

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION OF THE)	
APPLICATION OF THE FUEL ADJUSTMENT)	CASE NO.
CLAUSE OF EAST KENTUCKY POWER)	2025-00339
COOPERATIVE, INC. FROM NOVEMBER 1, 2022)	
THROUGH OCTOBER 31, 2024)	

RESPONSES TO STAFF'S SECOND INFORMATION REQUEST
TO EAST KENTUCKY POWER COOPERATIVE, INC.
DATED FEBRUARY 6, 2026

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

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COOPERATIVE, INC. FROM NOVEMBER 1, 2022)	
THROUGH OCTOBER 31, 2024)	

CERTIFICATE

STATE OF KENTUCKY)
)
 COUNTY OF CLARK)

Christopher E. Adams, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Commission Staff's Second Request for Information in the above-referenced case dated February 6, 2026, 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.


 Christopher E. Adams

Subscribed and sworn before me on this 1st day of February, 2026.

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



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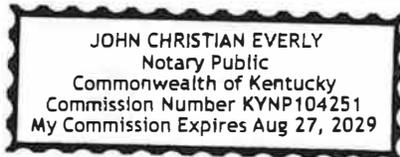
CERTIFICATE

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 Second Request for Information in the above-referenced case dated February 6, 2026, 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 19th day of February, 2026.



John Christian Everly
 Notary Public

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

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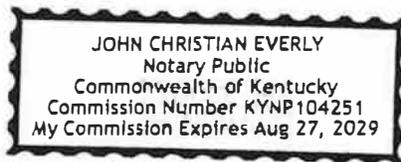
STATE OF KENTUCKY)
)
 COUNTY OF CLARK)

Mark Horn, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Commission Staff's Second Request for Information in the above-referenced case dated February 6, 2026, 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.

Mark Horn

 Mark Horn

Subscribed and sworn before me on this 18th day of February, 2026.



John Christian Everly

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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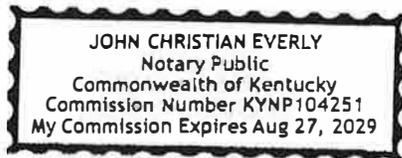
CERTIFICATE

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 February 6, 2026, 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 18th day of February, 2026.





EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00339
SECOND REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED FEBRUARY 6, 2026

REQUEST 1

RESPONSIBLE PARTY: Christopher E. Adams

Request 1. Refer to EKPC's responses to Commission Staff's First Request for Information (Staff's First Request), the Direct Testimony of Chris E. Adams (Adams Direct Testimony), page 4 of 9, lines 1-16. Hypothetically, when EKPC is aware of forecasted extreme winter weather especially heading into a weekend, such as winter storms Elliot and Fern, explain whether EKPC held additional planning or approval meetings to procure forward natural gas, pipeline transportation, and/or power contracts and whether such actions were successful. Include in the response the timing of the meetings, examples of actual plans, and actions taken.

Response 1. The vast majority of strategy, preparation, and planning occur during the seasonal, two-week-out, and one-week-out analyses as described in Testimony. In addition, the EKPC Market Operations Center ("MOC") reviews load and generation daily. After that review, MOC hosts a call to discuss and inform all relevant parties including Power Supply, Production, and Environmental staff. However, when EKPC expects incoming extreme winter weather, the MOC will issue a conservative operations alert and each department will implement specific cold weather and conservative operations plans. These plans consist of weatherization measures at

EKPC's power plants, heightened awareness for all operations staff, increased staffing measures where prudent, heightened scrutiny on emissions reporting, heightened scrutiny on consumables reporting, fuel procurement, and operations planning. For example, during recent Winter Storm Fern, in addition to the daily operations call held at 8:30am, the MOC, Fuels, and ACES (EKPC's natural gas procurement agent) met each morning to review and discuss specific needs related to natural gas procurement. The purpose of this meeting was to review current status on all relevant pipelines, discuss current gas day needs prior to the 10:00am end of the gas day, review the next gas day needs and expected PJM clearings, and to determine the volume, availability, and price of required natural gas based on the expected needs. This review included all relevant gas days for which EKPC could act on, including weekend, multi-day, or balance-of-month natural gas strips. In addition to the daily calls, EKPC actively managed the natural gas position on a real-time basis as pipeline conditions, fuel availability, and needs driven by unit dispatches changed at all hours of the day. Both the MOC and Fuels departments provided updated operations reports throughout the conservative operations periods, at least daily, which covered current market (energy and natural gas) conditions, forecasted and actual PJM and EKPC daily peak loads, current status of EKPC's generation fleet, any fuel restrictions or emissions limitations relevant to the operations of the fleet, and the status of fuels and commodities used to generate energy. EKPC's proactive planning and real-time attention to detail was successful in disseminating the most up-to-date information available, reviewing the plan and gaining the concurrence of multiple departments, and executing the plan based on the best available information at the time. During the period under review, EKPC was able to mitigate risk both in terms of price and grid reliability through its diligent actions.

EAST KENTUCKY POWER COOPERATIVE, INC.
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STAFF'S REQUEST DATED FEBRUARY 6, 2026

REQUEST 2

RESPONSIBLE PARTY: Christopher E. Adams

Request 2. Refer to EKPC's responses to Staff's First Request, Adams Direct Testimony, page 5 of 9, lines 6-15. Explain whether EKPC ever proactively engages in off-system sales of either energy or capacity.

Response 2. EKPC requires all available energy resources during the winter peak periods and therefore has not pursued off-system energy sales during the winter months. EKPC typically plans its major generator maintenance and related outages during the shoulder months, either the Spring or Fall, while demand is generally lower. This limits the available energy EKPC could feasibly sell and still maintain an adequate hedge for PJM price volatility. That leaves the Summer to pursue off-system energy sales through either the PJM market or direct purchase/sale power agreements. Typically, PJM experiences its peak demand during the summer months and EKPC's excess power has been monetized in the PJM market. EKPC did not pursue direct power sales to a counterparty during the period under review.

EKPC obligated the entirety of its generation fleet to the PJM capacity market and therefore cannot sell that capacity outside the PJM marketplace. However, EKPC sold excess capacity to other PJM members in the past when possible and economically viable. Given the current price floor and cap on the PJM capacity market, and the shortage of capacity in PJM pushing the clearing towards the cap, there is functionally no opportunity to sell capacity on a bi-lateral basis at this time.

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STAFF'S REQUEST DATED FEBRUARY 6, 2026

REQUEST 3

RESPONSIBLE PARTY: Christopher E. Adams

Request 3. Refer to EKPC's responses to Staff's First Request, Adams Direct Testimony, page 7 of 9, lines 19-23. If both EKPC and PJM Interconnection, LLC (PJM) have dispatched Cooper Station out of economic merit for reliability and area voltage support, identify and explain all the difference circumstances where EKPC would proactively dispatch Cooper Station. Include in the response what system information EKPC may have which PJM would not necessarily be aware of.

Response 3. Typically, there are two reasons why Cooper is dispatched out of economic merit or outside of unit testing requirements. One, for reliability of the Cooper units themselves. Two, for voltage support in the area. During extremely cold weather, there is a risk that equipment inside the plant could freeze and result in a forced derate or outage. EKPC has made the decision in the past to dispatch Cooper outside of economic merit to ensure that the plant remains reliable during extreme cold weather events. PJM would not dispatch a unit based on the need to provide heat inside the plant so this decision is driven by EKPC. In addition, during the period under review, PJM's general stance on unit clearings was that it did not clear resources for over a

24-hour period of time in the day-ahead energy market. For example, if cold weather in Kentucky could impact the reliable operations of the Cooper plant, but the cold weather had not spread throughout the balance of PJM, then it could be possible for the Cooper units not to clear either economically or for reliability in the day-ahead market, but there is still the need to bring the units online to ensure reliability. Voltage concerns are known by both the EKPC System Operations (Transmission) department and PJM System Operators. If both parties agreed that Cooper needed to be online to mitigate low voltage in the area, then PJM would notify the EKPC MOC that Cooper was needed for reliability and that it would be offer-capped to its lowest offer (typically its cost offer). That means Cooper would receive revenue to cover at least its cost to generate while dispatched for the voltage support even if it were running at a loss. This type of make-whole payment is common in PJM and is paid through uplift payments which are associated with the balancing operating reserve (“BOR”) charge and credit codes.

EAST KENTUCKY POWER COOPERATIVE, INC.
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STAFF'S REQUEST DATED FEBRUARY 6, 2026

REQUEST 4

RESPONSIBLE PARTY: Mark Horn

Request 4. Refer to EKPC's responses to Staff's First Request, the Direct Testimony of Mark Horn (Horn Direct Testimony), page 3 of 5, lines 17 -19. Explain the difference between delivered tons and committed tons.

Response 4. Committed tons are coal tons that have been procured through either a contract or spot coal supply agreement where the Seller has committed to, and is legally bound to sell and ship the coal at a specified rate during the term of the agreement to the Buyer and the Buyer has committed to, and is legally bound to, purchase and accept the coal that meets the quality specifications from the Seller. These are considered fully hedged (physically and financially) coal tons because the commitment has a known quantity, quality, price, and term.

Delivered tons are simply the tons of coal that physically have been shipped, received, unloaded at the destination, and therefore placed in EKPC's coal inventory account. For further clarification, a coal commitment could be established through the execution of coal supply contract in 2026 but not conclude with the delivery of the committed tons until 2029, based on the Base Monthly

Delivery Amount and Term defined within the coal supply contract. EKPC typically does not pay for coal until it has been delivered and unloaded.

EAST KENTUCKY POWER COOPERATIVE, INC.
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STAFF'S REQUEST DATED FEBRUARY 6, 2026

REQUEST 5

RESPONSIBLE PARTY: Mark Horn

Request 5. Refer to EKPC's responses to Staff's First Request, Horn Direct Testimony, page 4 of 5, lines 18-20. Explain why coal suppliers may have to deal with limited access to capital, bonding, and insurance in the coming years.

Response 5. Some coal suppliers have already experienced issues and have been dealing with limited access to capital, bonding, and insurance. The efforts perceived as the "war on coal" can be cyclical in nature and are often in alignment with political party affiliation. These efforts can escalate or deescalate based on the federal political environment in four-year election cycles. This has the potential to escalate again in the coming years. Having limited access to these necessary resources could adversely impact coal producers and brokers (collectively the coal market) and ultimately electric utilities with coal-fired generation. Further contraction in the coal supply market could affect the liquidity of the coal market as a whole. EKPC will continue to monitor this and other issues that have been identified as potential drivers that could significantly impact EKPC's fuel procurement practices.

EAST KENTUCKY POWER COOPERATIVE, INC.
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STAFF'S REQUEST DATED FEBRUARY 6, 2026

REQUEST 6

RESPONSIBLE PARTY: Mark Horn

Request 6. Refer to EKPC's response to Commission Staff's First Request, Item 2, Attachment PSC DR1 Response 2 – Long Term Coal Contracts.pdf. Explain the reasons for the prices in Contract nos. 558, 560, 840, and 844, individually, being as high as they are relative to the other contract prices. Include in the response how each of the evaluated prices is determined from the delivery prices.

Response 6. The Long-Term Contract prices, that are individually high relative to the other contract prices, are simply a function of timing. EKPC takes steps, including but not limited to long-term hedging, seeking opportunities to secure spot coal when prices are down, having coal supply agreements with large and small quantities, seeking coal supply at different times during the year, executing coal supply agreements with a variety in duration, and staggering the term of coal supply agreements so that they do not expire at the same time. The coal supply contracts identified as being individually high relative to the other coal contract prices were all executed in calendar year 2022. In 2022, there was considerable upward pressure on coal prices internationally. Tight markets and a war premium propelled prices to record levels in 2022.

Supply and demand imbalances combined with high natural gas prices pushed thermal coal prices to unprecedented highs, beginning in October 2021. Alliance Coal, LLC Contract No. 558 was executed on July 1, 2022 with a term beginning January 1, 2023 and expiring on December 31, 2024. B&N Coal, Inc. Contract No. 840 was executed on August 15, 2022 with a term beginning January 1, 2023 and expiring on December 31, 2025. CCU Coal & Construction, LLC Contract No. 844 was executed on June 17, 2022 with a term beginning January 1, 2023 and expiring on December 31, 2024. Iron Coal Sales, LLC Contract No. 560 was inadvertently reported with a price entry error. That price should have been reported much lower. This coal supply contract was executed on April 25, 2024 and scheduled to begin its term on January 1, 2025, but was mutually agreed by both parties to pull forward to start on October 1, 2024. As reflected in the Iron Coal Sales, LLC contract price, the market volatility stabilized considerably when comparing calendar year 2022 to 2024.

Delivery prices are only accounting for the cost of the coal on a per-ton basis and the cost of transportation to get that coal from the acquisition point to the delivery point. The evaluated prices account for measurable parameters such as heat content, sulfur content, ash content, ash disposal cost, boiler maintenance cost, scrubber cost, weekly payment cost, transportation cost, and severance tax (when applicable). Therefore, the evaluated prices are accounting for the measurable value of the coal using the Fuel Evaluation Model that aids in ranking the proposals. In addition, the evaluation process can also take into account a supplier's past performance and supplier diversification. EKPC purchases coal on a fully evaluated basis considering quantitative and qualitative factors.

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STAFF'S REQUEST DATED FEBRUARY 6, 2026

REQUEST 7

RESPONSIBLE PARTY: Mark Horn

Request 7. Refer to EKPC's response to Staff's First Request, Item 4, and Confidential PSC DR1 Response 4a – Coal Solicitations and Confidential PSC DR1 Response 4b – Solicitation Bid Tabs.

a. From the two confidential responses, [REDACTED]

[REDACTED]

b. In the Confidential PSC DR1 Response 4a – Coal Solicitations response, [REDACTED]

[REDACTED]

Response 7.

a. EKPC issues a Request for Proposal based on the maximum quantity of tons that may be purchased in order to meet the then-current forecasted short-term and long-term needs. The actual amount purchased is determined during the evaluation and may differ from the

maximum quantity requested due to various factors such as availability, pricing, and market conditions. EKPC does not consider the responses from the suppliers to be a problem.

b. The amount listed in the Tons column is the amount of tons offered per month in the proposal submitted by the coal supplier. The Term column represents the number of delivery months offered in the proposal submitted by the coal supplier. In order to quantify the total amount of tons purchased over the length of the contract term, one must multiply the amount listed in the Tons column by the number of months listed in the Term column.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00339
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REQUEST 8

RESPONSIBLE PARTY: Mark Horn

Request 8. Refer to EKPC's response to Staff's First Request, Item 6. Explain whether EKPC has firm natural gas pipeline transportation to all of its combustion turbine (CT) generating stations. If not, explain whether that lack of transportation can cause PJM required unit availability issues during extreme and extended weather events.

Response 8. Currently, EKPC does not have firm natural gas pipeline transportation to any of its combustion turbine (CT) generating stations. There is no firm natural gas pipeline transportation on the two (2) current interstate pipelines that service Smith Power Station or the one (1) available interstate pipeline at Bluegrass Power Station. Based on the intermittent dispatch and relatively low-capacity factors of the CT facilities, EKPC utilized the most prudent and least cost option transportation contract. EKPC currently has contracts for Interruptible Transportation ("IT") service with these interstate pipelines for these peaking facilities, which means that services that allow non-ratable flow and/or the physical flow of natural gas has the potential to be curtailed during an extreme weather event. An interruptible contract reduces priority of the customer (shipper) and a pipeline (transporter) may reduce or eliminate services at any time to ensure the

integrity of the pipeline is maintained for the firm contract customers. As more natural gas is being used for power generation, industrial use, and residential needs, the available capacity on the pipelines is becoming more limited and costly. This limited capacity could impact EKPC's ability to purchase and flow large quantities of natural gas to the peaking units using the IT services during these extreme short-term events. In a scenario where capacity limits of the interstate pipelines are stressed, having IT services could theoretically impact unit availability when called on by PJM. However, the risk from this potential issue is mitigated with the peaking units that have dual fuel capability. If natural gas is not available, those CT units could operate on fuel oil. The risk of having the flow of natural gas interrupted is much less likely with the new generation assets planned by EKPC, because they will have a Firm Transportation ("FT") service. As an additional security of performance, EKPC's new generation assets will also have dual fuel capability.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2025-00339
SECOND REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED FEBRUARY 6, 2026

REQUEST 9

RESPONSIBLE PARTY: Michelle K. Carpenter and Christopher E. Adams

Request 9. Refer to EKPC's response to Staff's First Request, Item 13, Attachment PSC_DR1_Response_13_-_Monthly_Billing_Series.pdf. For the transactions listed in the Power Transaction Schedules:

- a. Explain why EKPC would sell energy at a loss.
- b. Explain the calculations that determine when EKPC's sales represent a positive margin or a loss. Include in the response whether it makes a difference if the sale is to PJM or another entity such as Louisville Gas & Electric (LG&E) or Brookfield Renewable Trading & Marketing.

Response 9.

- a. There are periods in which off-system sales are negative (a loss) because the netting of PJM activity and resource stacking, as further described in Response 9b, is performed hourly. These periods are typically defined by low-load, off-peak, hours which are often overnight or through the middle of the day. During the off-peak periods, EKPC's load can fall below the minimum level of base-load resources. EKPC would not cycle those base-load resources offline

or short periods of time, say between the morning and evening peaks, as it would create undue stress and reliability risk to the resource. Instead, EKPC would keep the resource online through the off-peak which can create off-system sales at a loss. However, it is a prudent operating decision because keeping the resource online and enduring short periods of losses saves the reliability, long-term maintenance costs, and ensures the resource is available to hedge the next peak-load period.

b. For purposes of the FAC calculation, PJM activity is netted hourly on a Day-Ahead-Real-Time (“DART”) basis to determine if EKPC is a net purchaser or net seller for each hour. The dollars and kWh for each net seller hour in the month are summed to arrive at “Total Charges” and “KWH” on the Power Transaction Schedule. The fuel cost removed from the FAC calculation and ultimately reported on the Power Transaction Schedule as “Fuel Charges” for PJM off-system sales is determined for each hour that EKPC is a net seller based upon a stacking methodology whereby the highest cost resource(s) operating during the hour is assigned to the off-system sale to ensure that native load (Owner-Members) benefit from the least-cost resource(s). This same stacking methodology is applied to all off-system sales for FAC calculation purposes.

EAST KENTUCKY POWER COOPERATIVE, INC.
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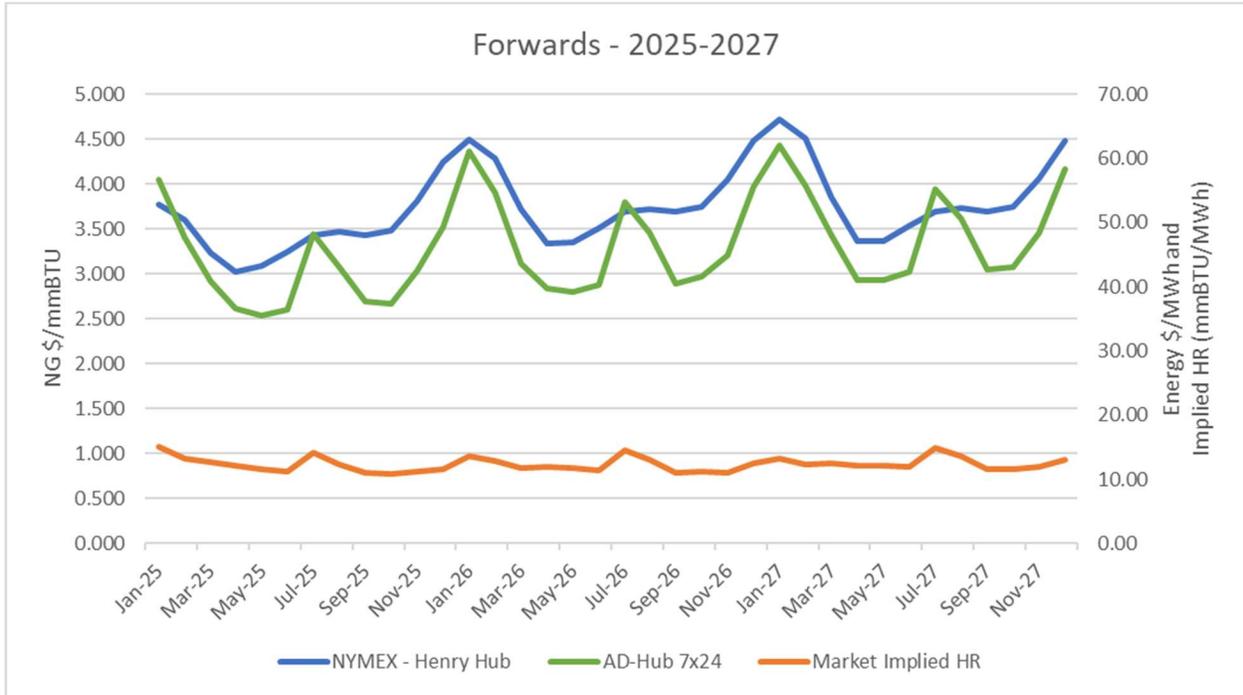
REQUEST 10

RESPONSIBLE PARTY: Christopher E. Adams

Request 10. Refer to EKPC's response to Staff's First Request, Item 32. Explain the reasons for the reduction in EKPC's forecasted quantities of natural gas consumption at the Bluegrass and Smith Stations.

Response 10. EKPC budgeted fuel volumes are determined by utilizing a deterministic production cost model simulation, RT Sim, which uses forecasted fuel and market prices along with generation modeling to provide expected needs. The year-over-year reduction in natural gas consumption is a factor of the natural gas forecasted price impact on both the market futures and price of EKPC's natural gas generation fleet. Natural gas prices in the referenced data are increasing year-over-year. As a substantial part of the PJM market energy price is set by natural gas generation, the energy price is also increasing year over year. The market-implied heat rate (the energy price divided by the natural gas price), however, is relatively flat year-over-year. This means that, although market prices increase year-over-year, the relative position of the market to EKPC's combustion turbine dispatch price is reduced year-over-year, thus resulting in a lower number of dispatches and slightly less expected fuel volume. See chart below for years 2025

through 2027 showing the relationship between the AD-Hub 7x24 energy price, the NYMEX Henry Hub natural gas price, and the market-implied heat rate.



EAST KENTUCKY POWER COOPERATIVE, INC.
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REQUEST 11

RESPONSIBLE PARTY: Thomas J. Stachnik

Request 11. Refer to EKPC's response to Staff's First Request, Item 35 page 2 of 2.

a. Explain when the New Empowering Rural America (ERA) grant application (grant application) was filed with the Rural Utilities Service (RUS) and the purpose of the grant.

b. Explain further the reasoning behind why only 11 months of the hydroelectric power purchase agreement (PPA) was included in the grant application.

c. Explain why only 25 percent of the cost of the PPA was included in the grant application.

d. If and when the grant application is approved, explain if EKPC's Owner Members will be reimbursed for the funds recovered through the FAC previously.

e. Explain whether EKPC has more than the one referenced grant application pending at RUS, and if so, provide a list of the grant applications and the intended purpose of the funds.

Response 11.

a. The New ERA Application was filed on July 16, 2024. EKPC has been in ongoing discussions with RUS regarding the final projects to be funded with a combination of grants

and low-interest loans in support of solar projects, transmission projects, and zero-carbon power purchase agreements (“PPA”).

b. The hydro PPA was initiated in December 2023 and terminated in December 2025. EKPC is seeking New ERA funding for this entire period; however, only 11 months of this PPA fell within the review period.

c. The maximum grant allowed for the New ERA program is 25%.

d. EKPC applied for the New ERA funds for the express purpose of benefiting EKPC’s Owner-Members. The funds for New ERA were obligated to EKPC from RUS, but no grant funds have been disbursed from RUS to EKPC to date. No grant funds can be disbursed to EKPC until the New ERA grant documentation between EKPC and RUS has been developed and signed. Once the grant documentation is agreed to and signed, then the associated accounting treatment will be known. After the accounting treatment is known, the manner in which the New ERA grant funds will be returned to EKPC’s Owner-Members will be known.

e. The New ERA program contains a single application for grants and low-interest loans for several projects. This hydro PPA is the only project that will fall within the review period of this case.