

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)	

RESPONSES TO STAFF’S FIRST INFORMATION REQUEST
TO EAST KENTUCKY POWER COOPERATIVE, INC.
DATED JULY 11, 2025

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**THE ELECTRONIC APPLICATION OF EAST)
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FOR A GENERAL ADJUSTMENT OF RATES,)
APPROVAL OF DEPRECIATION STUDY,)
AMORTIZATION OF CERTAIN REGULATORY)
ASSETS, AND OTHER GENERAL RELIEF)**

Case No. 2025-00208

CERTIFICATE

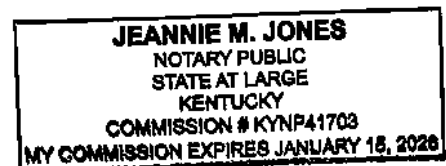
**STATE OF KENTUCKY)
)
COUNTY OF CLARK)**

Michelle K. Carpenter, being duly sworn, states that she has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Commission Staff's First Request for Information in the above-referenced case dated July 11, 2025, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Michelle K. Carpenter
Michelle K. Carpenter

Subscribed and sworn before me on this 18 day of August, 2025.

Jeannie M. Jones
Notary Public



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

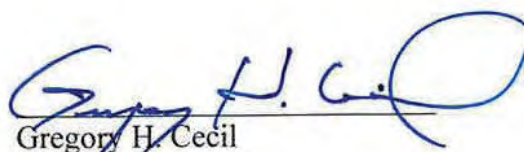
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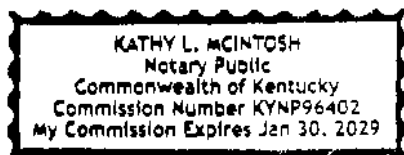
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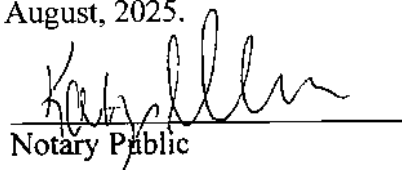
**STATE OF KENTUCKY)
)
COUNTY OF CLARK)**

Gregory H. Cecil, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Commission Staff's First Request for Information in the above-referenced case dated July 11, 2025, 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

Subscribed and sworn before me on this 13 day of August, 2025.




Notary Public

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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KENTUCKY POWER COOPERATIVE, INC.)
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Case No. 2025-00208

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

Barry Lindeman, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Commission Staff's First Request for Information in the above-referenced case dated July 11, 2025, 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.


Barry Lindeman

Subscribed and sworn before me on this 12 day of August, 2025.




Notary Public

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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Case No. 2025-00208

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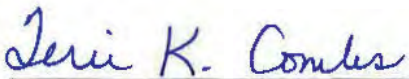
**STATE OF KENTUCKY)
)
COUNTY OF CLARK)**

Kyle Shadoan, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Commission Staff's First Request for Information in the above-referenced case dated July 11, 2025, 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.

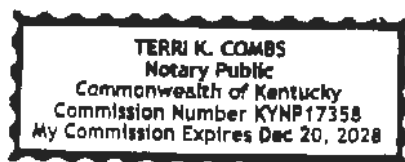


Kyle Shadoan

Subscribed and sworn before me on this 14th day of August, 2025.



Notary Public



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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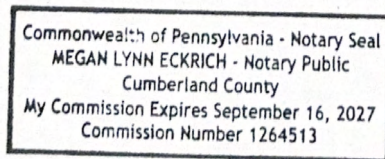
**STATE OF PENNSYLVANIA)
)
COUNTY OF CUMBERLAND)**

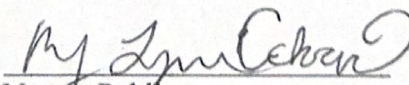
John J. Spanos, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Commission Staff's First Request for Information in the above-referenced case dated July 11, 2025, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



John J. Spanos

Subscribed and sworn before me on this 14th day of August, 2025.





Notary Public

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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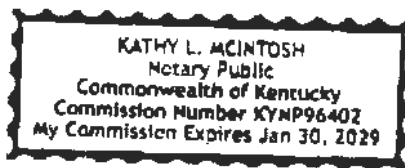
CERTIFICATE

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

Thomas J. Stachnik, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Commission Staff's First Request for Information in the above-referenced case dated July 11, 2025, 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.


Thomas J. Stachnik

Subscribed and sworn before me on this 12 day of August, 2025.




Notary Public

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

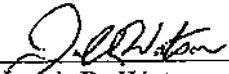
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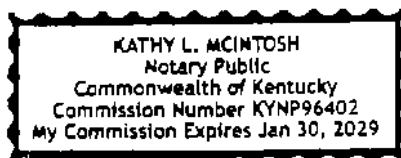
**STATE OF KENTUCKY)
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COUNTY OF CLARK)**

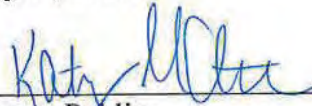
Jacob R. Watson, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Commission Staff's First Request for Information in the above-referenced case dated July 11, 2025, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



Jacob R. Watson

Subscribed and sworn before me on this 12 day of August, 2025.





Notary Public

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

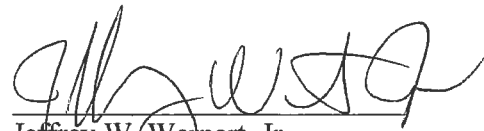
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Case No. 2025-00208

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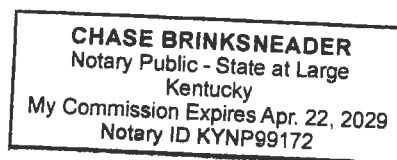
**STATE OF KENTUCKY)
)
COUNTY OF OLHAM)**

Jeffrey W. Wernert, Jr., being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Commission Staff's First Request for Information in the above-referenced case dated July 11, 2025, 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.


Jeffrey W. Wernert, Jr.

Subscribed and sworn before me on this 13th day of August, 2025.



Notary Public



In the Matter of:

Case No. 2025-00208

STATE OF KENTUCKY)
)
COUNTY OF CLARK)


Brad Young

Subscribed and sworn before me on this 12 day of August, 2025.

August, 2025.



Notary Public

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00208
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED JULY 11, 2025

REQUEST 1

RESPONSIBLE PARTY: Jacob R. Watson

Request 1. Provide the following expense account data:

- a. A schedule, in comparative form, showing the operating expense account balance for the base period and each of the three most recent calendar years for each account or subaccount included in EKPC's annual report. Show the percentage of increase or decrease of each year over the prior year.
- b. A listing, with descriptions, of all activities, initiatives or programs undertaken or continued by EKPC since its last general rate case for the purpose of minimizing costs or improving the efficiency of its operations or maintenance activities. Include all quantifiable realized and projected savings.

Response 1.

- a. Please see attachment *PSC DRI Request 1a - Operating Expense Account Balances 2020-2024.xlsx*. As EKPC filed its application utilizing a historic test year, it assumed that "base period" means the historic test year, the 12 months ending December 31, 2023.

EKPC notes that this request significantly duplicates Request 14, which asks for similar information for each account or subaccount included in EKPC's annual report, FERC Form 1, pages 320-323. Request 1a asks for the information "for the base period and each of the three most recent calendar years", while Request 14 asks for the information "for the test year and three calendar years preceding the test year." The three most recent calendar years would be 2022, 2023, and 2024, which includes the historic test year. The three most recent calendar years preceding the test year would be 2020, 2021, and 2022. In order to be responsive to the Commission's requests and resolve what EKPC perceives to be conflicting time periods, it is providing this analysis for 2020, 2021, 2022, the historic test year of 2023, and 2024.

b. EKPC provides the following summary of significant activities, initiatives, or programs undertaken or continued since its last general rate case for the purpose of minimizing costs or improving the efficiency of its operations or maintenance activities. While there were other activities, initiatives, and programs undertaken, it is not possible to reasonably estimate the dollar impact of such actions.

The most impactful decision EKPC has made in the last decade pertaining to cost savings is its decision to join PJM Interconnection, LLC ("PJM"). EKPC joined PJM on June 1, 2013, and even though this was before EKPC's last general rate case, EKPC continues to experience total net benefits as great or greater than originally estimated in 2012. Based on the annual filings EKPC provides to the Commission, attachment *CONFIDENTIAL PSC DRI Request 1b – PJM Benefits.xlsx* shows the costs, benefits, and net benefits experienced since EKPC joined PJM in 2013.

EKPC notes that the majority of the Trade Benefits are returned to its Owner-Member Cooperatives ("Owner-Members") and in turn to end-use retail members through the Fuel Adjustment Clause.

EKPC was able to achieve significant savings by investing in projects to increase reliability following Winter Storm Elliott, deferring lower risk maintenance projects, and optimizing EKPC's workforce. For additional information regarding the cost savings measures taken by EKPC and the difficulty in quantifying these savings please see Application Exhibit 12 - Direct Testimony of Anthony S. Campbell filed on August 1, 2025.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00208
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED JULY 11, 2025

REQUEST 2

RESPONSIBLE PARTY: **Thomas J. Stachnik**

Request 2. Provide the capital structure at the end of the five most recent calendar years and each of the other periods shown in Schedule A1 and Schedule A2.

Response 2. Please see attachment *PSC DR 1 Request 2 - Capital Structure.xlsx*. This includes both the most recent calendar year and the test year.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00208
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED JULY 11, 2025

REQUEST 3

RESPONSIBLE PARTY: Thomas J. Stachnik

Request 3. Provide the following:

- a. A list of all outstanding issues of long-term debt as of the end of the latest calendar year together with the related information as shown in Schedule B1.
- b. An analysis of short-term debt as shown in Schedule B2 as of the end of the latest calendar year.

Response 3.

- a. Please see attachment *PSC DR 1 Request 3 - Long-Term Debt.xlsx*. This includes both the most recent calendar year and the test year.
- b. EKPC had no short-term debt as of the end of the latest calendar year (2024) or as of test year-end, the 12 months ending December 31, 2023.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00208
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED JULY 11, 2025

REQUEST 4

RESPONSIBLE PARTY: **Michelle K. Carpenter**

Request 4. Provide EKPC's internal accounting manuals, directives, and policies and procedures. If these have been provided in a previous case, identify the previous case number, and the specific changes that have occurred since the previous case.

Response 4. As an RUS borrower, EKPC is required to follow 7 CFR 1767, Uniform System of Accounts. Accordingly, the guidance within RUS Bulletin 1767B-1, along with any subsequent amendments, is used in lieu of formal internal accounting policies and procedures. Please see attachments *PSC DRI Request 4 - RUS Bulletin 1767B-1.pdf* and *PSC DRI Request 4 - RUS Bulletin 1767B-1 Amendment.pdf*.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00208
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED JULY 11, 2025

REQUEST 5

RESPONSIBLE PARTY: Brad Young

Request 5. Provide a copy of EKPC's long-term construction planning program.

Response 5. See attachment *PSC DRI Request 5 - Long-Term Construction Plan.pdf*. EKPC continually evaluates its resource needs and presents those to the Commission in its triannual Integrated Resource Plan ("IRP"). Tables 6-2 through 6-11 and Tables 7-1 through 7-5 of attachment *PSC DRI Request 5 - Long-Term Construction Plan.pdf* provide a summary of EKPC's long-term power production and transmission construction plans.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00208
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED JULY 11, 2025

REQUEST 6

RESPONSIBLE PARTY: Brad Young

Request 6. Concerning EKPC's construction projects, for each project started during the last five calendar years, provide the information requested in the format contained in Schedule C. For each project, include the amount of any cost variance and delay encountered, and explain in detail the reasons for such variances and delays.

Response 6. Please see attachment *PSC DRI Request 6 – Capital Construction Projects.pdf*. EKPC provided the requested data for Capital Construction Projects. Due to the large number of projects over a 5-year period, EKPC provided the variance explanations for variances greater than \$500,000 and in excess of +/- 10% of actual cost to budget. Furthermore, in preparing this schedule, EKPC provided the actual costs for projects recorded in Construction Work in Progress accounts. When developing the budgets for these projects, often there will be a component of the budgeted costs relating to retirement work in progress activities. The budgeting process at EKPC has not historically included the retirement component and construction component separately. Therefore, the results of any comparison of budgeted and actual construction costs can be impacted by the retirement component of the total budgeted costs.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00208
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED JULY 11, 2025

REQUEST 7

RESPONSIBLE PARTY: Brad Young

Request 7. Provide the information shown in Schedule D for each construction project in progress, or planned to be in progress, during the 12 months preceding the test year.

Response 7. Please see attachment *PSC DRI Request 7 – Planned Construction Projects.pdf*.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00208
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED JULY 11, 2025

REQUEST 8

RESPONSIBLE PARTY: **Brad Young**

Request 8. Provide, in the format provided in Schedule E, an analysis of EKPC's Construction Work in Progress (CWIP) as defined in the Uniform System of Accounts for each project identified in Schedule D.

Response 8 Please see attachment *PSC DRI Request 8 - CWIP.pdf*.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00208
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED JULY 11, 2025

REQUEST 9

RESPONSIBLE PARTY: Thomas J. Stachnik

Request 9. Provide a calculation of the rate or rates used to capitalize interest during construction for the three most recent calendar years. Explain each component entering into the calculation of the rate(s).

Response 9. Pursuant to the Commission's April 1, 2009 Order in Case No. 2008-00409¹, EKPC discontinued the practice of capitalizing interest during construction and instead utilizes a cash return on Construction Work in Progress. Consequently, there are no applicable capitalized interest rates available to provide.

¹ *General Adjustment of Rates of East Kentucky Power Cooperative, Inc.*, Case No. 2008-00409, April 17, 2009 Order (Ky. PSC April 17, 2009).

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00208
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED JULY 11, 2025

REQUEST 10

RESPONSIBLE PARTY: Michelle K. Carpenter

Request 10. Provide the following monthly account balances for the test year for the total company and Kentucky jurisdictional operations:

- a. Plant in service (Account No. 101);
- b. Plant purchased or sold (Account No. 102);
- c. Property held for future use (Account No. 105);
- d. Completed construction not classified (Account No. 106);
- e. Construction work in progress (Account No. 107);
- f. Depreciation reserve (Account No. 108);
- g. Materials and supplies (include all accounts and subaccounts);
- h. Computation and development of minimum cash requirements;
- i. Balance in accounts payable applicable to amounts included in utility plant in service;
- j. Balance in accounts payable applicable to amounts included in plant under construction; and
- k. Balance in accounts payable applicable to prepayments by major category or subaccount.

Response 10a-k.

Please see attachment *PSC DRI Request 10 - 2023 Monthly and Average Balances.xlsx* for a schedule of the 2023 test year monthly account balances and the calculated 13-month average balances for items a. through k. as listed in the above request. It should be noted that EKPC does not have a minimum cash requirement; therefore, item h. is not applicable. EKPC also does not have a jurisdiction other than Kentucky.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00208
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED JULY 11, 2025

REQUEST 11

RESPONSIBLE PARTY: **Michelle K. Carpenter**

Request 11. Provide the journal entries relating to the purchase of utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise currently included in rate base. Also provide a schedule showing the calculation of the acquisition adjustment at the date of purchase or each item of utility plant, the amortization period, and the unamortized balance at the end of the test year.

Response 11. EKPC purchased the Bluegrass Generating Station assets on December 29, 2015. Four separate entries were made to record the overall purchase price, capitalize transaction costs, adjust electric plant purchased for other assets and liabilities assumed along with the proration of three days of operating costs as part of the purchase negotiations, and ultimately record the assets, accumulated depreciation, and acquisition adjustment to their respective accounts at December 31, 2015. The December 2015 journal entries are summarized below.

JE AP37374--To Record Asset Purchase:

Account	Account Title	Debit	Credit
102000	Electric Plant Purchased or Sold	130,143,070	
232100	Accounts Payable		130,143,070

JE 37550--To Capitalize Transaction Costs:

Account	Account Title	Debit	Credit
102000	Electric Plant Purchased or Sold	693,518	
183000	Preliminary Survey & Investigation		693,518

JE 37563--To Clear Account 102—Purchase Price Adjustment:

Account	Account Title	Debit	Credit
143001	General Accounts Receivable	1,550,858	
165200	Other Prepayments-Misc. Expense	39,240	
549001	Misc. Other Power Generation Expense	11,662	
232100	Accounts Payable-General		208,690
102000	Electric Plant Purchased or Sold		1,393,070

JE 37618--To Clear 102—Original Plant Purchase Price & Transaction Costs:

<u>Account</u>	<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>
340000	Land and Land Rights	1,102,911	
341000	Structures & Improvements	10,030,763	
342000	Fuel Holders & Accessories	1,162,204	
343000	Prime Movers	134,764,582	
344000	Generators	22,373,072	
345000	Accessory Electrical Equipment	4,888,031	
353000	Station Equipment-Transmission	16,144,426	
355000	Poles & Fixtures-Transmission	3,389,833	
391000	Office Furniture & Equipment	74,558	
392000	Transportation Equipment	26,440	
396000	Power Operated Equipment	23,274	
397000	Communication Equipment	16,550	
154000	Plant Materials & Supplies	958,513	
303000	Intangible Asset	146,000	
114000	Acquisition Adjustment	4,271,235	
	Accumulated Depreciation-		
108450	Common		4,380,967
108451	Accumulated Depreciation-Unit 1		20,948,691
108452	Accumulated Depreciation-Unit 2		20,948,691
108453	Accumulated Depreciation-Unit 3		18,874,092
	Accumulated Depreciation-		
108500	Transmission		4,637,162
	Accumulated Depreciation-		
108700	General		139,271
102000	Electric Plant Purchased or Sold		129,443,518

Please see attachment *PSC DRI Request 11 - Acquisition Adjustment.xlsx* for the calculation of the acquisition adjustment, the amortization period, and the unamortized balance at the end of the test year.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00208
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED JULY 11, 2025

REQUEST 12

RESPONSIBLE PARTY: John J. Spanos

Request 12. Provide a copy of EKPC's most recent depreciation study. If no such study exists, provide a copy of EKPC's most recent depreciation schedule. The schedule should include a list of all facilities by account number, service life and accrual rate for each plant item, the methodology that supports the schedule, and the date the schedule was last updated. Identify the date of the Commission's approval of that most recent depreciation study.

Response 12. EKPC presented its last depreciation study in Case No. 2021-00103 and is now filing an updated depreciation study in this proceeding. Please see Application, Exhibit 19, Direct Testimony of John J. Spanos, Attachment JJS-1.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00208
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED JULY 11, 2025

REQUEST 13

RESPONSIBLE PARTY: **Michelle K. Carpenter**

Request 13. Provide EKPC's cash account balances at the beginning of the test year and at the end of each month during the test year for total company and Kentucky jurisdictional operations.

Response 13. Please see attachment *PSC DRI Request 13 - Monthly Cash Balances.xlsx* for all cash and cash equivalent balances at the beginning of the 2023 test year and at the end of each month of the test year.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00208
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED JULY 11, 2025

REQUEST 14

RESPONSIBLE PARTY: Jacob R. Watson

Request 14. Provide a schedule, in the format provided in Schedule F, of electric operations net income, per kWh sold, per company books for the test year and three calendar years preceding the test year.

Response 14. Please see attachment *PSC DRI Request 14 – Net Income.xlsx*. EKPC noted that the Schedule F format indicated that “000 Omitted”; however, it was not clear whether this rounding to thousands applied to the dollar amounts, the kWh Sold, or both. As the schedule was to present Net Income per kWh Sold, EKPC believes it is more reasonable not to round either the dollars or kWh sales. Consequently, the attached Schedule F is shown in whole dollars and total kWh sold.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00208
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED JULY 11, 2025

REQUEST 15

RESPONSIBLE PARTY: **Michelle K. Carpenter**

Request 15. Provide the comparative operating statistics as shown in Schedule G. If a line does not apply to EKPC, note “not applicable” and state the reason it is not applicable.

Response 15. Please see attachment *PSC DRI Request 15 - Comparative Operating Statistics.xlsx* for comparative operating statistics from the three most recent calendar years of 2024, 2023, and 2022.

EAST KENTUCKY POWER COOPERATIVE, INC.
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REQUEST 16

RESPONSIBLE PARTY: **Thomas J. Stachnik**

Request 16. Provide the information requested in Schedule H for budgeted and actual numbers of full- and part-time employees by employee group, by month, and by year; and regular wages, overtime wages, and total wages by employee group, by month, for the test year and three most recent calendar years preceding the test year. Explain any variance exceeding 5 percent. Complete the information requested in Schedule H1.

Response 16. Please see attachment *PSC DRI Request 16 - Monthly Payroll Variance Analysis Schedule H1.xlsx* for the comparison of budgeted and actual number of employees and regular and overtime wages for General and Administrative and G&T Operations covering the 2023 test year and the three preceding calendar years. While some monthly variances were in excess of five percent, the annual variance was less than five percent for all years reported on the schedule.

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REQUEST 17

RESPONSIBLE PARTY: Barry Lindeman

Request 17. State whether EKPC, through an outside consultant or otherwise, performed a study or survey to compare its wages, salaries, benefits, and other compensation to those of other utilities in the region, or to other local or regional enterprises since EKPC's last base rate case.

a. If comparisons were performed, provide the results of the study or survey, including copies of all workpapers and discuss the results of such comparisons. State whether any adjustments to wages, salaries, benefits, and other compensation in the rate application are consistent with the results of such comparisons.

b. If comparisons were not performed, explain why not.

Response 17. In 2024, EKPC consulted with Mercer, a compensation and benefits consulting firm, to assess its compensation structure. The results of the compensation surveys are provided in the following attachments:

- *CONFIDENTIAL PSC DRI Request 17 – Market Pricing Grade Changes.pdf*
- *CONFIDENTIAL PSC DRI Request 17 – CFO Compensation Review.pdf*

- *CONFIDENTIAL PSC DR1 Request 17 – COO Compensation Review.pdf*
- *CONFIDENTIAL PSC DR1 Request 17 – General Counsel Compensation Review.pdf*
- *CONFIDENTIAL PSC DR1 Request 17 – VP, HR & Support Svcs Compensation Review.pdf*

a. A comparison of Market Pricing Grades (see attachment: *CONFIDENTIAL PSC DR1 Request 17 – Workforce Compensation and Salary Structure Review.pdf*) was completed resulting in some revision to grade assignments for some positions (see attachment *CONFIDENTIAL PSC DR1 Request 17 – Market Pricing Grade Changes.pdf*).

b. This is not applicable. Refer to Response 17a.

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REQUEST 18

RESPONSIBLE PARTY: Barry Lindeman

Request 18. To the extent not provided in response to Item 17 above, provide the most recent wage, compensation, and employee benefits studies, analyses, or surveys conducted since EKPC's last base rate case or that are currently utilized by EKPC.

Response 18. Refer to EKPC's response to Request 17.

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REQUEST 19

RESPONSIBLE PARTY: Barry Lindeman

Request 19. For each employee group, state the amount, percentage increase, and effective dates for general wage increases and, separately, for merit increases granted in the past three calendar years.

Response 19. Please see attachment *CONFIDENTIAL PSC DRI Request 19 – General and Merit Increases.pdf*.

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REQUEST 20

RESPONSIBLE PARTIES: **Michelle K. Carpenter and Barry Lindeman**

Request 20. Provide a schedule reflecting the salaries and other compensation of each executive officer for the test year and three most recent calendar years. Include the percentage annual increase and the effective date of each increase, the job title, duty and responsibility of each officer, the number of employees who report to each officer, and to whom each officer reports. For employees elected to executive officer status since the test year in EKPC's most recent rate case, provide the salaries for the persons they replaced.

Response 20. The following attachments provide the requested information related to executive officers' job title, reporting relationships, and duties for calendar years 2021 to 2024.

- *CONFIDENTIAL PSC DR1 Request 20 – Delegation of Authority to President CEO Policy 103.pdf*
- *PSC DR1 Request 20 – Job Description CFO & Executive VP.pdf*
- *PSC DR1 Request 20 – Job Description COO & Executive VP.pdf*

Please see attachment *PSC DR1 Request 20 - Executive Officer Compensation.xlsx* which provides the requested information related to executive officers' compensation and rate increases. The table below provides the number of employees reporting to each executive officer.

Executive Officer	2021	2022	2023	2024
President/CEO	5	5	5	5
CFO/EVP	9	8	7	7
COO/EVP	7	7	7	8

Since the test year in EKPC's most recent rate case, EKPC replaced the CFO/EVP position on March 14, 2021 and the incumbent's annual salary upon retirement was \$359,804. The CFO/EVP position was replaced again on May 1, 2023. The incumbent's annual salary upon retirement as of December 31, 2022 was \$416,627.

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REQUEST 21

RESPONSIBLE PARTY: Barry Lindeman

Request 21. Provide a listing of all health care plan categories, dental plan categories, and vision plan categories available to corporate officers individually and to groups defined as Directors, Managers, Supervisors, Exempt, Non-Exempt, Union, and Non-Union Hourly employees (e.g., single, family). Include the associated employee contribution rates and employer contribution rates of the total premium cost for each category, and each plan's deductible(s) amounts.

Response 21. EKPC's 2023 health care plan categories, dental plan categories, and vision plan categories are attached as *PSC DRI Request 21 – EKPC Benefit Plan Rates 2023.xlsx* for corporate officers and all employee groups.

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REQUEST 22

RESPONSIBLE PARTY: Barry Lindeman

Request 22. Provide a copy of all current labor contracts and the most recent labor contracts previously in effect.

Response 22. This is not applicable considering EKPC does not have any labor contracts.

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REQUEST 23

RESPONSIBLE PARTY: Barry Lindeman

Request 23. Provide a copy of each medical insurance policy that EKPC currently maintains.

Response 23. EKPC's Medical Benefit Plan, dated January 1, 2023, is attached as *PSC DR1 Request 23 – Medical Summary Plan Description (SPD).pdf*.

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REQUEST 24

RESPONSIBLE PARTY: Barry Lindeman

Request 24. Provide detailed descriptions of all early retirement plans or other staff reduction programs EKPC has offered or intends to offer its employees during the test year. Include all cost-benefit analyses associated with these programs.

Response 24. EKPC does not offer an early retirement plan or other staff reduction program.

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REQUEST 25

RESPONSIBLE PARTY: Barry Lindeman

Request 25. Provide a complete description of EKPC's other post-employment benefit package(s) provided to its employees.

Response 25. Other post-employment benefit package(s) provided to its employees include the following:

- Supplemental Executive Retirement Plan ("SERP") for CEO, COO, CFO, General Counsel, Senior Vice President, and Vice President. The purpose of this plan is to provide deferred compensation for eligible employees of EKPC. The plan is intended to be an unfunded, deferred compensation plan maintained primarily for the purpose of providing deferred compensation for a select group of management.
- KREC Medical, dental, and vision – offered to SERP participants at a 50% discount.
- KREC Medical – offered to all employees. Fifty percent (50%) discount if employee meets years of service requirement.
- Life insurance - \$10,000 coverage. Fifty percent (50%) discount if employee meets years of service requirement.

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REQUEST 26

RESPONSIBLE PARTY: **Michelle K. Carpenter**

Request 26. Provide a complete description of the financial reporting and ratemaking treatment of EKPC's pension costs.

Response 26. EKPC provides pension benefits to employees hired prior to January 1, 2007 through the National Rural Electric Cooperative Association ("NRECA") Retirement and Security Plan ("RS Plan"). EKPC also covers employees hired on or after January 1, 2007 that were participants in RS Plan at their former employer. The plan is a defined benefit pension plan qualified under Section 401 and tax exempt under Section 501(a) of the Internal Revenue Code. It is considered a multiemployer plan under the accounting standards. Accordingly, no assets or liabilities related to the plan are carried on EKPC's books. Contributions to the RS Plan allocated to expense are included in EKPC's rate application revenue requirements.

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REQUEST 27

RESPONSIBLE PARTY: Barry Lindeman

Request 27. Regarding EKPC's employee compensation policy:

- a. Provide a copy of EKPC's written compensation policy as approved by the board of directors.
- b. Provide a narrative description of the compensation policy, including the reasons for establishing the policy and EKPC's objectives for the policy.
- c. Explain whether the compensation policy was developed with the assistance of an outside consultant. If the compensation policy was developed or reviewed by a consultant, provide any study or report provided by the consultant.
- d. Explain when EKPC's compensation policy was last reviewed or given consideration by the board of directors.

Response 27.

- a. A copy of EKPC's written compensation policy is attached as *CONFIDENTIAL PSC DRI Request 27 - EKPC Compensation Policy.pdf*.

b. The purpose of the document is to provide an overview of the objectives, policies, and procedures for administering EKPC's pay plans. EKPC is committed to maintaining a competitive compensation program. EKPC's objectives include:

- Attracting and retaining quality personnel to support EKPC and member systems.
- Ensuring pay administration is fair and equitable for all employees.
- Determining pay increases and promotions on the basis of demonstrated individual performance.
- Ensure pay opportunities for employees reflect changes in competitive compensation trends and economic conditions.
- Ensure administration of the program complies with all relevant local, state, and federal regulations and legislation.

c. EKPC's compensation policy was developed in-house based upon industry best practice.

d. EKPC's compensation policy was last reviewed in March of 2021. The policy is reviewed annually with the Board of Directors in preparation and approval of the annual merit budget. The Board Resolutions for Compensation Program Revisions for the years 2020 – 2023 are attached as *CONFIDENTIAL PSC DRI Request 27 - Merit Increase Res_2020-2023.pdf*.

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REQUEST 28

RESPONSIBLE PARTY: Barry Lindeman

Request 28. State whether EKPC's expenses for wages, salaries, benefits, and other compensation included in the test year, and any adjustments to the test year, are compliant with the board of director's compensation policy.

Response 28. All expenses for wages, salaries, benefits, and other compensation and any adjustments made are compliant with the Board of Director's compensation policy.

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REQUEST 29

RESPONSIBLE PARTIES: Michelle K. Carpenter and Barry Lindeman

Request 29. Provide, in the format provided in Schedule I, the following information for EKPC's compensation and benefits for the test year and the three most recent calendar years preceding the test year. Provide information individually for each corporate officer and by category for Directors, Managers, Supervisors, Exempt, Non-Exempt, Union, and Non-Union Hourly employees. Provide the amounts, in gross dollars, separately for total company operations and jurisdictional operations.

- a. Regular salary or wages.
- b. Overtime pay.
- c. Excess vacation payout.
- d. Standby/Dispatch pay.
- e. Bonus and incentive pay.
- f. Any other forms of incentives, including stock options or forms of deferred compensation.
- g. Other amounts paid and reported on the employees' W-2 (specify).
- h. Healthcare benefit cost.

- 1) Amount paid by EKPC.
 - 2) Amount paid by employee.
- i. Dental benefits cost.
 - 1) Amount paid by EKPC.
 - 2) Amount paid by employee.
- j. Vision benefits cost.
 - 1) Amount paid by EKPC.
 - 2) Amount paid by employee.
- k. Life insurance cost.
 - 1) Amount paid by EKPC.
 - 2) Amount paid by employee.
- l. Accidental death and disability benefits.
 - 1) Amount paid EKPC.
 - 2) Amount paid by employee.
- m. Defined Benefit Retirement.
 - 1) Amount paid by EKPC.
 - 2) Amount paid by employee.
- n. Defined Contribution – 401(k) or similar plan cost. Provide the amount paid by EKPC.
- o. Cost of any other benefit available to an employee (specify).

Response 29. Please see attachment *PSC DRI Request 29 - Schedule I Analysis of Compensation and Benefits.xlsx* for the information requested in items a. through o. above.

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REQUEST 30

RESPONSIBLE PARTY: Barry Lindeman

Request 30. For each item of benefits listed in Item 30 above for which an employee is required to pay part of the cost, provide a detailed explanation as to how the employee contribution rate was determined.

Response 30. The following is a list of benefits which require employee contribution and how the rate is determined:

- Allstate Cancer and Accident plans – rates are set by provider;
- Supplemental Life Insurances – rates are set by the provider;
- KREC Medical Plan – rates are set by the KREC Medical plan membership;
- Dental Insurance - rates are recommended by Delta Dental; and,
- Vision Insurance - rates are recommended by Anthem Blue View Vision.

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REQUEST 31

RESPONSIBLE PARTY: Barry Lindeman

Request 31. Provide a listing of all healthcare plan categories, dental plan categories, and vision plan categories available to corporate officers individually and to groups defined as Corporate Officers, Directors, Managers, Supervisors, Exempt, Non-Exempt, Union, and Non-Union Hourly employees (e.g., single, family, etc.). Include the associated employee contribution rates and employer contribution rates of the total premium cost for each category, and each plan's deductible(s) amounts.

Response 31. Refer to EKPC's response to Request 21.

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REQUEST 32

RESPONSIBLE PARTY: Barry Lindeman

Request 32. Provide a listing of all life insurance plan categories available to corporate officers individually and to groups defined as Directors, Managers, Supervisors, Exempt, Non-Exempt, Union, and Non-Union Hourly employees. Include the associated employee contribution rates and employer contribution rates of the total premium cost for each plan category.

Response 32. Following is the listing of all life insurance plan categories available to corporate officers individually and to groups defined as Director, Managers, Supervisors, Exempt and Non-Exempt employees.

- Two times (2x) salary Basic Life and AD&D – capped at \$1,500,000
 - 100% Employer paid
 - Employer contribution rate equals \$0.207 per \$1,000 of coverage
- Business Travel Accident – capped at \$100,000
 - 100% Employer paid
 - Employer contribution rate equals \$27 per month

- Supplemental AD&D Life insurance up to five times (5x) annual base salary – individual or family
 - 100% Employee paid
 - Rate equals \$0.027 per \$1,000 of coverage for employee only and \$0.042 per \$1,000 of coverage for family
- Supplemental Life insurance up to five times (5x) salary and 100% employee paid

○ Age of Employee	○ Employee Cost per \$1,000
○ Less than 25 years of age	○ \$0.029
○ 25 to 29 years of age	○ \$0.035
○ 30 to 34 years of age	○ \$0.047
○ 35 to 39 years of age	○ \$0.053
○ 40 to 44 years of age	○ \$0.059
○ 45 to 49 years of age	○ \$0.088
○ 50 to 54 years of age	○ \$0.135
○ 55 to 59 years of age	○ \$0.252
○ 60 to 64 years of age	○ \$0.386
○ 65 to 69 years of age	○ \$0.744
○ 70 years of age or greater	○ \$1.207

- Spouse Life insurance up to \$200,000
 - EKPC pays for \$10,000 of spousal coverage and employee pays 100% for additional coverage

Age of Employee	Employee Cost per \$1,000
Less than 25 years of age	\$0.050
25 to 29 years of age	\$0.060
30 to 34 years of age	\$0.080
35 to 39 years of age	\$0.090
40 to 44 years of age	\$0.100
45 to 49 years of age	\$0.150
50 to 54 years of age	\$0.230
55 to 59 years of age	\$0.430
60 to 64 years of age	\$0.660
65 to 69 years of age	\$1.270
70 years of age or greater	\$2.060

- Child Life insurance up to \$20,000
 - EKPC pays for \$10,000 coverage and employee pays 100% for additional coverage
 - Employee rate equals \$0.010 per \$1,000 of coverage

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REQUEST 33

RESPONSIBLE PARTY: Barry Lindeman

Request 33. Provide a listing of all retirement plans available to corporate officers individually, and to groups defined as Directors, Managers, Supervisors, Exempt, Non-Exempt, Union, and Non-Union Hourly employees. Include the associated employee contribution rates, if any, and employer contribution rates of the total premium cost for each plan category.

Response 33. The following is the listing of all retirement plans available to corporate officers individually and to groups defined as Directors, Managers, Supervisors, Exempt and Non-Exempt employees:

1. Retirement Security (RS) Pension Plan is available to all employees hired prior to 1/1/2007 and any employee hired from another cooperative participating in the plan. This plan is 100% employer paid.
2. 401k Savings Plan available to all employees.
 - a. Employer match up to 2% for employees in the Retirement Security (RS) Plan
 - b. Employer match up to 4.5% plus a 6.5% employer base contribution for employee not in the RS Plan (This was effective July 1, 2024)

3. 457b Deferred Compensation Plan for managers and highly compensated employees.
4. 457(f) Supplemental Executive Retirement Plan is available to CEO, COO, CFO, General Counsel, Senior Vice Presidents, and Vice Presidents.

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REQUEST 34

RESPONSIBLE PARTY: Kyle Shadoan

Request 34. Provide an analysis of EKPC's expenses for research and development activities for the test year and the three preceding calendar years. For the test year, include the following:

- a. The basis of fees paid to research organizations and EKPC's portion of the total revenue of each organization, including where the contribution is monthly and provide the current rate and the effective date;
- b. Details of the research activities conducted by each organization;
- c. Details of services and other benefits provided to EKPC by each organization during the test year and the preceding calendar year;
- d. Total expenditures of each organization including the basic nature of costs incurred by the organization; and
- e. Details of the expected benefits to EKPC.

Response 34. The largest recipient of EKPC's Research, Development and Demonstration funding is the Electric Power Research Institute (“EPRI”). The EPRI expenses are for collaborative research studies, technology development, and supplemental support projects. The amounts shown in Table 34.1 were paid to EPRI for the programs EKPC participated in for 2020, 2021, 2022 and test year 2023.

Table 34.1 EPRI

2020	2021	2022	2023
\$552,681	\$554,006	\$516,657	\$535,112

By virtue of its membership in National Rural Electric Cooperative Association (“NRECA”), EKPC is also a participant in the NRECA’s Business and Technology Strategies (“BTS”) research department. BTS receives research, development and demonstration funding, the amounts shown in Table 34.2 below were paid by EKPC for membership dues 2020, 2021, 2022 and test year 2023.

Table 34.2 BTS

BTS Dues	2020	2021	2022	2023
(MWH) Sales	\$57,864	\$55,612	\$56,493	\$64,435
Owner Members	\$75,895	\$76,201	\$79,017	\$86,868
Total	\$133,759	\$131,813	\$135,510	\$151,303

a. Please see attachment *PSC DRI Request 34a - Portfolio Pricing.pdf* for the list of EPRI programs available to EKPC including pricing. Program selection is based on the individual department's needs and forms the basis of payments to EPRI. An attempt was made to obtain test year pricing but was unsuccessful; 2025 program pricing sheet is provided. Other payments for research are specific to the work being conducted within individual programs and identified as supplemental projects. For the test calendar year 2023, EKPC's payments represented 0.115 % of EPRI's revenues for that year. The amount of EKPC's dues paid to BTS is based upon the magnitude of its MWH sales. G&T members of NRECA, including EKPC, have the option of paying BTS dues on behalf of their owner-members, which EKPC elects to do. EKPC's payments represented 3.78% of BTS's revenue for the test year.

b. Please see attachment *PSC DRI Request 34b - Research Sectors.pdf* for available EPRI Energy Research Sectors (Generation / Nuclear / ED&CS). Research participation is related to the operational needs of the different business units of the company, such as generation, environmental, and power delivery. Please see attachment *PSC DRI Request 34b - Research Sectors BTS.pdf* for research activities provided by BTS.

c. Please see attachment *PSC DRI Request 34c - Program Summary.pdf* for elected EKPC program summary and benefit statements. EPRI's portfolio of research and development projects is extensive and covers a complete spectrum of activities and interest to most energy suppliers. The purpose of their research programs is member directed and provides solutions to short and long-term problems or areas of interest. Electric cooperatives rely on the BTS for insights and recommendations on current and future trends affecting operations, technology planning, consumer expectations, research and deployment, and policy. The BTS also engages directly with

internal and external stakeholders and represents cooperatives' needs in key forums to help ensure the longevity and success of the cooperatives and the cooperative business model.

d. EPRI's total revenue for the test calendar year 2023 was approximately \$464.4 million for research and development activities. As a non-profit organization, the total expenditure for EPRI should be approximately the same as revenue. For the test calendar year 2023, EKPC's payments represented 0.115 % of EPRI's revenue. As noted in the response to Request 34a, EKPC's payments represented 3.78% of BTS revenue. The BTS operating budget for 2023 was \$3,997,000. As part of a non-profit corporation, the total expenditure for BTS should be approximately the same as the operating budget.

e. Please see attachment *PSC DRI Request 34e - Value Statement.pdf* for value statements detailing the additional program benefits to EKPC. From 2020 – 2023, EKPC did not directly engage in a BTS sponsored project. Benefits are gained by following and gauging the success of all BTS sponsored projects. The risk of implementing a new technology or project at EKPC after witnessing a successful BTS sponsored project demonstrated at another cooperative removed financial risk to EKPC and enhances the likelihood of a successful outcome. Likewise, EKPC can avoid BTS sponsored projects and technologies that proved only marginally successful or did not make financial sense after being implemented at another cooperative. The BTS research department published detailed reports on all project and research activities.

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REQUEST 35

RESPONSIBLE PARTY: Jacob R. Watson

Request 35. Provide a running total of the following information concerning the cost of preparing this case:

a. A detailed schedule of expenses incurred to date for the following categories: For each category, the schedule should include the date of each transaction, check number or other document reference, the vendor, the hours worked, the rates per hour, amount, a description of the services performed, and the account number in which the expenditure was recorded. Provide copies of any invoices, contracts, or other documentation that support charges incurred in the preparation of this rate case. Indicate any costs incurred for this case that occurred during the test year.

- 1) Accounting;
- 2) Engineering;
- 3) Legal;
- 4) Consultants; and
- 5) Other Expenses (Identify separately).

b. An itemized estimate of the total cost to be incurred for this case. Expenses should be broken down into the same categories as identified in Item 36a above, with an estimate of the hours to be worked and the rates per hour. Include a detailed explanation of how the estimate was determined, along with all supporting workpapers and calculations.

c. Provide monthly updates of the actual costs incurred in conjunction with this rate case, reported in the manner requested in Item 36a above. Updates will be due when EKPC files its monthly financial statements with the Commission, through the month of the public hearing.

Response 35.

a. Please see attachment *PSC DR1 Request 35a – Schedule of Expenses.xlsx*. Also included is attachment *PSC DR1 Request 35a – Invoices, Contracts, Other.pdf* which contains applicable invoices, contracts, and other supporting documentation. None of the rate case expenses were incurred during the test year. EKPC agreed to pay for the costs associated with Owner-Members' pass-through cases, as EKPC did in its 2021 general rate proceeding and the 2021 Owner-Member pass-through cases.

b. The estimated total costs for the rate case were included in the Application in Exhibit 16, Direct Testimony of Jacob R. Watson, Attachment JRW-1 Statement of Operations, Schedule 1.23. The table below organizes the estimated total costs using the categories identified in Request 35a. EKPC believes the request intended to reference 35a instead of 36a.

Category	Amount	Hours to be Worked	Rates per Hour
Accounting	\$0	N/A	N/A
Engineering	\$0	N/A	N/A
Legal	\$175,000	Not Estimated	\$275 to \$310
Consultants			
Depreciation Study	\$60,000	Not Estimated	\$140 to \$340
Cost of Service Study	\$80,000	Not Estimated	\$175 to \$615
Owner-Member Pass-Through Filings	\$50,000	Not Estimated	\$230
Other Expenses			
Advertising	\$10,000	N/A	N/A
Legal Notices, Owner-Member Pass Through	\$270,000	N/A	N/A
Supplies, Materials, and Miscellaneous	\$5,000	N/A	N/A
Total Estimated Rate Case Expense	\$650,000		

c. EKPC will provide the requested monthly updates of the actual costs incurred in conjunction with the rate case.

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REQUEST 36

RESPONSIBLE PARTY: **Michelle K. Carpenter**

Request 36. Provide the following information for the most recent calendar year concerning EKPC and any affiliated service corporation or corporate service division/unit:

a. A schedule detailing the costs charged, either directly or allocated, by EKPC to the service company. Indicate EKPC's accounts where these costs were originally recorded. For costs that are allocated, include a description of the allocation factors utilized.

b. A schedule detailing the costs charged, either directly or allocated, by the service company to EKPC. Indicate EKPC's accounts where these costs were recorded. For costs that are allocated, include a description of the allocation factors utilized.

Response 36a. Please see attachment *PSC DRI Request 36a - Costs Charged to Affiliated Organizations.xlsx* for a detail of costs charged to affiliated organizations in 2024. For the purposes of this response, affiliated organizations are deemed to be ACES and Envision Energy Services, LLC.

b. ACES offers power trading and origination, power scheduling and transmission, natural gas services, trading controls, regulatory services, and ISO/RTO services to its members, which are necessary for EKPC's regulated operations. For the year ending December 31, 2024, ACES charged EKPC \$2.9 million for services rendered. These charges were recorded in Account 557003, Other Power Supply Expense, Broker Fees.

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REQUEST 37

RESPONSIBLE PARTY: **Michelle K. Carpenter**

Request 37. Provide the following information for the most recent calendar year concerning all affiliate-related activities not identified in response to Item 37:

- a. Provide the names of affiliates that provided some form of service to EKPC and the type of service EKPC received from each affiliate.
- b. Provide the names of affiliates to whom EKPC provided some form of service and the type of service EKPC provided to each affiliate.
- c. Identify the service agreement with each affiliate, state whether the service agreement has been previously filed with the Commission and identify the proceeding in which it was filed. Provide each service agreement that has not been previously filed with the Commission.

Response 37. This request is not applicable as all affiliate-related activities are identified in the response to Request 36.

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REQUEST 38

RESPONSIBLE PARTY: Jacob R. Watson

Request 38. Describe EKPC's lobbying activities and provide a schedule showing the name, salary, and job title of each individual whose job function involves lobbying on the local, state, or national level.

Response 38. EKPC's lobbying activities consist of monitoring state and federal legislation that impacts EKPC. EKPC works closely with Kentucky Electric Cooperatives at the state level and the National Rural Electric Cooperative Association at the federal level.

During the test year, Jena McNeil, Director of Government and Legislative Relations, served as EKPC's state legislative and executive agency lobbyist. Her salary associated with lobbying activities totaled \$ [REDACTED] in 2023 and is included in the lobbying expense adjustment in Account 426.400, Other Lobbying Expenses. Please see the adjustment for lobbying expenses in the Application, Exhibit 16, Direct Testimony of Jacob R. Watson, Attachment JRW-1, Schedule 1.15.

In preparation of this response, it was identified that the account numbers shown on Lines 11 and 12 of Schedule 1.15 were flipped. Please see below for how they should appear.

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11	Account 426.400 - Lobbying expenses reported to KLEC	\$107,618.00
12	Account 921.000 - Other Lobbying expenses	<u>\$10,624.44</u>

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REQUEST 39

RESPONSIBLE PARTY: Jacob R. Watson

Request 39. Regarding demand-side management, conservation, and energy-efficiency programs, provide the following:

- a. A list of all programs currently offered by EKPC.
- b. The total cost incurred for these programs by EKPC in each of the three most recent calendar years.
- c. The total energy and demand reductions realized through these programs in each of the three most recent calendar years.
- d. The total cost for these programs included in the test year and expected energy reductions to be realized from these programs.

Response 39.

- a. The following are the DSM programs offered by EKPC:

Button-Up Weatherization
Community Assistance Resources for Energy Savings (CARES)
Heat Pump Retrofit
High-efficiency Heat Pump
Touchstone Energy Home
Residential Electric Vehicle Off-peak Charging
Commercial Advanced Lighting
Commercial & Industrial Thermostat
Direct Load Control – Residential & Commercial
Touchstone Energy Home

- b.

Calendar Year	Annual Energy Savings (MWh)	Summer Demand Savings (MW)	Winter Demand Savings (MW)	Total Program Costs
2022	5773.47	26.28	7.80	\$ 3,947,025.67
2023 (test year)	5162.24	27.02	7.56	\$ 4,396,489.45
2024	5242.03	26.34	6.43	\$ 4,567,636.72

- c. See response b. above.
- d. See response b. above.

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REQUEST 40

RESPONSIBLE PARTY: **Michelle K. Carpenter**

Request 40. Provide an analysis of Other Operating Taxes as shown in Schedule J for the most recent calendar year.

Response 40. Please see attachment *PSC DRI Request 40 - Analysis of Other Operating Taxes.xlsx*.

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REQUEST 41

RESPONSIBLE PARTY: **Michelle K. Carpenter**

Request 41. Provide a detailed analysis of expenses incurred during the test year for professional services, as shown in Schedule K, and all workpapers supporting the analysis. At a minimum, the workpapers should show the payee, dollar amount, reference (i.e., voucher no., etc.), account charged, hourly rates and time charged to EKPC according to each invoice, and a description of the services provided.

Response 41. Please see attachment *PSC DRI Request 41 - Professional Services Expenses.xlsx* for test year 2023 Schedule K and supporting workpapers for professional services charged to Account 923001, Outside Services-Regulated. It should be noted that the workpapers do not include hourly rates and time charged to EKPC. This information is not captured in the accounting system and therefore, would require manual review and tabulation of all hours and rates for every invoice charged to the account. EKPC requests to be relieved from the administrative burden of providing hourly rates and time charged for all of the transactions in the workpapers.

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REQUEST 42

RESPONSIBLE PARTY: Jacob R. Watson

Request 42. Provide the following information for EKPC. If any amounts were allocated, show a calculation of the factor used to allocate each amount.

a. A detailed analysis of all charges booked during the test year for advertising expenditures. Include a complete breakdown of Account No. 913 – Advertising Expenses, and any other advertising expenditures included in any other expense accounts, as shown in Schedule L1. The analysis should specify the purpose of the expenditure and the expected benefit to be derived.

b. An analysis of Account No. 930 – Miscellaneous General expenses for the test year. Include a complete breakdown of this account as shown in Schedule L2 and provide detailed workpapers supporting this analysis. At a minimum, the workpapers should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure of \$500 or more, provided that lesser items are grouped by classes as shown in Schedule L2.

c. An analysis of Account No. 426 – Other Income Deductions for the test year. Include a complete breakdown of this account as show in Schedule L3 and provide detailed workpapers supporting this analysis. At a minimum, the workpapers should show the date, vendor,

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Page 2 of 2reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure of \$500 or more, provided that lesser items are grouped by classes as shown in Schedule L3.

Response 42.

a. Please see attachment *PSC DRI Request 42a – Advertising Expense.xlsx* for Schedule L1 and supporting analysis. The supporting analysis identifies expenses EKPC removed for rate-making purposes.

b. Please see attachment *PSC DRI Request 42b – Miscellaneous Expense.xlsx* for Schedule L2 and supporting analysis. The Schedule notes expenses EKPC removed for rate-making purposes by cross-referencing to the applicable schedules contained in Exhibit 16 of the Application, direct testimony of Jacob R. Watson, Exhibit JRW-1. The supporting analysis includes a brief description of each transaction, including those below \$500, with all transactions grouped into the classes shown in Schedule L2.

c. Please see attachment *PSC DRI Request 42c – Other Income Deductions.xlsx* for Schedule L3 and supporting analysis. The Schedule notes expenses EKPC removed for rate-making purposes. The supporting analysis includes a brief description of each transaction, including those below \$500, with all transactions grouped into the classes shown in Schedule L3.

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REQUEST 43

RESPONSIBLE PARTY: Gregory H. Cecil

Request 43. Provide the name and personal mailing address of each member of EKPC's board of directors. Also, identify the board members who are representatives to the Kentucky Association of Electric Cooperatives or the National Rural Electric Cooperative Association. If any changes occur in board membership during the course of this proceeding, update the response to this request.

Response 43. Please see attachment *CONFIDENTIAL PSC DRI Request 43 - EKPC Directors.xlsx*. Jody Hughes from Blue Grass Energy Cooperative Corp. is EKPC's board member who represents EKPC on the Kentucky Electric Cooperative's Board of Directors. There are no EKPC board members who are on the board of the National Rural Electric Cooperative Association.

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REQUEST 44

RESPONSIBLE PARTY: Barry Lindeman

Request 44. Provide a detailed analysis of the total compensation paid to each member of the board of directors during the test year, including all fees, fringe benefits, and expenses, with a description of the type of meetings, seminars, etc., attended by each member. Identify any compensation paid to EKPC's board members for serving on EKPC's board of directors. If any of the listed expenses in this analysis include the costs for a director's spouse, list expenses for the directors' spouses separately.

Response 44. Please see attachment *PSC DRI Request 44 - Test Year Board Compensation.pdf*.

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REQUEST 45

RESPONSIBLE PARTY: **Michelle K. Carpenter**

Request 45. Provide EKPC's written policies on the compensation of its attorneys, auditors, and all other professional service providers. Include a schedule of fees, per diems, and other compensation in effect during the test year. Include all agreements, contracts, memoranda of understanding, and any other documentation that explains the nature and type of reimbursement paid for professional services. If any changes occurred during the test year, indicate the effective date of these changes and the reason for these changes.

Response 45. Please see attachment *PSC DRI Request 45 - Confidential Policies 107 and 113.pdf* for EKPC's policies related to the use of consultants and attorneys, respectively. A general schedule of fees and the corresponding agreements are provided in attachment *PSC DRI Request 45 - Confidential Fee Schedule.pdf*. Hourly rates were not provided on the schedule as they can vary per invoice based on the complexity of the subject matter and level of expertise required. For example, with regard to legal services, EKPC retains outside counsel based upon relative experience, skill level, expertise and availability. Some areas of the law, such as workers compensation, have a large number of practitioners in the local market and EKPC is able

to obtain services at lower rates. For some of the areas of the law that are highly specialized or that can only be found in major metropolitan areas, the hourly rate is higher. During the test year, rates for outside counsel ranged from \$145 per hour to \$995 per hour.

It should be noted that this response is limited to consulting services charged to Account 923001, the detail of which was provided in Response 41 and therefore, excludes engineering and other services charged to other accounts. It should also be noted that the fees paid to Michael McNalley while serving as temporary CFO and assisting in recruiting and transitioning the new CFO were removed for rate-making purposes.

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REQUEST 46

RESPONSIBLE PARTY: **Michelle K. Carpenter**

Request 46. Provide a copy of EKPC's policies, specifying the compensation of directors and a schedule of standard directors' fees, per diems, and other compensation in effect during the test year. If changes occurred during the test year, indicate the effective date and the reason for the changes.

Response 46. Please see attachment *PSC DRI Request 46 - Board Policy 111.pdf* which addresses director compensation, benefits, and expense reimbursements. This policy was last amended on November 7, 2023 to consistently use the term "preapproved" throughout the policy. Attachment *PSC DRI Request 46a - Standard Monthly Retainers and Fees.pdf* provides a schedule of the monthly retainers and meeting fees in effect during the 2023 test year. It should be noted that retainer rates have not changed since November 2015. The current meeting fee rate has been in effect since July 9, 2019.

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REQUEST 47

RESPONSIBLE PARTY: Gregory H. Cecil

Request 47. Provide the date, time, and a general description of the activities at the most recent annual members' meeting. Indicate the number of new board members elected. For the most recent meeting and the five previous annual members' meetings, provide the number of members in attendance, the number of members voting for new board members, and the total cost of the meeting.

Response 47.

1. June 10, 2025, 10:30 a.m. EDT Owner-Members attending 16

- 2025 Cost:

Meals	\$17,220.50
Décor	\$2,667.28
Director Years of Service Recognition Pins	\$52.75
Total	\$19,940.53

- General description:

EKPC held its annual meeting on Tuesday, June 10, 2025, at its headquarters in Winchester, KY. Once a quorum was established, the Board Secretary

confirmed the notice of the meeting and reports on the Cooperative were provided by the Board officers and the President and CEO. Representatives of the 16 Owner-Members nominated and elected directors for EKPC's Board, and upon reviewing unfinished and new business, the meeting was adjourned.

2.

Year	Attendance	Attendance notes:	Total meeting cost	Number of members voting	Number of new board members	
2025	123 registered guests	does not include those attending virtually	\$41,222.91	16	0	
2024	128 registered guests	does not include those attending virtually	\$37,624.78	16	2	Chris Tucker, Taylor RECC; Lansford Lay, Cumberland Valley
2023	127 registered guests	does not include those attending virtually	\$21,638.65	16	3	Steve Hale, Clark; Kevin Howard, Licking Valley; George Maddox, Salt River
2022	63 in-house guests	does not include those attending virtually	\$5,971.09	16	1	Darrell Tingle, Salt River
2021	All virtual		\$2,824.55	16	1	Harold Dupuy, Grayson RECC
2020	All virtual		\$2,020.81	16	1	Rick Thomas, Nolin RECC

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REQUEST 48

RESPONSIBLE PARTY: Jacob R. Watson

Request 48. Provide any information, when known, that would have a material effect on net operating income, rate base, or cost of capital that have occurred after the test year but were not incorporated in the filed testimony and exhibits.

Response 48. EKPC incorporated all material items occurring in the six months following the test year in its rate application.

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REQUEST 49

RESPONSIBLE PARTY: **Jeffrey W. Wernert, Jr.**

Request 49. To the extent not already provided, provide a copy of each cost of service study, billing analysis, and all exhibits and schedules that were prepared in EKPC's rate application in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response 49. Please see attachments *PSC DRI Request 49 - Attachments JWW-1 and JWW-2 - EKPC Class Cost of Service Study.xlsx*, *PSC DRI Request 49 - Attachment JWW-3 - Average and Excess Allocation.xlsx*, and *PSC DRI Request 49 - Attachment JWW-4 - EKPC Consumption Analysis with 2024 FAC Base Change.xlsx*.

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REQUEST 50

RESPONSIBLE PARTY: Jacob R. Watson

Request 50. To the extent not already provided, provide all workpapers, calculations, and assumptions EKPC used to develop its test year financial information in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response 50. Refer to the Application, Exhibit 16, Direct Testimony of Jacob R. Watson, Attachments JRW-1, JRW-2, and JRW-3.

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REQUEST 51

RESPONSIBLE PARTY: Thomas J. Stachnik

Request 51. State the credit metrics that are used in EKPC's debt covenants.

Response 51. EKPC's debt agreements include an Indenture, which governs all secured debt, including all Rural Utilities Service ("RUS") / Federal Financing Bank ("FFB") debt, Private Placements, and certain National Rural Utilities Cooperative Finance Corporation ("CFC") loans. The Indenture is the agreement, overseen by US Bank as the Trustee, which pledges assets as collateral for EKPC's secured debt and ensures that EKPC has sufficient assets to back up these pledges. The Indenture requires EKPC set rates sufficient to maintain the MFI ratio ("MFI") ratio of 1.1x, [calculated as (Margins + Interest Expense on Secured Debt) / Interest Expense on Secured Debt]. MFI is practically the same as TIER, but only considers the interest expense on debt secured by the Indenture.

EKPC also maintains an unsecured syndicated credit facility, led by the CFC, with four other financial institutions participating (Bank of America, U.S. Bank, PNC Bank, and Truist Bank). The credit facility has a covenant that EKPC must maintain an average Debt Service Coverage Ratio ("DSC") of 1.1.