

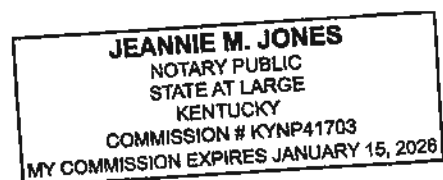
COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN APPLICATION OF EAST KENTUCKY POWER	)	
COOPERATIVE, INC. FOR APPROVAL OF THE	)	
AUTHORITY TO ISSUE UP TO \$1,000,000,000 OF	)	
SECURED OR UNSECURED PRIVATE PLACEMENT	)	Case No.
OR BANK/FINANCIAL INSTITUTION DEBT	)	2025-00321
OBLIGATIONS, FOR THE EXECUTION OF CERTAIN	)	
PRECEDENT AGREEMENTS AND FOR THE USE OF	)	
INTEREST RATE MANAGEMENT INSTRUMENTS	)	

RESPONSES TO STAFF’S FIRST INFORMATION REQUEST
TO EAST KENTUCKY POWER COOPERATIVE, INC.
DATED NOVEMBER 13, 2025

JEANNIE M. JONES
NOTARY PUBLIC
STATE AT LARGE
KENTUCKY
COMMISSION # KYNP41703
MY COMMISSION EXPIRES JANUARY 15, 2026



EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00321
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED NOVEMBER 13, 2025

REQUEST 1

RESPONSIBLE PARTY: **Thomas J. Stachnik**

Request 1. Refer to the Application, pages 3 and 5. Explain how the \$1,000,000,000 financing amount was determined, including any specific projects or expenditure examples.

Response 1. In Case Nos. 2024-00310¹ and 2024-00370², the Commission approved capital projects totaling \$2.1 billion. EKPC only requested \$1 billion in borrowing authority in this case since it does not anticipate the need to finance the entire capital investment amount as simultaneous interim financing issuances over the next several years. In other words, the borrowings made pursuant to the authority sought in this case will gradually be replaced by long-term RUS financing. If RUS is prompt with progress payments, EKPC may need less interim financing, but EKPC wishes to be prepared in the event that progress payments on long-term RUS debt do not come as expected since EKPC has not historically used these.

¹ *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, Order, (Ky. P.S.C., May 20, 2025). ("Case No. 2024-00310")*.

² *Electronic Application of East Kentucky Power Cooperative, Inc. for 1) Certificates of Public Convenience and Necessity to Construct a New Generation Resources; 2) For a Site Compatibility Certificate Relating to the Same; 3) Approval of Demand Side Management Tariffs; and 4) Other General Relief, Case No. 2024-00370, Order, (Ky. P.S.C., July 3, 2025). ("Case No. 2024-00370")*.

The table below indicates the timing of these capital expenditures and calculates the expected cumulative interim financing that is required. This calculation assumes that EKPC will receive 75 percent of the ongoing capital expenditures as progress payments in the following year after the cash outflows. The remainder of RUS funding is anticipated to be received in 2031 after the capital projects are complete (less an allowance of \$200 million for the possibility of elements of projects not funded by RUS). Under these assumptions, EKPC will require approximately \$852 million of cumulative interim financing at the peak of 2029. Adding some room for uncertainty, EKPC determined it was prudent to request authority to issue up to \$1 billion in evidences of indebtedness. In the event that more interim, non-governmental financing is required, EKPC would seek additional Commission approval.

	<i>(\$ Millions)</i>	thru 2025	2026	2027	2028	2029	2030	2031	Total
A	Financing Need (see Application p. 4)	214	255	449	602	472	86	-	2,078
B	RUS Funding Estimate (75% of Prior year expenditure, remainder in 2031)	0	161	191	337	452	354	384	1,878
A-B	Cumulative Shortfall	214	309	566	832	852	584	200	

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00321
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED NOVEMBER 13, 2025

REQUEST 2

RESPONSIBLE PARTY: Thomas J. Stachnik

Request 2. Explain how the new financing will affect EKPC's credit rating and overall financial stability.

Response 2. EKPC's current ratings take into consideration all of EKPC's planned capital expenditures. The requirement of EKPC to seek financing for these capital projects has been factored into the current ratings. The readily available liquidity the financing requested herein would provide is key to maintaining these credit ratings and financial stability. Without Commission approval, EKPC would be required to rely on interim financings of less than two years or through RUS. The flexibility that a longer-dated financing approved by the Commission would provide is a credit positive. Both Standard & Poor's and Fitch recently affirmed EKPC's current credit rating and both have expressed support for the symmetrical earnings mechanism set forth in the Stipulation and Settlement Agreement filed in Case No. 2025-00208 as being credit supportive. By maintaining EKPC's credit ratings, the costs of debt issuances will remain lower, which translates into less costs for end-use retail customer to pay.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00321
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED NOVEMBER 13, 2025

REQUEST 3

RESPONSIBLE PARTY: Thomas J. Stachnik

Request 3. Explain the current maturity date of EKPC's credit facility.

Response 3. EKPC has a \$600 million syndicated Revolving Credit Facility established in July 2022 with five financial institutions. After executing three one-year extensions, \$520 million of this facility has a maturity date of July 25, 2030, with \$80 million maturing on the original maturity date of July 29, 2027, due to one non-extending lender. The Revolving Credit Facility provides for up to two additional one-year extensions.

In addition, EKPC executed a three-year term loan (\$300 million with an option to increase to \$450 million) authorized by Case No. 2025-00044.³ The maturity date thereof is July 29, 2028, with provisions for up to four one-year extensions. These extensions are not guaranteed. EKPC intends to request extensions at each anniversary date keeping the maturities at five (5) and three (3) years respectively until 2032. If EKPC finds that the bank market is such that extensions are not possible, this would allow ample time to seek additional sources of liquidity.

³ *Electronic Application of East Kentucky Power Cooperative, Inc. for Approval of the Authority to Issue up to \$450,000,000 of Secured or Unsecured Private Placement or Bank/Financial Institution Debt Obligations.* Case No. 2025-00044, April 29, 2025 Order, (Ky. P.S.C., April 29, 2025).

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00321
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED NOVEMBER 13, 2025

REQUEST 4

RESPONSIBLE PARTY: **Thomas J. Stachnik**

Request 4. Provide the estimated timeline for the Rural Utilities Services (RUS) loan approval and disbursement.

Response 4.

RUS Loan for Ongoing Generation Projects <i>(Secured, fixed rate, 35-year amortizing loan)</i>	\$109M	Received commitment letter from RUS. Pending documentation (Supplemental Indenture and updated RUS Loan Agreement) Upon closing, we expect initial reimbursements of ~\$70M.
RUS Loan for Ongoing Transmission Projects <i>(Secured, fixed rate, 35-year amortizing loan)</i>	\$319M	Received commitment letter from RUS. Pending documentation (Supplemental Indenture and updated RUS Loan Agreement) Upon closing, we expect initial reimbursements of ~\$90M.
RUS Loan for RICE Project <i>(Secured, fixed rate, 35-year amortizing loan)</i>	\$457M	Application pending. Expect approval shortly, delayed by government shutdown. If approval occurs quickly, can utilize same documentation as above two loans. If delayed much longer, EKPC will proceed with the two above.
RUS Loan for Combined Cycle and Co-Firing Projects	~\$1.5 B	Expect to submit application mid-2026 after receiving necessary Environmental approvals required by RUS before submittal.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00321
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED NOVEMBER 13, 2025

REQUEST 5

RESPONSIBLE PARTY: Thomas J. Stachnik

Request 5. Explain how EKPC plans to transition from the financing proposed in the application to the RUS loans or other long-term funding sources.

Response 5. EKPC will submit RUS loan applications that correspond with the capital projects referenced herein. Upon RUS approval of these loan applications, EKPC may seek RUS progress payments, which allow for financing to occur during specific construction milestones or EKPC may wait until the projects are completed and in-service. As the majority of the capital projects will be entered into service circa 2030, the maturing interim private debt (most likely between 2031 and 2033) will be paid off with RUS financing proceeds. The terms that EKPC will pursue with the private market will allow for a sufficient RUS take-off period and will be structured in such a way as to not strain EKPC's working capital.

For the elements of the projects that might not be eligible for RUS financing, EKPC may issue a longer-dated private placement that would remain outstanding for up to 30 years.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00321
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED NOVEMBER 13, 2025

REQUEST 6

RESPONSIBLE PARTY: Thomas J. Stachnik

Request 6. Explain what financing options EKPC will consider if the RUS loan is denied.

Response 6. If RUS loans are unexpectedly denied, EKPC would issue longer-dated debt in the private placement market or in bilateral loans with financial institutions. While this would be at financing rates 1% to 2% higher than RUS rates, these markets are available to EKPC. EKPC is unaware of any basis of why the loan applications would not be approved by RUS and views the contemplated hypothetical as unlikely to materialize.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00321
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED NOVEMBER 13, 2025

REQUEST 7

RESPONSIBLE PARTY: Thomas J. Stachnik

Request 7. Identify any project elements not eligible for RUS financing and quantify how much of the requested financing is expected to remain outstanding long-term versus being taken out by RUS.

Response 7. There are approximately \$150 to \$200 million of expenditures for assets not directly owned by EKPC for transmission upgrades related to the new generation. Receiving RUS funding for these elements may be more difficult due to environmental compliance requirements. EKPC is considering the possibility of using longer-dated private or bilateral financial institution debt to fund these.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00321
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED NOVEMBER 13, 2025

REQUEST 8

RESPONSIBLE PARTY: Thomas J. Stachnik

Request 8. Explain if EKPC will seek rate adjustments or other cost recovery mechanisms related to the proposed financing.

Response 8. While Case No. 2025-00208⁴ is pending, EKPC cannot speculate on further rate increases at this time. The Stipulation and Settlement Agreement filed in Case No. 2025-00208 includes a Symmetrical Earnings Mechanism (SEM) that is intended to operate as a rate mechanism to eliminate the need for filing successive rate cases over the next five years. As spelled out in the testimony of Mr. Clifton Scott in the pending rate case, the SEM is dynamic and will follow EKPC's growing revenue requirement to match TIER. The SEM dovetails nicely with the request for authority to issue evidences of indebtedness in this case. If the Stipulation is not approved without modification in Case No. 2025-00208, EKPC anticipates that it will be filing significant rate increase applications in succession, with the next to likely be filed in 2026.

⁴ *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.
CASE NO. 2025-00321
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED NOVEMBER 13, 2025

REQUEST 9

RESPONSIBLE PARTY: Thomas J. Stachnik

Request 9. Provide the potential implications if the Commission does not approve the financing as requested.

Response 9. EKPC does not require Commission approval for RUS financings or for financings with maturities of less than two years. EKPC would continue to maximize opportunities to finance with RUS and would have to rely on shorter, riskier borrowing arrangements to provide interim financing. Also, without the ability to issue some longer-dated debt to finance projects that are ineligible for RUS, EKPC would need to fund these long-term assets with short-term loans, creating refinancing and interest rate risk. On this basis, a non-approval of EKPC's application herein would significantly disrupt the plan created by EKPC to efficiently and cost-effectively borrow funds to invest in its already-approved generation expansion and co-firing projects. This would translate into higher debt expense, potential project delays and more expensive rates in the future.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00321
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED NOVEMBER 13, 2025

REQUEST 10

RESPONSIBLE PARTY: Thomas J. Stachnik

Request 10. Explain if EKPC anticipates additional regulatory approvals for projects or related financing beyond Commission authorization. If so, provide what approvals will be required.

Response 10. As stated in Response 4, the RUS loan for the RICE engines has not yet been authorized, although EKPC expects a commitment letter soon. EKPC plans to apply for the RUS loan to support the Combined Cycle and Co-firing projects after environmental reviews are completed that are necessary for the RUS applications. Other regulatory approvals (e.g. state air and water permits) for the projects (not for the financing) are enumerated in the Direct Testimony of Jerry B. Purvis for Case Numbers 2024-00310 and 2024-00370.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00321
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED NOVEMBER 13, 2025

REQUEST 11

RESPONSIBLE PARTY: Thomas J. Stachnik

Request 11. Provide a portion-by-portion summary identifying for each debt portion: amount; intended maturity/tenor; fixed or floating (index and spread); fees; expected placement method (bank/financial-institution debt vs. private placement); whether secured under the 2012 Indenture or unsecured; amortization; prepayment/call terms; and any material covenants.

Response 11. Please see the table on the next page:

Financing	Interest Rate Estimate	Placement Method / Security	Purpose
~\$500 million in 5-year bullet maturity private placements in one or more tranches over 2026-2027	Fixed rate of 1-2% over 5-year Treasury rate (~4.5%-5.5% at current rates)	Agents or bilateral transactions with financial institutions. Fee TBD but no more than 1%. Secured under the Indenture, with covenants thereunder.	Interim financing of expenditures assuming RUS progress payments.
~\$200 million of a 30-year amortizing private placement	Fixed rate of 1.5-2% over 30-yr Treasury rate (~6.25% - 6.75% at current rates)	Agents or bilateral transactions with financial institutions. Fee TBD but no more than 1%. Secured under the Indenture, with covenants thereunder.	Long-term financing of elements which may not be eligible for RUS funding
Up to \$200 million additional short-term debt with financial institutions	Short-term variable rates similar to current credit facilities	Possibly unsecured with similar covenants / terms to existing facilities.	Short-term financing of the large expenditures in 2028-2029, closer to project completion.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00321
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED NOVEMBER 13, 2025

REQUEST 12

RESPONSIBLE PARTY: Thomas J. Stachnik

Request 12. Describe contingency plans if interest rates materially decline after closing and quantify expected costs/benefits under reasonable scenarios.

Response 12. EKPC continues to utilize floating rate debt (revolver and term loan) for interim financing and would benefit from lower rates on these should rates decline. When EKPC issues fixed rate debt, removing the uncertainty of variable rates, it is generally prepared to accept those rates for the duration of the financing as prepayment penalties make refinancing unattractive.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00321
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED NOVEMBER 13, 2025

REQUEST 13

RESPONSIBLE PARTY: Thomas J. Stachnik

Request 13. Refer to the Application, pages 8 and 9, which state that seeking additional unsecured debt will require a waiver from the existing lenders. Describe an example of this process and include whether it would prompt any fees or penalties.

Response 13. Lenders representing 50 percent of the borrowings under EKPC's unsecured term loan and Revolving Credit Facility would have to approve a waiver to issue any unsecured debt beyond the \$150 million increase option on the 3-year term loan and the \$200 million increase option on the 5-year revolving facility. EKPC anticipates exercising the \$150 million on the term loan shortly, but credit limits at the financial institutions may make exercising an increase on the revolver more difficult. A more likely scenario is that EKPC would proceed with issuing secured private placement debt.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00321
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED NOVEMBER 13, 2025

REQUEST 14

RESPONSIBLE PARTY: Thomas J. Stachnik

Request 14. Refer to the Application, page 9. If the Commission were to approve the proposed financing, explain whether EKPC expects to prioritize issuances with shorter or longer tenors.

Response 14. The more immediate need would be for shorter tenors used for interim financing that could be paid off with RUS advances. A smaller issuance with longer maturity could also be advisable to cover non-RUS financed assets or to opportunistically lock in rates.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00321
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED NOVEMBER 13, 2025

REQUEST 15

RESPONSIBLE PARTY: Brad Young

Request 15. Refer to the Application at pages 9 and 10. Provide the construction timelines for the projects approved in Case Nos. 2024-00310 and 2024-00370 and the expected total costs of those projects.

Response 15. The information requested is summarized in the table below.

Case Number 2024-00370

Project Cooper Unit 2 Co Fire	
Cost	\$ 73,800,000
Schedule:	
Award Full Detailed Engineering Design	October 2025
Order Long Leads (Gas Firing System / Special Control Valves)	June 2026
Complete Detailed Engineering Design IFC's	June 2027
Bid and Award General Contractor	June 2027
Long Leads Delivered to Site (Gas Firing System / Special Control Valves)	August 2027
Construction Start	January 2028
Complete gas line for interconnection	February 2029
Construction End (COD)	December 2029

Project Spurlock Unit 1-4 Co Fire	
Cost	\$ 187,000,000
Schedule:	
Award Full Detailed Engineering Design	October 2025
Order Long Leads (Gas Firing System / Special Control Valves)	June 2026
Complete Detailed Engineering Design IFC's	June 2027
Bid and Award General Contractor	June 2027
Long Leads Delivered to Site (Gas Firing System / Special Control Valves)	August 2027
Construction Start	January 2028
Complete gas line for interconnection	February 2029
Construction End (COD)	December 2029

Project Cooper Combined Cycle	
Cost	\$ 1,317,000,000
Schedule:	
Start Construction	July 2027
Start Major Equipment Erection	August 2028
Start Balance of Plant Mechanical & Electrical Construction	September 2028
Energize Startup Power/Startup Commissioning	August 2029
Target Commercial Operation	November 2030
Commercial Operation with Schedule Margin	December 2030

Case Number 2024-00310

Project Liberty RICE	
Cost	\$ 500,000,000
Schedule:	
Start Construction (Mobilization)	December 2026
Foundations and Undergrounds	March 2027
Erect Engine Hall	July 2027
Above Ground Installation of Mechanical and Electrical Construction	September 2027
Major Equipment Delivery	November 2027
Energize Startup Power / Startup Commissioning	March 2028
Commercial Operation	December 2028

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00321
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF’S REQUEST DATED NOVEMBER 13, 2025

REQUEST 16

RESPONSIBLE PARTY: Mark Horn

Request 16. Refer to the Application, page 11. Confirm that EKPC does not intend to seek Commission approval for the “additional agreements” that would take the place of the “precedent agreements” upon the operation date of each of the projects. If confirmed, explain why not.

Response 16. Confirmed. The Precedent Agreements (“PAs”) are binding documents that define the provisions of the transportation service requested once the project is in service. The “additional agreements” are subject to the fulfillment of the Conditions Precedents defined within the PA as agreed to by EKPC (“Shipper”) and Columbia Gulf Transmission, LLC (“GGT” or “Transporter”). The Shipper Conditions Precedents serve as off-ramps for EKPC, in that if the Conditions Precedent are not satisfied in a timely manner, EKPC may terminate its performance obligations under the agreement. The PAs purpose is to model the future agreements such as the Facilities Agreement, Rate Letter Agreement, and the Service Agreement. As each individual Project develops, a Facilities Agreement that includes a responsibility matrix, will be executed so that the interconnection can be completed.

Ultimately, a Service Agreement is the intended result of the Precedent Agreement. Commercial terms of Service are subject to the terms and conditions set forth within the respective Precedent Agreement. Shipper shall contract for, and the Transporter shall provide, the Service. The Service shall be provided pursuant to the firm transportation Service Agreement, which shall include details such as capacity, receipt and delivery points, transportation demand, and Term that commences on the In-Service Date. The FTS-1 Service Agreement shall be substantially similar to the pro forma which is included as an attachment in the PAs. The execution of each Service Agreement shall be no later than at least twelve (12) months in advance of the Target In-Service Date. Shipper shall satisfy applicable creditworthiness requirements during the term of the PA and the Initial Term (20 years) of the Service Agreement. If the PA is terminated following the execution of the Service Agreement, but prior to the In-Service Date, then the Service Agreement shall automatically terminate. If there is no termination, the Precedent Agreement will be superseded and cancelled on the In-Service Date by the Service Agreement.

If a PA is terminated, prior to execution of the additional agreements, due to Shipper's failure to satisfy any of the Shipper's Conditions Precedent, the Shipper does have Liability Upon Termination or a position of indebtedness. Shipper would be liable for a Termination Payment equal to the Incurred Project Costs. The Incurred Project Costs means the total demonstratable cost expended. Shipper's maximum liability shall in no event exceed the aggregate amount of the Estimated Project Costs. Attachment D in the PAs detail the Estimated Project Costs based on a milestone schedule. As stated in the Application, approval of the PA is also approval of the terms and conditions of the "additional agreements" that will apply to the projects once they become operational. Therefore, it would be a duplication of time and resources for the Commission to

approve the Precedent Agreements and then for EKPC to request approval of the “additional agreements”, which are already included in pro forma format to the fully executed Precedent Agreements.