC program, after entering into an agreement with their commercial and industrial ("C&I") retail member, by offering the C&I retail members the opportunity to purchase RECs through their owner-member and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumed to be considered renewable.

DATE OF ISSUE: ~~September 13, 2024~~ August 1, 2025

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EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, **Second Third** Revised Sheet No. 36
Canceling P.S.C. No. 35, **First Second** Revised Sheet No. 36

Rate H (continued)

Eligibility

All EKPC owner-members are eligible for this rider.

Under Option A, the owner-member will indicate the amount of voluntary Renewable Energy Program Contributions that the owner-member intends to purchase monthly. All owner-members will have executed a Renewable Energy Program Agreement with the participating retail member.

Under Option B, the retail member in conjunction with the owner-member and EKPC, will determine the amount of renewable energy to be provided to the retail member. The minimum renewable energy capacity to be purchased, supplied, or secured by EKPC in the agreement should be 1 MW. The maximum annual renewable energy under the agreement can't exceed the participating retail member's average annual consumption over the previous three (3) years. For new businesses with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be selected by individually participating retail members. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with the owner-member and EKPC, will determine the type of renewable resource and **number amount** of RECs the owner-member and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the **number amount** of RECs or the type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC.

T/D

T/D

The sum of renewable energy purchased under Option B and RECs purchased and retired under Option C shall not exceed the customer's annual usage.

Monthly Program Participation

Option A

Renewable Energy Program Contributions: The monthly Renewable Energy Program Contributions by the owner-member is the total monthly voluntary contribution by the owner-member's participating retail members in any \$2.50 increments for the type of renewable energy resources (Landfill Gas, Solar, Wind, Hydroelectric) chosen by the participating retail member. EKPC will generate, purchase renewable energy, or purchase RECs equal to the monthly sum of Renewable Energy Program Contributions for each renewable energy resource type minus \$0.25 per increment retained to help offset administrative and advertising costs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC does not own, EKPC will purchase the appropriate type of RECs equaling the total contribution amount and will retire the associated RECs. For Renewable Energy Program Contributions assigned by the retail member for renewable energy resources that EKPC owns and operates, EKPC will allocate the appropriate generation (kwhs) and costs to the assigned renewable energy program contribution and retire the associated RECs.

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EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, **Second Third** Revised Sheet No. 37
Canceling P.S.C. No. 35, **First Second** Revised Sheet No. 37

Rate H (continued)

Option C

Participating C&I retail members will pay the market value of the RECs purchased on their behalf without markup from the owner-member or EKPC. They will have the option to instruct the owner-member and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements

Monthly Program Participation

Under Option A, EKPC will bill the owner-member at the rate of \$2.50 per increment. The sum of the Renewable Energy Program Contributions from each renewable energy resource type pledged under this tariff shall constitute the total amount that the owner-member may be billed during a normal billing period. Existing Wholesale Renewable Energy Program ("Envirowatts") retail participants will be billed at the existing retail rate from their owner-member.

Under Option B, EKPC will increase the owner-member monthly wholesale power bill by the negotiated and contracted renewable energy rate and delivered renewable energy for each participating agreement while providing a credit for the avoided cost of base fuel per MWh of renewable energy delivered and capacity credits when applicable.

Under Option C, EKPC will increase the owner-member monthly wholesale bill for the RECs purchased at the market price plus a monthly transactional fee of \$100 and incurred volumetric fees. Volumetric fees include ~~s~~ per REC costs paid directly to other parties by EKPC to procure specific types of RECs, (ie. Green-e® Energy certified RECs) and per REC costs paid directly to other parties by EKPC to retire RECs via industry recognized renewable attribute registries. For any agreement instructing EKPC to purchase REC's in advance of the billing cycle, a monthly carrying charge equal to 1112 of the annual short-term borrowing rate will be added to the participant's bill.

D

D

Terms of Service and Payment

This rate shall be subject to all other terms of service and payment of the wholesale power tariff.

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EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, ~~Second~~ **Third** Revised Sheet No. 38
Canceling P.S.C. No. 35, ~~First~~ **Second** Revised Sheet No. 38

Rate H (continued)

Fuel Adjustment Clause

Under Options A and C, the fuel adjustment clause is not applicable to the Renewable Energy Program Contributions.

Under Option B, EKPC will provide a credit on the owner-member's monthly wholesale power bill for the avoided cost of the base fuel and the Fuel Adjustment Clause equal to the delivered renewable energy monthly for each participating agreement.

Environmental Surcharge

Under Options A and C, the environmental surcharge is not applicable to the Renewable Energy Program Contributions.

Under Option B, EKPC will provide a credit on the owner-member's monthly wholesale power bill for the avoided cost of the variable environmental surcharge equal to the delivered renewable energy monthly for each participating agreement.

Total Credits

Under Option B, the total credit on the owner-member's monthly wholesale power bill will be the total of the avoided costs from base fuel, the fuel adjustment clause, capacity credits when applicable, and the variable environmental surcharge for the delivered renewable energy. The total credit will be limited to the lesser of the total credit as described in the Fuel Adjustment Clause and Environmental Surcharge sections above or the PJM Localized Marginal Cost ("LMP").

DATE OF ISSUE: ~~September 13, 2024~~ **August 1, 2025**

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EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, ~~First~~ **Second** Revised Sheet No. 47
Canceling P.S.C. No. 35, ~~Original~~ **First** Revised Sheet No. 47

~~Rate EM~~

D/T

~~Earnings Mechanism~~

~~Standard Rider~~

~~This Earnings Mechanism is a rider to Rates B, C, E and G as well as applicable to all special contract customers.~~

~~RESERVED FOR FUTURE USE~~

~~Applicability~~

~~In all territories of Owner-Member Cooperatives ("owner-member") of EKPC.~~

~~Availability~~

~~Available to Owner-Members ("owner-member") and End-Use Retail Members ("retail member") pursuant to Paragraph 6 of the Joint Stipulation, Settlement Agreement and Recommendation approved in Case No. 2021-00103.~~

~~Purpose~~

~~EKPC has committed to return any excess margins to its owner-members for contemporaneous pass-through to retail members in the form of a bill credit in the event that EKPC achieves per book margins in excess of a 1.4Q TIER in any calendar year. Any excess margins to be returned will be allocated based upon the percentage of each EKPC rate-class' total revenue for the most recent calendar year. EKPC will make an annual filing with the Commission setting forth its calculations of margins and any required bill credit for the most recent calendar year on or before April 30th of the following year.~~

~~Methodology~~

~~Excess Margins. EKPC will determine any excess margins for the most recent calendar year by comparing the per book margins reflected in the achieved TIER with the margins needed to produce a 1.40 TIER. If the margins reflected in the achieved TIER exceed the margins needed to produce a 1.40 TIER, then the dollar difference in the margins will constitute excess margins to return to the owner-members and retail members. If the margins needed to produce a 1.40 TIER exceed the margins reflected in the achieved TIER, then there will be no excess margins returned for the calendar year.~~

DATE OF ISSUE: ~~September 13, 2024~~ **August 1, 2025**

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EAST KENTUCKY POWER COOPERATIVE, INC

FOR ALL COUNTIES SERVED

P.S.C. No. 35, **First Second** Revised Sheet No. 48
Canceling P.S.C. No. 35, **Original First** Revised Sheet No. 48

Rate EM (continued)

D/T

~~Allocation of Excess Margins. EKPC will determine its total revenues from its owner members for the most recent calendar year in total and by applicable rate classes. For purposes of this calculation,~~

- ~~a. EKPC's rate classes are tariffed Rates B, C, E, and G and special contracts not based on tariffed rate schedules; and~~
- ~~b. EKPC's Rate E total revenues will include the solar panel production credits, green power billing, direct load control credits, and the generator credit.~~

RESERVED FOR FUTURE USE

~~The allocation of the excess margin for the most recent calendar year will be performed using a two-step process. EKPC will first determine the percentage of total revenues each of its rate classes represent. The excess margin will be multiplied by this rate class percentage of total revenues to determine the allocation of the excess margin by rate class. If the rate class only has one retail member, then no further allocation will be necessary. For all other rate classes, EKPC will next determine the percentage of each rate class' revenues provided by the owner members. The allocated excess margin by rate class will be multiplied by the applicable owner member percentage for that rate class to determine the allocation of the excess margin by rate class by owner member. EKPC will prepare and provide to each owner member a schedule showing the allocation of the excess margin for the most recent calendar year by EKPC rate class. The owner member will utilize this schedule to determine bill credit that will pass through the excess margins to their retail members.~~

~~Payment of Bill Credit. EKPC will include the applicable bill credit to each owner member on the billing invoices issued in June of the year for the annual filing. However, in the event that it appears that the one time bill credit would create an adverse impact to EKPC's cash flows, EKPC may request and the Commission may order, other amortization periods on a case-by-case basis.~~

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of Kentucky in Case No. ~~2023-00009~~ **2025-00208** dated ~~May 6, 2024~~ _____, ____ 2026.

East Kentucky Power Cooperative, Inc.
Case No. 2025-00208
General Adjustment of Rates
Filing Requirements / Exhibit List

Exhibit 8

Filing Requirement
807 KAR 5:001 Section 16(1)(b)(5)
807 KAR 5:001 Sec. 16(3)
807 KAR 5:001 Sec. 17
Sponsoring Witnesses: Gregory H. Cecil

Description of Filing Requirement:

A statement that notice has been given in compliance with Section 17 of this administrative regulation, with a copy of the notice.

Response:


EKPC has given notice (and continues to give notice) in compliance with 807 KAR 5:001 Section 17. Specifically, as of the date EKPC submitted this Application to the Commission, EKPC has: (i) posted at its place of business a copy of the full notice required by the relevant regulation; (ii) posted to its website a copy of the notice and a hyperlink to the location on the Commission's website where the case documents are available; and (iii) mailed a copy of the notice to each of its sixteen Owner-Member cooperatives, which are EKPC's only customers. EKPC will file Proof of Notice within forty-five (45) days of the submission of its Application, as required by 807 KAR 5:001, Section 17(3). A copy of the customer notice (the tariffs included in Exhibit 6 were also mailed to the Owner-Members) is attached along with the affidavit of Gregory H. Cecil that notice was timely mailed to EKPC's Owner-Members.



A Touchstone Energy Cooperative 

MEMORANDUM

TO: Member System CEOs

FROM: Anthony S. Campbell 

DATE: August 1, 2025

SUBJECT: Notice to Members – *Electronic Application of East Kentucky Power Cooperative, Inc. for a General Adjustment of Rates, Approval of Depreciation Study, Amortization of Certain Regulatory Assets, and Other General Relief, Case No. 2025-00208*

The attached document serves as notice given to the member systems of East Kentucky Power Cooperative, Inc. ("EKPC") of a proposed wholesale rate adjustment. EKPC will file its rate application with the Commission on or after August 1, 2025; this rate application will be based on a historic test year.

The rate adjustment, with a requested effective date of September 1, 2025 will result in an increase in wholesale power costs to its Owner-Member Cooperatives and will result in an increase in revenue of **\$79,731,915** or **7.49%** for East Kentucky Power Cooperative, Inc. In addition to the foregoing changes in rates, EKPC is requesting certain changes to the text of various tariffs – copies of which are enclosed for your reference.

Please do not hesitate to call me with questions or concerns.

NOTICE OF PROPOSED ADJUSTMENT TO WHOLESALE POWER TARIFFS

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set forth in 807 KAR 5:001, Section 17 (2)(a), of the Rules and Regulations of the Public Service Commission, notice is hereby given to the member cooperatives of East Kentucky Power Cooperative, Inc. of a proposed wholesale rate adjustment. *The Electronic Application of East Kentucky Power Cooperative, Inc. for a General Adjustment of Rates, Approval of Depreciation Study, Amortization of Certain Regulatory Assets, and Other General Relief*, Case No. 2025-00208, will be filed with the Public Service Commission on or after August 1, 2025.

The rate adjustment, with a requested effective date of September 1, 2025, will result in an increase in wholesale power costs to its Owner-Member Cooperatives and will result in an increase in revenue of **\$79,731,915** or **7.49%** for East Kentucky Power Cooperative, Inc.

The amount and percent of increase by rate class are listed below:

RATES		
<u>RATE SCHEDULE</u>	<u>INCREASE IN DOLLARS</u>	<u>PERCENTAGE INCREASE</u>
RATE E	\$55,671,585	6.94%
RATE B	6,898,140	9.00%
RATE C	2,723,402	9.00%
RATE G	5,027,007	11.00%
CONTRACT STEAM	348,497	2.50%
LARGE SPECIAL CONTRACT	9,063,284	11.00%
PUMPING STATIONS	0	0%
TOTAL	\$79,731,915	7.49%

The effects of the proposed rates on the average monthly bill by rate class are listed below:

<u>RATE SCHEDULE</u>	<u>AVERAGE USAGE</u>	<u>INCREASE IN AVERAGE MONTHLY BILL PER CUSTOMER</u>
RATE E	48,351,792 kWh	\$289,956
RATE B	6,910,597 kWh	\$ 44,219
RATE C	6,098,203 kWh	\$ 37,825
RATE G	10,140,308 kWh	\$ 69,820
CONTRACT STEAM	154,453 MMBTU	\$ 29,041
LARGE SPECIAL CONTRACT	115,842,935 kWh	\$755,274

Listed below are the present and proposed monthly rates for each rate schedule:

<u>RATE SCHEDULE</u>	<u>PRESENT</u>	<u>PROPOSED</u>
<i>RATE E1</i>		
Demand Charge per kW of Billing Demand	\$8.49	\$10.05
On-Peak Energy Charge per kWh	0.053841	0.056518
Off-Peak Energy Charge per kWh	0.053263	0.055958
<i>RATE E2</i>		
Demand Charge per kW of Billing Demand	\$6.52	\$7.72
On-Peak Energy Charge per kWh	0.062649	0.065829
Off-Peak Energy Charge per kWh	0.053924	0.056661
<i>RATE B</i>		
Demand Charge per kW of Contract Demand	\$7.49	\$9.38
Demand Charge per kW of Billing Demand in Excess of Contract Demand	\$9.98	\$10.87
Energy Charge per kWh	0.051134	0.054332
<i>RATE C</i>		
Demand Charge per kW of Billing Demand	\$7.49	\$9.20
Energy Charge per kWh	0.051134	0.054236
<i>RATE D—INTERRUPTIBLE DEMAND CREDITS PER KW</i>		
30-Minute Interruptible		
200 Hours	\$4.20	\$4.20
300 Hours	\$4.90	\$4.90
400 Hours	\$5.60	\$5.60
<i>RATE G</i>		
Demand Charge per Billing kW	\$7.30	\$9.14
Energy Charge per All kWh	0.049030	0.052463
<i>CONTRACT –STEAM</i>		
Demand Charge per MMBTU	\$604.75	\$655.45
Energy Charge per MMBTU	\$ 5.391	\$ 5.485
<u>RATE SCHEDULE</u>	<u>PRESENT</u>	<u>PROPOSED</u>
<i>LARGE SPECIAL CONTRACT</i>		
Demand Charge (Firm)	\$7.15	\$8.48
Demand Charge for 10-Minute		

Interruptible	(6.22)	(6.22)
Demand Charge for 90-Minute		
Interruptible	(2.95)	(4.20)
Energy Charge per kWh On-Peak	0.050817	0.054241
Energy Charge per kWh Off-Peak	0.047389	0.050582
LOAD CENTER CHARGES		
Metering Point Charge	\$151.20	\$162.00
Substation Charges:		
1,000 – 2,999 kVA Substation	\$1,142.40	\$1,222.00
3,000 – 7,499 kVA Substation	\$2,873.85	\$3,075.00
7,500 – 14,999 kVA Substation	\$3,456.60	\$3,699.00
15,000 and larger kVA Substation	\$5,575.50	\$5,965.80

In addition to the rate changes above, EKPC is also proposing changes to certain of its tariffs.

The proposed tariff changes include the following:

- Rate B - Limit the number of contract demand changes to two (2) per year
- Rate D – Remove the eligibility cap of 20,000 kW and remove the specifications of when an interruption may occur
- Rate H – Make Option B permanent
- Rate EM – Remove this tariff

Any person may examine the rate application made by East Kentucky Power Cooperative, Inc. at the main office at 4775 Lexington Road, Winchester, Kentucky or at the offices of the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m. or through the Commission's Web site at <http://psc.ky.gov>.

Comments regarding this application may be submitted to the Public Service Commission through its Web site, by mail to Public Service Commission, P. O. Box 615, Frankfort, Kentucky 40602 or by electronic mail to: psc.infor@ky.gov.

The rates contained in this notice are the rates proposed by East Kentucky Power Cooperative, Inc. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice

Any person may submit a timely written request for intervention to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party.

If the Commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of this notice, the Commission may take final action on the application.

COMMONWEALTH OF KENTUCKY

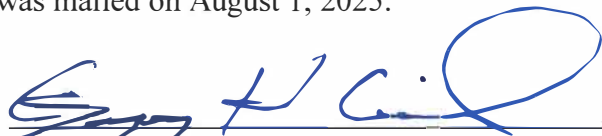
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF EAST)
KENTUCKY POWER COOPERATIVE, INC.)
FOR A GENERAL ADJUSTMENT OF RATES,) Case No. 2025-00208
APPROVAL OF DEPRECIATION STUDY,)
AMORTIZATION OF CERTAIN REGULATORY)
ASSETS, AND OTHER GENERAL RELIEF)

AFFIDAVIT FOR PROOF OF MAILING CUSTOMER NOTICE
TO EKPC'S SIXTEEN OWNER MEMBERS

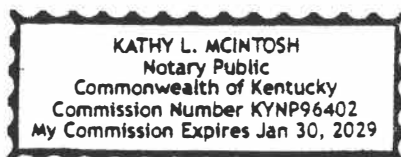
Comes now the affiant, Gregory H. Cecil, in his capacity as Director of Regulatory and Compliance Services for East Kentucky Power Cooperative, Inc. ("EKPC"), and after being duly sworn, does hereby affirm that a copy of the attached notice was mailed to EKPC's sixteen Owner Member cooperatives. The attached notice was mailed on August 1, 2025.

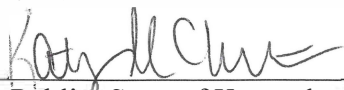


Gregory H. Cecil
East Kentucky Power Cooperative, Inc.

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF CLARK)

Sworn to, acknowledged and subscribed before me by Gregory H. Cecil for East Kentucky Power Cooperative, Inc., on this 1st day of August, 2025.





Notary Public, State of Kentucky
Notary ID# KYNP96402
My Commission Expires: 1/30/2029

East Kentucky Power Cooperative, Inc.
Case No. 2025-00208
General Adjustment of Rates
Filing Requirements / Exhibit List

Exhibit 9

Filing Requirement
807 KAR 5:001 Section 16(2)
Sponsoring Witnesses: Gregory H. Cecil

Description of Filing Requirement:

Notice of intent. A utility with gross annual revenues greater than \$5,000,000 shall notify the commission and the Attorney General's Office of Rate Intervention in writing of its intent to file a rate application at least thirty (30) days, but not more than sixty (60) days, prior to filing its application.

Response:

EKPC, by counsel, notified the Commission in writing of its intent to file a rate application using a historical test year through a filing tendered on July 01, 2025. A copy of the Notice of Intent (in portable document format) was also sent by electronic mail on July 01, 2025 to the Office of the Attorney General at: rateintervention@ag.ky.gov. Please see attached.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF EAST)	
KENTUCKY POWER COOPERATIVE, INC.)	
FOR A GENERAL ADJUSTMENT OF RATES,)	Case No. 2025-00208
APPROVAL OF DEPRECIATION STUDY,)	
AMORTIZATION OF CERTAIN REGULATORY)	
ASSETS, AND OTHER GENERAL RELIEF)	

EAST KENTUCKY POWER COOPERATIVE, INC.'S
NOTICE OF INTENT TO FILE RATE APPLICATION

Comes now East Kentucky Power Cooperative, Inc. ("EKPC"), by counsel, and hereby gives notice to the Public Service Commission ("the Commission"), pursuant to 807 KAR 5:001, Section 16(2), of its intent to file a wholesale rate application on or after August 1, 2025. This rate application will be supported by a historical test period, as provided in 807 KAR 5:001, Section 16(4)-(5). A copy of this Notice is being sent to the Attorney General's Office of Rate Intervention via email (rateintervention@ag.ky.gov) contemporaneous herewith.

This the 1st day of July 2025.

Respectfully submitted,

Heather S. Temple
L. Allyson Honaker
Heather S. Temple
Meredith L. Cave
HONAKER LAW OFFICE, PLLC
1795 Alysheba Way, Suite 1203
Lexington, KY 40509
(859) 368-8803
allyson@hloky.com
heather@hloky.com
meredith@hloky.com

Counsel for East Kentucky Power Cooperative, Inc.

CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing was transmitted to the Commission on July 1, 2025, and that there are no parties that the Commission has excused from participation by electronic means in this proceeding. Pursuant to prior Commission Orders, no paper copies of this filing will be made.

Heather S. Temple
Counsel for East Kentucky Power Cooperative, Inc.

From: [Heather Temple](#)
To: rateintervention@ag.ky.gov
Subject: Notice of Intent for EKPC and all Sixteen Member Cooperatives
Attachments: [image001.png](#)
[image003.png](#)
[Notice of Intent .pdf](#)
[Big Sandy Notice of Intent.pdf](#)
[Blue Grass Notice of Intent .pdf](#)
[Clark Notice of Intent .pdf](#)
[CV Notice of Intent.pdf](#)
[Farmers Notice of Intent.pdf](#)
[Fleming Mason Notice of Intent.pdf](#)
[Grayson Notice of Intent.pdf](#)
[Inter County Read First NOI.pdf](#)
[Jackson Notice of Intent.pdf](#)
[Licking Valley Notice of Intent.pdf](#)
[Nolin Notice of Intent.pdf](#)
[Owen Notice of Intent.pdf](#)
[Salt River Notice of Intent .pdf](#)
[Shelby Notice of Intent.pdf](#)
[South Kentucky Notice of Intent.pdf](#)
[Taylor County Notice of Intent.pdf](#)

Please see the attached Notice of Intent for EKPC's upcoming rate case and Notice of Intent for each of EKPC's sixteen owner members.

Please let me know if you need anything additional.

Heather Temple



Heather S. Temple
Attorney
1795 Alysheba Way, Suite 6202
Lexington, Kentucky 40509
859-368-8803 office
502-592-9834 mobile

www.hloky.com

Notice: This electronic mail transmission is for the use of the named individual or entity to which it is directed and may contain information that is privileged or confidential. It is not to be transmission to or received by anyone other than the named addressee (or a person authorized to deliver it to the named addressee). It is not to be copied or forwarded to any unauthorized persons. If you have received this electronic mail transmission in error, delete it from your system without copying or forwarding it, and notify the sender of the error by replying via email or by calling Honaker Law Office, PLLC at 502-592-9834, so that our address record can be corrected.

IRS Circular 230 disclosure: To ensure compliance with the requirement imposed by the IRS, we inform you that any tax advice contained in this communication (including any attachments) was not intended or written to be used, and cannot be used, for the purpose of: (i) avoiding penalties under the Internal Revenue Code; or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein.

East Kentucky Power Cooperative, Inc.
Case No. 2025-00208
General Adjustment of Rates
Filing Requirements/Exhibit List

Exhibit 10

807 KAR 5:001 Section 16(3)
Sponsoring Witness: Gregory H. Cecil

Description of Filing Requirement:

Notice given pursuant to Section 17 of this administrative regulation shall satisfy the requirements of 807 KAR 5:051, Section 2.

Response:

EKPC is not requesting a retail rate increase and therefore, the notice requirements of 807 KAR 5:051 do not apply.

East Kentucky Power Cooperative, Inc.
Case No. 2025-00208
General Adjustment of Rates
Filing Requirements/Exhibit List

Exhibit 11

807 KAR 5:001 Section 16(4)(a)
Sponsoring Witness: Jacob R. Watson

Description of Filing Requirement:

A complete description and quantified explanation for all proposed adjustments with proper support for proposed changes in price or activity levels, if applicable, and other factors that may affect the adjustment.

Response:

EKPC's proposed adjustments to the historical test period are described in Exhibit 16 of the Application, the Direct Testimony of Jacob R. Watson, and the exhibits accompanying Mr. Watson's testimony.

**East Kentucky Power Cooperative, Inc.
Case No. 2025-00208
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 12

**807 KAR 5:001 Section 16(4)(b)
Sponsoring Witness: Anthony S. Campbell**

Description of Filing Requirement:

If the utility has gross annual revenues greater than \$5,000,000, the written testimony of each witness the utility proposes to use to support its application.

Response:

In support of its Application, EKPC provides written testimony of Mr. Anthony S. Campbell, EKPC's President and Chief Executive Officer, whose testimony is included with this Exhibit 12.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF EAST)
KENTUCKY POWER COOPERATIVE, INC.)
FOR A GENERAL ADJUSTMENT OF RATES,) Case No. 2025-00208
APPROVAL OF DEPRECIATION STUDY,)
AMORTIZATION OF CERTAIN REGULATORY)
ASSETS AND OTHER GENERAL RELIEF)

DIRECT TESTIMONY OF ANTHONY S. CAMPBELL
PRESIDENT AND CHIEF EXECUTIVE OFFICER
ON BEHALF OF EAST KENTUCKY POWER COOPERATIVE, INC.

Filed: August 1, 2025

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

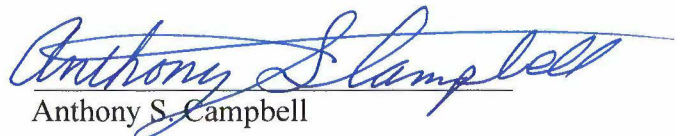
In the Matter of:

THE ELECTRONIC APPLICATION OF EAST)	
KENTUCKY POWER COOPERATIVE, INC.)	
FOR A GENERAL ADJUSTMENT OF RATES,)	Case No. 2025-00208
APPROVAL OF DEPRECIATION STUDY,)	
AMORTIZATION OF CERTAIN REGULATORY)	
ASSETS, AND OTHER GENERAL RELIEF)	

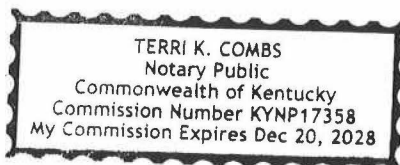
VERIFICATION OF ANTHONY S. CAMPBELL

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF CLARK)

Anthony S. Campbell, President and Chief Executive Officer of East Kentucky Power Cooperative, Inc., being duly sworn, states that he has supervised the preparation of his Direct Testimony and certain filing requirements 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.


Anthony S. Campbell

The foregoing Verification was signed, acknowledged and sworn to before me this 1st day of August, 2025, by Anthony S. Campbell.





Notary Commission No. KYNP17358

Commission expiration: 12/20/2028

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.**

3 A. My name is Anthony S. Campbell. I am the President and Chief Executive Officer (“CEO”)
4 of East Kentucky Power Cooperative, Inc. (“EKPC”). My business address is 4775
5 Lexington Road, Winchester, Kentucky 40391.

6 **Q. PLEASE DESCRIBE YOUR EDUCATION AND EXPERIENCE.**

7 A. I received a Bachelor of Science degree in electrical engineering from the University of
8 Southern Illinois at Carbondale and a Master of Business Administration degree from the
9 University of Illinois at Champaign. Prior to joining EKPC, I served as CEO of Citizens
10 Electric Corporation, a transmission and distribution company located in southeast
11 Missouri. I joined EKPC as its President and Chief Executive Officer in June 2009.

12 **Q. PLEASE DESCRIBE YOUR DUTIES AS PRESIDENT AND CEO OF EKPC.**

13 A. The Board of Directors gave me, as CEO, the responsibility for managing the
14 Cooperative’s business on a day-to-day basis. I develop and recommend to the Board
15 EKPC’s objectives and policies, short- and long-range plans, and annual budgets and work
16 plans. I administer the Board’s approved wage and salary plan, authorize prudent
17 investments, administer the budget, implement policies, plans, and programs established
18 by the Board, ensure an appropriate organizational structure, negotiate contracts, and
19 submit periodic and special reports to the Board on operations, financial issues, budgets,
20 power supply, rates, construction, and other areas. I also assist the Board in the
21 development of its Strategic Plan for EKPC. This is just a sampling of the responsibilities
22 established for me in EKPC’s Board policy.

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE KENTUCKY PUBLIC**
2 **SERVICE COMMISSION? IF SO, WHAT CASES HAVE YOU TESTIFIED IN?**

3 A. I provided testimony in the following cases before the Kentucky Public Service
4 Commission:

- 5 • *General Adjustment of Electric Rates of East Kentucky Power Cooperative, Inc., Case*
6 No. 2010-00167;
- 7 • *An Investigation of East Kentucky Power Cooperative, Inc.'s Need for the Smith 1*
8 *Generating Facility, Case No. 2010-00238;*
- 9 • *Application of East Kentucky Power Cooperative, Inc. for an Order Approving the*
10 *Establishment of a Regulatory Asset for the Amount Expended on its Smith 1*
11 *Generating Unit, Case No. 2010-00449;*
- 12 • *The Application of East Kentucky Power Cooperative, Inc. to Transfer Functional*
13 *Control of Certain Transmission Facilities to PJM Interconnection, LLC, Case No.*
14 2012-00169;
- 15 • *Application of East Kentucky Power Cooperative, Inc. for a Certificate of Public*
16 *Convenience and Necessity for Alteration of Certain Equipment at the Cooper Station*
17 *and Approval of a Compliance Plan Amendment for Environmental Surcharge Cost*
18 *Recovery, Case No. 2013-00259;*
- 19 • *Application of East Kentucky Power Cooperative, Inc. for Approval of the Acquisition*
20 *of Existing Combustion Turbine Facilities from Bluegrass Generation Company, LLC*
21 *at the Bluegrass Generating Station in Lagrange, Oldham County, Kentucky, and for*
22 *Approval of the Assumption of Certain Evidences of Indebtedness, Case No. 2015-*
23 00267;

- 1 • *Electronic Application of South Kentucky Rural Electric Cooperative Corporation for*
2 *Approval of a Master Power Purchase and Sale Agreement and Transactions*
3 *Thereunder*, Case No 2018-00050; and
- 4 • *Electronic Application of East Kentucky Power Cooperative, Inc. for a General*
5 *Adjustment of Rates, Approval of Depreciation Study, Amortization of Certain*
6 *Regulatory Assets and Other General Relief*, Case No. 2021-00103.

7 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

8 A. The purpose of my testimony is to: (1) present an overview of EKPC and its Application
9 for an increase in base rates; (2) discuss the need for the rate increase; (3) summarize the
10 significant efforts EKPC undertook to realize savings and delay the necessity of filing a
11 rate case; and (4) provide an introduction of the other witnesses.

12 **Q. ARE YOU SPONSORING ANY FILING REQUIREMENTS?**

13 A. Yes. I am sponsoring Exhibit 4 - 807 KAR Section 16(1)(b)(1) – the statement of the reason
14 the rate case is required – and Exhibit 12 - 807 KAR 5:001 Section 16(4)(b) – the overview
15 of the testimony being supplied to support the Application.

16 **Q. ARE YOU SPONSORING ANY ATTACHMENTS TO YOUR TESTIMONY?**

17 A. Yes. Attachment ASC-1 is EKPC's Board Resolution approving the filing of the
18 Application for the rate adjustment in this proceeding.

19 **Q. WERE BOTH OF THESE FILING REQUIREMENTS AND THE EXHIBIT**
20 **ATTACHED TO YOUR TESTIMONY PREPARED BY YOU OR BY SOMEONE**
21 **UNDER YOUR SUPERVISION?**

22 A. Yes. The entire rate Application was prepared by persons whom I ultimately am
23 responsible for and with the assistance of counsel.

1 **II. OVERVIEW OF EKPC AND THE RATE APPLICATION**

2 **Q. PLEASE PROVIDE AN OVERVIEW OF EKPC.**

3 A. EKPC is a not-for-profit, rural electric cooperative corporation established under KRS
4 Chapter 279 with its headquarters in Winchester, Kentucky. Pursuant to various
5 agreements, EKPC provides electric generation capacity and electric energy to its sixteen
6 (16) Owner-Member Cooperatives (“Owner-Members”), which in turn serve over 570,000
7 Kentucky homes, farms, commercial, and industrial establishments (approximately 1.1
8 million member population) in eighty-nine (89) Kentucky counties. EKPC does not
9 directly serve any retail consumers. EKPC is a “utility” as that term is defined in KRS
10 278.010(3)(a) and a “generation and transmission cooperative” as that term is identified in
11 KRS 278.010(9).

12 **Q. WHAT CAN YOU TELL US ABOUT EKPC’S GENERATION ASSETS?**

13 A. EKPC’s Board’s strategic objective is to maintain a generation fleet that prudently
14 diversifies its fuel sources, mitigates risk, maximizes its capital investments, and minimizes
15 stranded assets. In total, EKPC owns and operates approximately 2,963 MW of net summer
16 generating capacity and 3,265 MW of net winter generating capacity. EKPC owns and
17 operates coal-fired generation at the John S. Cooper Station in Pulaski County, Kentucky
18 (341 MW) and the Hugh L. Spurlock Station (1,346 MW) in Mason County, Kentucky.
19 EKPC also owns and operates natural gas-fired generation at the J. K. Smith Station in
20 Clark County, Kentucky (753 MW (summer)/989 MW (winter)) and the Bluegrass
21 Generating Station in Oldham County, Kentucky (501 MW (summer)/567 MW (winter)),
22 landfill gas-to-energy facilities in Boone County, Laurel County, Greenup County, Hardin
23 County, Pendleton County, and Barren County (13.8 MW total), and a Community Solar

1 facility (8.5 MW) in Clark County, Kentucky. Finally, EKPC purchases hydropower from
2 the Southeastern Power Administration at Laurel Dam in Laurel County, Kentucky (70
3 MW), and the Cumberland River system of dams in Kentucky and Tennessee (100 MW).
4 EKPC also has 200 MWs of interruptible load and approximately 28 MWs in peak
5 reduction mechanisms. EKPC's record peak demand of 3,754 MW occurred on January
6 17, 2024.

7 **Q. CAN YOU ADDRESS THE OTHER HALF OF A G&T'S BUSINESS,**
8 **SPECIFICALLY DESCRIBING EKPC'S TRANSMISSION SYSTEM.**

9 A. EKPC owns 2,994 circuit miles of high voltage transmission lines in various voltages,
10 mainly 69kV and greater. EKPC also owns the substations necessary to support this
11 transmission line infrastructure. Currently, EKPC has seventy-seven (77) free-flowing
12 interconnections with its neighboring utilities. EKPC's transmission system is operated by
13 PJM Interconnection, LLC ("PJM"), of which EKPC has been a fully integrated member
14 since June 1, 2013. PJM is a regional electric grid and market operator with operational
15 control of over 180,000 MW of regional electric generation. It operates the largest capacity
16 and energy market in North America.

17 **Q. HOW HAS EKPC CHANGED SINCE ITS LAST RATE INCREASE WAS**
18 **APPROVED IN 2021?**

19 A. When EKPC sought its last base rate increase in 2021, it had been a full decade since EKPC
20 increased its base rates. A lot happened in the intervening decade, which I summarized
21 four years ago as follows: EKPC enhanced corporate governance resulting from the
22 management audit; obtained its first credit ratings from the major financial ratings
23 agencies; improved its reliability indices; enjoyed significant economic development

1 success; joined PJM; closed the Dale Station; preserved Cooper Station Unit 1; and
2 purchased the Bluegrass Station in Oldham County. On top of that, EKPC maneuvered
3 through the COVID-19 seasons without any impact on its ability to provide service to its
4 Owner-Members. These were all significant accomplishments.

5 The past four years were equally challenging. Among other things, EKPC was engaged in
6 several initiatives that will shape the future of EKPC for decades to come, including:

- 7 • Amending the Wholesale Power Contract (“WPC”) – EKPC and each of its Owner-
8 Members entered into Amendment 5 to the WPC in 2025 and the Rural Utilities Service
9 (“RUS”) approved the amendments on March 23, 2025. Amendment 5 extends the
10 term of the current WPC to January 1, 2068 – an additional seventeen years over the
11 prior term. This will allow EKPC to borrow money from RUS at lower rates and
12 depreciate assets for a longer period of time, which will help to keep rates lower for
13 Owner-Members and their retail members.
- 14 • Investing in New Generation – The growing demand for power within EKPC’s Owner-
15 Members’ service territories were punctuated by new peaks set in 2022 and 2024.
16 EKPC's current load forecast projects net total energy requirements to increase from
17 15.4 to 18.4 million MWh, an average of 1.3% per year over the 2025 through 2039
18 period. Net winter and summer peak demands will increase by approximately 416 MW
19 or 0.8% per year and 411 MW or 1.1% per year, respectively. To meet this growing
20 demand for energy, EKPC announced an approximately \$500 million investment for a
21 new 214 MW Liberty Station power plant powered by reciprocating internal
22 combustion engines (“Liberty RICE”) in Casey County, Kentucky. This plant should
23 come online in December of 2028 and will serve many useful purposes within the larger

1 EKPC generation portfolio. EKPC also announced plans to invest approximately
2 \$1.317 billion to construct a new 745 MW combined cycle generating unit at Cooper
3 Station. The projected commercial operation date for this facility is December 2030. In
4 addition, EKPC plans to invest \$260 million to add natural gas co-firing capabilities to
5 all four of the Spurlock Station generating units and Cooper Unit 2. These additions to
6 EKPC's generating facilities are needed to assure that EKPC has the capacity necessary
7 to serve its organic load growth but does not take into account any new so-called
8 "megaloads" that may develop. These investments are critically important as EKPC
9 operates within the PJM system. When EKPC first joined PJM, there was an abundance
10 of generation supply. However, two factors have all but eliminated this abundance.
11 First, closures of coal-fired generators due to federal environmental policies
12 significantly reduced the amount of dispatchable generation. Second, states with
13 deregulated electric markets adopted short-sighted policies that encouraged utilities to
14 lean on the PJM system and failed to incentivize needed investments in new capacity.
15 Because of these two factors, PJM's ability to fully meet the demands within its system
16 is concerning. EKPC saw this firsthand during Winter Storm Elliott and other severe
17 weather events where the PJM system was pushed to the brink. Even as EKPC is filing
18 this application, PJM's reserve margins are very tight. By putting "steel in the ground,"
19 EKPC will continue to assure that it has the assets available to serve its Owner-
20 Members.

- 21 • Data Centers – EKPC invested considerable time and effort to study the emergence of
22 data centers across the United States and to understand the unique transmission and
23 power supply risk considerations that apply to such large loads. EKPC recently

1 proposed a data center tariff that identifies and allocates the risks of serving such large
2 loads in such a way that existing Owner-Members' retail consumers are not negatively
3 impacted financially by the addition of large data centers to EKPC's system.

4 • Environmental Regulations – The past five years continued to be years of uncertainty
5 regarding federal environmental regulation. The Biden Administration unveiled several
6 new rules, including: the Greenhouse Gas Rule; the Coal Combustion Residuals
7 Legacy Rule; a revised Effluent Limitations Guideline Rule; denial of the Kentucky
8 State Implementation Plan for ozone and its replacement with a Federal
9 Implementation Plan; a revised Mercury Air Toxics Rules; reduced limits for PM 2.5
10 under the National Ambient Air Quality Standards; the 111d Implementation Rule; the
11 Air Emissions Reporting Rule; eliminating affirmative defenses from Title V air
12 permits; and revisions to the definition of "Waters of the United States". Coupled with
13 policies to restrict the use of available natural gas generation, federal policy under the
14 Biden Administration forced utilities to increasingly rely upon non-dispatchable
15 renewable generation resources. EKPC was diligent in commenting on the significant
16 negative impacts these rules would have on rates and reliability and, where needed,
17 challenged the EPA's overreach in court. With the arrival of the Trump Administration,
18 many of these rules are being revoked, but it remains unclear what environmental
19 regulations will result.

20 • Additional Economic Development Successes – Over the past decade, economic
21 development efforts from EKPC and its sixteen Owner-Member Cooperatives assisted
22 with the recruitment, expansion, and retention of many successful business and industry
23 announcements. Examples of these projects include:

- 1 • Canadian Solar d/b/a e-Storage Shelbyville Battery Manufacturing, LLC in
2 Shelbyville – This project was a \$711,904,388 investment which created 1,572 jobs
3 with 65 MWs. According to Area Development Magazine, this was the “Largest
4 New Economic Development Announcement for the Southern US in 2024.”
- 5 • Mitsubishi Electric in Maysville – This project was a \$143,500,000 investment
6 which created 122 jobs with 15 MWs in 2024.
- 7 • Hitachi Astemo Americas, Inc. in Berea – This project was a \$153,050,000
8 investment which created 167 jobs with 15 MWs in 2023.
- 9 • Wieland North America in Shelbyville – This project was an initial investment of
10 \$100,000,000 which created 75 jobs with 10 MWs in 2022. An expansion of this
11 project was announced in 2024 which created an additional investment of
12 \$540,000,000 adding 200 jobs and bringing load to 65 MWs.
- 13 • Lotte Aluminum Materials USA in Elizabethtown – This project was a
14 \$238,734,497 investment which created 122 jobs with 15 MWs in 2022.
- 15 • Pernod Ricard in Lebanon – This project was a \$250,000,000 investment which
16 created 55 jobs with 20 MWs in 2022.

17 Together, these and other economic development successes add up to three hundred
18 eighty-seven (387) projects of various scale, representing over \$13.8 billion in new
19 investment across the Commonwealth, committed to create over 20,000 new jobs and
20 substantially increase the electric load demand. These investments in the communities
21 EKPC’s Owner-Members serve will significantly improve the quality of life of end-
22 use customers. Currently, forty-three new, and twenty-four expansions of existing,
23 industrial and manufacturing facilities are under construction within EKPC’s service

territories. At completion, these projects will increase electric load, add \$3 billion of new investment, and create 6,000 new jobs. In addition, large scale artificial intelligence and data processing centers are bringing much excitement along with many challenges. EKPC currently has 19 projects of various scales seeking a combined load of 12,000 MW's.

- Improved Reliability Indices: By focusing investments on the poorer performing areas of the EKPC system and addressing frequent causes of outages, such as wildlife and lightning arrestors, EKPC reduced the average expected outage time, attributed to the EKPC system, to around 23 minutes. Since 2021, EKPC's System Average Interruption Duration Index ("SAIDI") has declined. The five-year average dropped from 24.9 minutes to 23 minutes. This is indicative of improved system hardening and maintenance activities.
- Increased Advocacy at PJM and FERC – EKPC experienced many benefits since joining PJM. However, in the last few years, the PJM capacity market was beset by a series of complaints and controversies that made the market less predictable and, from EKPC's perspective, less conducive to promoting long-term grid reliability. EKPC is active in the PJM stakeholder process and in several Federal Energy Regulatory Commission ("FERC") dockets to advocate for policies that encourage stability, predictability, and the correct long-term investment signals for the capacity market. Increasingly, this is becoming a battle between states as the states (i.e. Maryland, New Jersey, Delaware, Pennsylvania, Michigan, and Illinois) that have adopted unreasonable energy policies that cause their utilities to unreasonably lean on the capacity market and electric system as a whole have become more vocal in opposing

1 market fundamentals. Similarly, EKPC is carefully watching how PJM and FERC
2 implement tariffs relating to regional transmission planning and cost allocation.

- 3 • New ERA – As a result of the Inflation Reduction Act, Congress appropriated \$9.7
4 billion to the New Empowering Rural America (“New ERA”) fund administered by
5 RUS. EKPC saw this, along with changes to the federal Investment Tax Credit (“ITC”) as a means to economically diversify its generation portfolio. On January 16, 2025,
6 EKPC was advised that it would be eligible for up to \$679 million in New ERA
7 funding. This is in addition to EKPC now being eligible for reimbursement of a
8 significant portion of its investment in less carbon intensive energy and transmission
9 upgrades that reduce line losses through the ITC direct pay provisions. However, due
10 to the change in presidential administrations and recent Congressional action to limit
11 application of the ITC, the status of EKPC’s proposed New ERA/ITC investments is
12 not yet settled. EKPC continues to work with RUS to move towards a definitive
13 agreement.
14

- 15 • Enhancing Reliability and Resiliency – EKPC took steps to enhance reliability and
16 resiliency on its own system. After Winter Storm Elliott in December 2022, EKPC
17 recognized the need to ensure that its generation assets were prepared for extreme
18 winter conditions. The lessons learned from Winter Storm Elliott were implemented
19 and, as a result, EKPC did not experience any significant unit outages despite severe
20 winter weather in both 2023 and 2024. In the years since EKPC’s last rate case, EKPC
21 addressed areas of its system that were reaching end-of-life in order to continue
22 providing safe and reliable service to its member distribution cooperatives. This
23 includes rebuilding 167 miles of transmission line, 23 substations, and control and

1 communications systems at multiple locations. Additionally, EKPC added 15 miles of
2 new transmission lines and 8 new substations. These investments will make EKPC's
3 system stronger and more resilient.

4 **Q. CAN YOU DISCUSS THE AMOUNT OF THE INCREASE REQUESTED IN**
5 **EKPC'S APPLICATION AND EXPLAIN WHY IT IS BEING REQUESTED?**

6 A. In the current case, EKPC requests an increase in base rates of just under \$80 million. The
7 principal drivers of this application are to account for the multiple years of above-average
8 inflation that EKPC – like all other businesses and residences – experienced over the past
9 few years. In addition to inflationary pressures, interest rates rose in recent years which has
10 a negative impact upon EKPC's debt costs. Additionally, a rate increase is necessary to
11 help EKPC maintain its equity and credit ratings as it heads into a significant investment
12 cycle. This rate increase application does not incorporate any of the investment for new
13 generation resources; however, EKPC expects load growth to help dilute the impact of this
14 and future rate increases on Owner-Members. All of these factors are discussed in more
15 detail in Exhibit 13, the Direct Testimony of Cliff Scott and Exhibit 18, Direct Testimony
16 **Q. of Tom Stachnik..**

17 **WHAT ELSE IS IMPORTANT TO UNDERSTAND ABOUT EKPC'S**
18 **A. APPLICATION?**

19 As described in greater detail in the testimony of Mr. Scott and Mr. Watson, EKPC is not
20 proposing a roll-in of its environmental surcharge expense into base rates and, due in part
21 to facilitate its Owner-Members' pass-through cases, EKPC is not proposing the
22 establishment of a new rider for demand side management ("DSM"). Since the
23 Commission recently approved several new and adjusted DSM programs in the context of

1 Case No. 2024-00370,¹ and because EKPC is still in the process of implementing these
2 programs, there are no proposed changes to EKPC's DSM program and there will not be a
3 witness to offer initial testimony on this subject as part of the Application. EKPC is eager
4 to invest the additional \$4 million in DSM programs as this will help EKPC to balance
5 energy needs while helping the retail members at the end of the line achieve energy savings.
6 Should questions about DSM arise in the course of this proceeding, EKPC will be pleased
7 to address them.

8 EKPC's Application includes proposed modifications to several of its existing
9 tariffs, amortization of rate case expense, and relief from certain ongoing reporting
10 obligations which are now out of date. EKPC proposes to limit the number of times in a
11 year when an Owner-Member can change the contract demand under Rate B and proposes
12 to increase the MW cap on EKPC's interruptible tariff, Rate D. On EKPC's Green Energy
13 Tariff, Rate H, the proposal is making Option B permanent. These requests are described
14 in more detail in the testimony of Ms. Carpenter, Mr. Cecil, and others. EKPC proposes to
15 end the Earnings Mechanism established in Case No. 2021-00103 as it turned out to be
16 inconsequential in practice. Also, EKPC proposes to create a new regulatory asset for
17 recovery of future expenses related to regional transmission expansion plan ("RTEP") costs
18 passed along by PJM. EKPC proposes to amortize the existing maintenance expense
19 tracker and reset it back to the current average annual maintenance expense. EKPC also
20 seeks to realign the filing of its Small Power Production/Co-Generation tariff to align with

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

1 the Commission's two-year cycle set forth in regulation. These issues are discussed more
2 in-depth in the testimony of Mr. Watson and others.

3 EKPC requests the approval of new depreciation rates based upon a depreciation study
4 undertaken by John Spanos, President of Gannett Fleming Valuation and Rate Consultants,
5 LLC. Mr. Spanos provides testimony to support his report. EKPC is also using an updated
6 cost of service study that was completed earlier this year by The Prime Group. Their efforts
7 are described in detail in the testimony of Mr. Wernert.

8 **III. RATE CASE JUSTIFICATION**

9 **Q. WHY IS EKPC SEEKING A RATE INCREASE NOW?**

10 A. When EKPC last adjusted its base rates in 2021, EKPC was just beginning to see inflation
11 rates exceed the historical norms. Everyone living in America experienced rising inflation
12 at grocery stores, gas stations, and elsewhere. The table below illustrates the annual
13 Consumer Price Index increases over each of the past four years:

YEAR	CPI
2021	4.7%
2022	8.0%
2023	4.1%
2024	3.2%

14 The impacts of inflationary pressures were not accounted for in the 2021 rate case. For a
15 few years, EKPC was able to put off confronting the impacts of inflation by being smart
16 with operations and maintenance costs, keeping a close eye on total headcount, and
17 allowing margins to erode. EKPC's cost saving efforts are targeted to ensure that
18 efficiencies are realized without creating a long-term risk to reliability. It is important to

1 be cognizant of the increasing risk profile that the entire electric power industry faces. For
2 instance, fuel security concerns arise when too much of EKPC's generation portfolio is
3 forced into specific types of generation. Infrastructure costs are increasing, and the labor
4 market is highly competitive for skilled workers. These are just some examples of the risks
5 the industry faces. Cutting costs now can have very real and negatively consequential
6 outcomes in the future. With these principles in mind, EKPC reached the point where it
7 needs to increase its base rates to help offset the inflationary pressures. The total rate
8 increase requested – 7.49% – is less than the cumulative impacts of inflation alone during
9 the intervening four years since the last rate increase. This indicates that EKPC's efforts to
10 be prudent stewards of corporate resources were successful.

11 **Q. ARE THERE ANY OTHER FACTORS THAT EXPLAIN WHY EKPC IS**
12 **SEEKING AN INCREASE IN ITS BASE RATES?**

13 A. Yes. Another significant factor is that debt costs are rising. The 20-year United States
14 Treasury rate is the benchmark that best approximates EKPC's long-term borrowing costs.
15 The average 20-year Treasury rate in 2021 was approximately 2 percent. Historically, this
16 is a very low rate for borrowing debt. In contrast, the average rate in 2024 for the 20-year
17 U.S. Treasury was 4.5 percent. In three years, Treasury rates more than doubled. As EKPC
18 continued to borrow during that timeframe, total interest expense increased from \$87
19 million in 2021 to \$110 million in 2024. This increased interest expense directly impacted
20 the calculation of EKPC's Times Interest Earned Ratio ("TIER"), which is an important
21 measure of whether the company is satisfying its debt obligations. This rate increase will
22 enable EKPC to meet its debt covenant requirements, continue to strengthen its overall
23 financial condition, and ensure its Owner-Members receive reliable service.

1 **IV. EKPC’S COST SAVINGS MEASURES**

2 **Q. PLEASE DISCUSS SOME OF THE COST SAVING MEASURES EKPC**
3 **IMPLEMENTED OVER THE YEARS.**

4 A. The most impactful decision made over the past decade was the EKPC Board’s decision to
5 have EKPC join PJM, which the Commission approved in Case No. 2012-00169.² This
6 allowed EKPC to become an active participant in its capacity, energy, financial
7 transmission rights, and ancillary services markets. EKPC formally joined PJM on June 1,
8 2013. EKPC was able to generally enjoy the economies of scale that are a part of
9 participating in such a large market. It becomes increasingly difficult to fully quantify the
10 savings being realized from EKPC’s membership in PJM because there are so many
11 variables between where EKPC is now and where it would be if it had not joined PJM.
12 EKPC conservatively estimates that its savings in joining PJM is approximately [REDACTED]
13 [REDACTED] to date. Without being a member of PJM, it would be more difficult for EKPC to
14 monetize for the benefit of Owner-Members any excess generation capacity or energy that
15 we might have available.

16 **Q. WHAT’S ANOTHER SOURCE OF SIGNIFICANT SAVINGS?**

17 A. EKPC was able to achieve significant savings by investing in projects to increase reliability
18 following Winter Storm Elliott, deferring lower risk maintenance projects, and optimizing
19 EKPC’s workforce.

20 **Q. IS IT POSSIBLE TO QUANTIFY THE COST SAVINGS ASSOCIATED WITH**
21 **THESE TYPES OF DECISIONS?**

² See *In the Matter of the Application of East Kentucky Power Cooperative, Inc. to Transfer Functional Control of its Transmission Facilities to PJM Interconnection, LLC*, Order, Case No. 2012-00269 (Ky. P.S.C. Dec. 20, 2012).

1 A. Often, the answer is “no.” It is difficult to know how an investment in reliability today, for
2 instance, may save the cooperative thousands or even millions of dollars over time. What
3 is definitively known is that if EKPC does not make prudent investments in its system and
4 workforce, it will result in more forced outages, less grid reliability, inefficiencies and
5 underperformance in PJM.

6 **Q. WHAT ARE SOME EXAMPLES OF SITUATIONS WHERE YOU CAN’T**
7 **NECESSARILY QUANTIFY A COST SAVINGS?**

8 A. A good example occurs when EKPC makes investments in its generating facilities and
9 transmission system in order to enhance reliability. Losing a generating unit during a winter
10 or summer peak can result in significant penalties under PJM’s Capacity Performance
11 rules. Similarly, if a transmission line goes down, it could impact the delivery of energy to
12 a significant area, which translates into disruption to customers’ lives and loss of revenue
13 for EKPC. EKPC will never forget the importance of reliability to its Owner-Members —
14 energy is not a luxury, but rather a necessity. When people need electrons to power their
15 medical devices or to communicate in emergent circumstances, the consequence of
16 EKPC’s inability to produce power can be a question of life or death. Accordingly, coming
17 out of Winter Storm Elliott in December 2022 and Winter Storm Gerri in January 2024,
18 EKPC recognized the need to invest in better winterization efforts for generation assets.
19 Some of these investments are capital expenditures, but many of them are operational.
20 Small investments in winterization, for instance, have a tremendous payoff when measured
21 against the cost of not having needed units online in the dead of winter. EKPC has also
22 deferred some lower-risk maintenance projects where doing so would not undermine its
23 goal of providing safe and reliable service.

Another good example is in the safety arena. Safety is EKPC's number one priority. EKPC made strides in its safety program to assure that workers have the means, motive and opportunity to work safely. Following the COVID-19 pandemic, EKPC's safety metrics started to move in a direction that was undesirable. Thankfully, EKPC did not experience any catastrophic injuries or worse, but there were enough small incidents to suggest that the pandemic may have caused a loss in clarity on how important safety is to the organization. EKPC's Safety Team was reinvigorated, and the metrics used for measuring safety are improving. Again, the cost of safety investments is easy to measure, while the savings realized from accidents that did not happen and injuries that were never experienced are intangible. EKPC is confident, however, that in the long-term, these types of investments are prudent, save money, build morale, and are the ethical and morally correct thing to do.

Q. IS EKPC DONE LOOKING FOR WAYS TO ACHIEVE COST SAVINGS?

A. EKPC is never done looking for ways to achieve cost savings. The EKPC team is always looking for ways to achieve value for its Owner-Members and save them money – whether it is through targeted investments that promote reliability and safety, avoiding unnecessary costs, being smarter in its procurement of goods and services, offering benefits to attract a skilled workforce, or leveraging programs available to it through the federal government. Prior to implementing any cost containment initiatives, EKPC will continue to evaluate the associated risks involved, such as impacts to reliability.

Achieving savings sometimes is measured in terms of costs that the company can avoid. For instance, by being proactive on future generation needs, EKPC locked in pricing for turbines and other key production equipment at prices well below what a utility starting the

1 process today would pay for the same equipment. EKPC is vocal in opposing federal
2 policies that have no significant impact upon the environment but would nevertheless cost
3 hundreds of millions of dollars or more for consumers. Being proactive, EKPC seeks to
4 keep the price of power for Owner-Members low by avoiding costs that are unnecessary.

5 As utilities see more and more of their costs dictated by federal energy and
6 environmental policies originating in Washington, D.C. and as PJM's own policies and
7 tariffs have a greater impact over the capacity market and transmission cost allocation,
8 EKPC's advocacy is becoming an important element of achieving long-term cost savings.
9 For instance, the greenhouse gas rule adopted by the EPA in 2024 carried with it a
10 compliance price tag of \$10.7 billion just to operate the Spurlock Station coal units past
11 2040. Of course, this would be impossible for a utility the size of EKPC to accomplish
12 without imposing massive and unsustainable rate increases on Owner-Members and the
13 communities they serve. And this was just one of nearly a dozen rules the EPA alone
14 proposed in the last eighteen (18) months of the Biden Administration. EKPC was vocal in
15 advocating for federal and PJM policies that are reasonable and cost-effective because
16 preventing a very expensive rule or policy with no material benefit to consumers from
17 going into effect is one of the most effective strategies for keeping overall electricity costs
18 as low as possible. We wrote several letters to President Biden expressing EKPC's
19 concerns as to what federal policy was doing to harm reliability while imposing massive
20 costs upon consumers. With President Trump in office, we continue to write to express
21 EKPC's position on various energy matters. I was greatly humbled when President Trump
22 extended the opportunity for me to speak to the nation at a recent White House event to
23 promote efforts to save coal-fired generation resources from premature retirement.

1 **V. INTRODUCTION OF COMPANY WITNESSES**

2 **Q. PLEASE LIST THE WITNESSES THAT WILL BE TESTIFYING ON BEHALF**
3 **OF EKPC AND THE SUBJECT MATTER OF THEIR TESTIMONY.**

4 A. Including myself there will be nine witnesses testifying on behalf of EKPC. The additional
5 witnesses are as follows:

6 1. Mr. Cliff Scott – EKPC’s Executive Vice President and Chief Financial Officer will
7 be testifying concerning EKPC’s financial condition and an overview of the
8 proposed rate adjustment;

9 2 Mr. Gregory H. Cecil – EKPC’s Director of Regulatory and Compliance Services
10 will be offering testimony regarding EKPC’s provision of notice, relief from
11 filing certain periodic reports, and other filing requirements;

12 3. Ms. Michelle K. Carpenter – EKPC’s Controller will be offering testimony on
13 the company’s accounts, audit reports and regulatory assets;

14 4. Mr. Jacob R. Watson, Ph.D. – EKPC’s Pricing Manager will be testifying
15 concerning several details of EKPC’s rate proposal and various adjustments,
16 schedules, filing requirements and surcharges;

17 5. Mr. Jeffrey W. Wernert, Jr. - The Prime Group, will be offering testimony on
18 behalf of EKPC regarding the cost of service study he prepared, and methodology
19 used;

20 6. Mr. Thomas J. Stachnik – EKPC’s Vice President of Finance and Treasurer
21 will be offering testimony regarding the company’s debt covenants, TIER and
22 DSC ratios;

23 7. Mr. John J. Spanos – President at Gannett Fleming Valuation and Rate
 Consultants, LLC will be offering testimony on behalf of EKPC and the
 depreciation study he performed²¹ and discusses the terminal salvage methodology;

1

2

8. Mr. Denver York - EKPC's Senior Vice President of Power Delivery and System

3

Operations will be offering testimony concerning EKPC's investment in various

4

SmartGrid technologies.

5

VI. CONCLUSION

6

Q. PLEASE SUMMARIZE YOUR TESTIMONY.

7

A. EKPC achieved many successes since its last rate case. This rate increase request produces

8

rates that are fair, just and reasonable to EKPC's Owner-Members, and will enable EKPC

9

to continue to provide reliable energy to those owner-members. Reliability remains a top

10

priority.

11

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

12

A. Yes.

VII. ATTACHMENTS

Attachment ASC-1 – EKPC Board Resolution, Dated June 9, 2025.

East Kentucky Power Cooperative, Inc.
Case No. 2025-00208
General Adjustment of Rates

Exhibit 12
Attachment ASC-1

**FROM THE MINUTE BOOK OF PROCEEDINGS
OF THE BOARD OF DIRECTORS OF
EAST KENTUCKY POWER COOPERATIVE, INC.**

At a regular meeting of the Board of Directors of East Kentucky Power Cooperative, Inc. held at the Headquarters Building, 4775 Lexington Road, located in Winchester, Kentucky, on Monday, June 9, 2025 at 9:30 a.m., EST, the following business transacted:

Request for Approval to File a Rate Application

After review of the applicable information, Tim Eldridge made a motion to approve the filing of a rate application, as presented, seconded by George Maddox and passed by the full Board to approve the following:

Whereas, EKPC intends to file a rate adjustment application with the Kentucky Public Service Commission ("Commission") using a calendar year 2023 historical test period; and

Whereas, EKPC seeks to revitalize metrics for its debt covenants and maintain stable credit ratings for the benefit of its Owner Members; and

Whereas, EKPC has experienced the effects of inflation and increased interest rates for several years; and

Whereas, EKPC seeks to increase annual revenues by \$79.73 million, or a 7.49 percent wholesale increase (approximately 5.47% increase at retail); and

Whereas, EKPC plans to file a notice of intent to seek a rate adjustment with the Commission on or about June 25, 2025, and then file its application on or about July 31, 2025; and

Whereas, will seek actual implementation of the proposed rates, subject to refund, for service rendered on or after February 1, 2026;

Resolved, that the EKPC Board of Directors ("Board") hereby grants approval to file a rate increase application for an annual increase in base rates not to exceed \$80 million, to be effective for service rendered on and after February 1, 2026, and that the Board further authorizes EKPC to seek RUS and National Rural Utilities Cooperative Finance Corporation consent for the rate application if necessary.

The foregoing is a true and exact copy of a resolution passed at a meeting called pursuant to proper notice at which a quorum was present and which now appears in the Minute Book of Proceedings of the Board of Directors of the Cooperative, and said resolution has not been rescinded or modified.

Witness my hand and seal this 9th day of June 2025.

Corporate Seal

A handwritten signature in cursive script, appearing to read "Randy Sexton", written in black ink.

Randy Sexton, Secretary of the Board

East Kentucky Power Cooperative, Inc.
Case No. 2025-00208
General Adjustment of Rates
Filing Requirements/Exhibit List

Exhibit 13

807 KAR 5:001 Section 16(4)(b)
Sponsoring Witness: Cliff Scott

Description of Filing Requirement:

If the utility has gross annual revenues greater than \$5,000,000, the written testimony of each witness the utility proposes to use to support its application.

Response:

In support of its Application, EKPC provides written testimony from Mr. Cliff Scott, EKPC's Executive Vice President and Chief Financial Officer, whose testimony is included with this Exhibit 13.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF EAST)	
KENTUCKY POWER COOPERATIVE, INC.)	
FOR A GENERAL ADJUSTMENT OF RATES,)	Case No.
APPROVAL OF DEPRECIATION STUDY,)	2025-00208
AMORTIZATION OF CERTAIN REGULATORY)	
ASSETS, AND OTHER GENERAL RELIEF)	

DIRECT TESTIMONY OF CLIFF SCOTT
EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER
ON BEHALF OF EAST KENTUCKY POWER COOPERATIVE, INC.

Filed: August 1, 2025

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF EAST)	
KENTUCKY POWER COOPERATIVE, INC.)	
FOR A GENERAL ADJUSTMENT OF RATES,)	Case No. 2025-00208
APPROVAL OF DEPRECIATION STUDY,)	
AMORTIZATION OF CERTAIN REGULATORY)	
ASSETS, AND OTHER GENERAL RELIEF)	

VERIFICATION OF CLIFF SCOTT

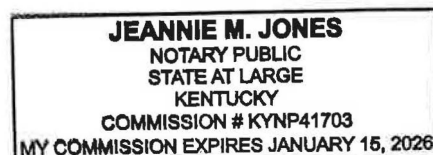
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF CLARK)

Cliff Scott, Executive Vice President and Chief Financial Officer of East Kentucky Power Cooperative, Inc., being duly sworn, states that he has supervised the preparation of his Direct Testimony and certain filing requirements 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.

Cliff Scott
Cliff Scott

The foregoing Verification was signed, acknowledged and sworn to before me this 1st day of August, 2025, by Cliff Scott.

Jeannie M. Jones
Notary Commission No. KYNP 41703
Commission expiration: 1-15-2026



1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.**

3 A. My name is Cliff Scott. I am the Executive Vice President and Chief Financial
4 Officer (“CFO”) for East Kentucky Power Cooperative, Inc. (“EKPC”). My
5 business address is 4775 Lexington Road, Winchester, Kentucky 40391.

6 **Q. PLEASE DESCRIBE YOUR EDUCATION AND EXPERIENCE.**

7 A. I received a Bachelor of Business Administration degree in Accounting and Finance
8 from Cedarville University and a Master of Business Administration degree from
9 The Ohio State University Fisher College of Business. Prior to joining EKPC, I
10 worked for NiSource from September 2001 to May 2023 in various financial
11 leadership positions. I joined EKPC as its Executive Vice President and Chief
12 Financial Officer in May 2023.

13 **Q. PLEASE DESCRIBE YOUR DUTIES AS EXECUTIVE VICE PRESIDENT**
14 **AND CHIEF FINANCIAL OFFICER.**

15 A. As Executive Vice President and CFO, I am responsible for regulatory services,
16 finance and treasury, accounting, information technology, economic development,
17 and member services. I report directly to the President and Chief Executive Officer.

18 **Q. HAVE YOU EVER TESTIFIED BEFORE THE KENTUCKY PUBLIC**
19 **SERVICE COMMISSION? IF SO, PLEASE LIST THOSE CASES.**

20 A. No.

21 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
22 **PROCEEDING?**

1 A. The purpose of my testimony is to: (1) describe the overall financial condition of
2 EKPC; and, (2) discuss the basis of the requested increase in base rates.

3 **Q. ARE YOU SPONSORING ANY FILING REQUIREMENTS?**

4 A. Yes. I am sponsoring the following filing requirements:

- 5 1. Exhibit 34, 807 KAR 5:001, Section 16(4)(p) – Prospectus of recent stock
6 or bond offering;
- 7 2. Exhibit 36, 807 KAR 5:001, Section 16(4)(r) – Monthly managerial reports
8 providing financial results of operations for the 12-month test period; and
- 9 3. Exhibit 44, 807 KAR 5:001, Section 16(5)(d) – Operating budget for each
10 month of the period encompassing the pro forma adjustments.

11 **Q. ARE YOU SPONSORING ANY ATTACHMENTS TO YOUR**
12 **TESTIMONY?**

13 A. No.

14 **Q. WERE THE DOCUMENTS SUBMITTED AS PART OF THE FILING**
15 **REQUIREMENTS YOU ARE SUPPORTING AND THE ATTACHMENTS**
16 **TO YOUR TESTIMONY PREPARED BY YOU OR BY SOMEONE**
17 **WORKING UNDER YOUR SUPERVISION.**

18 A. The documents associated with the filing requirements or attached to my testimony
19 are documents that I either prepared or supervised in their preparation.

20 **II. EKPC'S FINANCIAL CONDITION**

21 **Q. PLEASE DISCUSS EKPC'S FINANCIAL CONDITION AS OF THE END**
22 **OF THE TEST YEAR.**

1 A. In 2023, EKPC had a \$17.9 million net margin. EKPC's Times Interest Earned
2 Ratio ("TIER") and Debt Service Coverage ("DSC") ratio were 1.17 and 1.31,
3 respectively. EKPC's equity percentage was 20.2 percent.

4 **Q. HOW DO THESE RESULTS COMPARE TO EKPC'S OBLIGATIONS FOR**
5 **ACHIEVING CERTAIN FINANCIAL METRICS?**

6 A. EKPC's target is to maintain an average DSC of at least 1.25 for two of every three
7 successive years and not less than 1.10 in any given year. EKPC's target TIER
8 range is from 1.2 to 1.5 and not less than 1.10 in any given year.

9 **Q. HAS EKPC'S FINANCIAL CONDITION MATERIALLY CHANGED**
10 **SINCE THE EXPIRATION OF THE TEST YEAR?**

11 A. Yes. While EKPC's 2023 net margin was \$17.9 million, EKPC's 2024 net margin
12 dropped to \$6.6 million, resulting in a TIER of 1.06 and DSC of 1.35.

13 **Q. IS EKPC CURRENTLY IN COMPLIANCE WITH ITS DEBT**
14 **COVENANTS?**

15 A. Yes, EKPC is currently in compliance with all debt covenants.

16 **Q. HAS EKPC BEEN ABLE TO RETIRE CAPITAL CREDITS IN RECENT**
17 **YEARS SINCE THE 2021 RATE FILING?**

18 A. Yes. EKPC retired \$20.1 million of capital credits in 2022. These capital credits
19 represented margins allocated to members from the years 1976 – 1983.

20 **Q. HOW HAS EKPC'S FINANCIAL CONDITION CHANGED SINCE ITS**
21 **LAST BASE RATE INCREASE?**

1 A. EKPC experienced the impact of high inflation on operating costs and increased
2 interest expense since its last rate case in 2021. These increased costs have put
3 pressure on the financial metrics EKPC needs to maintain long term debt.
4 After years of historically low inflation rates below 2.5%, the Consumer Price
5 Index (“CPI”) dramatically increased between 2021 – 2024. The table below
6 illustrates the annual CPI increases:

YEAR	CPI
2021	4.7%
2022	8.0%
2023	4.1%
2024	3.2%

7
8 The 20-year US Treasury rate is the benchmark that best approximates EKPC’s
9 long-term borrowing costs. The average 20-year US Treasury rate for 2021 was
10 approximately 2 percent. The average rate in 2024 for the 20-year US Treasury was
11 4.5 percent. As EKPC continued to borrow during that timeframe, total interest
12 expense increased from \$87M in 2021 to \$110M in 2024.

13 The combination of increases in interest expense and operating costs as a result of
14 high inflation has resulted in low debt metrics for EKPC. In three of the prior four
15 years (2021 – 2024), EKPC’s (“TIER”) was below 1.2x. EKPC’s long-term debt
16 covenant requires a minimum TIER of 1.1x. If EKPC’s TIER metric falls below
17 1.1x the debt covenants require EKPC to pursue a rate increase to improve metrics.

18 **Q. WHAT IS EKPC’S PLAN FOR MANAGING ITS EQUITY IN THE LONG-**
19 **TERM?**

1 A. EKPC will continue to set an equity to total assets target that is sufficient to achieve
2 an investment grade rating and maintain access to the capital markets, while
3 achieving its strategic financial objectives.

4 **Q. HAVE THERE BEEN OTHER SIGNIFICANT DEVELOPMENTS THAT**
5 **HAVE AFFECTED EKPC'S FINANCIAL CONDITION?**

6 A. December, January, and February are the months with the highest expected sales
7 based on normal weather; meaning, the heating season is critical to EKPC's
8 financial well-being. In 2023 and 2024, EKPC experienced lower sales due to
9 milder than normal weather, specifically in the heating season. Weather during the
10 heating season was 24.5% warmer than normal in 2023 and 21.9% warmer than
11 normal in 2024, resulting in lower sales than expected in both years.

12 **III. EKPC'S RATE FILING**

13 **Q. PLEASE GIVE AN OVERVIEW OF THE PROPOSED RATE**
14 **ADJUSTMENT.**

15 A. As set forth in the Application and discussed in more detail in the direct testimony
16 of Mr. Watson, EKPC's revenue requirements supported a rate increase of \$79.7
17 million. This is a 7.5% increase in wholesale rates when compared with 2023
18 EKPC revenues and approximately a 5.5% increase in retail rates for EKPC Owner-
19 Members given that EKPC costs represent 70% - 75% of Owner Member total cost.

20 **Q. WHAT TIER IS EKPC REQUESTING IN THIS CASE?**

21 A. EKPC requests a 1.5 TIER level, consistent with the TIER levels approved in prior
22 EKPC base rate and environmental surcharge proceedings. Mr. Stachnik provides
23 analyses supporting this continued level of TIER.

1 **Q. WHAT WOULD BE THE LIKELY CONSEQUENCES OF THE**
2 **COMMISSION AUTHORIZING A TIER LOWER THAN 1.5?**

3 A. The likely consequences of authorizing a TIER lower than 1.5 are a downgrade by
4 the credit rating agencies and an increase in interest rates. EKPC's weighted
5 average interest rate on all debt increased from 3.4 percent in 2021 to 4.0 percent
6 in 2023. Maintaining a healthy credit rating benefits both EKPC and its Owner-
7 Members. Mr. Stachnik will provide details supporting a 1.5 TIER in his direct
8 testimony.

9 **Q. IS EKPC SEEKING ADDITIONAL RELIEF AS PART OF ITS RATE**
10 **FILING?**

11 A. Yes. EKPC seeks approval of new depreciation rates, relief from certain existing
12 reporting obligations, resetting of the Generation Maintenance Tracker base,
13 removal of the Earnings Share Mechanism tariff, approval of a tracking and
14 recovery mechanism for RTEP expenses, recovery of rate case expense, realign the
15 filing of its small power production and cogeneration rates to a biennial basis in
16 accordance with 807 KAR 5:054 and an assortment of textual changes to various
17 tariffs. These requests are all discussed in the direct testimony of Mr. Spanos, Ms.
18 Carpenter, Mr. Cecil and Mr. Watson.

19 **IV. CONCLUSION**

20 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

21 A. While EKPC implemented many cost containment initiatives during the past years,
22 it can no longer continue to defer certain costs that may impact reliability. EKPC
23 requests a base rate increase that is less than the amount supported by its revenue

1 requirements and is doing so with the end-use retail member in mind. EKPC's
2 filing yields rates that are fair, just and reasonable.

3 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

4 A. Yes.

East Kentucky Power Cooperative, Inc.
Case No. 2025-00208
General Adjustment of Rates
Filing Requirements/Exhibit List

Exhibit 14

807 KAR 5:001 Section 16(4)(b)
Sponsoring Witness: Gregory H. Cecil

Description of Filing Requirement:

If the utility has gross annual revenues greater than \$5,000,000, the written testimony of each witness the utility proposes to use to support its application.

Response:

In support of its Application, EKPC provides written testimony from Mr. Gregory H. Cecil, EKPC's Director of Regulatory and Compliance Services, whose testimony is included with this Exhibit 14.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF EAST)
KENTUCKY POWER COOPERATIVE, INC.)
FOR A GENERAL ADJUSTMENT OF RATES,) Case No. 2025-00208
APPROVAL OF DEPRECIATION STUDY,)
AMORTIZATION OF CERTAIN REGULATORY)
ASSETS AND OTHER GENERAL RELIEF)

DIRECT TESTIMONY OF GREGORY H. CECIL
DIRECTOR OF REGULATORY AND COMPLIANCE SERVICES
ON BEHALF OF EAST KENTUCKY POWER COOPERATIVE, INC.

Filed: August 1, 2025

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

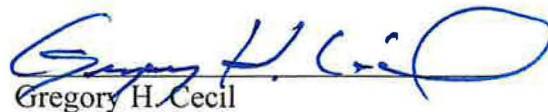
THE ELECTRONIC APPLICATION OF EAST)
KENTUCKY POWER COOPERATIVE, INC.)
FOR A GENERAL ADJUSTMENT OF RATES,)
APPROVAL OF DEPRECIATION STUDY,)
AMORTIZATION OF CERTAIN REGULATORY)
ASSETS, AND OTHER GENERAL RELIEF)

Case No. 2025-00208

VERIFICATION OF GREGORY H. CECIL

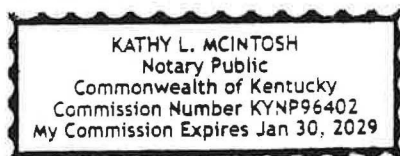
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF CLARK)


Gregory H. Cecil, Director of Regulatory and Compliance Services of East Kentucky Power Cooperative, Inc., being duly sworn, states that he has supervised the preparation of his Direct Testimony and certain filing requirements 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.



Gregory H. Cecil

The foregoing Verification was signed, acknowledged and sworn to before me this 1st day of August, 2025, by Gregory H. Cecil.





Notary Commission No. KYNP 96402
Commission expiration: 1/30/2029

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.**

3 A. My name is Gregory H. Cecil and my business address is East Kentucky Power
4 Cooperative, Inc. ("EKPC"), 4775 Lexington Road, Winchester, Kentucky 40391.
5 I am EKPC's Director of Regulatory and Compliance Services.

6 **Q. PLEASE DESCRIBE YOUR EDUCATION AND PROFESSIONAL**
7 **EXPERIENCE.**

8 A. I received a Bachelor of Science in Engineering Science and a Master of
9 Engineering in Electrical Engineering from the University of Louisville in 1991
10 and 1992, respectively. I worked for Duke Energy from November 1992 in various
11 positions of increasing responsibilities until I retired in April 2024. I have been
12 employed by EKPC in my current position since July 2024.

13 **Q. PLEASE DESCRIBE YOUR DUTIES AS DIRECTOR OF REGULATORY**
14 **AND COMPLAINT SERVICES FOR EKPC.**

15 A. I am responsible for managing all contacts and filings with the Kentucky Public
16 Service Commission ("Commission") as well as overseeing the implementation
17 and management of all North American Electric Reliability Corporation ("NERC")
18 Reliability standards applicable to EKPC for the protection of the Bulk Electric
19 System. I report directly to EKPC's Executive Vice President and Chief Financial
20 Officer, Mr. Cliff Scott.

21 **Q. HAVE YOU PREVIOUSLY PROVIDED WRITTEN TESTIMONY**
22 **BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION? IF SO,**
23 **PLEASE LIST THE CASES.**

1 A. No.

2 **Q. PLEASE DESCRIBE THE PURPOSE OF YOUR TESTIMONY IN THIS**
3 **PROCEEDING.**

4 A. The purpose of my testimony is to: (1) support certain filing requirements and
5 exhibits required by the Commission's regulations; (2) describe the method by
6 which EKPC informed its Owner-Member Cooperatives ("Owner-Members") of
7 the proposed rate adjustment and gave timely notice to the Commission and
8 Attorney General; and (3) request relief for certain existing reporting obligations.

9 **II. SPONSORED FILING REQUIREMENTS**

10 **Q. ARE YOU SPONSORING ANY FILING REQUIREMENTS?**

11 A. Yes. I am sponsoring the following exhibits to the application which fulfill various
12 filing requirements set forth in the Commission's regulations:

- 13 1. Exhibit 2 – 807 KAR 5:001, Section 14(2) – Certificate of Good Standing
- 14 2. Exhibit 8 – 807 KAR 5:001, Section 16(1)(b)5 – Customer Notice
- 15 3. Exhibit 9 – 807 KAR 5:001, Section 16(2) – Notice of Intent
- 16 4. 807 KAR 5:001, Section 17 – Copy of Notice
- 17 5. Exhibit 21, 24, 30, 37, 38, 40, 42, and 43 – 807 KAR 5:001, Section 16(4)(c),
18 (f), (l), (s), (t) and (v) and 807 KAR 5:001, Section 16(5)(b) and (c) – Non-
19 Applicability to EKPC
- 20 6. Exhibit 10 – 807 KAR 5:051 – Non-Applicability to this Rate Filing.

21 **Q. FOR SEVERAL OF THESE FILING REQUIREMENTS, YOU STATE**
22 **THAT THEY ARE NOT APPLICABLE. PLEASE EXPLAIN WHY THAT**
23 **IS THE CASE FOR EACH OF THESE FILING REQUIREMENTS.**

1 A. The requirements in 807 KAR 5:001, Section 16(4)(b) and (c) are really alternative
2 requirements. Because EKPC has gross annual revenues greater than \$5,000,000,
3 it is required to file testimony pursuant to Section 16(4)(b). By contrast, utilities
4 with gross annual revenues less than \$5,000,000 have the option to file testimony
5 to support an application under Section 16(4)(c). Due to the magnitude of its gross
6 annual revenues, EKPC is required to file testimony, and Section 16(4)(c) does not
7 apply.

8 The filing requirements in 807 KAR 5:001, Section 16(4)(f) only apply to
9 incumbent local exchange carriers. EKPC is not an incumbent local exchange
10 carrier. A similar reason exists for not filing copies of audit reports submitted to
11 the Federal Energy Regulatory Commission or Federal Communications
12 Commission under 807 KAR 5:001, Section 16(4)(l) or (s). EKPC has not been
13 audited by either federal agency; therefore, there are no records to provide to the
14 Commission pursuant to Section 16(4)(l). EKPC is also not a publicly traded
15 company and does not make filings with the U.S. Securities Exchange Commission.
16 EKPC has not prepared and does not have any Form 10-K annual reports, Form 8-
17 K reports or Form 10-Q reports to file pursuant to Section 16(4)(s).

18 807 KAR 5:001, Section 16(4)(t) applies to utilities that have amounts charged or
19 allocated to it by any affiliate or general or home office or paid monies to an affiliate
20 or general or home office during the test period. EKPC does not have any affiliates
21 that charge or allocate costs to EKPC, nor does it have a higher general or home
22 office. There are no charges, allocations or monies paid that could be reported, and
23 Section 16(4)(t) is also inapplicable.

1 807 KAR 5:001, Section 16(4)(v) applies only to local exchange carriers with more
2 than 50,000 access lines. Because EKPC is not a local exchange carrier, this filing
3 requirement is similarly inapplicable.

4 **Q. WHAT ABOUT THE FILING REQUIREMENT IN 807 KAR 5:001,**
5 **SECTION 16(5) THAT YOU SAY IS NOT APPLICABLE?**

6 A. A utility is permitted to make certain adjustments to a test period when using a
7 historical test period; however, it must support those adjustments with additional
8 information in its application. 807 KAR 5:001, Section 16(5)(b) and (c) apply to
9 pro forma adjustments to accommodate recent capital construction budgets and
10 plant additions. EKPC does not propose either type of adjustment in its application;
11 and, therefore, no additional information is required under either of these
12 provisions.

13 **Q. FOR THE FILING REQUIREMENTS AND EXHIBITS THAT ARE**
14 **APPLICABLE AND FOR WHICH YOU ARE THE SPONSOR, WERE**
15 **THESE DOCUMENTS PREPARED BY YOU OR UNDER YOUR**
16 **SUPERVISION?**

17 A. The Certificate of Good Standing was obtained from the office of the Kentucky
18 Secretary of State and is a copy of an official public record for which no additional
19 authentication is required. The Customer Notice and Notice of Intent were prepared
20 under my supervision. All of these are official records of EKPC and I can vouch
21 for their authenticity.

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III. NOTICE REQUIREMENTS

Q. HAS EKPC COMPLIED WITH THE REQUIREMENT RELATING TO THE GIVING OF STATUTORY NOTICE REGARDING ITS RATE FILING?

A. Yes. In accordance with KRS 278.180, EKPC filed its statutory Notice of Intent with the Commission on July 1, 2025. A copy of the Notice of Intent was contemporaneously sent via e-mail to the Attorney General’s Office of Rate Intervention to its email address: rateintervention@ag.ky.gov. A copy of the Notice of Intent is set forth in Volume 1, Exhibit 9 of the Application.

Q. DID EKPC GIVE TIMELY NOTICE OF THE RATE FILING TO ITS OWNER-MEMBERS?

A. Yes. EKPC has 16 Owner-Member as its only customers. In accordance with 807 KAR 5:001, Section 17(2)(a), EKPC is mailing a written notice of the proposed rate increase and tariff charges to each of its Owner-Members on the same date the Application is being submitted to the Commission. A copy of the notice to Owner-Members and an affidavit attesting to its mailing is set forth in Volume 1, Exhibit 8 of the Application.

Q. HAS EKPC PROVIDED NOTICE IN OTHER WAYS AS WELL?

A. Yes. In compliance with 807 KAR 5:001, Section 17(1)(a) and (b), EKPC is posting a copy of the required notice at its place of business. Likewise, EKPC is posting on its website a copy of the public notice and a hyperlink to the location on the Commission’s website where the case documents are available.

1 **IV. RELIEF FROM CERTAIN REPORTING OBLIGATIONS**

2 **Q. WHAT OTHER RELIEF IS EKPC SEEKING IN ITS RATE FILING?**

3 A. There are several other forms of relief that are included in EKPC’s rate Application.
4 As it pertains to my role with EKPC, I would like to address our request to be
5 relieved of certain existing reporting obligations which are no longer necessary or
6 appear to have fulfilled their intended purpose.

7 **Q. PLEASE IDENTIFY THE EXISTING REPORTING AND FILING**
8 **OBLIGATIONS THAT EKPC BELIEVES SHOULD BE ELIMINATED.**

9 A. EKPC is seeking relief from certain existing reporting requirements.
10 1. An Annual comprehensive report identifying benefits and costs that accrue
11 from its PJM Interconnection, LLC (“PJM”) membership and comparing
12 these to benefits and costs if EKPC left PJM as modified in Case No. 2021-
13 00103¹ and originally from Case No. 2012-00169;²
14 2. Annual operating reports setting forth details of the performance of the
15 Bluegrass Station from Case No. 2015-00267;³ and

¹ See *Electronic Application of East Kentucky Power Cooperative, INC. For a General Adjustment of Rates, Approval of Depreciation Study, Amortization of Certain Regulatory Assets, and Other General Relief*, Order, Case No. 2021-00103, ordering paragraph 10 (Ky. P.S.C. Sept. 30, 2021) & ordering paragraph 2 and 3 (Ky. P.S.C. May. 25, 2022).

² See *In the Matter of Application of East Kentucky Power Cooperative, Inc. to Transfer Functional Control of Certain Transmission Facilities to PJM Interconnection, LLC*, Order, Case No. 2012-00169, ordering paragraph 6 (Ky. P.S.C. Dec. 20, 2012).

³ See *In the Matter of Application of East Kentucky Power Cooperative, Inc. for Approval of the Acquisition of Existing Combustion Turbine Facilities from Bluegrass Generation Company, LLC at the Bluegrass Generating Station in LaGrange, Oldham County, Kentucky and for Approval of the Assumption of Certain Evidences of Indebtedness*, Order, Case No. 2015-00267, ordering paragraphs 3 and 4 (Ky. P.S.C. Dec. 1, 2015).

3. Annual filing updates to the Co-Generation/Small Power Production tariff and avoided costs rates as ordered in Case No. 2008-00128.⁴

Q. PLEASE DESCRIBE THE REQUESTED RELIEF FROM THE REPORTING REQUIREMENT FROM CASE NO. 2012-00169 IN MORE DETAIL.

A. In Case No. 2012-00169, EKPC sought Commission approval to transfer functional control of certain EKPC transmission facilities to PJM. Ordering Paragraph 5 of the Final Order directed EKPC to file an annual, “comprehensive report setting forth in detail the amount of transmission rights awarded and purchased; a description of hedging plans and strategies to address transmission congestion and market prices for capacity and energy; a breakdown by category of the prior years’ benefits and costs of PJM membership; and a projection of future benefits and costs reflecting the most recent PJM capacity auction results,” to ensure that EKPC’s continued membership in PJM was beneficial to EKPC’s Owner-Members and the end-use retail members, and that EKPC’s participation maximized all available RTO benefits.

In Case No. 2021-00103, the Commission revised the reporting requirements to, “identifying benefits and costs that accrue from its PJM membership and comparing them to benefits and costs if EKPC left PJM.” This requires EKPC to constantly model its system based on a comparison of actual experience to what might have happened if EKPC had not joined PJM, which is difficult to estimate based on transmission availability assumptions that must be made about available purchases

⁴ See *In the Matter of The Revision of the Cogeneration and Small Power Purchase Rates of East Kentucky Power Cooperative, Inc.*, Order, Case No. 2008-00128, ordering paragraph 2 (Ky. P.S.C. Aug. 20, 2008).

1 from the surrounding systems. EKPC repeatedly demonstrated that the decision to
2 integrate with PJM was advantageous to its Owner-Members and the Owner-
3 Members' retail-members and exceeded all expected benefits. EKPC believes based
4 on the evidence presented in multiple other proceedings showing the continued
5 benefits of membership in PJM, it should be relieved from continuing to provide
6 this speculative and overburdensome “what-if” analysis.

7 **Q. PLEASE DESCRIBE THE REQUESTED RELIEF FROM THE**
8 **REPORTING REQUIREMENT FROM CASE NO. 2015-00267 IN MORE**
9 **DETAIL.**

10 A. In Case No. 2015-00267, EKPC sought approval to acquire and operate three
11 simple-cycle combustion turbines at the Bluegrass Generating Station (“Bluegrass
12 Station”) located near LaGrange in Oldham County, Kentucky. In its Order
13 approving the purchase of the Bluegrass Station, the Commission directed EKPC
14 to file an annual operating report to provide the Commission with updates on the
15 performance of the Bluegrass Station units and EKPC’s assessment of any potential
16 changes in existing or potential environmental regulation that would impact the
17 units. The report was also to include unplanned system outages, heat rate, budgeted
18 and actual capital expenditures for the prior year and budgeted capital expenditures
19 for the reporting year, budgeted and actual operation and maintenance ("O&M")
20 expenditures for the reporting year, and budgeted O&M expenses for the next year.
21 Additionally, EKPC was to include in the report an evaluation of how the Bluegrass
22 Station units would qualify as a Capacity Performance (“CP”) product in PJM and
23 how EKPC would address the related risk exposure.

1 Following Commission approval and EKPC's subsequent 2016 purchase of the
2 Bluegrass Generating Station, EKPC has been very pleased with the performance
3 and reliability of the three units. The starting reliability for the units has remained
4 at approximately 99.2% since 2021, while the equivalent forced outage rate has
5 remained below 2.5% for the past four years. The units exceeded EKPC's
6 expectations for the general overall condition of the turbines, generators, and plant
7 auxiliaries. EKPC recently made substantial investments in the units by making
8 them dual-fuel capable, performed a hot gas path inspection on each, upgraded the
9 distributed control system, and completed several other smaller projects to ensure
10 the units' reliability for years to come.

11 From an environmental perspective, Bluegrass Station is, and has been, complying
12 with the Clean Air Act, Clean Water Act, and Spill Prevention, Control and
13 Countermeasure ("SPCC") since EKPC's ownership began. Under state
14 regulations implementing authority delegated by the United States Environmental
15 Protection Agency ("EPA"), the station complies with current regulations pursuant
16 to its Title V air permit, Kentucky Pollution Discharge Elimination System water
17 permit, and SPCC regulations. The most recent modifications to Bluegrass Station
18 were permitted as a minor permit revision by the Kentucky Division of Air Quality
19 and approved by the Commission for the facility to become a dual-fuel facility.
20 Should EPA regulations change, EKPC will work with state and federal regulators
21 to maintain compliance.

22 Regarding the Commission's initial concern about the Bluegrass Station units
23 qualifying as a CP product in PJM and how EKPC addresses any related risk

1 exposure, EKPC points out that all three (3) Bluegrass units received payments
2 from the PJM Reliability Pricing Model auctions as CP units since becoming part
3 of EKPC's generation fleet, and to address risk exposure, EKPC added dual-fuel
4 capability to the plant to ensure its availability during CP events.

5 For all of the above reasons that point to the continued excellent performance of
6 the Bluegrass Station units, the continued environmental compliance and
7 monitoring of the units, and the demonstrated value of the units to EKPC and its
8 Owner-Members as a CP product, EKPC is requesting to be relieved of the
9 reporting duties associated with this Order.

10 **Q. WHAT IS THE BENEFIT OF HAVING THESE REPORTING**
11 **OBLIGATIONS TERMINATED?**

12 A. While the circumstances at the time sufficiently justified each of the reporting
13 obligations described above, as time has passed, the value and relevance of these
14 reporting obligations significantly diminished. There has been no Commission
15 follow-up on any of the reports EKPC has filed for several years. EKPC and the
16 Commission continue to expend time and resources in preparing, submitting,
17 receiving, and maintaining these various reports. While EKPC is always willing to
18 provide information responsive to the Commission's needs, the value of these
19 particular reports appears to be minimal. Eliminating the requirement to file these
20 reports would enable both EKPC and the Commission to focus upon more pressing
21 matters and save the cost of submitting these reports.

1 **Q. PLEASE DESCRIBE THE REQUESTED RELIEF FROM THE ANNUAL**
2 **FILING UPDATES IN THE COGEN TARIFF ORDERED IN CASE NO.**
3 **2008-00128.**

4 **A.** In Case No. 2008-00128,⁵ the Commission ordered EKPC and its distribution
5 cooperatives to file annual updates to its avoided cost rates to be due by March 31
6 of each year. However, considering the Commission has recently approved EKPC's
7 avoided costs based on EKPC's current cost characteristics of its next generation,⁶
8 EKPC request that the Commission allow it to return to biennial filing of its cogen
9 tariff as required in 807 KAR 5:054.

10 **V. CONCLUSION**

11 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

12 **A.** In my testimony I indicated which Exhibits to the Application I am supporting and
13 offered further support for EKPC having given the appropriate statutory Notice of
14 Intent and customer notices. A significant portion of my testimony is devoted to
15 describing various reporting and filing obligations which appear to no longer be
16 necessary and describing why the Commission should eliminate those filing
17 requirements.

18 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

19 **A.** Yes.

⁵ See *In the Matter of The Revision of the Cogeneration and Small Power Purchase Rates of East Kentucky Power Cooperative, Inc.*, Order, Case No. 2008-00128, ordering paragraphs 2 (Ky. P.S.C. Aug.20, 2008).

⁶ See *Case No. 2024-00101 In the Matter of Electronic Tariff Filing of East Kentucky Power Cooperative, Inc. and Its Member Distribution Cooperatives for Approval of Proposed Changes to Their Qualified Cogeneration and Small Power Production Facilities Tariffs* (Ky. P.S.C. Jan. 17, 2025). See also *TFS2025-00155 Tariff: Qualified Cogeneration and Small Power Production Facilities Tariff Update* (Ky. P.S.C. Mar. 31, 2025).