

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,)	CASE NO.
INC. FOR THE SIXTH-MONTH EXPENSE PERIOD)	2026-00070
ENDING NOVEMBER 30, 2025, AND THE PASS-)	
THROUGH MECHANISM OF ITS SIXTEEN)	
MEMBER DISTRIBUTION COOPERATIVES)	

RESPONSES TO COMMISSION STAFF’S FIRST INFORMATION REQUEST

TO EAST KENTUCKY POWER COOPERATIVE, INC.

DATED APRIL 23, 2026

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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CASE NO.
2026-00070

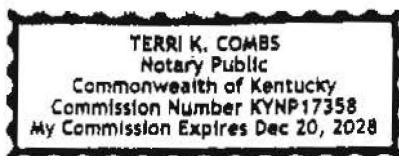
CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Christian Everly, 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 April 23, 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.

Christian Everly
Christian Everly

Subscribed and sworn before me on this 14th day of May, 2026.



Terri K. Combs
Notary Public

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CERTIFICATE

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 First Request for Information in the above-referenced case dated April 23, 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 14th day of May, 2026.

Heather S. Temple KYNP98715

Notary Public

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2026-00070
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S FIRST INFORMATION REQUEST DATED APRIL 23, 2026

REQUEST 1

RESPONSIBLE PARTY: Christian Everly

Request 1. This question is addressed to EKPC. Prepare a summary schedule showing the calculation of E(m) and the surcharge factor for the expense months under review. Form 1.1 can be used as a model for this summary. Include the two expense months subsequent to the review period in order to show the over- and under-recovery adjustments for the months included for the review period. Include a calculation of any additional over- or under-recovery amount EKPC believes needs to be recognized for the six-month 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 1. Please see attachment *PSC DRI Response 1 - Summary Schedule.xlsx*.

EAST KENTUCKY POWER COOPERATIVE, INC.
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FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S FIRST INFORMATION REQUEST DATED APRIL 23, 2026
REQUEST 2

RESPONSIBLE PARTY: **Christian Everly**

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 six-month review. Include a calculation of any additional over- or under-recovery amount the Member Cooperative believes needs to be recognized for the six-month 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 6-month review period:

- *PSC DR1 Response 2 – Big Sandy Surcharge Summary.xlsx*
- *PSC DR1 Response 2 – Blue Grass Surcharge Summary.xlsx*
- *PSC DR1 Response 2 – Clark Surcharge Summary.xlsx*
- *PSC DR1 Response 2 – Cumberland Valley Surcharge Summary.xlsx*

- *PSC DR1 Response 2 – Farmers Surcharge Summary.xlsx*
- *PSC DR1 Response 2 – Fleming-Mason Surcharge Summary.xlsx*
- *PSC DR1 Response 2 – Grayson Surcharge Summary.xlsx*
- *PSC DR1 Response 2 – Inter-County Surcharge Summary.xlsx*
- *PSC DR1 Response 2 – Jackson Surcharge Summary.xlsx*
- *PSC DR1 Response 2 – Licking Valley Surcharge Summary.xlsx*
- *PSC DR1 Response 2 – Nolin Surcharge Summary.xlsx*
- *PSC DR1 Response 2 – Owen Surcharge Summary.xlsx*
- *PSC DR1 Response 2 – Salt River Surcharge Summary.xlsx*
- *PSC DR1 Response 2 – Shelby Surcharge Summary.xlsx*
- *PSC DR1 Response 2 – South Kentucky Surcharge Summary.xlsx*
- *PSC DR1 Response 2 – Taylor Surcharge Summary.xlsx*

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 June 2025 to November 2025 correspond to the billing months of July 2025 through December 2025 with January 2026 and February 2026 as the proceeding months. 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	(\$162,179)		6	(\$27,029)	
Blue Grass		\$113,715	6		\$18,952
Clark	(\$352,668)		6	(\$58,778)	
Cumberland Valley		\$411,451	6		\$68,575
Farmers		\$80,774	6		\$13,462
Fleming-Mason	(\$546,704)		6	(\$91,117)	
Grayson		\$74,113	6		\$12,352
Inter-County	(\$546,795)		6	(\$91,133)	
Jackson	(\$311,516)		6	(\$51,919)	
Licking Valley	(\$333,361)		6	(\$55,560)	
Nolin	(\$46,194)		6	(\$7,699)	
Owen		\$488,080	6		\$81,347
Salt River		\$173,006	6		\$28,834
Shelby	(\$70,081)		6	(\$11,680)	
South Kentucky	(\$351,358)		6	(\$58,560)	
Taylor County	(\$506,999)		6	(\$84,500)	
Cumulative Totals	(\$3,227,855)	\$1,341,139			

Additionally, as outlined in each of the spreadsheets, each Owner-Member has existing over- or under-recoveries that are currently being amortized from previous review cases. Please see Case Nos. 2025-00013 and 2025-00266 for a more detailed view for the previous over- or under-recoveries.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2026-00070
FIRST REQUEST FOR INFORMATION RESPONSE

STAFF'S FIRST INFORMATION REQUEST DATED APRIL 23, 2026
REQUEST 3

RESPONSIBLE PARTY: Mark Horn

Request 3. This question is addressed to EKPC. Refer to Form 2.3, Inventory and Expense of Emission Allowances the six-month review period under review.

- a. For the sulfur dioxide emission allowance inventory, explain the reason(s) for all purchases of allowances reported during these expense months.
- b. For the nitrogen oxide emission allowance inventory, explain the reason(s) for all purchases of allowances reported during these expense months.
- c. Explain how the purchases of allowances in the expense months under review comply with EKPC's emissions allowance strategy plan.

Response 3.

- a. No sulfur dioxide allowance purchases were made during the period of May 31, 2025 to November 30, 2025.
- b. No nitrogen oxide allowance purchases were made during the period of Mays 31, 2025 to November 30, 2025.

c. No purchases of allowances were made in the expense months covered by the applicable billing periods.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2026-00070
FIRST REQUEST FOR INFORMATION RESPONSE**

**STAFF'S FIRST INFORMATION REQUEST DATED APRIL 23, 2026
REQUEST 4**

RESPONSIBLE PARTY: Christian Everly

Request 4. This question is addressed to EKPC. Refer to Form 2.5, Operating and Maintenance Expenses, for the last six expense months under review. For each of the expense account numbers listed on this schedule, explain the reason(s) for any change in the expense levels from month to month if that change is greater than plus or minus 10 percent.

Response 4. Please see attachment *PSC DRI Response 4 – O&M Analysis Surcharge JUN25 – NOV25.xlsx*.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2026-00070

FIRST REQUEST FOR INFORMATION RESPONSE

**COMMISSION STAFF'S FIRST INFORMATION REQUEST DATED APRIL 23, 2026
REQUEST 5**

RESPONSIBLE PARTY: Thomas J. Stachnik

Request 5. This question is addressed to EKPC. The Settlement Agreement approved in Case No. 2004-00321¹ provides that EKPC's rate of return on compliance-related capital expenditures will be updated to reflect current average debt cost at the conclusion of the surcharge review period. Provide the following information as of November 30, 2025:

- a. The debt issuances directly related to projects in the approved compliance plan and corresponding outstanding balances of each debt issuance;
- b. The debt cost for each debt issuance directly related to the projects in the approved compliance plan, and whether the debt cost is a fixed or variable rate;
- c. EKPC's calculation of the weighted average debt cost and the rate of return resulting from multiplying the weighted average debt cost by a 1.50 Times Interest Earned Ratio (TIER), including all supporting calculations showing how the weighted average debt cost was determined; and

¹ Case No. 2004-00321, *Application of East Kentucky Power Cooperative, Inc. for Approval of an Environmental Compliance Plan and Authority to Implement an Environmental Surcharge* (Ky. PSC Mar. 17, 2005).

d. Provide all schedules and supporting calculations and documentation in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response 5a-d. Please see the Excel spreadsheet *Staff DRI Response 5 - Surcharge ROR November 2025.xlsx*. The debt cost for each long-term debt issuance is at a fixed interest rate, while the Credit Facility is at a variable interest rate. EKPC is proposing a weighted average cost of debt of 4.323% based on the debt cost of each debt issuance directly related to the projects in the environmental compliance plan as of November 30, 2025 and debt cost for the Credit Facility for all environmental compliance plan construction work in progress as of November 30, 2025. Using a weighted average cost of debt and a TIER of 1.5 produces a rate of return on the environmental compliance related capital expenditures of 6.5%. The Requests specifies the calculation use a TIER of 1.50. EKPC's TIER was authorized at 1.50 in Case No. 2025-00208 as part of the Commission's April 23, 2026 Order.