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**

EAST KENTUCKY POWER COOPERATIVE, INC.'S POST-HEARING BRIEF

Comes now East Kentucky Power Cooperative, Inc., ("EKPC" or the "Company") by and through the undersigned counsel, pursuant to the Kentucky Public Service Commission's ("Commission") December 10, 2025 Order setting forth a post-hearing procedural schedule and respectfully states as follows:

I. INTRODUCTION

On August 1, 2025, EKPC submitted an Application for a general adjustment of rates, approval of a depreciation study, and various tariff adjustments. The parties entered into a settlement agreement with key components, discussed in detail below, including: 1) the revenue requirement and rate design; 2) the Symmetrical Earnings Mechanism; and 3) the interruptible credits. The settlement agreement, taken as a whole, is fair, just and reasonable, and should be accepted in its entirety by the Commission. However, in the event the Commission rejects the settlement agreement in any material way, EKPC should be awarded the relief originally sought in its Application.

II. BACKGROUND

On August 1, 2025, EKPC filed its Application for a general adjustment of rates, approval of a depreciation study, and various tariff adjustments.[1] The Commission issued an Order for the processing of the case on August 14, 2025.[2] The Attorney General, by and through the Office of Rate Intervention ("Attorney General")[3] and Nucor Steel Gallatin ("Nucor")[4] requested intervention and filed a joint participation agreement. The Appalachian Citizens' Law Center, Kentuckians for the Commonwealth, Kentucky Solar Energy Society, and Mountain Association requested intervention[5] which was denied by the Commission.[6] The Commission granted the requests for intervention by the Attorney General and Nucor.[7] EKPC responded to four requests for information from Commission Staff and three requests for information from the intervening parties.[8] The Attorney General and Nucor filed Direct Testimony of three witnesses.[9] The

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[1] Application (filed August 1, 2025).

[2] Case No. 2025-00208, August 14, 2025 Order. Amended by August 21, 2025 Order.

[3] Motion to Intervene (filed July 8, 2025).

[4] Nucor Steel Gallatin Motion to Intervene (filed August 8, 2025).

[5] Joint Motion for Full Intervention as Joint Intervenors (filed August 22, 2025).

[6] September 19, 2025 Order (Ky. PSC September 19, 2025).

[7] July 10, 2025 Order (Attorney General); August 19, 2025 Order (Nucor).

[8] East Kentucky Power Cooperative, Inc.'s Response to Commission Staff's First Request for Information (filed August 22, 2025)("Staff's First Request"); East Kentucky's Response to Commission Staff's Second Request for Information (filed September 17, 2025)("Staff's Second Request"); East Kentucky's Response to Commission Staff's Third Request for Information (filed October 13, 2025)("Staff's Third Request"); East Kentucky's Response to Commission Staff's Post-Hearing Request for Information (filed December 19, 2025)("Staff's Post-Hearing Request"); East Kentucky's Response to AG/Nucor's First Request for Information (filed September 17, 2025)("AG/Nucor's First Request"); East Kentucky's Response to AG/Nucor's Second Request for Information (filed October 13, 2025)("AG/Nucor's Second Request"); and, East Kentucky's Response to AG/Nucor's Post-Hearing Request for Information (filed December 19, 2025("AG/Nucor's Post-Hearing Request").

[9] OAG-Nucor Joint Direct Testimony; Baron Direct and Exhibit, Futral Direct and Exhibits, and Kollen Direct and Exhibits (filed October 24, 2025).

Attorney General and Nucor responded to requests for information.[10] EKPC provided rebuttal testimony.[11]

On November 24, 2025, EKPC, the Attorney General, and Nucor filed a Joint Stipulation and Settlement Agreement ("Settlement Agreement").[12] The Settlement Agreement resolved all issues in the proceeding to the satisfaction of all parties.[13] In support of the Settlement Agreement, EKPC provided testimony and workpapers.[14]

On December 8 2025, the Commission held a formal hearing.[15] EKPC presented eight witnesses for cross-examination at the hearing. The Attorney General and Nucor presented three witnesses for cross-examination. Subsequent to the hearing, the Commission established a post-hearing procedural schedule.[16] Post-Hearing requests for information were filed and EKPC filed its responses to the requests on December 19, 2025.[17]

III. ARGUMENT

A. The Settlement Agreement Should be Accepted by the Commission.

EKPC, the Attorney General, and Nucor (collectively, "the Parties") entered into a settlement agreement resolving all issues in the proceeding. The Settlement Agreement is fair,

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[10] Responses of the Attorney General and Nucor Steel Gallatin to Staff and East Kentucky Power Cooperative's First Set (filed November 21, 2025).

[11] EKPC's Rebuttal Testimony (filed December 2, 2025).

[12] Joint Stipulation and Settlement Agreement (filed November 24, 2025)("Settlement Agreement").

[13] Settlement Agreement.

[14] Cliff Scott Testimony in Support of the Settlement; Jacob Watson Testimony in Support of Settlement; Settlement Agreement Exhibit A; and Settlement Agreement Exhibit C (filed November 24, 2025).

[15] Hearing Video Transcript ("HVT") of the December 8, 2025 Formal Hearing.

[16] December 10, 2025 Order.

[17] AG/Nucor's Post-Hearing Request and Staff's Post-Hearing Request.

just and reasonable. The Commission should accept and approve the Settlement Agreement in its entirety without modification.

i. The Revenue Requirement and Rate Design are Reasonable and Should be Accepted by the Commission.

The revenue requirement and rate design agreed to in the Settlement Agreement are reasonable. The Parties agreed to an increase to the revenue requirements of $63.727,181.[18] This is a decrease from the revenue requirement requested in EKPC's Application of $79,757,474.[19] This results in a revenue allocation that achieves a recovery of $63.726 million.[20] The agreed upon revenue requirement was achieved by making several adjustments from EKPC's proposed revenue requirement contained in its Application. The Table below shows the agreed upon adjustments:

TABLE 1
Stipulation Revenue Requirement and Adjustments

Description	Amount
EKPC's Filed Revenue Requirement	$79,757,474
Generator Maintenance Tracker – 6-year Amortization	$(4,583,042)
Generator Maintenance Adjustment – 5-year Average	$(2,367,854)
Reduce Depreciation Expense to remove Terminal Net Salvage from Fossil Production	$(2,559,120)
Remove Amortization Expense Associated with Prior Rate Case Deferred Costs	$(247,498)
Reduce Amortization Expense for Smith 1 Cancellation Costs Becoming Fully Amortized (6-year Amortization)	$(9,608,890)
2025-00193 RTEP Regulatory Asset 6-year Amortization	$3,360,984
Reduce PSC Assessment	($24,872)
Stipulated Revenue Requirement	$63,727,181

[18] Settlement Agreement.

[19] Supplemental Testimony of Cliff Scott at 4.

[20] Please note the settlement revenue requirement of $63,727,181 changes to a recovery of $63.726 million when the rate design is considered. This is not a discrepancy in the amounts.

The adjustments to the revenue requirement are reasonable and should be approved by the Commission. The adjustments reflect not only the agreement of the parties but are also beneficial to the ultimate end use customers of EKPC's Owner-Members by lowering the required yearly expense. The adjustment of the amortization periods for multiple items was the best way to reduce the revenue requirement without harming EKPC's ability to recover the amortization of these assets. Additionally, the adjustment of the amortization periods aligns many of the periods with the maximum stay out period that EKPC agreed to in this proceeding. EKPC also agreed with the proposed recommendation to remove amortization expense associated with the prior rate case deferred costs. Each of these adjustments were discussed in the testimony provided in support of the Settlement Agreement by Jacob R. Watson.[21]

The proposed allocation of the revenue increase is reasonable and should be accepted and approved by the Commission. The overall revenue increase of $63,727,181 equates to an approximate 5.99% increase above the 2023 test year base rates.[22] The Parties were mindful of the Commission's movement toward cost-based rates and eliminating subsidization between rate classes. In negotiating the revenue allocation, the Parties agreed that no rate class should receive an increase of more than 9.64%.[23] This maximum percentage was applied to Rates B, C, G, Large Special Contract and Steam Service. After this allocation of the 9.64% to these rate classes, the remaining revenue requirements was then allocated to Rate E (which equates to the Owner-Members' residential customers). This resulted in a proposed increase to Rate E of 4.95% which

[21] Jacob Watson Testimony in Support of Settlement at 9 ("Watson Supplement Testimony") (filed November 24, 2025.

[22] Watson Supplemental Testimony at 7.

[23] Watson Supplemental Testimony at 7.

is lower than the percentage increase proposed by EKPC in its Application.[24] The Settlement Agreement resulted in a 28.64% less than the Application's requested increase to Rate E of $55,671,585. The only rate class not receiving an increase pursuant to the Settlement Agreement is the Special Contract Pumping Stations.[25] Instead, EKPC agreed to renegotiate the contracts associated with the pumping stations before the filing of EKPC's next base rate proceeding. A summary of the revenue allocation that results from the Settlement Agreement is as follows:

TABLE 2
Stipulated Revenue Allocation

Customer Class	**% Increase**
Rate E	4.95%
Rate B	9.64%
Rate C	9.64%
Rate G	9.64%
Large Special Contract	9.64%
Special Contract – Pumping Stations	0.00%
Steam Service	9.64%
Total System	5.99%

As a result of the Settlement Agreement, the average Rate E (residential) customer of EKPC's Owner-Members will see an increase of approximately $4.69 or 4.95%. This is $2.06 or 1.45% lower than that proposed by EKPC in its Application. The revenue allocation agreed to by the Parties is a step in the right direction of removing subsidization between the rate classes. Ultimately, the revenue requirement and rate design are reasonable and should be accepted by the Commission.

[24] Watson Supplemental Testimony at 8.

[25] Watson Supplemental Testimony at 8.

ii. The Symmetrical Earning Mechanism is Reasonable and Should Be Accepted by the Commission

The Symmetrical Earning Mechanism ("SEM") is reasonable and should be accepted by the Commission. It bears emphasis that EKPC and its Owner-Members are all electric cooperatives, owned by their members who are also their customers. The financial interests in a cooperative are fundamentally different from that of an investor-owned utility where shareholder owners are rarely the same persons as the utility's customers. In the cooperative context, there is no fiduciary obligation to maximize profit to benefit shareholders. As a matter of fact, it's quite the opposite, cooperative leaders seek to assure that electricity is provided at the least reasonable cost, mindful that even when profits (referred to as margins) are earned, they are eventually returned to customer owners in the form of capital credits. Thus, any comparison of the proposed SEM to an earnings mechanism involving an investor-owned utility presents a false dichotomy – a true apples to oranges comparison. Instead, the SEM must be viewed in the context of EKPC as an electric cooperative that exists to reliably serve its Owner-Members.

With this as background, the Commission approved,[26] EKPC's capital-intensive build-out of new generation assets. All the parties to this proceeding, including the Commission, understand that EKPC will be required to increase rates during the build-out to support the capital spending.

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[26] *Electronic Application of East Kentucky Power Cooperative, Inc. for 1) Certificates of Public Convenience and Necessity to Construct a New Generation Resource; 2) for a Site Compatibility Certificate Relating to the Same; 3) Approval of Demand Side Management Tariffs; and 4) Other General Relief*, Case No. 2024-00370, July 3, 2025 Order (Ky. PSC. July 3, 2025); *Electronic Application of East Kentucky Power Cooperative, Inc. for 1) a Certificate of Public Convenience and Necessity to Construct a New Generation Resources; 2) For a Site Compatibility Certificate Relating to the Same; 3) Approval of Demand Side Management Tariffs; and 4) Other General Relief*, Case No. 2024-00310, May 20, 2025 Order (Ky PSC May 20, 2025); and, *Electronic Application of East Kentucky Power Cooperative for Certificates of Public Convenience and Necessity and Site compatibility Certificates for the Construction of a 96 MW (Nominal) Solar Facility In Marion County Kentucky and a 40 MW (Nominal) Solar Facility in Fayette County, Kentucky and Approval of Certain Assumptions of Evidences of Indebtedness Related to the Solar Facilities and Other Relief*, December 26, 2024 Order (Ky. PSC December 26, 2024).

The Commission approved EKPC's Earnings Mechanism ("Rate EM") in its 2021 rate case.[27] Rate EM required EKPC to return over collection to its Owner-Members if certain requirements were met. The SEM is a modification of the Rate EM tariff to allow, not only the refunding of amounts over a TIER of 1.6, but to also allow EKPC to collect amounts needed to reach a minimum TIER of 1.4.[28] As with Rate EM, that was previously approved, EKPC will have a tariff on file with the Commission that outlines the formula necessary to either refund or collect the amount record to meet the TIER thresholds. Each of EKPC's sixteen Owner-Members will also file tariffs with the Commission for approval. EKPC and its Owner Members will follow a formula to create EKPC's rate. The formula is described in detail using sample results from the 2023 calendar year in EKPC's response to Staff's Post-Hearing Request for Information, Item 4 and attached as **Exhibit A**. EKPC is also including a flow chart detailing how the formula works and is included here as **Exhibit B**.

The SEM guarantees that EKPC will obtain at least a 1.40 TIER. In practice, EKPC will make an entry on its books to account for the difference between its unaudited per books margins and the higher or lower band of the SEM as of December 31st of each year.[29] EKPC will then file a statement with the Commission by February 1st that sets forth the amount of the over/under collection and how the amount is broken down by customer rate class revenue by Owner-Member.[30] If the amount is $10 million or more, EKPC's filing will include a statement as to how

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[27] *In the Matter of: Electronic Application of East Kentucky Power Cooperative, Inc. for a General Adjustment of Rates, Approval of Depreciation Study, Amortization of Certain Regulatory Assets, and Other General Relief,* Case No. 2021-00103, Order (Ky. P.S.C., Sept. 30, 2021).

[28] *See generally* Cliff Scott Testimony in Support of the Settlement ("Scott Supplemental Testimony")(filed November, 24, 2025).

[29] Scott Supplemental Testimony at 7; *also see* HVT at 2:24:05.

[30] Scott Supplemental Testimony at 7.

it plans to refund or collect the amount.[31] If the amount is less than $10 million, EKPC will carry the amount forward as either a regulatory asset or regulatory liability, and it will be netted against the following year's difference.[32] EKPC will begin collecting or refunding the stated amount in May for April usage.[33] At the end of the following year, EKPC will repeat the process for making an entry on its books to account for the difference between its unaudited per books margins and the SEM thresholds, discussed below.

EKPC tried to apply "lessons learned" from the Rate EM when developing the over/under parameters for the SEM. With Rate EM, the Owner-Members needed software upgrades in order to be able to refund customers the amounts in excess of EKPC's authorized TIER.[34] The amount that had to be refunded by the Owner-Members to individual customers was de minimis and did not justify the time and expense. To prevent overspending for de minimis results, EKPC developed the SEM to have minimum threshold amounts that would trigger either a collection or a refund. The thresholds create guardrails to ensure that EKPC and its Owner Members do not throw good money after bad by spending time, money, and effort for de minimis refunds or cost recoveries.

Maintaining the 1.50 TIER is important because it gives EKPC's lenders certainty it will be able to satisfy its debt covenants.[35] The cost for EKPC's approved new generation build-out is approximately $2.3 billion.[36] With this level of capital spending, EKPC will need short-term

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[31] Scott Supplemental Testimony at 7-8; *also see* HVT at 2:25:20.

[32] Scott Supplemental Testimony at 7-8.

[33] Scott Supplemental Testimony at 8.

[34] *Please note* EKPC does not believe additional software upgrades would be needed for the SEM based upon the upgrades don in 2022, see HVT at 2:25:20 for a brief discussion regarding software upgrades.

[35] Scott Supplemental Testimony at 7 and 13; and HVT at 11:19:02.

[36] Scott Supplemental Testimony at 6.

financing to bridge the gap between funds being expended on construction and when the projects will be included in a loan from Rural Utilities Services ("RUS") at more favorable interest rate.[37]

To achieve lower interest rates on these short-term loans, EKPC must maintain adequate credit ratings with its credit rating agencies. The SEM was discussed with EKPC's credit rating agencies, and the SEM was received favorably because it creates a guarantee that a minimum adequate TIER will be met.[38] This ensures EKPC's financial condition will not deteriorate. Before the SEM was introduced as a possibility, the credit rating agencies advised EKPC would need to file general rate cases every 18 to 24 months to ensure EKPC's financial condition does not deteriorate during the generation build-out.[39] For each EKPC rate case that is filed, sixteen pass-through rate cases also must be filed for EKPC's sixteen Owner-Members. This would result in more than 50 rate cases (including the pass-through cases) over the next six years of the construction phase.

Approval of the SEM not only allows EKPC to maintain a TIER that would mitigate the possibility of a downgrade in EKPC's credit rating, it will also allow EKPC to forego filing rate cases every 18-24 months.[40] With the amount of debt that EKPC will have to take on during the construction phase, EKPC's ability to maintain favorable credit ratings will save a large amount of interest expense.[41] While this seems like an amorphous benefit to end-use members, if not permitted, the increased interest expense would be extraordinarily high and the end-use members

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[37] Scott Supplemental Testimony at 7.

[38] Scott Supplemental Testimony at 13; and HVT at 11:19:02 and 4:18:20.

[39] Scott Supplemental Testimony at 13.

[40] Scott Supplemental Testimony at 13.

[41] Scott Supplemental Testimony at 7 and HVT at 3:45:22.

would see dramatically increased bills. In addition to the interest expense that would be saved by maintaining its credit ratings, EKPC and its Owner-Members would not incur the expense or the administrative burden of preparing, filing and litigating approximately 50 rate cases (one rate case for EKPC and sixteen pass-through cases for each Owner-Member every 18-24 months).

Maintaining the 1.50 TIER via the SEM also provides insulation to EKPC in the event of an abnormal weather year.[42] Recent years have seen extreme cold, such as weather experienced during the Polar Vortex or Winter Storm Elliott, but there have also been years when the winter has been unusually warm resulting in lower electric bills and therefore decreased revenue.[43] Given that EKPC's Owner-Members have a high concentration of residential customers, EKPC faces a greater risk than utilities serving more commercial or industrial customers when facing a warmer winter. A 1.50 TIER will give EKPC and its creditors assurance that weather will be less of a factor in EKPC's ability to maintain necessary credit metrics.[44]

Ultimately, the SEM allows EKPC to maintain a reasonable TIER. The target TIER for EKPC in the Application as well as the Settlement Agreement is 1.50 but that TIER is not guaranteed.[45] The SEM allows EKPC the ***opportunity*** to earn a 1.50 TIER. The SEM guarantees that EKPC would achieve a TIER of at least 1.40 each year, and a maximum TIER of 1.60. Although EKPC could still have the opportunity to earn the 1.50 TIER if the SEM was not approved, the guaranteed TIER of 1.40 gives the credit rating agencies comfort during EKPC's construction process. Having a favorable credit rating during the construction of new generation

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[42] Scott Supplemental Testimony at 6.

[43] Scott Supplemental Testimony at 6.

[44] Scott Supplemental Testimony at 6.

[45] Scott Supplemental Testimony at 5, "Since its last rate case, EKPC has never achieved its authorized TIER."

assets is essential to obtain lower interest rates on short-term financing. The minimum 1.40 TIER was chosen because it will allow EKPC to meet RUS debt covenants while also providing enough annual margin and cash flow to satisfy the rating agencies.

It is important to reiterate that EKPC is not an investor-owned utility, it is a cooperative. Meaning, the TIER, although having some similarities to a return on equity metric, is not equivalent to a return on equity. EKPC does not have shareholders that will benefit from a higher TIER. EKPC's revenue mission is to benefit its Owner-Members and, by virtue thereof, the Owner Members' end-use customers. The SEM achieves this in a manner that is fair, just and reasonable.

EKPC provided testimony regarding the SEM at length at the hearing in this matter.[46] In its responses to post-hearing requests for information, EKPC provided examples of what the SEM would look like with different scenarios and is providing a flow chart to show the process that would be taken each year to determine TIER and whether or not an adjustment needed to be made to place EKPC's TIER within the 1.40-1.60 range that is required by the SEM.[47] As discussed above, EKPC will provide annual filings to the Commission showing the calculations made. In addition to these annual filings, the Commission will conduct a two-year review, similar to the fuel adjustment clause and the environmental surcharge, to oversee how EKPC and the Owner-Members are implementing the SEM. The Commission has the power to allow the SEM through its plenary rate making authority that was granted by the Legislature.[48] The SEM is not designed to take away from the Commission's review and authority of rates and revenues. The SEM is akin to the way ratemaking is done for the Fuel Adjustment Clause and Environmental Surcharge

[46] HVT beginning at 2:24:30 and continuing through 4:38:15.

[47] *See* Exhibits A and B to this brief.

[48] *National-Southwire Aluminum Co. v. Big Rivers Elec. Corp.*, 785 S.W.2d 503 (Ky. App. 1990) and *Com., ex rel. Stumbo v. Public Service Com'n*, 243 S.W.3d 374, 378 (Ky. App. 2007).

Mechanism. The Commission approves the formula for the ratemaking. EKPC will only be applying the numbers to the formula. EKPC, the Attorney General, and Nucor expect, and welcome, the Commission's review of the yearly SEM filing. The Parties believe this display of the ratemaking power of the Commission will benefit all the Owner-Members and their end-use members. The Commission will continue to have the opportunity to investigate and determine whether the calculations and implementation are reasonable.

The SEM is a material element of the Settlement Agreement. Without the guarantee of earning a 1.40 TIER, EKPC cannot agree to the lower revenue requirement, or the three-year stay-out provision contained in the Settlement Agreement. Absent the SEM, EKPC will have to file rate cases with the Commission every 18-24 months – with the next rate case likely to be filed in 2026[49] – and could not postpone a rate case for three years. Waiting three years to file a rate case, without the SEM, will cause EKPC to be jeopardy of not meeting its debt covenants, being downgraded by its credit rating agencies, and at risk of having to secure debt at higher interest rates.

iii. The Interruptible Credit is Reasonable and Should be Accepted by the Commission

EKPC offers an interruptible tariff to customers who are eligible for service under EKPC's Rate D tariff.[50] The credit for interruptible customers has remained the same for more than a decade.[51] These credits are not simply a bill discount; but instead, pay for a system generation resource, that is less costly to EKPC's Owner-Members.[52] In other words, the interruptible credit

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[49] Scott Supplemental Testimony at 9.

[50] Jacob Watson Testimony in Support of Settlement at 9 ("Watson Supplement Testimony") (filed November 24, 2025.

[51] Watson Supplement Testimony at 9-10.

[52] EKPC's Response to Staff's First Post Hearing Request for Information, Item 13.

that is offered to these customers costs EKPC less than it would cost for EKPC to build new generation to provide this same amount of generation capacity.[53] EKPC can interrupt these customers during times of reliability need or high market prices.[54] By being able to interrupt for these scenarios, EKPC avoids having to build additional generation capacity to serve these loads in the same manner that it has to for firm load customers that EKPC cannot interrupt.[55] The credits provided are the mechanism by which EKPC compensates the interruptible customers for the value that the avoided generation cost provides to the entire EKPC system in a manner similar to residential net-metering customers. Each residential member benefits from these interruptions by the avoided production costs.

As discussed by EKPC in its responses to post-hearing requests for information, the rate of return shown for the Large Special Contract does not incorporate the system benefits associated with the buy-through provisions that are contained in the contracts for that customer.[56] These buy-through provisions provide system benefits in the form of reduced fuel and purchased power costs for the rest of the ultimate end-use members. For this reason, EKPC believes the rate of return is understated and the actual level of subsidization would be somewhat lower for the Large Special Contract rate class.[57] When developing the cost-of-service study, there are three variables to consider when evaluating interruptible credits: the credits included in the revenues for the retail rate class that the interruptible customer takes service under; the imputed expense savings applied

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[53] EKPC's Response to Staff's Post-Hearing Request for Information, Item 13 and HVT at 2:07:01.

[54] HVT at 4:19:07.

[55] HVT at 1:15:20 and EKPC's Response to AG-Nucor Post-Hearing Request for Information, Item 3.

[56] EKPC's Response to Staff's First Post Hearing Request for Information, Item 13.

[57] EKPC's Response to Staff's First Post Hearing Request for Information, Item 13.

to the retail rate class's expenses as a result of the interruptible load allowing EKPC to interrupt based on the terms in the Rate D Tariff; and the reallocation of the imputed expense savings to each standard rate class based on the Excess Demand factor from the Average and Excess allocation methodology in the cost-of-service study. Each of these variables play a key role in impacting the rate of return for the rate class which provides interruptible load.[58]

The terms contained in the Interruptible tariff, allow EKPC to interrupt these customers both for reliability and economic reasons.[59] By being able to interrupt these customers, EKPC avoids having to build additional generation capacity to serve these loads, as it is required to do for its firm load customers.[60] The interruptible credits are the way EKPC compensates the customers for EKPC not building additional generation.[61] With the credits being applied to the revenue side of EKPC's books, there is a corresponding adjustment to expenses needed to account for the avoided generation cost savings.[62] However, EKPC does not actually book avoided costs, so these savings are imputed based on the credit's value to EKPC which needs for this to be accounted for in the cost-of-service study.[63] Without this adjustment, the cost-of-service study

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[58] *See* EKPC's Response to Staff's First Post Hearing Request for Information, Item 13. "From a cost-of-service perspective, there are three variables to consider when evaluating Interruptible Credits: (1) the credits that are included in the revenues for the retail rate class that the interruptible load takes service under; (2) the imputed expense savings applied to the retail rate class's expenses as a result of the interruptible load allowing EKPC to interrupt based on the terms in the Rate D Tariff; and (3) the reallocation of the imputed expense savings to each standard rate class based on the Excess Demand factor from the Average and Excess ("A&E") allocation methodology in the cost-of-service study. All three variables play a key role in impacting the rate of return for the rate class which provides interruptible load."

[59] HVT at 4:19:07 *also see* EKPC's Tariff, PSC No 35, First Revised Sheet No. 23 and PSC No. 35, First Revised Sheet 24.

[60] HVT at 4:19:07.

[61] EKPC's Response to Staff's First Post Hearing Request for Information, Item 13.

[62] EKPC's Response to Staff's First Post Hearing Request for Information, Item 13.

[63] EKPC's Response to Staff's First Post Hearing Request for Information, Item 13.

will show a lower margin contribution for each of the rate classes that contain interruptible loads since the credits reduce their overall revenue and fail to recognize the value interruptible loads bring to the rest of EKPC's system.[64] Therefore, each kW of interruptible load provided during the test year is multiplied by the associated avoided cost savings provided to EKPC and the sum total for each rate class is deducted from expenses for that class.[65] Finally, the cost-of-service study then reallocates the imputed expense savings to ensure the overall EKPC expenses match those in the revenue requirement.[66]

Most importantly, the interruptible credit is a material term of the Settlement Agreement. All parties, representing different interests, agreed the increase was warranted and is reasonable. If not approved, not only is the Settlement Agreement in danger of not being accepted by all parties, it could lead interruptible customers to renegotiate their contracts. Worst case scenario, interruptible customers could decide they would like to move to firm service. EKPC has the obligation to serve these members. If these large size loads moved to firm load from interruptible, EKPC would again need to come before the Commission for additional new generation resources. This would cause increased rates for all members on the EKPC system.

iv. The Remaining Items Contained in the Settlement Agreement are Reasonable and Should be Accepted by the Commission.

EKPC's proposed modifications to its existing tariffs are reasonable and should be approved by the Commission. Although EKPC's original proposal was to end its Rate EM tariff, EKPC now requests the Commission to approve modifications to its Rate EM tariff with approval

[64] EKPC's Response to Staff's First Post Hearing Request for Information, Item 13.

[65] EKPC's Response to Staff's First Post Hearing Request for Information, Item 13.

[66] EKPC's Response to Staff's First Post Hearing Request for Information, Item 13.

of the SEM. EKPC also requested to include clarifying language for the allowed number of contract changes per year to its Rate B tariff, removing the 20,000 kW max eligibility and removing the time frames that interruptions may occur and adopting Option B for its Rate H tariff as a permanent option.[67] EKPC also requested to be relieved from multiple reporting obligations that it believes have become obsolete.[68] Each of these requests are reasonable and should be approved.

B. If the Commission Does Not Accept the Settlement Without Material Modification, EKPC's Proposed Revenue Requirement and Rate Design in its Application are Reasonable and Should be Accepted

EKPC and the Parties as a whole, believe the Settlement Agreement is fair, just and reasonable. The Settlement Agreement takes into consideration the diverse members served by EKPC's Owner-Members and allocates the required revenue fairly across the classes. However, if the Commission does not approve of the Settlement Agreement in its entirety, EKPC believes its positions in the Application and its rebuttal testimony are fair, just and reasonable and should be accepted without the Attorney General/Nucor's modifications. This would result in an increase in revenue of $79.73 million.[69]

As discussed previously, EKPC is a cooperative and has no reason to overstate its required revenue. EKPC operates on a lean budget to provide the safe and reliable service its Owner-Members and their end-use members expect and deserve while remaining affordable to the customers it serves. There are no investors to please in the cooperative business model. All of EKPC's pro forma adjustments to the test year are based on Commission precedent or Commission

[67] Scott Supplemental Testimony at 14.

[68] Scott Supplemental Testimony at 14.

[69] Application at 3.

directives in past rate proceedings. The adjustments are supported by the evidence in the record and should be accepted if the Commission does not approve the Settlement Agreement.

The Attorney General/Nucor made multiple adjustments to EKPC's requested revenue and proposed EKPC's base revenue increase should be $13.295 million.[70] This is a decrease of $66.462 million from EKPC's proven revenue deficiency.[71] This level of reduction should never be approved by the Commission in a cooperative rate proceeding. Doing so would harm EKPC's financial metrics and risk default on its loan obligations. This amount of revenue increase would also harm EKPC's credit ratings to such a degree that its planned, and Commission approved, new generation projects could be in jeopardy. In addition, EKPC would have to immediately prepare and file another rate case.

The largest reduction to EKPC's revenue requirement was a proposed increase to non-fuel adjustment clause base revenues to account for weather normalization.[72] This adjustment resulted in a decrease in EKPC's revenue requirement of $34.331 million.[73] Aside from any discussions of the merits of a Weather Normalization Adjustment ("WNA"), a reduction in almost half of the EKPC's proven revenue deficiency is unacceptable. This reduction alone would cause EKPC to immediately begin the process of filing for another general rate adjustment.

EKPC has always used a historic test year for its adjustment of rates and has never proposed a WNA in any of its rate proceedings, nor have any of EKPC's Owner-Members proposed WNA in their individual rate adjustments. EKPC believes a historic test year is appropriate for an electric

[70] Kollen Direct and Exhibits at 4 (filed October 24, 2025).

[71] Killen Direct and Exhibits at 4.

[72] Kollen Direct and Exhibits at 4.

[73] Kollen Direct and Exhibits at 4.

cooperative because the costs and revenues are known and then matched with the expenses are matched.[74] This allows EKPC to keep the costs of operations as low as possible to keep rates for the end-use members as low as possible. As the Commission is aware, a WNA is more common in forward looking test years. This is required in a forward test year because of the nature of the pro forma adjustments being made. Additionally, the Commission has never explicitly accepted a WNA in a rate case utilizing a historic test period. The Commission has only accepted those adjustments as part of stipulations and did not address the reasonableness of those adjustments outside of the stipulations.

Allowing the WNA proposed by the Attorney General/Nucor abandons the test year and creates an abstract adjustment that is not based on known or measurable changes.[75] The primary ratemaking principle is known as the matching principle, where adjustments to the test year are not made unless all revenues, expenses, rate base, and capital items have been adjusted to reflect the same time periods.[76] The proposed adjustment "normalizes" EKPC's revenue, but does not adjust the expenses associated with serving the increase sales.[77] This is a departure from the matching principle the Commission has adopted in considering pro forma adjustments.

Additionally, there is no such thing as normal weather.[78] When reviewing the responses EKPC provided to the Attorney General/Nucor on this issue, only four of the last ten years were "near normal" for Heating Degree Days ("HDD") and Cooling Degree Days ("CDD") for the

[74] EKPC Rebuttal Testimony – Watson at 3-4 ("Watson Rebuttal") (filed December 2, 2025).

[75] Watson Rebuttal at 4.

[76] Watson Rebuttal at 1-2.

[77] Watson Rebuttal at 4.

[78] Watson Rebuttal at 4.

heating and cooling seasons.[79] Even in those "near normal" years, the system impacts can be far from normal. This is because using the method for weather normalization utilized by the Attorney General/Nucor, one extreme weather event in a year is offset by another.[80] This has been a common occurrence in the last several years.

Even if a WNA adjustment was appropriate in a historic test year rate proceeding, the weather normalization should be done using the principles of making this adjustment in a forward-looking test year. The adjustment made by the Attorney General/Nucor should not be used because it does not do this. The Attorney General/Nucor only used data from EKPC's weather normalized load forecasting from its 2025 Integrated Resource Plan ("IRP"), which is a completely different process.[81] A true WNA for ratemaking is based upon rich, granular data sets. For EKPC, this would require multiple years of daily historical sales, weather, and consumer data from each of EKPC's sixteen Owner-Members.[82] The model for each Owner-Member's rate class would be designed based upon representative weather stations and individual heating and cooling breakpoints based on historic weather sensitivity.[83] Only using the weather normalized values from operational load forecasting, as done by the Attorney General/Nucor, does not account for any of this data and creates a flawed adjustment that should not be accepted by the Commission.

Aside from the WNA, the Attorney General/Nucor adjusted the retirement date for EKPC's generating assets. These adjustments resulted in a decrease to EKPC's depreciation pro forma

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[79] Watson Rebuttal at 4.

[80] Watson Rebuttal at 4.

[81] Watson Rebuttal at 5.

[82] Watson Rebuttal at 5.

[83] Watson Rebuttal at 5.

adjustments of approximately $23 million. The Attorney General/Nucor recommended EKPC should utilize the same retirement date for each generating unit at Spurlock Station and extend the life span for the gas turbines to forty-five years. Neither of these adjustments are appropriate and should not be accepted by the Commission.[84]

The purpose of a proposed retirement date and the impact on depreciation is to estimate the life cycle of each asset class and to recover the investment over the same timeframe that the asset will render service. The Attorney General/Nucor's recommendation to change the depreciable life of Spurlock Units, 2, 3, and 4 to match the life span of Spurlock Unit 1 completely ignores the fact that recovery should match usage.[85] The Attorney General/Nucor's claim that extending the lifespans to 45 years is well below the upper range of actual and estimated life spans for gas-fired generation.[86] This is simply not accurate.[87] The most common life span for gas turbines is forty years.[88] There are many factors to consider in determining the lifespan of a gas turbine including, the hours of usage, number of starts, overhaul cycles, and federal and environmental regulations.[89] Randomly extending the depreciable lives of EKPC's generating units to forty-five years to simply lower EKPC's proposed revenue requirement cannot be justified and is at odds with a fundamental concept of depreciation – matching recovery to the usage of assets.[90] This ensures the customers that benefit from the service will pay for that service equally

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[84] *See generally*, EKPC Rebuttal Testimony – Spanos ("Spanos Rebuttal") (filed December 2, 2025).

[85] Spanos Rebuttal at 2.

[86] Kollen Direct and Exhibits at 27.

[87] Spanos Rebuttal at 2.

[88] Spanos Rebuttal at 3.

[89] Spanos Rebuttal at 3.

[90] Spanos Rebuttal at 3.

over the life of the asset. EKPC's deprecation study utilizes this Commission approved model for deprecation rates.[91] The Attorney General/Nucor offered no quantitative analysis to support the adjustment nor proposed any reason to differ from the fundamental concepts of deprecation.[92] Instead, this adjustment was simply made to support the Attorney General/Nucor's determined revenue adjustment.

The Attorney General/Nucor also recommended terminal net salvage from the depreciation rate for steam and gas turbine generating units and excluded interim retirements and interim net salvage from recovery.[93] This is unreasonable and should not be accepted. Net salvage costs need to be estimated to the date of retirement so that the correct amounts are allocated over the lives of the plants.[94] Full recovery of the assets is determined based on the original cost at the time of installation plus the end-of-life cost to retire the asset.[95] It is a widely accepted depreciation practice that depreciation should include future net salvage costs, which are recovered on a straight-line basis and that those costs should be based on the expected cost of retirement or removal.[96] This applies to decommissioning costs and to the costs of all plant assets. Net salvage should be based on the future costs expected to be incurred, not on today's costs.[97] The recovery

[91] Application, Exhibit 19, Direct Testimony of John J. Spanos, Attachment JJS-1.

[92] Please note – the Attorney General/Nucor did not hire a depreciation expert to conduct its own depreciation study, it used a rate making expert to determine depreciable lives of items.

[93] Spanos Rebuttal at 5.

[94] Spanos Rebuttal at 5.

[95] Spanos Rebuttal at 5-6.

[96] Spanos Rebuttal at 6.

[97] Spanos Rebuttal at 6.

of the future cost of net salvage is consistent with the Federal Energy Regulatory Commission's ("FERC") Uniform System of Accounts.[98]

The Attorney General/Nucor's recommendation to exclude interim retirements and interim net salvage for generating facilities is unreasonable. There has been historical data that supports interim retirements for each generating account as well as substantial interim net salvage associated with those retirements.[99] There are many assets in each account that get replaced each year and this will continue in each year up to the final retirement so depreciation rates and expense should be included as been the case for many years.[100]

The additional adjustments made by the Attorney General/Nucor should not be accepted by the Commission. The Attorney General/Nucor's adjustments are not supported by the evidence in the record, are arbitrary, and go against Commission precedent. This includes Commission Orders regarding amortization of regulatory assets already approved by the Commission.[101] Additionally, the Attorney General/Nucor removed all dues not just the portion of dues related to lobbying expenses which the Commission has historically not done.[102]

The Attorney General/Nucor's adjustments are designed to reduce the revenue requirement as low as possible. As stated previously, EKPC is a cooperative. EKPC is committed to the cooperative principles and values the opportunity to serve its Owner-Member's end-use members in the cooperative manner. This does require capital, but only the capital necessary to provide the service to the members. EKPC did not calculate its revenue requirement in a way to create profits.

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[98] Spanos Rebuttal at 7.

[99] Spanos Rebuttal at 12.

[100] Spanos Rebuttal at 13.

[101] Watson Rebuttal at 5-6.

[102] Watson Rebuttal at 7.

It calculated its revenue requirement to provide the necessary revenue to continue to reliably keep the lights on for members across the Commonwealth. EKPC understands inflationary pressures and rising costs residential members are facing. EKPC is not requesting any additional revenue that is not necessary to continue to provide safe and reliable service. With an increase of only $13.295 million as recommended by the Attorney General/Nucor would fail to cover the expenses EKPC is outlaying to provide service to the retail members. For these reasons, if the Commission does not approve the settlement agreement, the Commission should not approve the Attorney General/Nucor's adjustments and should instead approve the proposed revenue requirement and rate design in EKPC's application.

CONCLUSION

EKPC, and the Attorney General/Nucor, request the Commission approve the Settlement Agreement without modification. The Settlement Agreement is the result of negotiations between all of the parties and results in a fair, just and reasonable settlement of all issues in this proceeding. The Settlement Agreement takes into consideration the past precedent and directives of the Commission to craft a resolution to this proceeding that allows EKPC to continue to provide safe and reliable service to its Owner-Members and the end-use customers.

If the Commission does not accept the Settlement Agreement without material changes, EKPC is requesting the Commission approve the full relief requested in the Application. EKPC's proposal is based upon a comprehensive and reliable COSS employing both known and measurable changes to the test year. It is fair, just and reasonable both in terms of the revenue request and the rate design.

Respectfully submitted,

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CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing was transmitted to the Commission on December 24, 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.

Exhibit A

0 Attachment CS-1 - Symmetrical Earnings Mechanism Example.xlsx

1 **Format 1.0**

2 **EAST KENTUCKY POWER COOPERATIVE, INC.**
3 **RATE SEM - ANNUAL FILING FORMATS**
4 **For the Calendar Year 2023**

7 **Determination of Achieved Margin**

9	Total Operating Revenues	$1,111,999,424
10	(FERC Form 1, page 114, line 2; see Note 1 below)	
11	Total Operating Expenses	$1,000,246,489
12	(FERC Form 1, page 114, line 25)	
13	Net Utility Operating Income	$111,752,935
14	[Row 9 minus Row 11]	
15	Net Other Income & Deductions	$15,503,742
16	(FERC Form 1, page 117, line 56)	
17	Net Interest Charges	$107,972,910
18	(FERC Form 1, page 117, line 66)	
19	Extraordinary Items	$0
20	(FERC Form 1, page 117, line 73)	
21	Net Margins	$19,283,767
22	[Row 13 plus Row 15 minus Row 17 plus Row 19]	

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

26	Net Margins	$19,283,767
27	Interest on Long Term Debt	$107,001,951
28	(FERC Form 1, page 117, line 58)	
30	Achieved TIER	1.18
31	[(Row 26 plus Row 27) / Row 27]	

33 **Margins Necessary to Produce 1.40 TIER**

35	Interest on Long Term Debt	$107,001,951
37	Interest Multiplied by 1.40 TIER	$149,802,731
39	Less Interest on Long Term Debt	$107,001,951
41	Margins Necessary to Produce 1.40 TIER	$42,800,780

43 **Margins Necessary to Produce 1.60 TIER**

45	Interest on Long Term Debt	$107,001,951
47	Interest Multiplied by 1.60 TIER	$171,203,122
49	Less Interest on Long Term Debt	$107,001,951
51	Margins Necessary to Produce 1.60 TIER	$64,201,171

53 **Determination of Excess Margins**

55	Net Margin	$19,283,767
56	[Row 21]	
57	Margins Necessary to Produce 1.40 TIER	$42,800,780
58	[Row 41]	
59	Margins Necessary to Produce 1.60 TIER	$64,201,171
60	[Row 51]	
61	Excess/(Deficient) Margins for Year (Note 2)	($23,517,013)

64 Note 1: Operating Revenues are shown exclusive of the contra electric and steam
65 revenue account entries associated with the Regulatory Liability/Asset for any
66 margins in excess of 1.60 TIER or below 1.40 TIER for the reporting year.

69 Note 2: Value will only display if TIER is below 1.40 or above 1.60.

74 EKPC will file Format 1.0 each year with the Commission. In years where there are Excess/(Deficient)
75 Margins, EKPC will also file Formats 2.0 and 2.1 to provide the allocation of the Excess Margins to the
76 Owner-Members.

Attachment CS-1 - Symmetrical Earnings Mechanism Example.xlsx

EAST KENTUCKY POWER COOPERATIVE, INC.
RATE SEM - ANNUAL FILING - ALLOCATION OF EXCESS/(DEFICIENT) MARGINS
For Calendar Year 2023 Excess/(Deficient) Margins Allocated by Calendar Year Revenues

Margins in Excess/(Deficient) of 1.40/1.60 TIER ($23,517,013) [From Format 1.0, Row 61]

Step 1: Allocation of Excess Margin to Rate Schedules

Rate Schedule	Percentage of Total Revenues, All	Allocation of Excess Margin
Rate E, Option 2	75.3466%	($17,719,272)
Rate B	7.2092%	($1,695,377)
Rate C	2.8461%	($669,325)
Rate G	4.2982%	($1,010,804)
Contract	7.7497%	($1,822,493)
TGP	1.2386%	($291,275)
Steam	1.3117%	($308,468)
Totals	100.0000%	($23,517,013)

Step 2: Further Allocation of Excess Margin by Rate Schedules to Owner-Members

Note: Contract and Steam have only one customer each, so a further allocation is not necessary.

Rate E, Option 2		
Member	Percentage of Rate Schedule	Allocation of ($17,719,272)
Big Sandy	2.1648%	($383,581.49)
Blue Grass	11.5977%	($2,055,026.25)
Clark	4.5756%	($810,766.56)
Cumberland Valley	4.4720%	($792,402.30)
Farmers	4.7746%	($846,024.37)
Fleming-Mason	4.6245%	($819,420.65)
Grayson	2.3154%	($410,268.48)
Inter-County	4.4698%	($792,010.71)
Jackson	8.7291%	($1,546,725.89)
Licking Valley	2.5758%	($456,416.56)
Nolin	6.3784%	($1,130,204.28)
Owen	11.3193%	($2,005,688.71)
Salt River	11.8937%	($2,107,480.61)
Shelby	3.5894%	($636,010.24)
South Kentucky	11.8308%	($2,096,333.42)
Taylor County	4.6893%	($830,908.06)
Total Rate E, Opt 2	100.0000%	($17,719,268.56)

Rate B		
Member	Percentage of Rate Schedule	Allocation of ($1,695,377)
Big Sandy	0.6328%	($10,728.00)
Blue Grass	17.6110%	($298,573.30)
Clark	0.8602%	($14,582.78)
Fleming-Mason	3.5464%	($60,124.67)
Grayson	2.7692%	($46,947.86)
Inter-County	5.0411%	($85,465.13)
Jackson	6.2026%	($105,157.94)
Nolin	1.1024%	($18,688.99)
Owen	24.9808%	($423,518.15)
Salt River	13.5799%	($230,230.12)
Shelby	13.3084%	($225,627.85)
South Kentucky	7.6502%	($129,699.37)
Taylor County	2.7152%	($46,032.70)
Total Rate B	100.0000%	($1,695,376.87)

Rate C		
Member	Percentage of Rate Schedule	Allocation of ($669,325)
Cumberland Valley	11.6178%	($77,760.88)
Farmers	8.5404%	($57,163.22)
Fleming-Mason	23.5198%	($157,423.92)
Grayson	13.9667%	($93,482.79)
Jackson	21.1755%	($141,733.01)
South Kentucky	21.1797%	($141,760.98)
Total Rate C	100.0000%	($669,324.80)

Rate G		
Member	Percentage of Rate Schedule	Allocation of ($1,010,804)
Blue Grass	12.7512%	($128,889.07)
Cumberland Valley	8.8733%	($89,692.03)
Fleming-Mason	40.0140%	($404,462.51)
Inter-County	18.3401%	($185,382.27)
Licking Valley	3.9316%	($39,740.55)
Nolin	16.0899%	($162,636.97)
Total Rate G	100.0000%	($1,010,803.40)

TGP		
Member	Percentage of Rate Schedule	Allocation of ($291,275)
Fleming-Mason	66.2207%	($192,884.26)
Taylor County	33.7793%	($98,390.44)
Total TGP	100.0000%	($291,274.70)

All Revenue Percentages come from calculations shown on Format 2.1.

Attachment CS-1 - Symmetrical Earnings Mechanism Example.xlsx

EAST KENTUCKY POWER COOPERATIVE, INC.
RATE SEM - ANNUAL FILING - ALLOCATION OF EXCESS/(DEFICIENT) MARGINS
For Calendar Year 2023 Excess/(Deficient) Margins Allocated by Calendar Year Revenues

Summary of Allocation of Excess Margins by Owner-Member

Big Sandy	Rate E, Option 2	($383,581.49)
	Rate B	($10,728.00)
	Total	($394,309.49)
Blue Grass	Rate E, Option 2	($2,055,026.25)
	Rate B	($298,573.30)
	Rate G	($128,889.07)
	Total	($2,482,488.62)
Clark	Rate E, Option 2	($810,766.56)
	Rate B	($14,582.78)
	Total	($825,349.34)
Cumberland Valley	Rate E, Option 2	($792,402.30)
	Rate C	($77,760.88)
	Rate G	($89,692.03)
	Total	($959,855.22)
Farmers	Rate E, Option 2	($846,024.37)
	Rate C	($57,163.22)
	Total	($903,187.58)
Fleming-Mason	Rate E, Option 2	($819,420.65)
	Rate B	($60,124.67)
	Rate C	($157,423.92)
	Rate G	($404,462.51)
	TGP	($192,884.26)
	Steam	($308,468.00)
	Total	($1,942,784.01)
Grayson	Rate E, Option 2	($410,268.48)
	Rate B	($46,947.86)
	Rate C	($93,482.79)
	Total	($550,699.13)
Inter-County	Rate E, Option 2	($792,010.71)
	Rate B	($85,465.13)
	Rate G	($185,382.27)
	Total	($1,062,858.11)
Jackson	Rate E, Option 2	($1,546,725.89)
	Rate B	($105,157.94)
	Rate C	($141,733.01)
	Total	($1,793,616.84)
Licking Valley	Rate E, Option 2	($456,416.56)
	Rate G	($39,740.55)
	Total	($496,157.10)
Nolin	Rate E, Option 2	($1,130,204.28)
	Rate B	($18,688.99)
	Rate G	($162,636.97)
	Total	($1,311,530.23)
Owen	Rate E, Option 2	($2,005,688.71)
	Rate B	($423,518.15)
	Contract	($1,822,493.30)
	Total	($4,251,700.16)
Salt River	Rate E, Option 2	($2,107,480.61)
	Rate B	($230,230.12)
	Total	($2,337,710.73)
Shelby	Rate E, Option 2	($636,010.24)
	Rate B	($225,627.85)
	Total	($861,638.09)
South Kentucky	Rate E, Option 2	($2,096,333.42)
	Rate B	($129,699.37)
	Rate C	($141,760.98)
	Total	($2,367,793.77)
Taylor County	Rate E, Option 2	($830,908.06)
	Rate B	($46,032.70)
	TGP	($98,390.44)
	Total	($975,331.19)

Total All Members	
Rounding Differences:	
Format 2.0, page 1 of 2, Row 6	($23,517,010)
Format 2.0, page 1 of 2, Row 21	
	($3)
	($3)

EAST KENTUCKY POWER COOPERATIVE, INC.
RATE SEM - ANNUAL FILING - REVENUE DETAIL
By Rate Schedule and Owner-Members
For the Calendar Year 2023

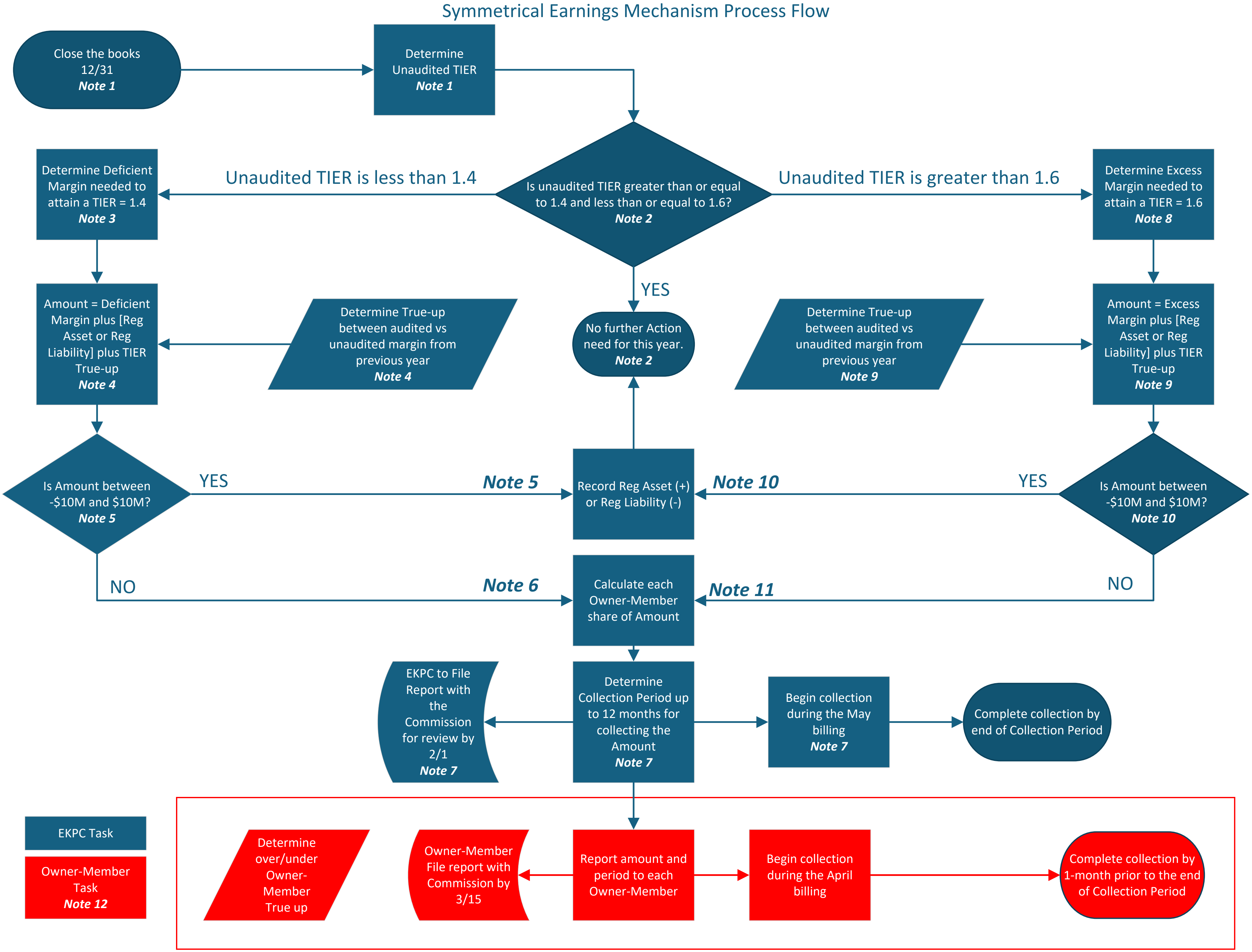
	20XX EKPC Revenues							
Rate Schedule	Invoice Revenues	Panel Production Credit	Green Power Billing	Direct Load Control	Generator Credit	Total Revenues	Percentage of Rate Schedule	Percentage of Total Revenues, All
Rate E, Option 2								
Big Sandy	$17,356,357	$0	$570	($14,328)	$0	$17,342,599	2.1648%	1.6311%
Blue Grass	$92,995,646	($6,152)	$4,498	($81,711)	$0	$92,912,281	11.5977%	8.7385%
Clark	$36,662,817	($647)	$576	($6,193)	$0	$36,656,553	4.5756%	3.4476%
Cumberland Valley	$35,830,374	($27)	$180	($4,231)	$0	$35,826,296	4.4720%	3.3695%
Farmers	$38,297,602	($649)	$336	($46,644)	$0	$38,250,645	4.7746%	3.5975%
Fleming-Mason	$37,075,620	($2,092)	$420	($26,130)	$0	$37,047,818	4.6245%	3.4844%
Grayson	$18,552,359	($2,485)	$996	($1,706)	$0	$18,549,164	2.3154%	1.7446%
Inter-County	$35,849,778	($4,736)	$14,220	($50,676)	$0	$35,808,586	4.4698%	3.3678%
Jackson	$69,946,316	($924)	$1,689	($16,223)	$0	$69,930,858	8.7291%	6.5771%
Licking Valley	$20,637,873	($275)	$480	($2,503)	$0	$20,635,575	2.5758%	1.9408%
Nolin	$51,108,998	($1,058)	$4,394	($13,271)	$0	$51,099,063	6.3784%	4.8059%
Owen	$90,794,514	($5,976)	$8,801	($115,738)	$0	$90,681,601	11.3193%	8.5287%
Salt River	$95,827,340	($4,168)	$1,656	($54,151)	($486,835)	$95,283,842	11.8937%	8.9615%
Shelby	$28,788,288	($2,701)	$2,384	($32,575)	$0	$28,755,396	3.5894%	2.7045%
South Kentucky	$94,881,309	($4,035)	$4,236	($101,628)	$0	$94,779,882	11.8308%	8.9141%
Taylor County	$37,581,629	$0	$0	($14,405)	$0	$37,567,224	4.6893%	3.5332%
Total Rate E, Option 2	$802,186,820	($35,925)	$45,436	($582,113)	($486,835)	$801,127,383	100.0000%	75.3466%
Rate B								
Big Sandy	$485,034	$0	$0	$0	$0	$485,034	0.6328%	0.0456%
Blue Grass	$13,499,156	$0	$0	$0	$0	$13,499,156	17.6110%	1.2696%
Clark	$659,320	$0	$0	$0	$0	$659,320	0.8602%	0.0620%
Fleming-Mason	$2,718,368	$0	$0	$0	$0	$2,718,368	3.5464%	0.2557%
Grayson	$2,122,618	$0	$0	$0	$0	$2,122,618	2.7692%	0.1996%
Inter-County	$3,864,065	$0	$0	$0	$0	$3,864,065	5.0411%	0.3634%
Jackson	$4,754,422	$0	$0	$0	$0	$4,754,422	6.2026%	0.4472%
Nolin	$844,969	$0	$0	$0	$0	$844,969	1.1024%	0.0795%
Owen	$19,148,191	$0	$0	$0	$0	$19,148,191	24.9808%	1.8009%
Salt River	$10,409,213	$0	$0	$0	$0	$10,409,213	13.5799%	0.9790%
Shelby	$10,201,131	$0	$0	$0	$0	$10,201,131	13.3084%	0.9594%
South Kentucky	$5,863,994	$0	$0	$0	$0	$5,863,994	7.6502%	0.5515%
Taylor County	$2,081,236	$0	$0	$0	$0	$2,081,236	2.7152%	0.1957%
Total Rate B	$76,651,717	$0	$0	$0	$0	$76,651,717	100.0000%	7.2092%
Rate C								
Cumberland Valley	$3,515,742	$0	$0	$0	$0	$3,515,742	11.6178%	0.3307%
Farmers	$2,584,476	$0	$0	$0	$0	$2,584,476	8.5404%	0.2431%
Fleming-Mason	$7,117,487	$0	$0	$0	$0	$7,117,487	23.5198%	0.6694%
Grayson	$4,226,566	$0	$0	$0	$0	$4,226,566	13.9667%	0.3975%
Jackson	$6,408,064	$0	$0	$0	$0	$6,408,064	21.1755%	0.6027%
South Kentucky	$6,409,328	$0	$0	$0	$0	$6,409,328	21.1797%	0.6028%

55								
56	Total Rate C	$30,261,663	$0	$0	$0	$0	$30,261,663	100.0000%	2.8461%

EAST KENTUCKY POWER COOPERATIVE, INC.
RATE EM - ANNUAL FILING - REVENUE DETAIL
By Rate Schedule and Owner-Members
For the Calendar Year 2023

	20XX EKPC Revenues							
Rate Schedule	Invoice Revenues	Panel Production Credit	Green Power Billing	Direct Load Control	Generator Credit	Total Revenues	Percentage of Rate Schedule	Percentage of Total Revenues, All
Rate G								
Blue Grass	$5,827,359	$0	$0	$0	$0	$5,827,359	12.7512%	0.5481%
Cumberland Valley	$4,055,175	$0	$0	$0	$0	$4,055,175	8.8733%	0.3814%
Fleming-Mason	$18,286,639	$0	$0	$0	$0	$18,286,639	40.0140%	1.7199%
Inter-County	$8,381,538	$0	$0	$0	$0	$8,381,538	18.3401%	0.7883%
Licking Valley	$1,796,759	$0	$0	$0	$0	$1,796,759	3.9316%	0.1690%
Nolin	$7,353,175	$0	$0	$0	$0	$7,353,175	16.0899%	0.6916%
Total Rate G	$45,700,645	$0	$0	$0	$0	$45,700,645	100.0000%	4.2982%
Contract								
Owen	$82,398,977	$0	$0	$0	$0	$82,398,977	100.0000%	7.7497%
TGP								
Fleming-Mason	$8,720,710	$0	$0	$0	$0	$8,720,710	66.2207%	0.8202%
Taylor County	$4,448,443	$0	$0	$0	$0	$4,448,443	33.7793%	0.4184%
Total TGP	$13,169,153	$0	$0	$0	$0	$13,169,153	100.0000%	1.2386%
Steam								
Fleming-Mason	$13,946,504	$0	$0	$0	$0	$13,946,504	100.0000%	1.3117%
Totals								
Big Sandy	$17,841,391	$0	$570	($14,328)	$0	$17,827,633	1.6767%	1.6767%
Blue Grass	$112,322,161	($6,152)	$4,498	($81,711)	$0	$112,238,796	10.5561%	10.5561%
Clark	$37,322,137	($647)	$576	($6,193)	$0	$37,315,873	3.5096%	3.5096%
Cumberland Valley	$43,401,291	($27)	$180	($4,231)	$0	$43,397,213	4.0815%	4.0815%
Farmers	$40,882,078	($649)	$336	($46,644)	$0	$40,835,121	3.8406%	3.8406%
Fleming-Mason	$87,865,328	($2,092)	$420	($26,130)	$0	$87,837,526	8.2612%	8.2612%
Grayson	$24,901,543	($2,485)	$996	($1,706)	$0	$24,898,348	2.3417%	2.3417%
Inter-County	$48,095,381	($4,736)	$14,220	($50,676)	$0	$48,054,189	4.5195%	4.5195%
Jackson	$81,108,802	($924)	$1,689	($16,223)	$0	$81,093,344	7.6269%	7.6269%
Licking Valley	$22,434,632	($275)	$480	($2,503)	$0	$22,432,334	2.1098%	2.1098%
Nolin	$59,307,142	($1,058)	$4,394	($13,271)	$0	$59,297,207	5.5770%	5.5770%
Owen	$192,341,682	($5,976)	$8,801	($115,738)	$0	$192,228,769	18.0793%	18.0793%
Salt River	$106,236,553	($4,168)	$1,656	($54,151)	($486,835)	$105,693,055	9.9405%	9.9405%
Shelby	$38,989,419	($2,701)	$2,384	($32,575)	$0	$38,956,527	3.6639%	3.6639%
South Kentucky	$107,154,631	($4,035)	$4,236	($101,628)	$0	$107,053,204	10.0684%	10.0684%
Taylor County	$44,111,308	$0	$0	($14,405)	$0	$44,096,903	4.1474%	4.1474%
Totals, All Members	$1,064,315,479	($35,925)	$45,436	($582,113)	($486,835)	$1,063,256,042	100.0000%	100.0000%

Exhibit B


Symmetrical Earnings Mechanism Process Flow
Close the books 12/31 Note 1
Determine Unaudited TIER Note 1
Is unaudited TIER greater than or equal to 1.4 and less than or equal to 1.6? Note 2
Unaudited TIER is less than 1.4
Unaudited TIER is greater than 1.6
Determine Deficient Margin needed to attain a TIER = 1.4 Note 3
Determine Excess Margin needed to attain a TIER = 1.6 Note 8
YES
No further Action need for this year. Note 2
Amount = Deficient Margin plus [Reg Asset or Reg Liability] plus TIER True-up Note 4
Determine True-up between audited vs unaudited margin from previous year Note 4
Determine True-up between audited vs unaudited margin from previous year Note 9
Amount = Excess Margin plus [Reg Asset or Reg Liability] plus TIER True-up Note 9
Is Amount between -$10M and $10M? Note 5
YES
Note 5
Record Reg Asset (+) or Reg Liability (-)
Note 10
YES
Is Amount between -$10M and $10M? Note 10
NO
Note 6
Calculate each Owner-Member share of Amount
Note 11
NO
EKPC to File Report with the Commission for review by 2/1 Note 7
Determine Collection Period up to 12 months for collecting the Amount Note 7
Begin collection during the May billing Note 7
Complete collection by end of Collection Period
EKPC Task
Owner-Member Task Note 12
Determine over/under Owner-Member True up
Owner-Member File report with Commission by 3/15
Report amount and period to each Owner-Member
Begin collection during the April billing
Complete collection by 1-month prior to the end of Collection Period

Process Notes

1. Yearly, on December 31 during the Symmetrical Earnings Mechanism ("SEM") effective dates, the unaudited books will be closed and used to determine the Times Interest Earned Ratio ("TIER"). The unaudited TIER will be determined by mid-January based on the unaudited books. See Table 1[1].
2. The unaudited TIER is compared to the lower limit of 1.4 and the upper limit of 1.6. If TIER is greater than or equal to 1.4 and less than or equal to 1.6 then the process stops for the year and no action is required (YES path). See Table 2[2].

Path – Unaudited TIER is less than 1.4

3. If TIER is less than 1.4 then the revenue is calculated to determine the deficient margin amount needed to achieve a TIER of 1.4. See Table 1.
4. The amount is calculated by adding the Deficient Margin to the previous years Regulated Asset or Regulated Liability plus the true up of the previous years unaudited versus audited margins.
5. If the amount is greater than ($10 million) and less than $10 million (between ± $10 million) then record a Regulated Asset (positive amount less than $10 million) or a Regulated Liability (negative amount greater than -$10 million) (YES path). This amount will be used the following year in the amount calculated in Note 4 or Note 9 depending on the Path. No further action is required.
6. If the amount is less than ($10 million) or greater than $10 million then amounts for each Owner-Member are calculated to determine the amounts to either return (TIER > 1.6) or collect (TIER < 1.4) from each Owner-Member (NO path). Table 4[3] details the amount to collect from each member by rate schedule using the deficient amount from Table 1. There are also pie charts showing the rate class mix by Owner-Member. Data for the pie charts is based on actual 2023 data.
7. After each Owner-Member's allocation is determined then a collection period will be determined. The collection period will be determined in consultation with the Owner-Members. Once the collection period is determined and the monthly amounts are calculated EKPC will notify the Owner-Members so that they can begin the collection on April's billing. This will allow the Owner-Members to collect the cash so that when EKPC begins the billing in May, the Owner-Member will already have cash to pay EKPC; this will eliminate the lag. EKPC will file the calculations with the Commission by February 1 of each year.

Path – Unaudited TIER is greater than 1.6

8. If TIER is greater than 1.6 then the revenue is calculated to determine the excess margin amount needed to achieve a TIER of 1.6. See Table 3[4].
9. The amount is calculated by adding the Excess Margin to the previous years Regulated Asset or Regulated Liability plus the true up of the previous years unaudited versus audited margins.

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[1] Table 1 is based on actual results from calendar year 2023. This table shows a TIER less than 1.4
[2] Table 2 is based on simulated data to show an example of a TIER between 1.4 and 1.6.
[3] Table 4 is based on actual data from 2023 and is based on the TIER calculation from Table 1.
[4] Table 3 is based on simulated data to show an example of a TIER greater than 1.6.

10. If the amount is greater than ($10 million) and less than $10 million (between ± $10 million) then record a Regulated Asset (positive amount less than $10 million) or a Regulated Liability (negative amount greater than -$10 million) (YES path). This amount will be used the following year in the amount calculated in Note 4 or Note 9. No further action is required.
11. If the amount is less than ($10 million) or greater than $10 million then amounts for each Owner-Member are calculated to determine the amounts to either return (TIER > 1.6) or collect (TIER < 1.4) from each Owner-Member (NO path). Table 4 details the amount to collect from each member by rate schedule. There are also pie charts showing the rate class mix by Owner-Member. Data for the pie charts is based on actual 2023 data.

Owner-Member tasks in the Red Box

12. The tasks in the red box show the Owner-Member tasks. More detail will be provided about these tasks in mid-2026 once the Commission approves Rate SEM and EKPC can work with the Owner-Members on their corresponding Rate SEM. EKPC has begun preliminary discussions with Owner-Member.

0		
1	**Table 1**	
2	**EAST KENTUCKY POWER COOPERATIVE, INC.**	
3	**RATE SEM - ANNUAL FILING FORMATS**	
4	**For the Calendar Year 2023 (actual)**	
5		
6		
7	**Determination of Achieved Margin**	
8		
9	Total Operating Revenues	$1,111,999,424
10	(FERC Form 1, page 114, line 2; see Note 1 below)	
11	Total Operating Expenses	$1,000,246,489
12	(FERC Form 1, page 114, line 25)	
13	Net Utility Operating Income	$111,752,935
14	[Row 9 minus Row 11]	
15	Net Other Income & Deductions	$15,503,742
16	(FERC Form 1, page 117, line 56)	
17	Net Interest Charges	$107,972,910
18	(FERC Form 1, page 117, line 66)	
19	Extraordinary Items	$0
20	(FERC Form 1, page 117, line 73)	
21	Net Margins	$19,283,767
22	[Row 13 plus Row 15 minus Row 17 plus Row 19]	
23		
24	**Determination of Achieved Times Interest Earned Ratio (TIER)**	
25		
26	Net Margins	$19,283,767
27	Interest on Long Term Debt	$107,001,951
28	(FERC Form 1, page 117, line 58)	
29		
30	Achieved TIER	1.18
31	[(Row 26 plus Row 27) / Row 27]	
32		
33	**Margins Necessary to Produce 1.40 TIER**	
34		
35	Interest on Long Term Debt	$107,001,951
36		
37	Interest Multiplied by 1.40 TIER	$149,802,731
38		
39	Less Interest on Long Term Debt	$107,001,951

40		
41	Margins Necessary to Produce 1.40 TIER	$42,800,780
42		
43	**<u>Margins Necessary to Produce 1.60 TIER</u>**	
44		
45	Interest on Long Term Debt	$107,001,951
46		
47	Interest Multiplied by 1.60 TIER	$171,203,122
48		
49	Less Interest on Long Term Debt	$107,001,951
50		
51	Margins Necessary to Produce 1.60 TIER	$64,201,171
52		
53	**<u>Determination of Excess Margins</u>**	
54		
55	Net Margin	$19,283,767
56	[Row 21]	
57	Margins Necessary to Produce 1.40 TIER	$42,800,780
58	[Row 41]	
59	Margins Necessary to Produce 1.60 TIER	$64,201,171
60	[Row 51]	
61	Excess/(Deficient) Margins for Year (Note 2)	($23,517,013)
62		
63		
64	Note 1: Operating Revenues are shown exclusive of the contra electric and steam	
65	revenue account entries associated with the Regulatory Liability/Asset for	
66	any margins in excess of 1.60 TIER or below 1.40 TIER for the reporting year.	
67		
68		
69	Note 2: Value will only display if TIER is below 1.40 or above 1.60.	
70		
71		
72		

0		
1	**Table 2**	
2	**EAST KENTUCKY POWER COOPERATIVE, INC.**	
3	**RATE SEM - ANNUAL FILING FORMATS**	
4	**Example year data to achieve 1.4 ≤ TIER ≤ 1.6**	
5		
6		
7	**Determination of Achieved Margin**	
8		
9	Total Operating Revenues	$1,158,999,424
10	(FERC Form 1, page 114, line 2; see Note 1 below)	
11	Total Operating Expenses	$1,011,251,725
12	(FERC Form 1, page 114, line 25)	
13	Net Utility Operating Income	$147,747,699
14	[Row 9 minus Row 11]	
15	Net Other Income & Deductions	$15,503,742
16	(FERC Form 1, page 117, line 56)	
17	Net Interest Charges	$107,972,910
18	(FERC Form 1, page 117, line 66)	
19	Extraordinary Items	$0
20	(FERC Form 1, page 117, line 73)	
21	Net Margins	$55,278,531
22	[Row 13 plus Row 15 minus Row 17 plus Row 19]	
23		
24	**Determination of Achieved Times Interest Earned Ratio (TIER)**	
25		
26	Net Margins	$55,278,531
27	Interest on Long Term Debt	$107,001,951
28	(FERC Form 1, page 117, line 58)	
29		
30	Achieved TIER	1.52
31	[(Row 26 plus Row 27) / Row 27]	
32		
33	**Margins Necessary to Produce 1.40 TIER**	
34		
35	Interest on Long Term Debt	$107,001,951
36		
37	Interest Multiplied by 1.40 TIER	$149,802,731
38		
39	Less Interest on Long Term Debt	$107,001,951

40			
41		Margins Necessary to Produce 1.40 TIER	$42,800,780
42			
43	**Margins Necessary to Produce 1.60 TIER**		
44			
45		Interest on Long Term Debt	$107,001,951
46			
47		Interest Multiplied by 1.60 TIER	$171,203,122
48			
49		Less Interest on Long Term Debt	$107,001,951
50			
51		Margins Necessary to Produce 1.60 TIER	$64,201,171
52			
53	**Determination of Excess Margins**		
54			
55		Net Margin	$55,278,531
56		[Row 21]	
57		Margins Necessary to Produce 1.40 TIER	$42,800,780
58		[Row 41]	
59		Margins Necessary to Produce 1.60 TIER	$64,201,171
60		[Row 51]	
61		Excess/(Deficient) Margins for Year (Note 2)	$0
62			
63			
64	Note 1:	Operating Revenues are shown exclusive of the contra electric and steam	
65		revenue account entries associated with the Regulatory Liability/Asset for	
66		any margins in excess of 1.60 TIER or below 1.40 TIER for the reporting year.	
67			
68			
69	Note 2:	Value will only display if TIER is below 1.40 or above 1.60.	
70			
71			
72			

Table 3

EAST KENTUCKY POWER COOPERATIVE, INC.
RATE SEM - ANNUAL FILING FORMATS
Example year data to achieve TIER > 1.6

7	**Determination of Achieved Margin**		
9		Total Operating Revenues	$1,177,999,424
10		(FERC Form 1, page 114, line 2; see Note 1 below)	
11		Total Operating Expenses	$1,011,251,725
12		(FERC Form 1, page 114, line 25)	
13		Net Utility Operating Income	$166,747,699
14		[Row 9 minus Row 11]	
15		Net Other Income & Deductions	$15,503,742
16		(FERC Form 1, page 117, line 56)	
17		Net Interest Charges	$107,972,910
18		(FERC Form 1, page 117, line 66)	
19		Extraordinary Items	$0
20		(FERC Form 1, page 117, line 73)	
21		Net Margins	$74,278,531
22		[Row 13 plus Row 15 minus Row 17 plus Row 19]	
24	**Determination of Achieved Times Interest Earned Ratio (TIER)**		
26		Net Margins	$74,278,531
27		Interest on Long Term Debt	$107,001,951
28		(FERC Form 1, page 117, line 58)	
30		Achieved TIER	1.69
31		[(Row 26 plus Row 27) / Row 27]	
33	**Margins Necessary to Produce 1.40 TIER**		
35		Interest on Long Term Debt	$107,001,951
37		Interest Multiplied by 1.40 TIER	$149,802,731
39		Less Interest on Long Term Debt	$107,001,951

40			
41		Margins Necessary to Produce 1.40 TIER	$42,800,780
42			
43	**Margins Necessary to Produce 1.60 TIER**		
44			
45		Interest on Long Term Debt	$107,001,951
46			
47		Interest Multiplied by 1.60 TIER	$171,203,122
48			
49		Less Interest on Long Term Debt	$107,001,951
50			
51		Margins Necessary to Produce 1.60 TIER	$64,201,171
52			
53	**Determination of Excess Margins**		
54			
55		Net Margin	$74,278,531
56		[Row 21]	
57		Margins Necessary to Produce 1.40 TIER	$42,800,780
58		[Row 41]	
59		Margins Necessary to Produce 1.60 TIER	$64,201,171
60		[Row 51]	
61		Excess/(Deficient) Margins for Year (Note 2)	$10,077,360
62			
63			
64	Note 1:	Operating Revenues are shown exclusive of the contra electric and steam revenue account entries associated with the Regulatory Liability/Asset for any margins in excess of 1.60 TIER or below 1.40 TIER for the reporting year.	
65			
66			
67			
68			
69	Note 2:	Value will only display if TIER is below 1.40 or above 1.60.	
70			
71			
72			

0 **Table 4**

1 **Format 2.0**

2 **EAST KENTUCKY POWER COOPERATIVE, INC.** **Page 1 of 2**

3 **RATE SEM - ANNUAL FILING - ALLOCATION OF EXCESS/(DEFICIENT) MARGINS**

4 **For Calendar Year 2023 Excess/(Deficient) Margins Allocated by Calendar Year Revenues – Actual Data**

5

6 Margins in Excess/(Deficient) of 1.40/1.60 TIER ($23,517,013) [From Format 1.0, Row 61]

7

8 Step 1: Allocation of Excess Margin to Rate Schedules

9

Row	Rate Schedule	Percentage of Total Revenues, All	Allocation of Excess Margin
10–11	Rate Schedule	Percentage of Total Revenues, All	Allocation of Excess Margin
12			
13	Rate E, Option 2	75.3466%	($17,719,272)
14	Rate B	7.2092%	($1,695,377)
15	Rate C	2.8461%	($669,325)
16	Rate G	4.2982%	($1,010,804)
17	Contract	7.7497%	($1,822,493)
18	TGP	1.2386%	($291,275)
19	Steam	1.3117%	($308,468)
20			
21	Totals	100.0000%	($23,517,013)

22

23

24 Step 2: Further Allocation of Excess Margin by Rate Schedules to Owner-Members

Note: Contract and Steam have only one customer each, so a further allocation is not necessary.

25

Row	Rate E, Option 2			Rate B			Rate C		
27–28	Member	Percentage of Rate Schedule	Allocation of ($17,719,272)	Member	Percentage of Rate Schedule	Allocation of ($1,695,377)	Member	Percentage of Rate Schedule	Allocation of ($669,325)
29									
30	Big Sandy	2.1648%	($383,581.49)	Big Sandy	0.6328%	($10,728.00)	Cumberland Valley	11.6178%	($77,760.88)
31	Blue Grass	11.5977%	($2,055,026.25)	Blue Grass	17.6110%	($298,573.30)	Farmers	8.5404%	($57,163.22)
32	Clark	4.5756%	($810,766.56)	Clark	0.8602%	($14,582.78)	Fleming-Mason	23.5198%	($157,423.92)
33	Cumberland Valley	4.4720%	($792,402.30)	Fleming-Mason	3.5464%	($60,124.67)	Grayson	13.9667%	($93,482.79)
34	Farmers	4.7746%	($846,024.37)	Grayson	2.7692%	($46,947.86)	Jackson	21.1755%	($141,733.01)
35	Fleming-Mason	4.6245%	($819,420.65)	Inter-County	5.0411%	($85,465.13)	South Kentucky	21.1797%	($141,760.98)
36	Grayson	2.3154%	($410,268.48)	Jackson	6.2026%	($105,157.94)			
37	Inter-County	4.4698%	($792,010.71)	Nolin	1.1024%	($18,688.99)			
38	Jackson	8.7291%	($1,546,725.89)	Owen	24.9808%	($423,518.15)			
39	Licking Valley	2.5758%	($456,416.56)	Salt River	13.5799%	($230,230.12)			
40	Nolin	6.3784%	($1,130,204.28)	Shelby	13.3084%	($225,627.85)			
41	Owen	11.3193%	($2,005,688.71)	South Kentucky	7.6502%	($129,699.37)			
42	Salt River	11.8937%	($2,107,480.61)	Taylor County	2.7152%	($46,032.70)			
43	Shelby	3.5894%	($636,010.24)						
44	South Kentucky	11.8308%	($2,096,333.42)						
45	Taylor County	4.6893%	($830,908.06)						

Total Rate E, Opt 2	100.0000%	($17,719,268.56)
Total Rate B	100.0000%	($1,695,376.87)
Total Rate C	100.0000%	($669,324.80)

Rate G		
Member	Percentage of Rate Schedule	Allocation of ($1,010,804)
Blue Grass	12.7512%	($128,889.07)
Cumberland Valley	8.8733%	($89,692.03)
Fleming-Mason	40.0140%	($404,462.51)
Inter-County	18.3401%	($185,382.27)
Licking Valley	3.9316%	($39,740.55)
Nolin	16.0899%	($162,636.97)
Total Rate G	100.0000%	($1,010,803.40)

TGP		
Member	Percentage of Rate Schedule	Allocation of ($291,275)
Fleming-Mason	66.2207%	($192,884.26)
Taylor County	33.7793%	($98,390.44)
Total TGP	100.0000%	($291,274.70)

All Revenue Percentages come from calculations shown on Format 2.1.

Table 4

EAST KENTUCKY POWER COOPERATIVE, INC.
RATE SEM - ANNUAL FILING - ALLOCATION OF EXCESS/(DEFICIENT) MARGINS
For Calendar Year 2023 Excess/(Deficient) Margins Allocated by Calendar Year Revenues

Summary of Allocation of Excess Margins by Owner-Member

Big Sandy	Rate E	$383,581.49	Jackson	Rate E	$1,546,725.89
	Rate B	$10,728.00		Rate B	$105,157.94
	Rate C	$0.00		Rate C	$141,733.01
	Rate G	$0.00		Rate G	$0.00
	TGP	$0.00		TGP	$0.00
	Steam	$0.00		Steam	$0.00
	Total	$394,309.49		Total	$1,793,616.84
Blue Grass	Rate E	$2,055,026.25	Licking Valley	Rate E	$456,416.56
	Rate B	$298,573.30		Rate B	$0.00
	Rate C	$0.00		Rate C	$0.00
	Rate G	$128,889.07		Rate G	$39,740.55
	TGP	$0.00		TGP	$0.00
	Steam	$0.00		Steam	$0.00
	Total	$2,482,488.62		Total	$496,157.10
Clark	Rate E	$810,766.56	Nolin	Rate E	$1,130,204.28
	Rate B	$14,582.78		Rate B	$18,688.99
	Rate C	$0.00		Rate C	$0.00
	Rate G	$0.00		Rate G	$162,636.97
	TGP	$0.00		TGP	$0.00
	Steam	$0.00		Steam	$0.00
	Total	$825,349.34		Total	$1,311,530.23
Cumberland Valley	Rate E	$792,402.30	Owen	Rate E	$2,005,688.71
	Rate B	$0.00		Rate B	$423,518.15
	Rate C	$77,760.88		Rate C	$0.00
	Rate G	$89,692.03		Rate G	$0.00
	TGP	$0.00		TGP	$0.00
	Steam	$0.00		Special Contract	$1,822,493.30
	Total	$959,855.22		Steam	$0.00
				Total	$4,251,700.16

45						
46	Farmers	Rate E	$846,024.37	Salt River	Rate E	$2,107,480.61
47		Rate B	$0.00		Rate B	$230,230.12
48		Rate C	$57,163.22		Rate C	$0.00
49		Rate G	$0.00		Rate G	$0.00
50		TGP	$0.00		TGP	$0.00
51		Steam	$0.00		Steam	$0.00
52		Total	$903,187.58		Total	$2,337,710.73
53						
54	Fleming-Mason	Rate E	$819,420.65	Shelby	Rate E	$636,010.24
55		Rate B	$60,124.67		Rate B	$225,627.85
56		Rate C	$157,423.92		Rate C	$0.00
57		Rate G	$404,462.51		Rate G	$0.00
58		TGP	$192,884.26		TGP	$0.00
59		Steam	$308,468.00		Steam	$0.00
60		Total	$1,942,784.01		Total	$861,638.09
61						
62	Grayson	Rate E	$410,268.48	South Kentucky	Rate E	$2,096,333.42
63		Rate B	$46,947.86		Rate B	$129,699.37
64		Rate C	$93,482.79		Rate C	$141,760.98
65		Rate G	$0.00		Rate G	$0.00
66		TGP	$0.00		TGP	$0.00
67		Steam	$0.00		Steam	$0.00
68		Total	$550,699.13		Total	$2,367,793.77
69						
70	Inter-County	Rate E	$792,010.71	Taylor County	Rate E	$830,908.06
71		Rate B	$85,465.13		Rate B	$46,032.70
72		Rate C	$0.00		Rate C	$0.00
73		Rate G	$185,382.27		Rate G	$0.00
74		TGP	$0.00		TGP	$98,390.44
75		Steam	$0.00		Steam	$0.00
76		Total	$1,062,858.11		Total	$975,331.19
77						
78						
79			Total All Members			
80			Rounding Differences:	$23,517,010		
81			Format 2.0, page 1 of 2, Row 6			
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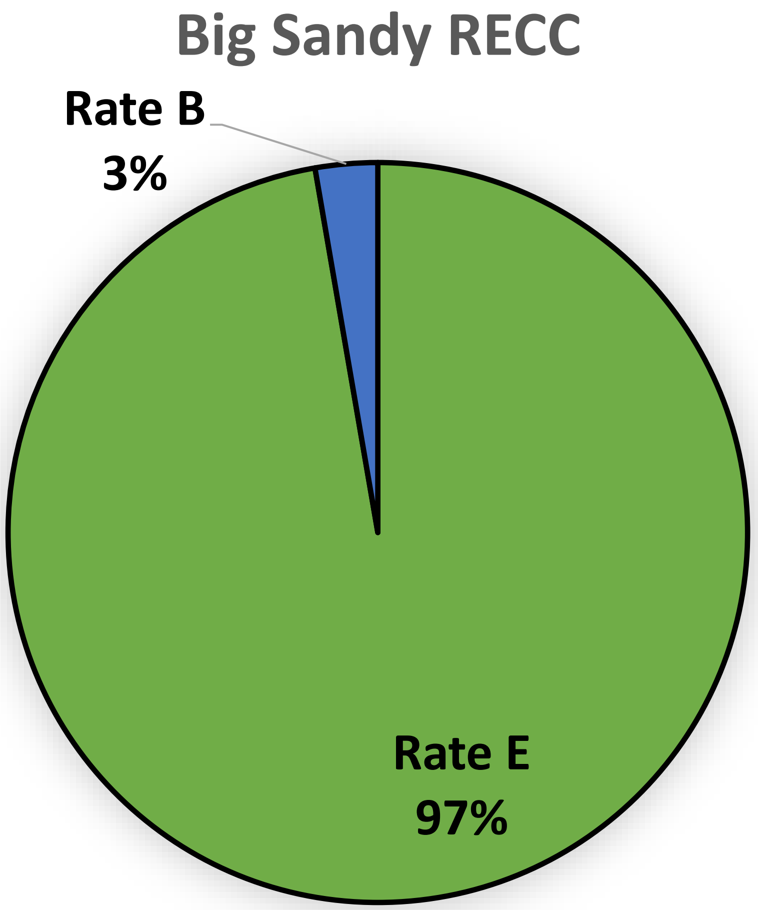
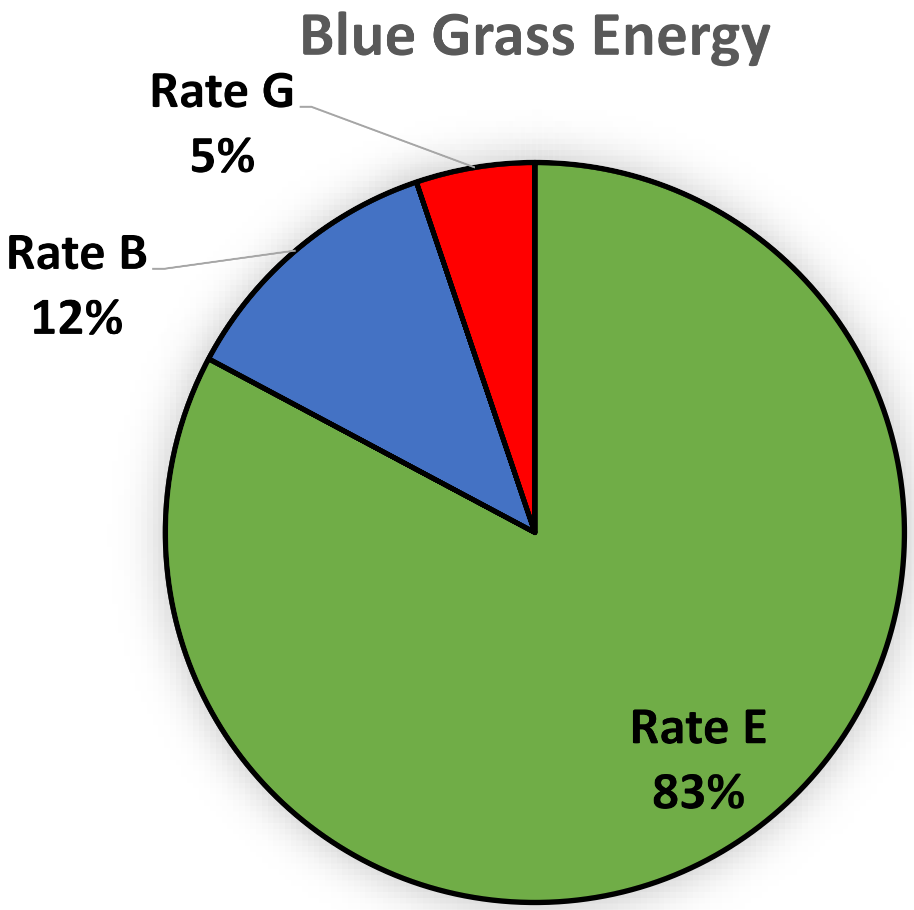
Rate Class Mix





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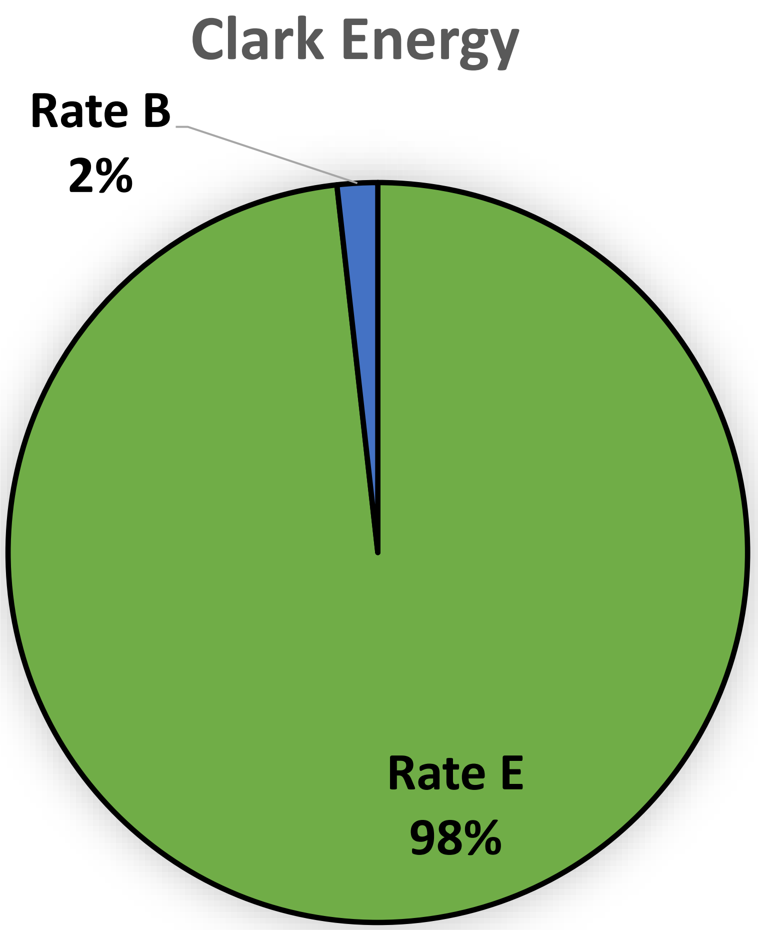

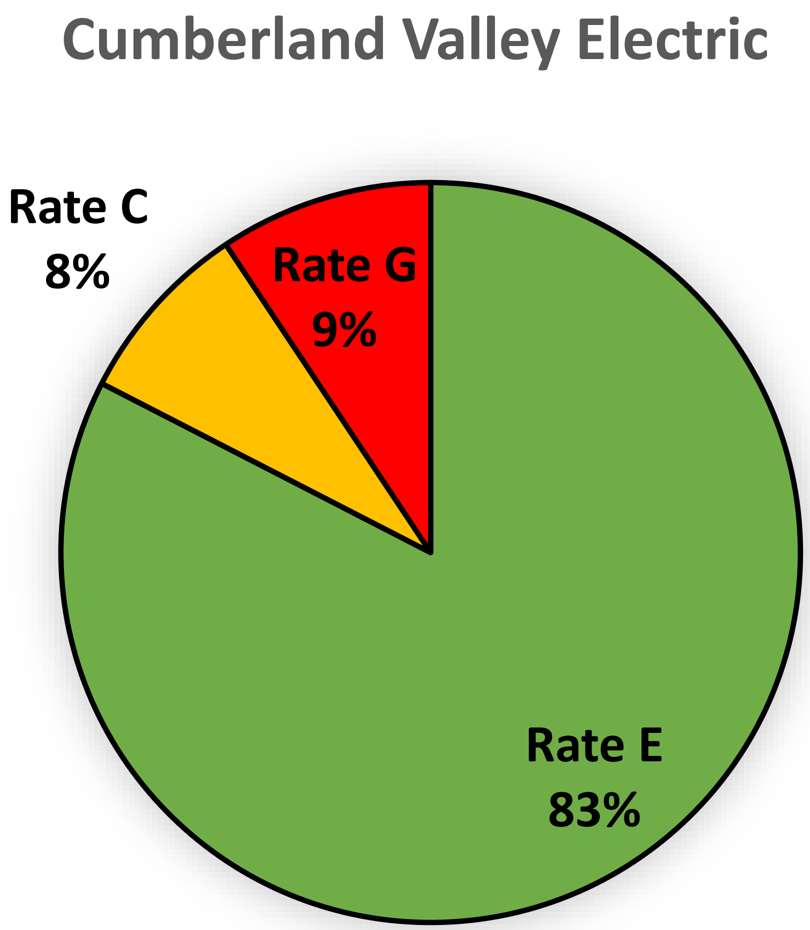

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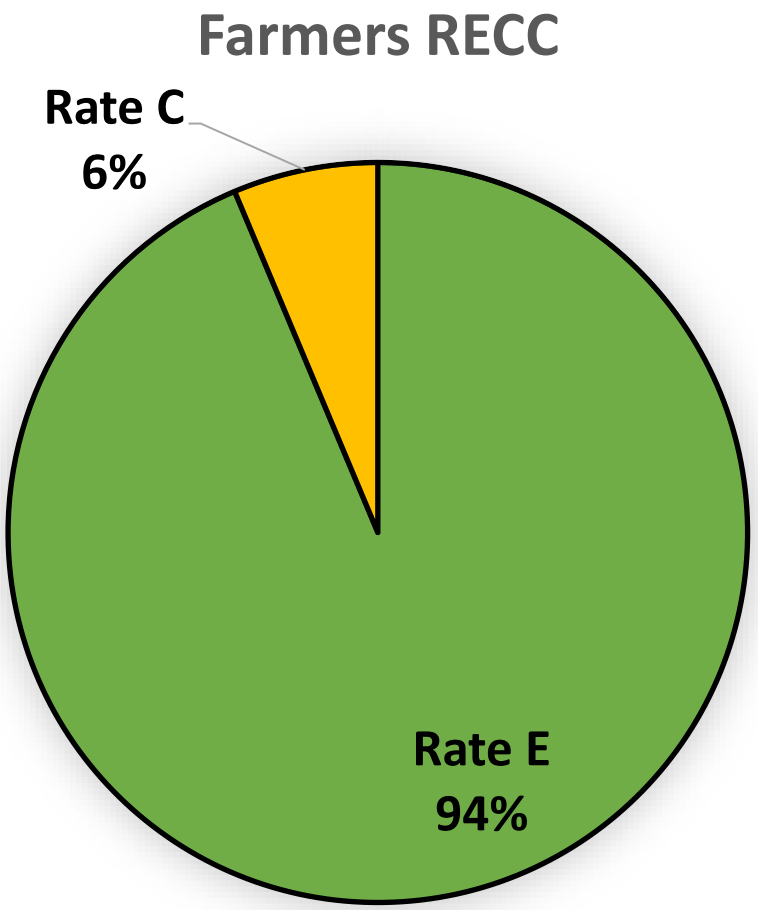
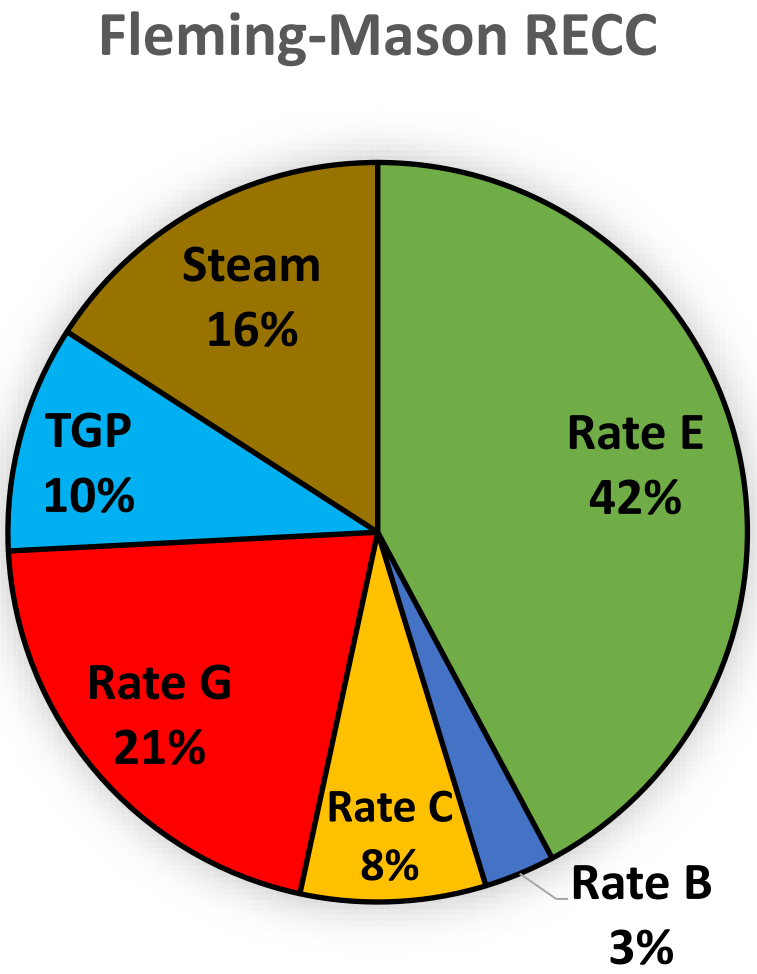
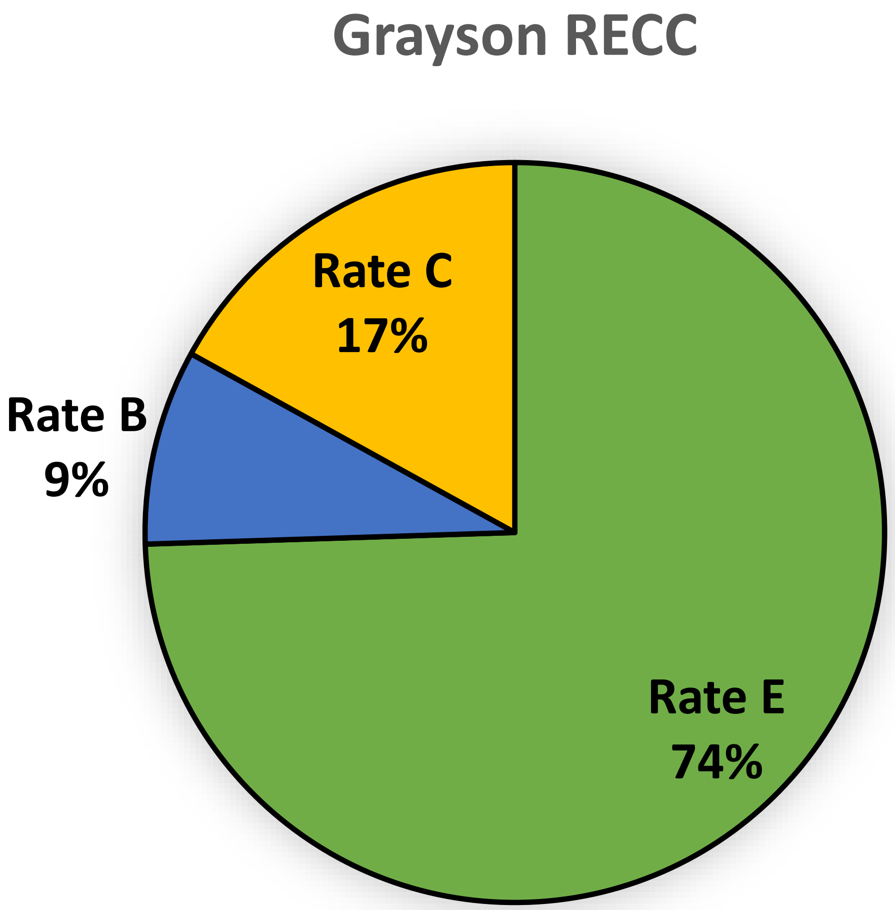
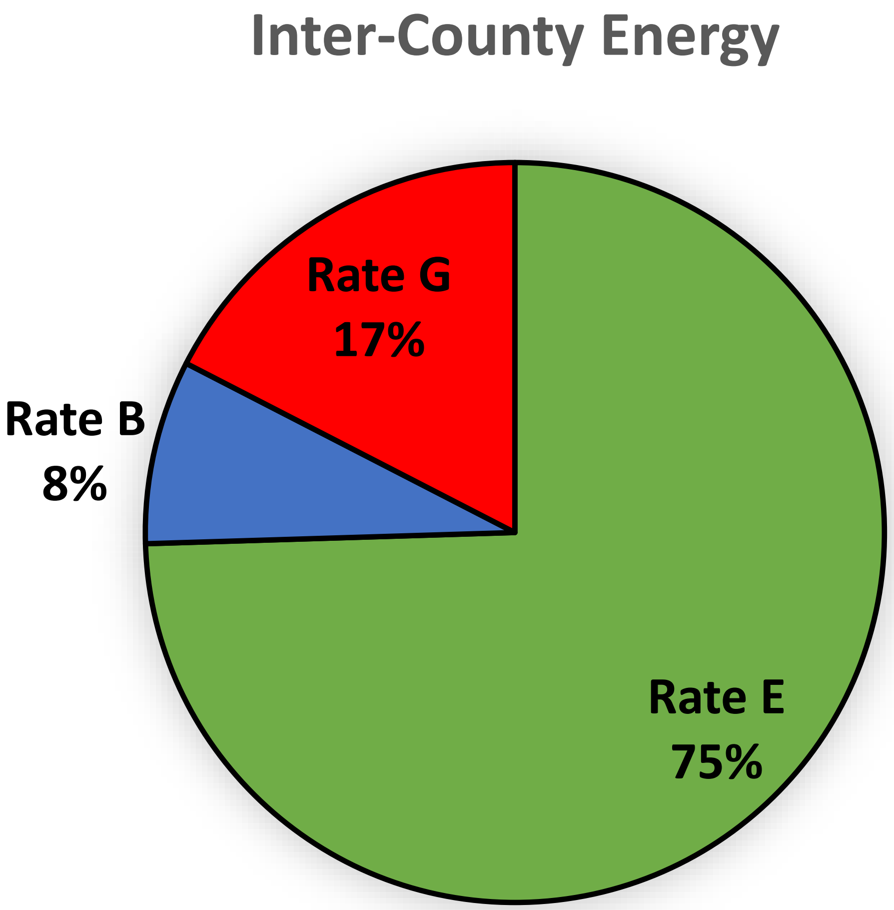




EAST KENTUCKY POWER COOPERATIVE
A Touchstone Energy Cooperative

Rate Class Mix





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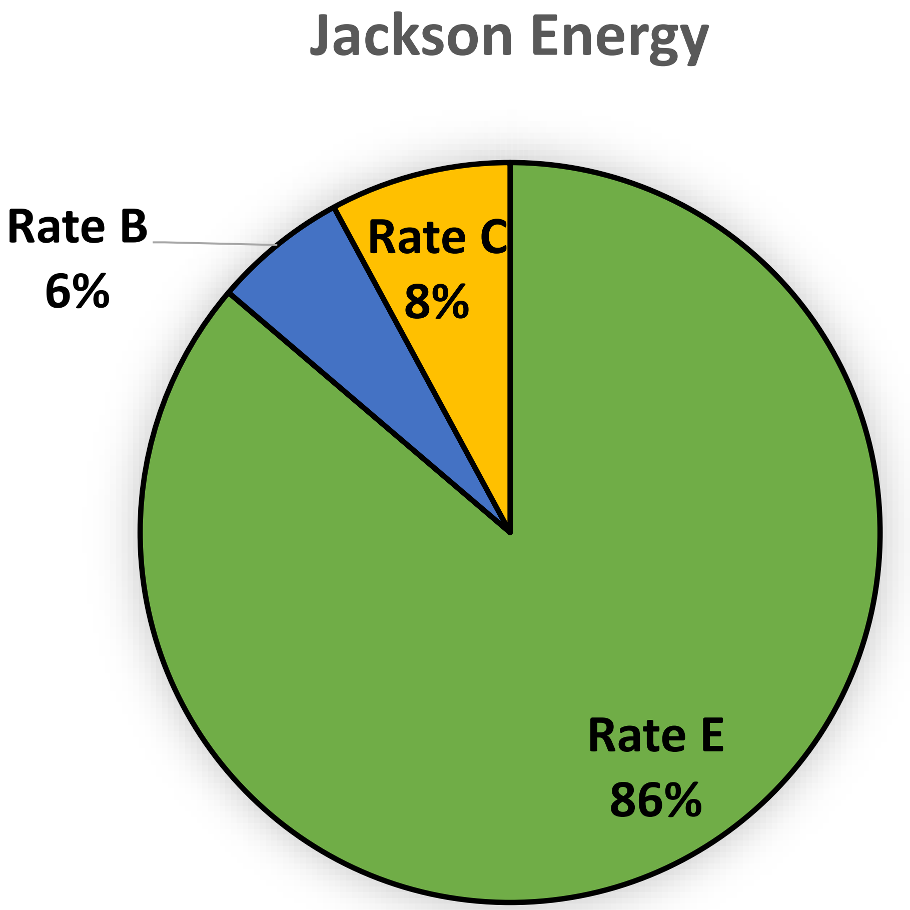

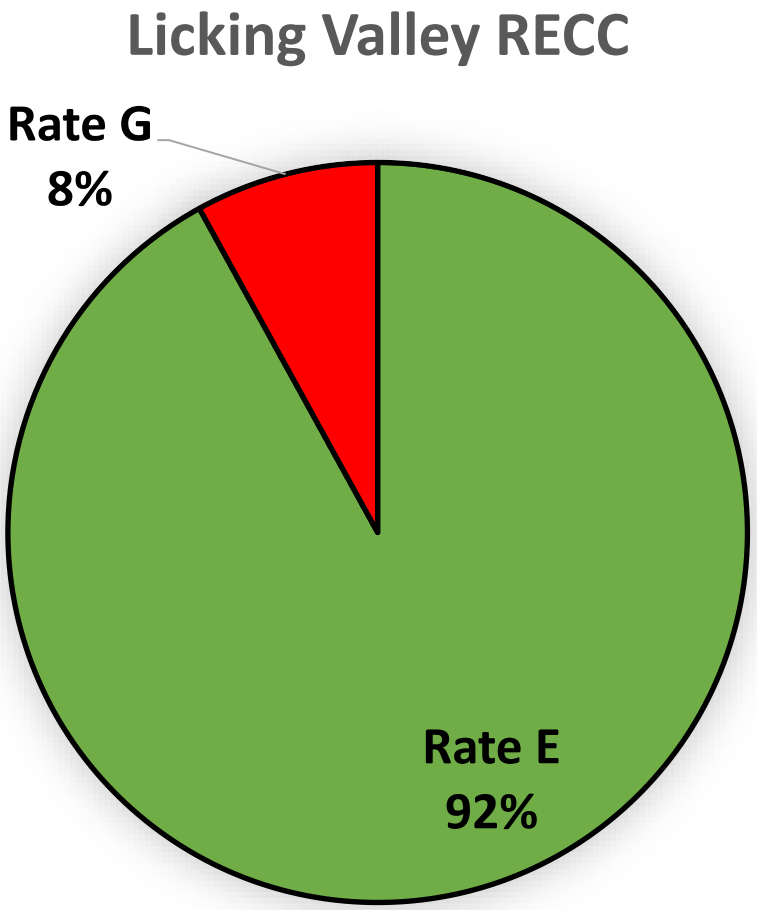

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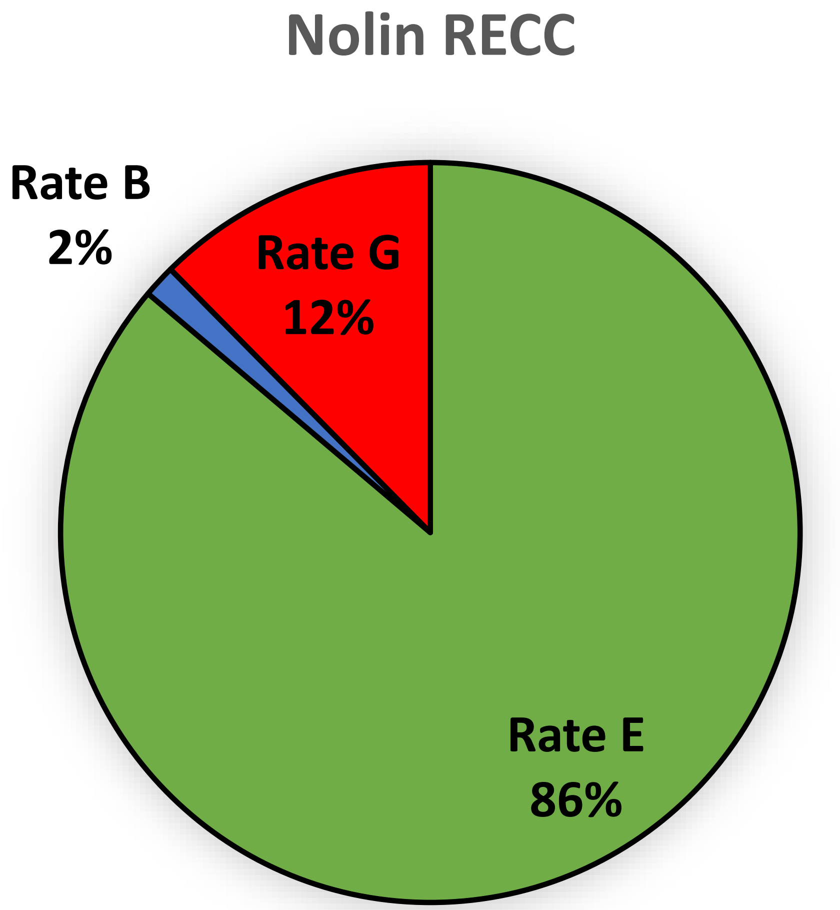

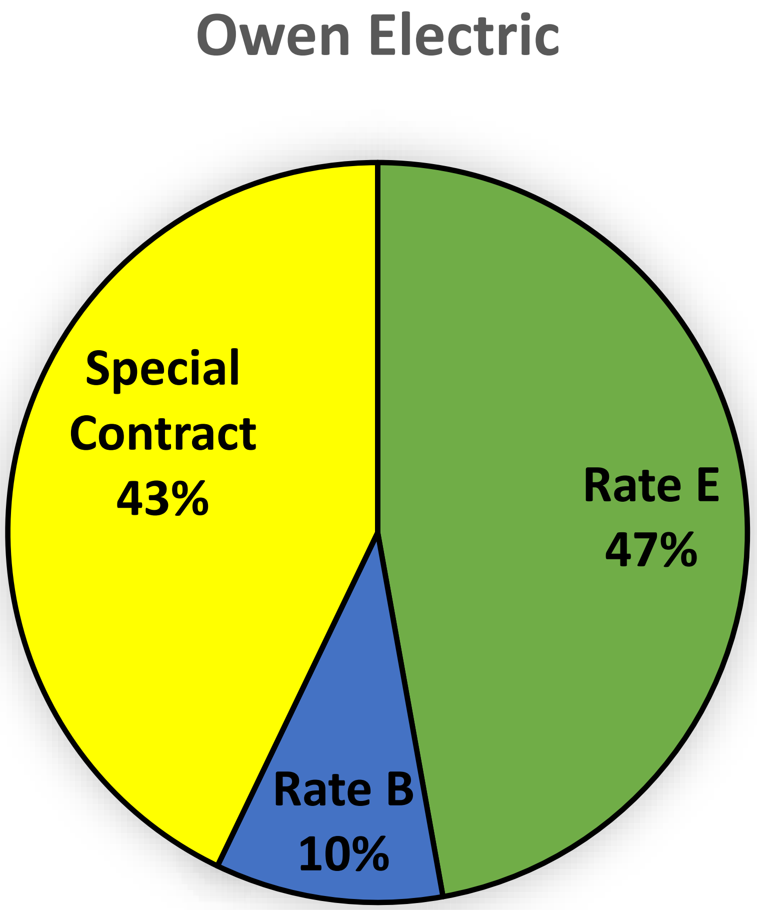

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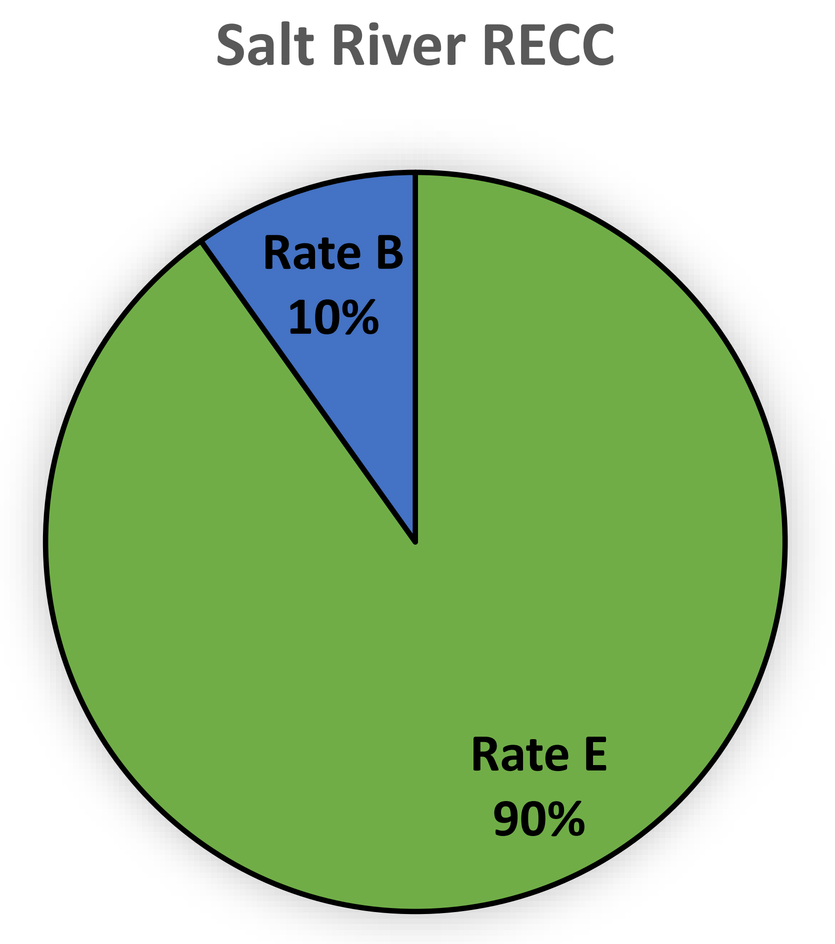

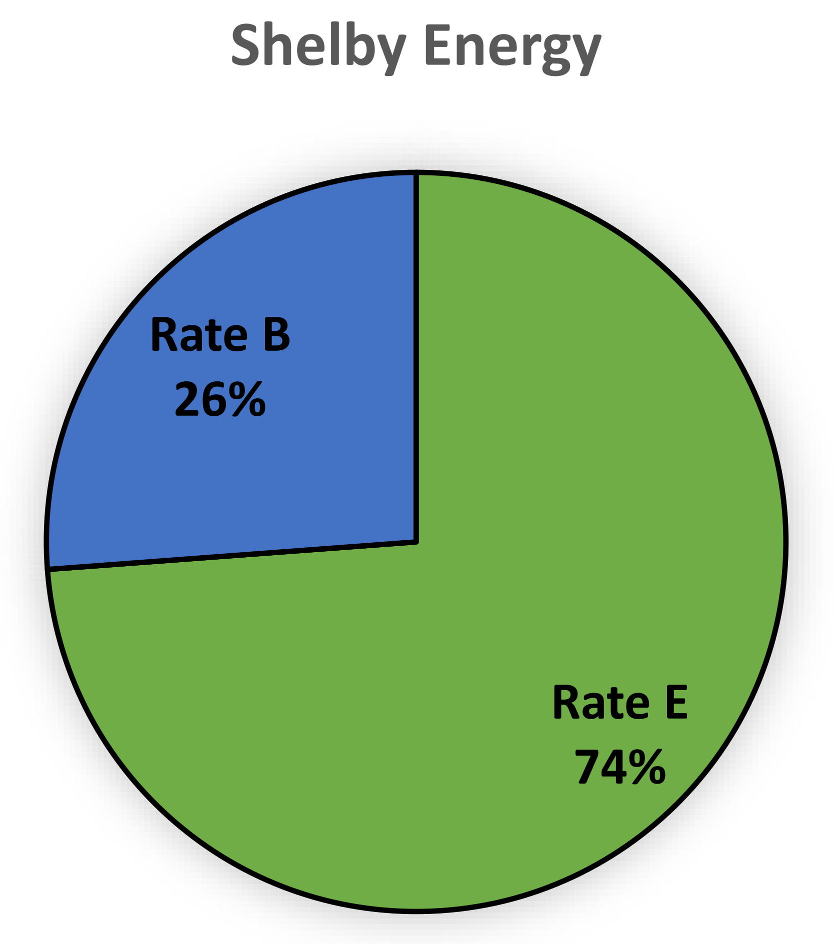

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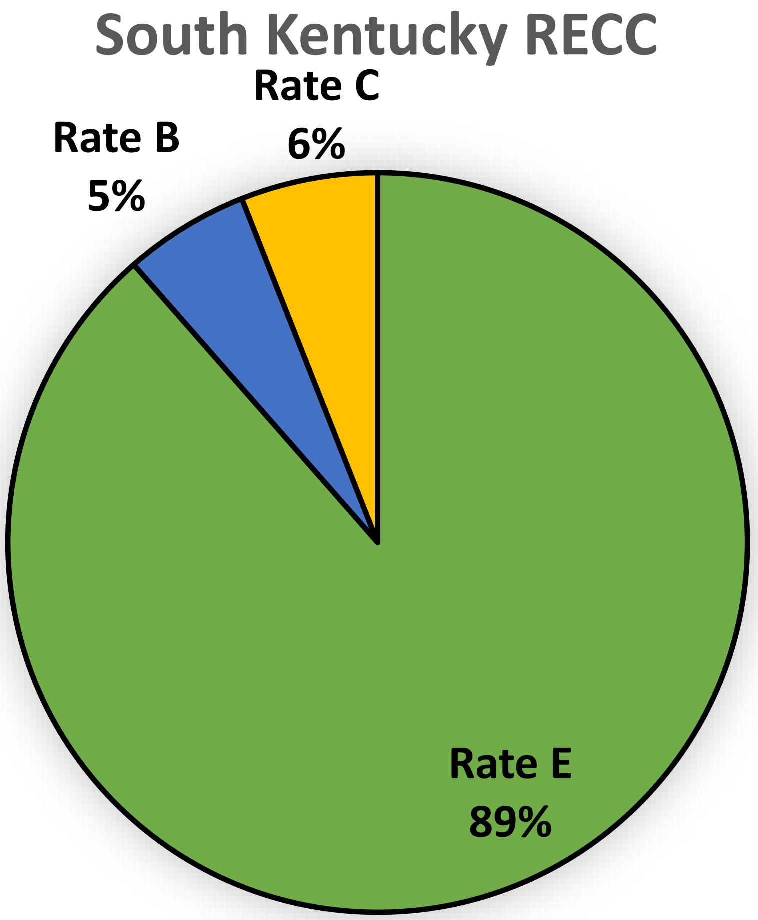

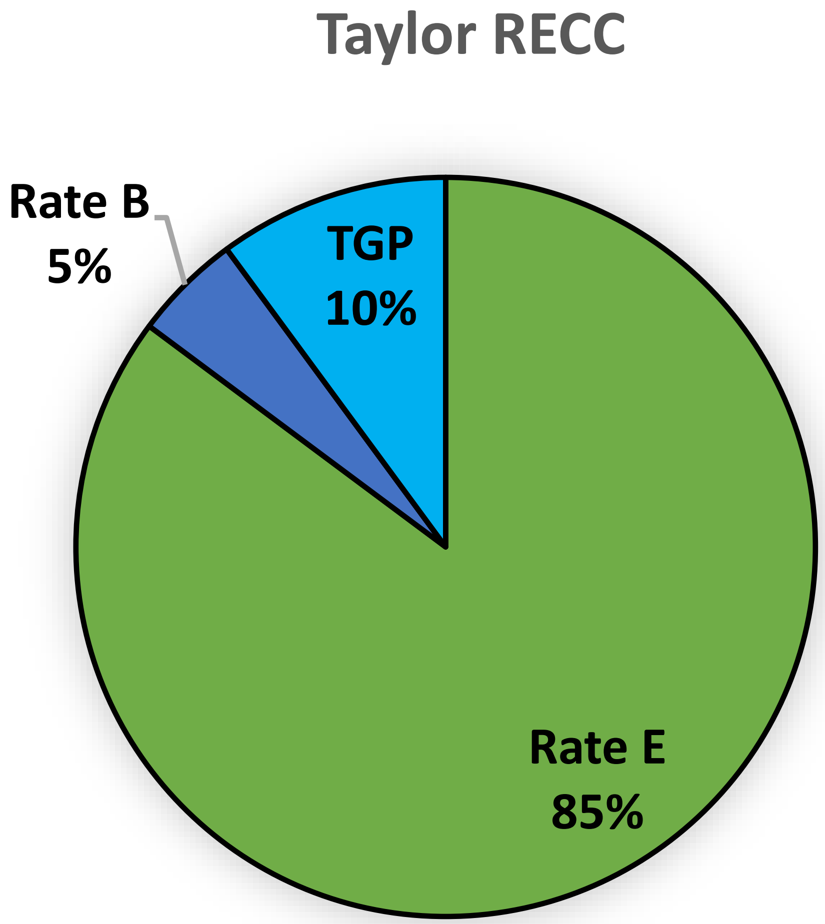

EAST KENTUCKY POWER COOPERATIVE
A Touchstone Energy Cooperative

Table 4

EAST KENTUCKY POWER COOPERATIVE, INC.
RATE SEM - ANNUAL FILING - REVENUE DETAIL
By Rate Schedule and Owner-Members
For the Calendar Year 2023 – Actual Data

	2023 EKPC Revenues							
Rate Schedule	Invoice Revenues	Panel Production Credit	Green Power Billing	Direct Load Control	Generator Credit	Total Revenues	Percentage of Rate Schedule	Percentage of Total Revenues, All
Rate E, Option 2								
Big Sandy	$17,356,357	$0	$570	($14,328)	$0	$17,342,599	2.1648%	1.6311%
Blue Grass	$92,995,646	($6,152)	$4,498	($81,711)	$0	$92,912,281	11.5977%	8.7385%
Clark	$36,662,817	($647)	$576	($6,193)	$0	$36,656,553	4.5756%	3.4476%
Cumberland Valley	$35,830,374	($27)	$180	($4,231)	$0	$35,826,296	4.4720%	3.3695%
Farmers	$38,297,602	($649)	$336	($46,644)	$0	$38,250,645	4.7746%	3.5975%
Fleming-Mason	$37,075,620	($2,092)	$420	($26,130)	$0	$37,047,818	4.6245%	3.4844%
Grayson	$18,552,359	($2,485)	$996	($1,706)	$0	$18,549,164	2.3154%	1.7446%
Inter-County	$35,849,778	($4,736)	$14,220	($50,676)	$0	$35,808,586	4.4698%	3.3678%
Jackson	$69,946,316	($924)	$1,689	($16,223)	$0	$69,930,858	8.7291%	6.5771%
Licking Valley	$20,637,873	($275)	$480	($2,503)	$0	$20,635,575	2.5758%	1.9408%
Nolin	$51,108,998	($1,058)	$4,394	($13,271)	$0	$51,099,063	6.3784%	4.8059%
Owen	$90,794,514	($5,976)	$8,801	($115,738)	$0	$90,681,601	11.3193%	8.5287%
Salt River	$95,827,340	($4,168)	$1,656	($54,151)	($486,835)	$95,283,842	11.8937%	8.9615%
Shelby	$28,788,288	($2,701)	$2,384	($32,575)	$0	$28,755,396	3.5894%	2.7045%
South Kentucky	$94,881,309	($4,035)	$4,236	($101,628)	$0	$94,779,882	11.8308%	8.9141%
Taylor County	$37,581,629	$0	$0	($14,405)	$0	$37,567,224	4.6893%	3.5332%
Total Rate E, Option 2	$802,186,820	($35,925)	$45,436	($582,113)	($486,835)	$801,127,383	100.0000%	75.3466%
Rate B								
Big Sandy	$485,034	$0	$0	$0	$0	$485,034	0.6328%	0.0456%
Blue Grass	$13,499,156	$0	$0	$0	$0	$13,499,156	17.6110%	1.2696%
Clark	$659,320	$0	$0	$0	$0	$659,320	0.8602%	0.0620%
Fleming-Mason	$2,718,368	$0	$0	$0	$0	$2,718,368	3.5464%	0.2557%
Grayson	$2,122,618	$0	$0	$0	$0	$2,122,618	2.7692%	0.1996%
Inter-County	$3,864,065	$0	$0	$0	$0	$3,864,065	5.0411%	0.3634%
Jackson	$4,754,422	$0	$0	$0	$0	$4,754,422	6.2026%	0.4472%
Nolin	$844,969	$0	$0	$0	$0	$844,969	1.1024%	0.0795%
Owen	$19,148,191	$0	$0	$0	$0	$19,148,191	24.9808%	1.8009%
Salt River	$10,409,213	$0	$0	$0	$0	$10,409,213	13.5799%	0.9790%
Shelby	$10,201,131	$0	$0	$0	$0	$10,201,131	13.3084%	0.9594%
South Kentucky	$5,863,994	$0	$0	$0	$0	$5,863,994	7.6502%	0.5515%
Taylor County	$2,081,236	$0	$0	$0	$0	$2,081,236	2.7152%	0.1957%

Total Rate B	$76,651,717	$0	$0	$0	$0	$76,651,717	100.0000%	7.2092%
Rate C								
Cumberland Valley	$3,515,742	$0	$0	$0	$0	$3,515,742	11.6178%	0.3307%
Farmers	$2,584,476	$0	$0	$0	$0	$2,584,476	8.5404%	0.2431%
Fleming-Mason	$7,117,487	$0	$0	$0	$0	$7,117,487	23.5198%	0.6694%
Grayson	$4,226,566	$0	$0	$0	$0	$4,226,566	13.9667%	0.3975%
Jackson	$6,408,064	$0	$0	$0	$0	$6,408,064	21.1755%	0.6027%
South Kentucky	$6,409,328	$0	$0	$0	$0	$6,409,328	21.1797%	0.6028%
Total Rate C	$30,261,663	$0	$0	$0	$0	$30,261,663	100.0000%	2.8461%

EAST KENTUCKY POWER COOPERATIVE, INC.
RATE EM - ANNUAL FILING - REVENUE DETAIL
By Rate Schedule and Owner-Members
For the Calendar Year 2023 – Actual Data

	20XX EKPC Revenues							
Rate Schedule	Invoice Revenues	Panel Production Credit	Green Power Billing	Direct Load Control	Generator Credit	Total Revenues	Percentage of Rate Schedule	Percentage of Total Revenues, All
Rate G								
Blue Grass	$5,827,359	$0	$0	$0	$0	$5,827,359	12.7512%	0.5481%
Cumberland Valley	$4,055,175	$0	$0	$0	$0	$4,055,175	8.8733%	0.3814%
Fleming-Mason	$18,286,639	$0	$0	$0	$0	$18,286,639	40.0140%	1.7199%
Inter-County	$8,381,538	$0	$0	$0	$0	$8,381,538	18.3401%	0.7883%
Licking Valley	$1,796,759	$0	$0	$0	$0	$1,796,759	3.9316%	0.1690%
Nolin	$7,353,175	$0	$0	$0	$0	$7,353,175	16.0899%	0.6916%
Total Rate G	$45,700,645	$0	$0	$0	$0	$45,700,645	100.0000%	4.2982%
Contract								
Owen	$82,398,977	$0	$0	$0	$0	$82,398,977	100.0000%	7.7497%
TGP								
Fleming-Mason	$8,720,710	$0	$0	$0	$0	$8,720,710	66.2207%	0.8202%
Taylor County	$4,448,443	$0	$0	$0	$0	$4,448,443	33.7793%	0.4184%
Total TGP	$13,169,153	$0	$0	$0	$0	$13,169,153	100.0000%	1.2386%
Steam								
Fleming-Mason	$13,946,504	$0	$0	$0	$0	$13,946,504	100.0000%	1.3117%
Totals								

91	Big Sandy	$17,841,391	$0	$570	($14,328)	$0	$17,827,633	1.6767%	1.6767%
92	Blue Grass	$112,322,161	($6,152)	$4,498	($81,711)	$0	$112,238,796	10.5561%	10.5561%
93	Clark	$37,322,137	($647)	$576	($6,193)	$0	$37,315,873	3.5096%	3.5096%
94	Cumberland Valley	$43,401,291	($27)	$180	($4,231)	$0	$43,397,213	4.0815%	4.0815%
95	Farmers	$40,882,078	($649)	$336	($46,644)	$0	$40,835,121	3.8406%	3.8406%
96	Fleming-Mason	$87,865,328	($2,092)	$420	($26,130)	$0	$87,837,526	8.2612%	8.2612%
97	Grayson	$24,901,543	($2,485)	$996	($1,706)	$0	$24,898,348	2.3417%	2.3417%
98	Inter-County	$48,095,381	($4,736)	$14,220	($50,676)	$0	$48,054,189	4.5195%	4.5195%
99	Jackson	$81,108,802	($924)	$1,689	($16,223)	$0	$81,093,344	7.6269%	7.6269%
100	Licking Valley	$22,434,632	($275)	$480	($2,503)	$0	$22,432,334	2.1098%	2.1098%
101	Nolin	$59,307,142	($1,058)	$4,394	($13,271)	$0	$59,297,207	5.5770%	5.5770%
102	Owen	$192,341,682	($5,976)	$8,801	($115,738)	$0	$192,228,769	18.0793%	18.0793%
103	Salt River	$106,236,553	($4,168)	$1,656	($54,151)	($486,835)	$105,693,055	9.9405%	9.9405%
104	Shelby	$38,989,419	($2,701)	$2,384	($32,575)	$0	$38,956,527	3.6639%	3.6639%
105	South Kentucky	$107,154,631	($4,035)	$4,236	($101,628)	$0	$107,053,204	10.0684%	10.0684%
106	Taylor County	$44,111,308	$0	$0	($14,405)	$0	$44,096,903	4.1474%	4.1474%
107									
108	Totals, All Members	$1,064,315,479	($35,925)	$45,436	($582,113)	($486,835)	$1,063,256,042	100.0000%	100.0000%