

**Response of East Kentucky Power Cooperative, Inc. to the
Commission's January 29, 2026 Order in Case No. 2026-00321,
Ordering Paragraph No. 3**

Private Placement

On August 27, 2026, EKPC closed on secured private placement financing in three tranches of First Mortgage Bonds totaling \$300 million:

- A \$75 million 5-year bullet maturing on August 27, 2031, with an interest rate of 5.49%, paid semi-annually.
- A \$150 million 7-year bullet maturing on August 27, 2033, with an interest rate of 5.72%, paid semi-annually.
- A \$75 million 20-year amortizing maturing on August 27, 2046, with an interest rate of 5.97%, paid semi-annually, with equal (1/20) principal payments paid annually.

The interest rates were determined on June 15, 2026 after the agents had received bids from several participating lenders, with closing set to occur on August 27, 2026. The auction process utilized by the agents assured the most favorable interest rate available.

Upon receiving the full \$300 million, EKPC paid a fee of [REDACTED] to the placement agents, reimbursed agent expenses of [REDACTED], and reimbursed the bond counsel fees and expenses of [REDACTED]. These fees will be amortized over the life of the loans.

CFC Bilateral Secured Term Loan

On August 27, 2026, EKPC closed on a \$50 million secured 5-year bullet term loan, maturing on August 27, 2031 at an interest rate of 5.21%, paid semi-annually with National Rural Utilities Cooperative Finance Corporation (CFC).

There were no fees charged by CFC and they had utilized internal counsel only.

Due to our relationship, CFC was able to offer an interest rate favorable to the private placement financing for this lesser amount.

CoBank Bilateral Secured Term Loan

On August 28, 2026, EKPC closed on a \$100 million secured term loan in two tranches with CoBank:

- A \$50 million 5-year bullet maturing on August 27, 2031, with an interest rate of 5.76%, paid semi-annually.

- A \$50 million 7-year bullet maturing on August 27, 2033, with an interest rate of 5.93%, paid semi-annually.

While the interest rates EKPC pays to CoBank are slightly higher than those of the private placement, CoBank pays cash patronage capital expected to be about [REDACTED] of the principal, offsetting some of the interest cost, and making these rates favorable on a net basis.

Upon receiving the full \$100 million, EKPC paid a fee to CoBank of [REDACTED] and there is a modest ongoing administration fee of [REDACTED] per year. EKPC reimbursed CoBank's legal expenses of [REDACTED]. These fees will be amortized over the life of the loans.

General Information

EKPC used the \$450 million proceeds from these transactions to pay down the remaining balance on the syndicated credit facility, leaving \$600 million available under that facility to fund approved capital projects and general corporate purposes.

An additional \$550 million of authority exists to be used for purposes specified in the order.

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