COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIROMENTAL SURCHARGE MECHANISM OF EAST KENTUCKY POWER COOPERATIVE, INC. FOR THE TWO-YEAR EXPENSE PERIOD ENDING MAY 31, 2025, AND THE PASS-THROUGH MECHANISM OF ITS SIXTEEN MEMBER DISTRIBUTION COOPERATIVES	))))))))	**CASE NO. 2025-00266**

SUPPLEMENTAL RESPONSE TO STAFF'S FIRST INFORMATION REQUEST

TO EAST KENTUCKY POWER COOPERATIVE, INC.

DATED SEPTEMBER 19, 2025

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIROMENTAL SURCHARGE MECHANISM OF EAST KENTUCKY POWER COOPERATIVE, INC. FOR THE TWO-YEAR EXPENSE PERIOD ENDING MAY 31, 2025, AND THE PASS-THROUGH MECHANISM OF ITS SIXTEEN MEMBER DISTRIBUTION COOPERATIVES	)	**CASE NO. 2025-00266**

CERTIFICATE

STATE OF KENTUCKY)
)
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 Supplemental Response to Staff's First Request for Information in the above-referenced case dated October 15, 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 22nd day of October, 2025.

Notary Public

JOHN CHRISTIAN EVERLY
Notary Public
Commonwealth of Kentucky
Commission Number KYNP104251
My Commission Expires Aug 27, 2029

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00266
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED SEPTEMBER 19, 2025
REQUEST 2
RESPONSIBLE PARTY: Jacob R. Watson

Request 2. This question is addressed to EKPC and the Member Cooperatives. For each of the Member Cooperatives, prepare a summary schedule showing the Member Cooperative's pass-through revenue requirement for the months corresponding with the two-year review. Include a calculation of any additional over- or under-recovery amount the Member Cooperative believes needs to be recognized for the two-year review. Provide the schedule and all supporting calculations and documentation in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response 2. Please see the following Excel spreadsheets that show the calculation of each Owner-Member's over- or under-recovery for the 24 months covered by this review:

Staff DR1 Response 2 – Big Sandy Surcharge Summary.xlsx
Staff DR1 Response 2 – Blue Grass Surcharge Summary.xlsx
Staff DR1 Response 2 – Clark Surcharge Summary.xlsx
Staff DR1 Response 2 – Cumberland Valley Surcharge Summary.xlsx
Staff DR1 Response 2 – Farmers Surcharge Summary.xlsx
Staff DR1 Response 2 – Fleming-Mason Surcharge Summary.xlsx
Staff DR1 Response 2 – Grayson Surcharge Summary.xlsx
Staff DR1 Response 2 – Inter-County Surcharge Summary.xlsx
Staff DR1 Response 2 – Jackson Surcharge Summary.xlsx

Staff DR1 Response 2 – Licking Valley Surcharge Summary.xlsx
Staff DR1 Response 2 – Nolin Surcharge Summary.xlsx
Staff DR1 Response 2 – Owen Surcharge Summary.xlsx
Staff DR1 Response 2 – Salt River Surcharge Summary.xlsx
Staff DR1 Response 2 – Shelby Surcharge Summary.xlsx
Staff DR1 Response 2 – South Kentucky Surcharge Summary.xlsx
Staff DR1 Response 2 – Taylor County Surcharge Summary.xlsx

The calculations follow the revised methodology approved by the Commission in Case No. 2015-00281. Following that methodology, the 24-month review period is broken down into six-month segments. Each Excel spreadsheet has eight tabs containing the calculation of the over- or under-recovery for the applicable six-month period:

- Tab "Current 5-31-25" reflects the expense months of December 2024 through May 2025.
- Tab "2025-00013 Summary" reflects the over- or under-recovery from the last review which impacts the current over- or under-recovery. There are six tabs supporting this summary.
    - Tab "A - 05-31-22"
    - Tab "B - 11-30-22"
    - Tab "C - 05-31-23"
    - Tab "D - 11-30-23"
    - Tab "E - 05-31-24"
    - Tab "F - 11-30-24"

Please note that while the tabs are labeled to correspond with the applicable surcharge expense month, the spreadsheets reflect the surcharge billing month, which is one month later than the expense month. Thus, the expense months December 2024 through May 2025 correspond to

the billing months of January 2025 through June 2025. This approach has been consistently followed since the adoption of the revised methodology in Case No. 2015-00281.

The following table summarizes the resulting over- or under-recoveries for each Owner-Member, the proposed amortization period, and the monthly amortization amount.

Owner-Member	Total Net (Over)/Under Recovery		Months to Amortize	Monthly Amortization	
	(Over)	Under		(Over)	Under
Big Sandy	($21,017)		6	($3,503)	
Blue Grass	($220,549)		6	($36,758)	
Clark		$140,507	6		$23,418
Cumberland Valley	($442,980)		6	($73,830)	
Farmers		$76,662	6		$12,777
Fleming-Mason	($7,144)		6	($1,191)	
Grayson		$27,456	6		$4,576
Inter-County		$141,584	6		$23,597
Jackson	($39,064)		6	($6,511)	
Licking Valley	($6,422)		6	($1,070)	
Nolin		$179,812	6		$29,969
Owen		$186,579	6		$31,096
Salt River	($146,076)		6	($24,346)	
Shelby	($67,774)		6	($11,296)	
South Kentucky		$46,770	6		$7,795
Taylor County	($4,725)		1	($4,725)	
Cumulative Totals	($955,749)	$799,370			

EKPC and the Owner-Members were requested to prepare a summary schedule showing the Owner-Member's pass-through revenue requirement for the months corresponding with the 24-month review period. As discussed in Direct Testimony of Jacob R. Watson, filed contemporaneously with these responses, this 24-month review proceeding includes the fifth two-year review since the adoption of the revised methodology approved in Case No. 2015-00281. In the two-year reviews, Case No. 2017-00326, and 2019-00380, EKPC provided Excel spreadsheets for each Owner-Member that included four "tabs." The first three tabs provided the six-month

schedules filed in the previous surcharge review case, identified by the applicable case number. The fourth tab covered the last six-months of the review period that had yet to be reviewed and contained the determination of the over- or under-recovery for the current review period. In those two-year review proceedings, EKPC stated its belief that viewing all four schedules together accomplished the desired review of each Owner-Member's revenue requirement during the review period. The most recent two-year reviews, Case No. 2022-00141 and 2025-00013, covered more than 24-months and were presented similarly. In the most recent review, Case No. 2025-00013, 36-months were in the review. To understand the previous over- or under-recovery presented in the tab "Current 05-31-25", a summary tab and supporting tabs from Case No. 2025-00013 are included to provide the complete view.

Supplemental Response 2. The March 2025 revenue value for Jackson Energy was misstated. The corrected revenue value increased Jackson Energy's over-collection to $100,064. Please see attachment *Staff DR1 Response 2 – Jackson Surcharge Summary-Revised.xlsx.* The following table has been updated to summarize the resulting over- or under-recoveries for each Owner-Member, the proposed amortization period, and the monthly amortization amount.

Owner-Member	Total Net (Over)/Under Recovery		Months to Amortize	Monthly Amortization	
	(Over)	Under		(Over)	Under
Big Sandy	($21,017)		6	($3,503)	
Blue Grass	($220,549)		6	($36,758)	
Clark		$140,507	6		$23,418
Cumberland Valley	($442,980)		6	($73,830)	
Farmers		$76,662	6		$12,777
Fleming-Mason	($7,144)		6	($1,191)	
Grayson		$27,456	6		$4,576
Inter-County		$141,584	6		$23,597
Jackson	($100,064)		6	($16,677)	
Licking Valley	($6,422)		6	($1,070)	
Nolin		$179,812	6		$29,969
Owen		$186,579	6		$31,096
Salt River	($146,076)		6	($24,346)	
Shelby	($67,774)		6	($11,296)	
South Kentucky		$46,770	6		$7,795
Taylor County	($4,725)		1	($4,725)	
Cumulative Totals	($1,016,749)	$799,370			