EAST KENTUCKY POWER COOPERATIVE

A Touchstone Energy Cooperative

September 30, 2022

Ms. Linda C. Bridwell, P.E.
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Re: Industrial Power Agreement with Interruptible Service and Economic Development Rider between East Kentucky Power Cooperative, Inc., Jackson Energy Cooperative Corporation, and UMine, LLC

Dear Ms. Bridwell:

Please find enclosed for filing with the Commission, via the electronic tariff filing system, the above-referenced special contract.

In Case No. 2016-00316, East Kentucky Power Cooperative, Inc. ("EKPC") sought clarification that it could seek Commission approval of future Industrial Power Agreements with Economic Development Riders ("EDR special contract") utilizing the Commission's electronic tariff filing system. EKPC indicated it would only use the electronic tariff filing system if the EDR special contract was based on existing rate tariffs, the EKPC and Owner-Member's EDR tariff, and included the same early termination clause included in the EDR special contract submitted for approval in Case No. 2016-00316. In its November 11, 2016 Order in Case No. 2016-00316 the Commission approved EKPC's request, but reminded EKPC that if it found further investigation was needed to determine the reasonableness of the proposed EDR special contract, the Commission would establish a formal proceeding to conduct the inquiry.

UMine, LLC ("UMine") is an existing customer of Jackson Energy Cooperative Corporation ("Jackson"). UMine is a premier crypto-retailer, service center, and hosting facility. UMine engages in self-mining, selling and servicing new and used Application-Specific Integrated Circuit ("ASIC") data servers, manages hosting for clients, and does onsite board level repair of all types of ASIC servers. It has one location in operation in the Jackson service territory. The new facility at McKee represents the first of several additional locations UMine plans on adding over the next two years. The new McKee location reflects an investment of approximately $2.0 million and will add at least three new employees to UMine's workforce.

4775 Lexington Road, POB 707
Winchester, KY 40392
859-744-4812

UMine has requested and Jackson and EKPC have agreed to enter into an EDR special contract which also includes interruptible service.

The EDR special contract between EKPC, Jackson, and UMine is for an initial term of 10 years with an EDR discount period of five years. The EDR special contract acknowledges that the Agreement is not effective until Commission approval is received. Consequently, the discount period will not begin until the effective date and UMine will not be billed at the reduced demand charges until that time. EKPC requests that the Commission approve this EDR special contract and make the effective date November 1, 2022.

The requested EDR will be applicable to the entire demand load at the new UMine location at McKee. The EDR special contract between EKPC, Jackson, and UMine also includes provisions where UMine will be an interruptible customer of EKPC and Jackson, pursuant to the provisions of Jackson's Interruptible Rider. UMine has designated 150 kW as its Firm Load, with the balance being Interruptible Demand; however, Interruptible Demand shall not exceed 20,000 kW. The inclusion of interruptible service will impact the application of the EDR discount. Pursuant to the provisions of Jackson's EDR tariff, the EDR discount is applied to the total demand charge, which is the sum of all demand charges including any credits provided under any other demand-related rider. For that portion of the monthly demand that exceeds the Firm Load the EDR discount will be applied to a net demand charge that reflects the applicable demand charge less the interruptible service credit.

The interruptible service provisions in the EDR special contract are consistent with other industrial power agreements with interruptible service that EKPC has entered into with other Owner-Members and retail customers. The EDR special contract between EKPC, Jackson, and UMine is essentially the same as the EDR special contract the Commission approved in Case No. 2016-00316.

The EDR discount will be applied to the demand charges as stated in EKPC's Rate Section C and the resulting reduction will be passed through to UMine without any revision or adjustment by Jackson. Jackson's EDR tariff provides that the discount will not be smaller than the amount calculated from the EKPC rate schedules. The demand charges in Jackson's Rate Schedule 46 – Large Power Rate are slightly lower than EKPC's Rate Section C.

EKPC is including the following information in conjunction with the submission of this EDR special contract:

- The EDR special contract including interruptible service between EKPC, Jackson, and UMine;
- UMine's request for an EDR;
- Background material and EKPC's Compliance with the Commission September 24, 1990 Order in Administrative Case No. 327; and
- A Marginal Cost Analysis.

Copies of the information listed above have been provided to the Kentucky Cabinet for Economic Development and the Office of the Attorney General. Please contact me if you have any questions.

Very truly yours,

David Samford
General Counsel

Enclosures

4775 Lexington Road, POB 707
Winchester, KY 40392
859-744-4812

INDUSTRIAL POWER AGREEMENT

WITH INTERRUPTIBLE SERVICE AND ECONOMIC DEVELOPMENT RIDER

THIS AGREEMENT, made and entered into this 30th day of August, 2022, by and between East Kentucky Power Cooperative, Inc. (a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, KY 40391) ("EKPC"), Jackson Energy Cooperative Corporation, a Kentucky corporation with its principal offices at 115 Jackson Energy Lane, McKee, Kentucky 40447 ("Cooperative"); and UMine, LLC, a Kentucky limited liability corporation with its principal offices at 73 Bundy Lane, McKee, Kentucky, ("Customer").

W I T N E S S E T H:

WHEREAS, EKPC is a Generation and Transmission Cooperative which supplies the wholesale energy requirements of 16 Member-owned Distribution Cooperatives located generally in Eastern and South Central Kentucky, including Cooperative; and

WHEREAS, Cooperative is a rural electric cooperative corporation providing retail electric service in Jackson County, Kentucky, and

WHEREAS, Cooperative is a member of EKPC and purchases the majority of its wholesale electric power and energy requirements from EKPC pursuant to a Wholesale Power Contract dated October 1, 1964, and

WHEREAS, Customer has been, and is, a member of Cooperative and purchases, or desires to purchase, retail electric power and energy needs from Cooperative, under the terms and conditions contained herein, to serve its McKee plant (hereinafter referred to as its "Plant"), and

WHEREAS, EKPC fully integrated into the PJM Interconnection, LLC regional transmission system, on June 1, 2013;

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms and conditions contained herein, the parties agree as follows:

1. **Term**. This Agreement shall become effective upon the approval of the Kentucky Public Service Commission ("Commission") (the "Effective Date"), subject to the provisions of Paragraph 27 below. This Agreement shall continue in effect for a term of ten (10) years from said date and shall continue for additional one year terms thereafter; provided, however, that the Agreement may be cancelled after the initial ten-year term by any party upon giving written notice of such termination at least sixty (60) days prior to the desired termination date.

2. **Rates and Charges.** For billing from EKPC to Cooperative, EKPC will provide wholesale power and energy to Cooperative for Customer pursuant to the rates, charges, and provisions of EKPC's Rate C, and as modified, replaced, or adjusted from time to time and approved by the Commission, where the billing demand shall be as defined in EKPC's Rate C and Rate D – Interruptible Service.

   For billing from Cooperative to Customer, Cooperative will provide retail power and energy to the Customer pursuant to the rates, charges, and provisions of Cooperative's Rate Schedule 46, and as modified, replaced, or adjusted from time to time and approved by the Commission, and the Interruptible Service Rider.

   Billing Demand shall be the Contract Demand as defined in Cooperative's Rate Schedule 46. The Demand Credit for interruptible service will be applied to all Billing Demand above the Firm Load level to determine the effective Interruptible Demand rate.

   Any additional demand billed as a result of the application of the power factor adjustment, as described in the applicable EKPC and Cooperative tariffs, shall not be eligible for the interruptible Demand Credit and shall be billed at the appropriate demand rate as provided in the applicable tariff.

After one (1) year from the Effective Date, Customer may choose any existing tariff of Cooperative that is consistent with this Agreement and for which the Customer qualifies. Such change will require two (2) months' advance written notice to Cooperative. Customer agrees that if it chooses to change to an existing tariff it will remain on that tariff for at least one year. The Cooperative and Customer may mutually agree to rate changes at any time, subject to any necessary approval of the Commission.

3. **Availability of Power**. Except as otherwise provided in this Agreement, Cooperative shall make available to Customer, and Customer shall take and purchase from Cooperative, all of Customer's requirements for electric power and energy and related services for the operation of Customer's Plant. The Point of Delivery for power and energy made available hereunder shall be the point at which Customer's Plant facilities connect to Cooperative's facilities. The power and energy made available hereunder shall be in the form of 3-phase alternating current at a frequency of approximately sixty (60) hertz and at a nominal voltage of 277/480 kV at the metering point. Regulation of voltage shall be within such limits as prescribed the applicable rules and regulations of the Commission. Maintenance by Cooperative at Point of Delivery of the above described frequency and voltage within the above stated limits shall constitute availability of power for the purpose of this Agreement. The power and energy taken by Customer hereunder, shall be measured by meters and associated metering equipment to be, or cause to be, installed, operated and maintained by Cooperative or EKPC at its own respective costs. None of such electric power and energy shall be resold by Customer to third parties. The "Contract Demand" for service under this

Agreement shall be 1,000 kW, with a monthly energy usage equal to or greater than 400 hours per kW of Contract Demand per month. The maximum demand for the Customer shall be 5,000 kW. Customer shall have the right to decrease said levels of Contract Demand in increments not to exceed 1,000 kW, by giving written notice thirty (30) days prior to the date of the desired change, except that Contract Demand shall not be reduced below 500 kW. The power and energy made available to Customer hereunder shall be delivered, taken, and paid for subject to the provisions of Paragraph 2 of this Agreement and Cooperative's Rate Schedule 46, and the Interruptible Service Rider, applicable to demands in excess of the Firm Load, as approved by the Commission, and as modified from time to time by appropriate authority, copies of which are attached hereto and made a part hereof. Customer shall comply with all requirements of such tariffs relating to eligibility for interruptible rates. In the event of any conflict between the provisions of this Agreement and said tariffs, the latter shall control.

4. **Interruptible Service**. In accordance with Cooperative's Rate Schedule 46 and Interruptible Service Rider, service to Customer may be interrupted by approved communication medium from EKPC's Market Operations Center (MOC). Customer chooses 150 kW of Firm Load with the balance being Interruptible Demand. Interruptible Demand shall not be less than 250 kW and not exceed 20,000 kW.

The Customer shall have the right to request one change in the Firm Load during a 12-month period. Changes in the Firm Load will become effective on June 1st of a given year. A request for a change in the Firm Load shall be made by giving written notice to the Cooperative and EKPC no later than December 31st of the year prior to the year the change is to be effective. The Cooperative and EKPC will review the request, and if agreed, shall provide the Customer with a written acceptance of the requested change in Firm Load.

a. **EKPC Economic Interruptions.** EKPC may interrupt Customer to avoid purchasing energy from the PJM Market (an "Economic Interruption"). EKPC shall notify Customer that it is calling for an interruption and the notice shall be defined as an Economic Interruption and include the number of hours of such interruption. EKPC will endeavor to provide as much advance notice of interruptions as practicable, but the Customer will have thirty (30) minutes to reduce its electric power load to the Firm Load level once notice is sent by EKPC to Customer. Customer shall have the opportunity to buy-through any Economic Interruption and will pay for such buy-through energy. The rate for buy-through energy shall be EKPC's out-of-pocket cost at the PJM EKPC Zone during the interruption hours, plus Cooperative's distribution charge. The amount of buy-through energy billed by the Cooperative to the Customer will be the actual energy consumed by the Customer above the Firm Load each hour of the Economic Interruption. Interruptible buy-through energy shall not include the base energy charge, a fuel adjustment charge or environmental surcharge.

   EKPC may offer Customer the ability to secure buy-through energy utilizing a day-ahead pricing option. When offered, Customer will be provided day-ahead information and must follow the instructions given in order to participate. All metered energy above Firm Load during the day-ahead interruption will have the Cooperative distribution charge applied.

b. **EKPC Reliability Interruption.** EKPC has the right to call upon a mandatory load-reducing interruption of Customer's Interruptible Demand (a "Reliability Interruption") to participate in the PJM Capacity Market. EKPC shall notify Customer that it is calling for an interruption and the notice shall be defined as a Reliability Interruption. Customer must interrupt its Interruptible Demand, and the buy-through energy provisions related to an Economic Interruption are not available for Reliability Interruptions. For Reliability Interruptions, the terms and conditions of PJM's Capacity Program then in place shall apply. The Customer will have thirty (30) minutes to reduce its load to the Firm Load level once notice is sent by EKPC to Customer.

Once per PJM delivery year (June-May) PJM requires Customer to prove its ability to interrupt load by having Customer reduce the load to or below the Firm Load. The Customer must interrupt load as a result of this requirement.

c. **Interruption Hours and Notice**. Customer is contracting for interruptible service for all demand over the Firm Load as set forth above, with a total annual interruption of up to 400 hours. The sum of Economic Interruptions and Reliability Interruptions shall not exceed 400 hours on an annual basis. The annual period shall start on June 1 and end on May 31 of the following year. However, during the initial term of this Agreement, the annual period shall begin with the Effective Date of the Agreement and end on May 31 of the following year. The total interruptible hours during the initial term shall be pro-rated based on actual start date but shall not exceed 400 hours. Interruptions may occur between 6:00 a.m. to 9:00 p.m. EPT during the months of November through April and between 10:00

a.m. to 10:00 p.m. EPT during the months of May through October. No interruption shall last more than twelve (12) hours.

Notification of an interruption will be provided by EKPC to the Customer by phone call or email from EKPC's MOC to the Customer. The Customer will provide EKPC with Point of Contact ("POC") information for the communication of the notice of interruption and be responsible for keeping the POC information current. The Customer's POC to provide the communication of the notice of interruption is as follows:

Primary POC	Position	Brant Isaacs
	Address	73 Bundy Lane
		McKee, KY 40447
	Phone	859-200-1587
	Email	brant@uminellc.com
	Text	859-200-1587
Secondary POC	Position	Shawn Marshall
	Address	73 Bundy Lane
		McKee, KY 40447
	Phone	774-268-9634
	Email	shawn@uminellc.com
	Text	774-268-9634
Third POC	Position	Morgan Clark
	Address	73 Bundy Lane

McKee, KY 40447

Phone	508-237-5678
Email	morgan@uminellc.com
Text	508-237-5678

EKPC's POC is the MOC system operator on duty at the time of communication. The phone number for EKPC's POC is (859) 745-9210, and email is generation.operations@ekpc.coop.

5. **Economic Development Rider ("EDR").** The Customer has submitted an application to the Cooperative requesting service under the provisions of the Cooperative's Section EDR – Economic Development Rider. The Customer's Plant is located in a Kentucky county that has been identified by the Commonwealth of Kentucky as an "Enhanced Incentive County" and is for a minimum average billing load equal to or in excess of the amount required by said EDR tariff. The Customer has represented that it plans to hire at least three (3) employees and will have an approximate capital investment of $2.0M.

    a. **Discount Period and Discount Rate to Demand Charges.** The Customer has selected a five (5) year discount period option which requires a total contract term of ten (10) years. The discount period shall begin with the first complete billing month after the effective date of this Agreement. The discount to the total demand charge under this option will be:

First 12 consecutive monthly billings	50%
Next 12 consecutive monthly billings	40%
Next 12 consecutive monthly billings	30%
Next 12 consecutive monthly billings	20%
Final 12 consecutive monthly billings	10%

The discount shall be applied to the demand charges as stated in EKPC's Rate Section C and the resulting reduction shall be passed through to the Customer without any revision or adjustment by the Cooperative. The discount rates shall apply to the demand charge for the Contract Demand. Any credits provided under any other demand-related rider shall be applied before the discounts as described above are applied. Thus the Interruptible Rider demand credit, if applicable, shall be applied to the Customer's billing before the EDR discount. If during the discount period the Customer elects to take service under the terms and conditions of another tariff offered by the Cooperative that does not correspond to EKPC's Rate Section C, the discount shall be applied to the demand charges of the EKPC rate schedule that corresponds to the Cooperative's tariff offering.

b. **Load Factor.** The Customer agrees to maintain a minimum load factor of 60 percent during the months of the five (5) year discount period, subject to the following parameters:

(1) For the first 12 months of the discount period, the requirement to maintain a minimum load factor of 60 percent will be waived.

(2) For the remaining months of the discount period, the load factor will be determined each month. During the remaining months of the discount period, the Customer may fail to achieve the 60 percent minimum load factor for no more than eight (8) months. During those eight (8) months, the Customer will continue to receive the discount to the total demand charge. EKPC shall notify the Cooperative and the Cooperative shall notify the Customer of each month the Customer has failed to achieve the 60

percent minimum load factor yet continued to receive the discount to the total demand charge. The notification will include the calculation of the achieved load factor for the month.

Failure to maintain the 60 percent minimum load factor in any month beyond the eight (8) months described in part (2) above will result in the suspension of the discount to the total demand charge for that month. EKPC shall notify the Cooperative and the Cooperative shall notify the Customer in a month where the discount to the total demand charge has been suspended. The notification will include the calculation of the achieved load factor for the month in question. The discount to the total demand charge will resume in the next subsequent month the 60 percent minimum load factor is achieved. However, the discount will resume at the discount rate applicable to the month of the discount period and failure to meet the 60 percent minimum load factor in any month will not extend the discount period. Failure to receive the EDR discount in any month will not affect the operation of the Interruptible Rider and the application of any Interruptible Rider demand credit.

For purposes of this Agreement, load factor is defined by the formula:

Load Factor = billed kWh / (billed kW x 730)

where billed kWh and billed kW shall be the energy usage and demand as billed by EKPC and 730 reflects the average number of hours in a month.

c. **Capacity Purchases.** The Customer agrees that EKPC and the Cooperative can only offer an EDR during either periods of excess capacity or the additional capacity needs have been secured or are capable of being economically secured through a market purchase agreement. If additional capacity is secured through a market purchase, then the Customer will be responsible for the costs of the market purchase agreement. The costs of the market purchase agreement will be disclosed separately on the Customer's monthly bill.

The determination of the cost associated with a market purchase will be based on EKPC's participation in the PJM market. If the total load requirement for EKPC in any year is not increased with the inclusion of the Customer's load, there will be no purchase or arrangement for additional capacity and consequently no additional capacity charges for that year. If a purchase or arrangement for additional capacity is required, the cost will be based on the market conditions at the time of the PJM Incremental Auction when the Customer's load is first recognized. The cost will remain constant until the next PJM Incremental Auction, and could increase, decrease, or remain the same, depending on the results of each successive PJM Incremental Auction.

d. **Other Customer Specific Costs.** Any EDR customer-specific fixed costs shall be recovered over the life of the special contract.

e. **Minimum Bill.** The minimum bill will equal the minimum bill as defined in the Cooperative's Rate Schedule 46 plus the cost of any applicable capacity purchases and other customer specific costs, as described previously in this Agreement. The Cooperative's fuel adjustment clause and environmental surcharge, as established in the Cooperative's tariffs, shall be added to any minimum bill.

f. **Early Termination.** In the event that the Customer ceases operations at the Plant or otherwise stops taking service at the Plant within the initial term of this

Agreement, the Customer shall reimburse to EKPC and the Cooperative a portion of the EDR credits received by the Customer. The EDR credit reimbursement shall be due within 30 days from the date the Customer ceases operations at the Plant or stops taking service at the Plant. As used in this Agreement, EDR credits refers to the total dollar difference between the demand charges and environmental surcharge actually paid by the Customer compared to the demand charges and environmental surcharge that would have been paid without the EDR discount. Any applicable Interruptible Rider demand credits will be included in the calculation of the demand charges and environmental surcharge that would have been paid without the EDR discount. If the Customer ceases operations at the Plant or otherwise stops taking service at the Plant during the first five (5) years of the initial term of this Agreement ("discount period"), the Customer shall reimburse 75 percent of the total EDR credits received by the Customer. If the Customer ceases operations at the Plant or otherwise stops taking service at the Plant during the final five (5) years of the initial term of this Agreement ("non-discount period"), the Customer shall reimburse 50 percent of the total EDR credits received by the Customer. The Customer, or its guarantor, may also be required to provide a letter of credit or equivalent security satisfactory to EKPC equal to seventy-five (75) percent of the total EDR credits during the discount period of the EDR special contract, and equal to fifty (50) percent of the total EDR credits during the non-discount period of the EDR special contract.

6. **Responsibilities of Customer**. It is the responsibility of Customer to be sure its phone is working and that someone is available 24 hours per day, 365 days per year to promptly

respond to the EKPC communication. Customer shall acknowledge to EKPC that they received notice of a Reliability Interruption by either following the instructions in the communication message or directly contacting the EKPC MOC via phone or email prior to the start of the event. If Customer does not acknowledge the notice of a Reliability Interruption from EKPC for whatever reason, Customer will be considered as failing to interrupt and the failure to interrupt provisions of the Cooperative's Rate Schedule 46 and Interruptible Service Rider will be invoked.

Neither Cooperative nor EKPC shall be obligated to provide, or be responsible for providing, protective equipment for Customer's lines, facilities, and equipment to protect against single phasing, low voltage, short circuits, or any other abnormal system conditions, but Cooperative or EKPC, as the case may be, may provide such protective equipment as is reasonably necessary for the protection of its own property and operations. The electrical equipment installed by Customer shall be capable of satisfactory coordination with any protective equipment installed by Cooperative or EKPC. Any back-up generator installed by Customer may only be used during periods of loss of service from Cooperative, to power minimum required equipment during a Reliability Interruption, or to power minimum required equipment during a PJM performance test as noted in Paragraph 4(b). Running of back-up generators for demand peak shaving is prohibited.

7. **Continuing Jurisdiction of the Commission**. The rates, terms and conditions of this Agreement for electric service shall be subject to modification or change by Order of the Commission, during the initial one-year term and thereafter. The rates provided hereinabove shall be adjusted to reflect any Commission approved changes in applicable

tariff rates, including any FAC, Environmental Surcharge or changes in the base rates approved for EKPC and/or Cooperative on or after the Effective Date of this Agreement.

8. **Voltage Fluctuations.** Customer and Cooperative shall cooperate to see that Customer's load is operated in accordance with prudent utility practices, as defined in Paragraph 11 below. Customer agrees to operate its Plant and facilities to reduce voltage fluctuations or harmonic distortions. EKPC may install special meters to capture load and harmonics. Cooperative will notify Customer if its operations cause voltage fluctuations or harmonic distortions that result in interference with Cooperative's supply of service to other customers, and will attempt to identify and help Customer correct such problems. Any substantial deviation from prudent utility practices that would cause additional voltage fluctuations or harmonic distortions requires approval from Cooperative. If Customer fails to install and/or to operate the necessary facilities on its premises to correct the voltage fluctuations or harmonic distortions of its load based on applicable industry and IEEE standards, or to prevent such voltage fluctuations or harmonic distortions from interfering with Cooperative's supply of services to other customers, Cooperative shall have the right to deny service to Customer. Any voltage fluctuations or harmonic distortions shall be corrected within twenty-four (24) hours after written notice from Cooperative to Customer stating the voltage fluctuation or harmonic distortion problems.

Customer acknowledges that the energy-intensive nature of its operations are dissimilar to that of most other members of Cooperative and that any load in excess of the maximum demand could result in damage to Cooperative's distribution system, EKPC's transmission system and/or the distribution substation. In the event that Customer's usage exceeds the maximum demand, Customer shall be liable for any damages caused to EKPC or Cooperative in addition to all tariffed charges for demand exceeding the maximum demand. Furthermore, EKPC and Cooperative each reserve the right to de-energize Customer's Facility in the event that Customer's load presents a threat, in the sole discretion of EKPC or Cooperative, to their respective systems.

9. **Right of Access**. The duly authorized agents and employees of EKPC and/or Cooperative shall have free access at all reasonable hours to the premises of Customer for the purpose of installing, repairing, inspecting, testing, operating, maintaining, renewing or exchanging any or all of their equipment which may be located on the premises of Customer for reading or testing meters, or for performing any other work incident to the performance of this Agreement. Customer shall not unreasonably withhold access from Cooperative and/or EKPC to access equipment or machinery owned by Cooperative or EKPC. The parties agree to take reasonable steps to protect the property of each other party located on its premises, and to permit no one to inspect or tamper with the wiring and apparatus of the other party except such other party's agents or employees, or persons authorized by law. It is agreed, however, that no party assumes the duty of inspecting the wiring or apparatus of any other party and shall not be responsible therefor. The employees, agents, and representatives of EKPC and Cooperative that access the Customer's facilities shall abide by all applicable safety, health and similar rules and requirements provided by the Customer.

10. **Substation Facilities**. Upon request, Customer, without cost to Cooperative or EKPC, shall convey to Cooperative or to EKPC, as appropriate, a suitably agreed upon site on Customer's premises for use as a substation facility. Such conveyance shall be in fee simple with General Warranty or by Substation Easement for so long as the site is used by

Cooperative to furnish electrical power and energy to Customer. At such time as the site is no longer used by Cooperative for such purposes, it shall revert to Customer automatically, without the necessity of any action being taken or claim being made by Customer. It is agreed, however, that in the event of such reversion, Cooperative, EKPC or any successor in interest to them shall have ninety (90) days to remove any improvements erected by any of them upon such site. Customer shall also provide Cooperative and, as appropriate, EKPC, with such easements for any transmission line as may be required to connect the service to be provided by Cooperative hereunder, and shall take reasonable steps to provide for the safekeeping of such equipment and facilities and to prevent the access thereto by unauthorized persons.

11. **Right of Removal**. Any and all equipment, apparatus, devices, or facilities placed or installed, or caused to be placed or installed, by either of the parties hereto on or in the premises of the other party shall be and remain the property of the party owning and installing such equipment, apparatus, devices, or facilities regardless of the mode or manner of annexation or attachment of real property of the other. Upon the termination of this Agreement, or any extension thereof, the owner thereof shall have the right to enter upon the premises of the other and shall within a reasonable time upon notice and approval of the other party remove all or any portion of such equipment, apparatus, devices, or facilities, unless otherwise agreed by the parties at the time of such termination. As a part of any such removal, the owner shall perform restoration as required for any damage caused by said removal.

12. **Prudent Utility Practice**. Each party shall design, construct and operate its facilities in accordance with prudent electric utility practice in conformity with generally accepted

standards for electric utilities in the Commonwealth of Kentucky, including, but not limited to, the applicable edition of the National Electric Safety Code.

12. **Maintenance of Equipment**. Each party agrees that it will at all times maintain its lines, equipment and other facilities up to the Delivery Points in a safe operating condition in conformity with generally accepted standards for electric utilities in the Commonwealth of Kentucky, including, but not limited to, the applicable edition of the National Electrical Safety Code and applicable IEEE standards.

13. **Billing and Payment**.

a. **Regular Monthly Billing**. EKPC shall invoice the Cooperative for all energy, capacity or other service delivered to the Cooperative in accordance with EKPC's tariffs. Cooperative will bill Customer each month for the cost of electric power and energy delivered to Customer during the preceding month. This bill will clearly state the amount due, the corresponding due date and sufficient information to demonstrate the manner in which the charges were calculated.

b. **Due Date**. Payment for electric power and energy furnished hereunder, including any amounts payable for replacement power or options pursuant to Paragraph 4 hereinabove, shall be due and payable at the office of Cooperative monthly in accordance with the applicable provisions of Cooperative's Rate Schedule 46 and Interruptible Service Rider. If Customer shall fail to pay any such bill as provided in said tariffs, Cooperative may discontinue delivery of electric power and energy hereunder ten (10) days following written notice to Customer of its intention to do so. Such discontinuance for non-payment shall not in any way affect the obligations of Customer to pay the minimum monthly charge provided in the attached Rate Schedules. All amounts unpaid when due may be subject to a charge for late payment, as provided in the applicable Rate Schedules.

c. **Failure to Take Delivery.** If Customer fails to accept all or part of the energy acquired or generated by EKPC or Cooperative when such purchases are made in performance of their respective obligations under this Agreement, and such failure is not excused by EKPC's or the Cooperative's failure to perform, then the Customer shall pay to the Cooperative, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the amount for which the energy is actually sold by EKPC or Cooperative to another buyer from the price set forth herein. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and the efforts made by EKPC and/or Cooperative to market energy at the best market price attainable.

d. **Security/Deposit**. Customer agrees to provide a form and amount of bill payment security acceptable to Cooperative, and payable to Cooperative, for the duration of the Agreement. The amount of payment security may be changed at the request of Cooperative to match any changes in load by Customer. Such payment security may be equal to, but shall not exceed two times the amount of Customer's average monthly bill. The payment security shall be promptly payable to Cooperative, upon demand, due to non-payment by Customer and in accordance with the conditions set forth in subsections (a) and (b) above.

15. **Meter Testing and Billing Adjustment**. EKPC or Customer shall test and calibrate meters, or cause them to be tested and calibrated, by comparison with accurate standards at intervals of twenty-four (24) months. EKPC or Customer shall also make, or cause to be made, special meter tests at any time during normal business hours at Customer's request. The costs of all tests shall be borne or provided for by Cooperative, provided, however, that if any special meter test made by Customer's request shall disclose that the meters are recording accurately Customer shall reimburse Cooperative for the cost of such test. Meters registering not more than two (2) percent above or below normal shall be deemed to be accurate. The readings of any meter which shall have been disclosed by test to be inaccurate (as defined above) shall be corrected for the period during which meter error is known to have existed, or if not known, for one-half the elapsed time since the last such test in accordance with the percentage of inaccuracy found by such test. If any meter shall fail to register for any period, the parties shall agree as to the amount of kW Demand and energy furnished during such period. Such estimates shall be based on Customer's operating records for the period in question, historical load records and other pertinent data and records, and Cooperative shall render a bill to Customer therefore. Meter calibration records will be provided by the Cooperative upon request from the Customer.

16. **Membership/Capital Credits**. Cooperative is a non-profit Kentucky corporation and Customer will benefit from any savings or reductions in cost-of-service in the same manner as any comparable customer as authorized by Kentucky law, and by Cooperative's Articles of Incorporation and Bylaws; provided, however, Cooperative's Board of Directors may defer retirement of so much of the capital credited to patrons for any year which reflects capital credited to Cooperative by EKPC until EKPC shall have retired such capital

credited to Cooperative. Customer shall participate in capital credits of Cooperative in accordance with Kentucky law and Cooperative's Articles of Incorporation and Bylaws.

17. **Events of Default.** An "Event of Default" shall mean, with respect to a party (a "Defaulting Party"), the occurrence of any of the following:

a. the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within twenty (20) Business Days after written notice;

b. any representation or warranty made by such party herein is false or misleading in any material respect when made or when deemed made or repeated and written notice is given to that party by another party;

c. the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such party's obligations to receive energy, the exclusive remedy for which is provided in Paragraph 13.c. above) if such failure is either not remedied within twenty (20) business days after written notice or reasonable steps have not been taken, and continue to be taken, to remedy such failure as soon as practical;

d. such party becomes bankrupt; or

e. such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party. Notwithstanding this provision, the parties agree that Customer shall not be in default if it is merged or consolidated with or acquired by an entity or entities in which control or majority interest remains in an affiliate, parent, or subsidiary of Customer.

18. **Termination for an Event of Default.** If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing and notice has been given in accordance with Paragraph 22 and any cure period(s) required in this Agreement have run, any other party (the "Non-Defaulting Party") shall have the right to: (i) designate a day, no earlier than the day such notice is effective and no later than ten (10) days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the parties; (ii) withhold any payments due to the Defaulting Party under this Agreement; and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner and considering the full period of non-performance from the Early Termination Date through the date of the expiration of the Agreement's Initial Term, or any subsequent term, a Termination Payment amount as of the Early Termination Date. As soon as practicable after a termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the party that owes it within twenty (20) business days after such notice is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within twenty (20) business days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that

if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer to the Non-Defaulting Party an amount equal to the Termination Payment to be held in escrow pending the outcome of the dispute.

19. **Disputes and Adjustments of Bills.** A party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the invoice shall be required to be made when due, with notice of the objection given to the other parties. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Upon resolution of the dispute, any required refund shall be made within twenty (20) business days of such resolution along with interest accrued at the rate of three percent (3%) over the stated rate for commercial paper as published in the *Wall Street Journal* on the date that notice of the dispute is given, from and including the due date to but excluding the date of the refund. Inadvertent overpayments shall be returned upon request or deducted by the party receiving such overpayment from subsequent payments. Any dispute with respect to an invoice is waived unless the other parties are notified in accordance with this paragraph within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

20. **Resolution of Disputes.** Any dispute or need of interpretation between the parties involving or arising under this Agreement first shall be referred for resolution to a senior

representative of each party. Upon receipt of a notice describing the dispute and designating the notifying party's senior representative and that the dispute is to be resolved by the parties' senior representatives under this Agreement, the other parties shall promptly designate its senior representatives to the notifying party. The senior representatives so designated shall attempt to resolve the dispute on an informal basis as promptly as practicable. If the dispute has not been resolved within thirty (30) days after the notifying party's notice was received by the other parties, or within such other period as the parties may jointly agree, the parties may pursue any remedies available at law or in equity to enforce its rights provided in the Agreement. During this resolution process, EKPC and Cooperative shall continue to supply energy as requested by Customer and Customer shall continue to accept requested renewable energy. Notwithstanding any inconsistent provision herein, any party may be entitled to injunctive or other equitable relief without resort to the settlement or resolution procedures set forth herein.

21. **Representations and Warranties.** Each party represents and warrants to the other parties that:

a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and that it is authorized to do business within the Commonwealth of Kentucky;

b. it has all legal and regulatory authorizations necessary for it to legally perform its obligations under this Agreement or is diligently pursuing them;

c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, except as set forth herein;

d. this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

e. it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

g. no Event of Default or potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

h. it is acting for its own account, has made its own independent decision to enter into this Agreement and, as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of any other party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

i. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all power and energy referred to herein;

j. if applicable, it is compliant with all federal laws regarding the regulation and protection of securities, technology, infrastructure and financial data, including, without limitation, the Securities Act of 1933, Securities Exchange Act of 1934, Trust Indenture Act of 1939, Investment Company Act of 1940, Investment Advisors Act of 1940, Sarbanes-Oxley Act of 2002, Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Jumpstart Our Business Startups Act of 2012, the Foreign Investment Risk Review Modernization Act of 2018 and all rules and regulations promulgated thereunder, whether by the Securities and Exchange Commission, United States Treasury, Committee on Foreign Investment in the United States, Internal Revenue Service or other jurisdiction over Customer's business and operations;

k. the material economic terms of this Agreement were and are subject to individual negotiation by the parties.

22. Limitation of Liability. **EXCEPT AS MAY BE SET FORTH EXPRESSLY HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT EKPC AND THE COOPERATIVE HAVE MADE NO SPECIFIC OR GENERAL REPRESENTATIONS OR WARRANTIES REGARDING THE POWER AND ENERGY TO BE PURCHASED HEREBY OR ANY FACILITIES ASSOCIATED WITH GENERATING, TRANSMITTING OR DISTRIBUTING SAME, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY REPRESENTATIONS AND WARRANTIES HAVE BEEN MADE, UNLESS EXPRESSLY SET FORTH HEREIN, CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT THEY**

ARE HEREBY EXPRESSLY DISCLAIMED. CUSTOMER ALSO UNDERSTANDS AND AGREES THAT HIS OR HER SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A BREACH OF THIS AGREEMENT BY EKPC OR THE COOPERATIVE IS EXPRESSLY LIMITED TO PURCHASING REPLACEMENT POWER FROM THE COOPERATIVE AT PREVAILING TARIFFED RATES.

23. **Notices**. Any written notice, demand, or request required or authorized under this Agreement, except for notices of an interruption which shall be given as set forth in Paragraph 4 herein, shall be deemed properly given to or served on Cooperative and EKPC if mailed to:

Jackson Energy Cooperative
Attn: Ben Jones
115 Jackson Energy Lane
McKee, KY 40447

and

East Kentucky Power Cooperative, Inc.
Attn: Senior Vice President of Power Supply
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707

Any such notice, demand, or request shall be deemed properly given or served on Customer if mailed to:

UMine LLC
Attn: Brant Isaacs
73 Bundy Lane
McKee, KY 40447

Each party shall have the right to change the name of the person to whom, or the location where the notices are to be given or served by notifying the other party, in writing, of such change.

24. **Responsibility for Damages or Loss**. The electric power and energy supplied under this Agreement is supplied upon the express condition that after it passes the Point of Delivery it becomes the responsibility of Customer. Neither Cooperative nor EKPC shall be liable for loss or damage to any person or property whatsoever, and Customer agrees to indemnify and hold EKPC and/or Cooperative harmless for damages suffered by any individual or business entity resulting directly or indirectly from the use, misuse or presence of the said electric power and energy on Customer's premises, or elsewhere, after it passes the Point of Delivery, except where such loss or damage shall be shown to have been occasioned by the gross negligence of EKPC or Cooperative, their agents or employees.

25. **Continuity of Service**. Cooperative shall use reasonable diligence required of a public utility in Kentucky to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail, neither EKPC nor Cooperative shall be liable therefor or for damages caused thereby.

26. **Successors in Interest - Assignment**. The terms and conditions of this Agreement shall inure to and be binding upon the parties, together with their respective successors in interest. No party to this Agreement may assign its rights hereunder without the consent of the other, which shall not be unreasonably withheld; except that Cooperative or EKPC may assign this Agreement to the Rural Utilities Service ("RUS") and/or any other lenders to Cooperative or EKPC without such consent.

27. **Force Majeure**. The obligations of either party to this Agreement shall be suspended during the continuance of any occurrence, beyond the affected party's control (a "force majeure"), which wholly or partially prevents the affected party from fulfilling such obligations, provided that the affected party gives notice to the other party of the reasons for its inability to perform within a reasonable time from such occurrence, is diligently seeking to cure said force majeure, and gives notice to the other party within a reasonable time of such cure. As used in this Section, the term force majeure shall include, but is not limited to: acts of God; strikes; wars; acts of public enemy; riots; storms; floods; civil disturbances; explosions; failures of machinery or equipment; unavoidable disruptions in power deliveries from EKPC; or actions of federal, state, or local governmental authorities, which are not reasonably within the control of the party claiming relief. Notwithstanding the above provisions, no event of force majeure shall relieve Customer of the obligation to pay the minimum monthly charge provided herein or in the attached rate schedules.

28. **Approvals**. The rates and charges for electrical service established hereunder are subject to approval by the Commission pursuant to Kentucky Revised Statutes Chapter 278, and any necessary approvals by the RUS and the National Rural Utilities Cooperative Finance Corporation. The parties covenant to use their best efforts to forthwith seek and support such approvals for this Agreement by filing such papers, presenting such testimony and taking such other action as may be necessary or appropriate to secure the same. If such approval shall not be received from the Commission on or before six months from date of Agreement, any party may void this Agreement without further liability, except to the extent any liability has already accrued.

29. **Effect on other Rates.** Nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of Customer's receipt of service from the Cooperative under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Customer. Likewise, nothing in this Agreement shall be construed to effect, limit, alter, amend or change the terms or conditions of the Cooperative's receipt of service from EKPC under any other tariff or rate schedule then in effect or subsequently approved by the Commission which applies to the Cooperative.

30. **Modifications**. Any future revisions or modifications of this Agreement shall require the unanimous written approval of Cooperative and Customer, and any necessary approvals by RUS, any other lenders to Cooperative, and the Commission.

31. **Indemnification**. Customer agrees to indemnify and hold Cooperative and EKPC, and their respective directors, officers, employees, attorneys, agents, representatives, successors and assigns harmless and to defend them at its sole cost and expense from each, every, any and all liabilities, judgments, claims, causes, actions, costs, expenses, compensation, demands or damages of any kind whatsoever asserted in any judicial or administrative form, whether arising in law, equity or other authority, including, without limitation, claims of third parties for indemnification and/or contribution, which may accrue to such others and their executors, administrators, heirs, successors and assigns, through any act, omission, event or occurrence caused by the actions or operations of the Customer, the violations of any authority identified herein or the performance of this Agreement.

32. **Miscellaneous**.

a. **Headlines of Articles**. Headings of articles of this Agreement have been inserted for convenience only and shall in no way affect the interpretation of any term or provision hereof.

b. **Severability**. Except where expressly stated otherwise the duties, obligations and liabilities of the parties are intended to be several and not joint or collective.

c. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Kentucky, notwithstanding any principles of choice of law.

d. **Venue.** Any actions or claims arising from or relating to this Agreement shall be instituted in the Circuit Court of Jackson County, Kentucky and each party hereto expressly acknowledges that such forum is convenient and acceptable.

e. **Waiver of Trial by Jury**. **EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT: (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE**

FOREGOING WAIVER; (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER; (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY; AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS PARAGRAPH.

f. **Waivers**. Any waiver at any time by a party of its rights with respect to a default or with respect to any other matters arising on connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or other matter.

g. **Prior Agreements**. The parties hereby acknowledge that this Agreement contains the entire agreement among the parties and supersedes all prior agreements and understandings related to the subject matter hereof.

h. **No Agency**. In performing their respective obligations hereunder, no party is acting, or is authorized to act, as agent of any other party.

i. **Forward Contract**. The parties acknowledge and agree that all sales of renewable power hereunder constitute "forward contracts" within the meaning of the United States Bankruptcy Code.

j. **Counterparts**. This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed an original.

[The remainder of this page is intentionally blank.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed, in six original counterparts, by their respective officers, thereunto duly authorized, as of the day and year first above written.

ATTEST:

UMINE, LLC

SIGNATURE

BY Brant Isaacs
PRINTED NAME

President
TITLE

ATTEST:

EAST KENTUCKY POWER COOPERATIVE, INC.

Anthony S Campbell
SIGNATURE

BY Tony Campbell
PRINTED NAME

Pres./CEO 9/30/2022
TITLE

ATTEST:

JACKSON ENERGY COOPERATIVE CORPORATION

Carol Wright
SIGNATURE

BY Carol Wright
PRINTED NAME

President & CEO
TITLE

ATTACHMENT

REFERENCED TARIFF SCHEDULES

EKPC Rate C

EKPC Rate D – Interruptible Service

Jackson Energy Schedule 46 – Large Power Rate

Jackson Energy – Interruptible Service

Jackson Energy – Section EDR – Economic Development Rider

Rate C

Applicability

In all territories of owner-member of EKPC. T

Availability

Available to owner-members and retail members willing to execute EKPC-approved contracts for demands of 500 kW or greater and a monthly minimum energy usage equal to or greater than 400 hours per kW of billing demand. The electric power and energy furnished hereunder shall be separately metered for each point of delivery. T

Monthly Rate

Demand Charge per kW of Billing Demand	$7.49	I
Energy Charge per kWh	$.039884	I

Billing Demand

The billing demand shall be the greater of (a) or (b) listed below: T

a. The contract demand; or T
b. The retail member's highest demand during the current month or preceding eleven months coincident with EKPC's system peak demand. EKPC's system peak demand is the highest average rate at which energy is used during any fifteen (15)-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

Months	Hours Applicable for Demand Billing - EPT
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Minimum Monthly Charge

The minimum monthly charge shall not be less than the sum of (a) and (b) below:

a. The product of the billing demand multiplied by the demand charge, plus
b. The product of the billing demand multiplied by 400 hours and the energy charge per kWh minus the fuel base per kWh as established in the Fuel Adjustment Clause. T

DATE OF ISSUE: April 1, 2021

DATE EFFECTIVE: Service rendered on and after October 1, 2021

ISSUED BY: Anthony S. Campbell,
President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2021-00103 dated September 30, 2021.

KENTUCKY
PUBLIC SERVICE COMMISSION
Linda C. Bridwell
Executive Director
Linda C. Bridwell
EFFECTIVE
10/1/2021
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Rate D
Interruptible Service

Standard Rider

This Interruptible Rate is a rider to Rates B, C, E, and G. T

Applicability T

In all territories of owner-members of EKPC. T

Availability T

This rate shall be made available at any load center, to any owner-member where a retail member will contract for an interruptible demand of not less than 250 kW and not more than 20,000 kW, subject to a maximum number of hours of interruption per year and a notice period as listed below. Note that hours of interruption per year or annual hours of interruption refer to the twelve (12)-month period ended May 31.

Monthly Rate

A monthly interruptible demand credit per kW is based on the following matrix: T

Notice Minutes	Annual Hours of Interruption 200	300	400
30	$4.20	$4.90	$5.60

Definitions T

The billing demand shall be determined as defined in Rates B, C, E, or G, as applicable. T

The firm demand shall be the retail member's minimum level of demand needed to continue operations during an interruption. The firm demand shall not be subject to interruption and shall be specified in the contract. N

The interruptible demand shall be equal to the amount by which the monthly billing demand exceeds the firm demand, up to 20,000 kW maximum. T T

DATE OF ISSUE: April 1, 2021

DATE EFFECTIVE: Service rendered on and after October 1, 2021

ISSUED BY: Anthony S Campbell
Anthony S. Campbell,
President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2021-00103 dated September 30, 2021.

KENTUCKY
PUBLIC SERVICE COMMISSION
Linda C. Bridwell
Executive Director
Linda C. Bridwell
EFFECTIVE
10/1/2021
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Rate D (continued)

Conditions of Service for Customer Contract

1. The retail member will, upon notification by EKPC, reduce the load being supplied by the owner-member to the firm demand specified by the contract. T

2. EKPC will endeavor to provide the retail member as much advance notice as possible of the interruption of service. However, the retail member shall interrupt service within the notice period as contracted.

3. Service will be furnished under the owner-member's "General Rules and Regulations" or "Terms and Conditions" except as set out herein and/or provisions agreed to by written contract.

4. No responsibility of any kind shall attach to EKPC and/or the owner-member for, or on account of, any loss or damage caused by, or resulting from, any interruption or curtailment of this service.

5. The retail member shall own, operate, and maintain all necessary equipment for receiving electric energy and all telemetering and communications equipment, within the retail member's premises, required for interruptible service.

6. The minimum original contract period shall be one year and thereafter until terminated by giving at least sixty (60)-days previous written notice. EKPC may require a contract be executed for a longer initial term when deemed necessary by the size of the load and other conditions.

Calculation of Monthly Bill

The monthly bill is calculated as follows: T

A. The demand and energy charges of the bill shall be calculated consistent with the applicable provisions of Rates B, C, E or G.

B. The interruptible demand credit shall be determined by multiplying the interruptible demand for the billing month by the monthly demand credit per kW and applied to the bill calculation.

C. All other applicable bill riders, including the Fuel Adjustment Clause and Environmental Surcharge shall be applied to the bill calculation consistent with the provisions of those riders.

DATE OF ISSUE: April 1, 2021

DATE EFFECTIVE: Service rendered on and after October 1, 2021

ISSUED BY: Anthony S. Campbell

Anthony S. Campbell,
President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2021-00103 dated September 30, 2021.

KENTUCKY
PUBLIC SERVICE COMMISSION
Linda C. Bridwell
Executive Director
Linda C. Bridwell
EFFECTIVE
10/1/2021
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Rate D (continued)

Number and Duration of Interruptions

A. There shall be no more than two (2) interruptions during any 24-hour calendar day. No interruption shall last more than twelve hours

B. Interruptions may occur between 6:00 a.m. and 9:00 p.m. EPT during the months of November through April and between 10:00 a.m. and 10:00 p.m. EPT during the months of May through October.

C. The maximum number of annual hours of interruption shall be in accordance with the retail member-contracted level of interruptible service.

Charge for Failure to Interrupt

If the retail member fails to interrupt its demand as requested by EKPC, the owner-member shall bill the uninterrupted demand at a rate equal to five (5) times the applicable firm power demand charge for that billing month. Uninterrupted demand is equal to actual demand during the requested interruption minus firm demand. T

DATE OF ISSUE: April 1, 2021

DATE EFFECTIVE: Service rendered on and after October 1, 2021

ISSUED BY: Anthony S. Campbell,
President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2021-00103 dated September 30, 2021.

KENTUCKY
PUBLIC SERVICE COMMISSION
Linda C. Bridwell
Executive Director

EFFECTIVE
10/1/2021
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Schedule 46 – Large Power Rate - 500 kW and Over

Availability

Available to all consumers whose load requirements monthly average over a 12-month period is 500kW and over.

Rate

Customer Charge Per Month	$1,754.33	I
Demand Charge Per Month	$ 7.06 per kW	I
All kWh Per Month	$0.04832	I

Determination Billing Demand

The monthly billing demand shall be the greater of (a) or (b) listed below:

(a) The contract demand

(b) The ultimate consumer's peak demand during the current month or preceding eleven months. The peak demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

Months	Hours Applicable for Demand Billing – EST
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at the time of the maximum demand to determine if the power factor is less than 90%. Power factor penalty formula will be as follows:

$$\text{Power factor penalty} = \frac{\text{(maximum kW demand x 90\% pf)}}{\text{actual power factor}} - \text{(maximum kW demand) x \$/kW}$$

Date of Issue: October 7, 2021

Date Effective: Services rendered on or after October 1, 2021

Issued By: [signature]
President & CEO

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2021-00112 dated September 30, 2021.

KENTUCKY
PUBLIC SERVICE COMMISSION
Linda C. Bridwell
Executive Director
[signature]
EFFECTIVE
10/1/2021
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

SCHEDULE 46
LARGE POWER RATE – 500KW AND OVER

Minimum Monthly Charge

The minimum monthly charge will be the sum of (a), (b) and (c) below:

(a) The product of the billing demand multiplied by the demand charge, plus
(b) The product of the billing demand multiplied by 400 hours and the energy charge per kWh, plus
(c) The customer charge

D

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program Rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

Jackson Energy Cooperative Corporation

INTERRUPTIBLE SERVICE

Standard Rider

The Interruptible Service is a rider to Rate Schedules 46, 47, and 48.

Availability of Service

This schedule shall be made available to any load center, to any member who will contract for an interruptible demand of not less than 500 kW, subject to a maximum number of hours of interruption per year and a notice provided as listed below.

Rate

A monthly demand credit per kW is to be based on the following matrix:

NOTICE MINUTES	ANNUAL HOURS OF INTERRUPTION 200	300	400	
30	$4.20	$4.90	$5.60	T D

Determination of Billing Demand

The monthly billing demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

Months	Hours Applicable for Demand Billing – EPT	
November through April	6:00 a.m. to 9:00 p.m.	T
May through October	10:00 a.m. to 10:00 p.m.	T

The interruptible billing demand shall be equal to the amount by which the monthly billing demand exceeds the minimum billing demand as specified in the contract.

DATE OF ISSUE December 28, 2015

DATE EFFECTIVE February 1, 2016

ISSUED BY [signature]
President & CEO

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. Dated

KENTUCKY
PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH
Bunt Kirtley
EFFECTIVE
2/1/2016
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Jackson Energy Cooperative Corporation

INTERRUPTIBLE SERVICE

Conditions of Service for Customer Contract

1. The customer will, upon notification by the Cooperative, reduce his load being supplied by the Cooperative to the contract capacity level specified by the contract.
2. The Cooperative will endeavor to provide the Customer as much advance notice as possible of the interruption of service. However, the Customer shall interrupt service within the notice period as contracted.
3. Service will be furnished under the Cooperative's "General Rules and Regulations" or "Terms and Conditions" except as set out herein and/or provisions agreed to by written contract.
4. No responsibility of any kind shall attach to the Cooperative for, or on account of, any loss or damage caused by, or resulting from any interruption or curtailment of this service.
5. The Customer shall own, operate, and maintain all necessary equipment for receiving electric energy and all telemetering and communications equipment, within the Customer's premises, required for interruptible service.
6. The minimum original contract period shall be one year and thereafter until terminated by giving at least sixty days previous written notice. The Cooperative may require a contract be executed for a longer initial term when deemed necessary by the size of the load and other conditions. T
7. The Fuel Adjustment Clause and the Environmental Surcharge as specified in the governing rate schedule are applicable.
8. The Customer shall arrange his wiring so that interruptible service supplied under this rider shall be separately metered and segregated from firm service.
9. A Customer's plant is considered as one or more buildings which are served by a single electrical distribution system provided and operated by the Customer. When the size to the Customer's load necessitates the delivery of energy to the Customer's plant over more than one circuit, the company may elect to connect its circuits to different points on the Customer's system.
10. Any transformers required in excess of those used for regular firm power shall be owned and maintained by the Customer.

KENTUCKY
PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH
Bunt Kirtley
EFFECTIVE
2/1/2016
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

DATE OF ISSUE December 28, 2015

DATE EFFECTIVE February 1, 2016

ISSUED BY Carol Wright
President & CEO

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. Dated

INTERRUPTIBLE SERVICE

Calculation of Monthly Bill

The monthly bill is calculated on the following basis:

A. Sum o customer charge, plus
B. Minimum billing demand in kW multiplied by the firm capacity rate, plus
C. Interruptible billing demand in kW multiplied by interruptible rate, plus
D. Energy usage in kWh multiplied by the energy rate.

Number and Duration of Interruptions

A. There shall be no more than two (2) interruptions during any 24 hour calendar day. No interruption shall last more than twelve hours. T T D

B. The maximum number of annual hours of interruption shall be in accordance with the customer contracted level of interruptible service.

Charge for Failure to Interrupt

If customer fails to interrupt load as requested by the Cooperative, the Cooperative shall bill the entire billing demand at a rate equal to five (5) times the applicable firm power demand charge for that billing month. Uninterrupted load is equal to actual load during requested interruption minus firm load. T

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DATE EFFECTIVE February 1, 2016

ISSUED BY Carol Wright
President & CEO

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. Dated

KENTUCKY
PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH
Bunt Kirtley
EFFECTIVE
2/1/2016
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

N

Section EDR
Economic Development Rider

Applicability

The EDR is available in all the service territory served by Jackson Energy Cooperative Corporation ("Jackson Energy").

Availability

Available as a rider to qualifying Jackson Energy non-residential customers to be served or being served under East Kentucky Power Cooperative, Inc.'s ("EKPC") Sections B, C, E, and G to encourage Economic Development as defined herein. Service under the EDR is conditional on approval of a special contract between EKPC, Jackson Energy, and the qualifying non-residential customer for such economic development rate service filed with and approved by the Kentucky Public Service Commission ("Commission")

Economic Development

Service under EDR is available to:

1) New customers contracting for a minimum average monthly billing load of 500 kW over a 12 month period. If the new customer is locating in a Kentucky county that is identified by the Commonwealth of Kentucky as an "Enhanced Incentive County", then the minimum average monthly billing load will be 250 kW over a 12 month period.
2) Existing customers contracting for a minimum average monthly billing load increase of 500 kW over a 12 month period above their Economic Development Base Load ("ED Base Load"). If the existing customer is located in a Kentucky county that is identified by the Commonwealth of Kentucky as an "Enhanced Incentive County", then the minimum average monthly billing load increase will be 250 kW over a 12 month period. The ED Base load will be determined as follows:
    a. The existing customer's ED Base Load will be determined by averaging the customer's previous three years' monthly billing loads. EKPC, Jackson Energy, and the existing customer must agree upon the ED Base Load, and any adjustments to the ED Base Load must be mutually agreed to by the parties
    b. The ED Base Load shall be an explicit term of the special contract submitted to the Commission for approval before the customer can take service under the EDR. Once the ED Base Load's value is established, it will not be subject to variation or eligible for service under the EDR.
    c. These provisions are not intended to reduce or diminish in any way EDR service already being provided to all or a portion of a customer's ED Base Load. Such EDR service would continue under the terms of the applicable special contract already existing between EKPC, Jackson Energy, and the customer concerning the affected portion of the customer's ED Base Load.

DATE OF ISSUE July 1, 2014

DATE EFFECTIVE June 20, 2014

ISSUED BY [signature]
President & CEO

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Jackson Energy Cooperative Corporation

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Section EDR (con't.)

3) A new or existing customer eligible for a minimum average monthly billing load between 250 kW and 500 kW may require a customer-specific meter installation. The cost of the customer-specific meter installation shall be recovered from the customer.

4) The new customer or existing customer must agree to maintain a minimum load factor of 60 percent during the majority of the months in the discount period, subject to the following parameters:
   a. During the first 12 months of the discount period the 60 percent minimum load factor requirement will be waived.
   b. During the remaining months of the discount period, the load factor will be determined each month. The new or existing customer may fail to achieve the 60 percent minimum load factor for no more than 1/6th of the remaining months of the discount period.
   c. Failure to maintain the 60 percent minimum load factor in any month beyond the period described in part 4(b) above will result in the suspension of the discount to the Total Demand Charge for that month. The discount to the Total Demand Charge will resume in the month the 60 percent minimum load factor is achieved; however the discount will resume at the discount rate applicable to the month of the discount period.

5) A customer desiring service under the EDR must submit an application for service that includes:
   a. A description of the new load to be served;
   b. The number of new employees, if any, the customer anticipates employing associated with the new load; and
   c. The capital investment the customer anticipates making associated with the EDR load.

6) Any EDR customer-specific fixed costs shall be recovered over the life of the special contract.

7) For purposes of this tariff, a new customer is defined as one who becomes a customer of Jackson Energy on or after January 1, 2013

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ISSUED BY [signature]
President & CEO

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Jackson Energy Cooperative Corporation

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Section EDR (con't.)

Rate

The rate available under the EDR shall be in the form of a discount to the Total Demand Charge on the EKPC rate section applicable to the customer. The Total Demand Charge is the sum of all demand charges, including any credits provided under any other demand-related rider, before the EDR discounts as described below are applied. A customer taking service under the EDR shall be served according to all of the rates, terms, and conditions of the normally applicable rate schedule subject to the following discount options:

Discount Period	3 years	4 years	5 years
Required Minimum Contract Term	6 years	8 years	10 years
Discount to Total Demand Charge:			
First 12 consecutive monthly billings	30%	40%	50%
Next 12 consecutive monthly billings	20%	30%	40%
Next 12 consecutive monthly billings	10%	20%	30%
Next 12 consecutive monthly billings	0%	10%	20%
Next 12 consecutive monthly billings	0%	0%	10%

The discount will not be smaller than the amount calculated from the EKPC rate sections.

Terms and Conditions

1) EKPC and Jackson Energy will only offer an EDR during either periods of excess capacity or the additional capacity needs have been secured, or are capable of being economically secured, through a market purchase agreement. If additional capacity has been secured through a market purchase, the customer will be responsible for the costs of the market purchase agreement. Upon submission of each EDR special contract, EKPC will demonstrate that the load expected to be served during each year of the contract period will not cause them to fall below a reserve margin that is considered essential for system reliability.
2) Service shall be furnished under the applicable standard rate schedule and this rider, filed as a special contract with the Commission, for a fixed term of at least two times the discount period and for such time thereafter under the terms stated in the applicable standard rate schedule. The discount period shall not be less than 3 years and not exceed 5 years. A greater term of contract or termination notice may be required because of conditions associated with a customer's requirements for service. Service shall be continued under the conditions provided for under the applicable standard rate schedule to which this rider is attached after the original term of the contract.

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President & CEO

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2014-00047 Dated June 20, 2014

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Jackson Energy Cooperative Corporation

Section EDR (con't.)

N

3) The customer may request an EDR effective initial billing date that is no later than 12 months after the date on which EKPC and Jackson Energy initiates service to the customer.

4) The EDR is not available to a new customer which results from a change in ownership of an existing establishment. However, if a change in ownership occurs after the customer enters into an EDR special contract, the successor customer may be allowed to fulfill the balance of the EDR special contract.

5) EKPC and Jackson Energy may offer differing terms, as appropriate, under the special contract to which this rider is a part depending on the circumstances associated with providing service to a particular customer subject to approval by the Commission.

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DATE EFFECTIVE June 20, 2014

ISSUED BY
President & CEO

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2014-00047 Dated June 20, 2014

KENTUCKY
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EFFECTIVE
6/20/2014
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

To whom it may concern,

This is a formal request to apply for EDR rate on upcoming power agreements for Umine LLC.
Umine currently employs 8 people and we plan to add no less than 3 per site location. Our total employee count is projected to be 24 once all planned locations become operational.
The initial Capex from Umine is estimated at 2mil per site on average with a total of 4-5 sites planned in the next 12-24 months.

Sincerely,
Brant Isaacs

Brant Isaacs
President, Umine LLC.

(866) 646-2797 | (859) 200-1587 | www.uminellc.com

brant@uminellc.com | 165 MaCammon Ridge Rd McKee, KY 40447

UMINE LLC

Background Material and Compliance Information

East Kentucky Power Cooperative, Inc. (“EKPC”)
Jackson Energy Cooperative (“Jackson”)
UMine, LLC (“UMine”)

I. BACKGROUND

A. Overview of EKPC, Jackson, and UMine

1. EKPC is a not-for-profit, Member-owned generation and transmission rural electric cooperative corporation with its headquarters in Winchester, Kentucky. EKPC is a Kentucky rural electric cooperative corporation established under KRS Chapter 279 and incorporated on July 9, 1941. EKPC is in good standing within and throughout the Commonwealth of Kentucky. EKPC provides wholesale electricity to its sixteen Member distribution cooperatives, which in turn serve approximately 550,000 Kentucky homes, farms and commercial and industrial establishments in eighty-seven (87) Kentucky counties.

2. In total, EKPC owns and operates a total of approximately 3,136 MW of net summer generating capability and 3,438 MW of net winter generating capability. EKPC owns 2,968 circuit miles of high voltage transmission lines in various voltages and also owns the substations necessary to support this transmission line infrastructure. Currently, EKPC has seventy-seven (77) free-flowing interconnections with its neighboring utilities. EKPC’s transmission system is operated by PJM Interconnection, LLC (“PJM”), of which EKPC has been a fully-integrated member since June 1, 2013. PJM is a regional electric grid and market operator with operational control of over 180,000 MW of regional electric generation. It operates the largest capacity and energy market in North America.

3. Jackson is a not-for-profit, Member-owned distribution rural electric cooperative corporation with its headquarters in McKee, Kentucky. Jackson is a Kentucky rural electric

cooperative corporation established under KRS 279 and incorporated on July 28, 1938. Jackson is one of the sixteen Owner-Members of EKPC. Jackson serves approximately 52,000 customers in fifteen (15) Kentucky counties.

4. UMine is a Kentucky corporation with its principal offices at 73 Bundy Lane, McKee, Kentucky 40447. UMine is a premier crypto-retailer, service center, and hosting facility. UMine engages in self-mining, meaning it owns the machines and operates them for company profits. It sells and services new and used Application-Specific Integrated Circuit ("ASIC") data servers. UMine manages hosting for clients, meaning it operates and maintains the servers for a structured fee. UMine also does onsite board level repair of all types of ASIC servers. UMine current has one location in operation in the Jackson service territory. The new plant at McKee represents the first of several additional locations UMine plans on adding over the next two years. UMine plans on hiring at least three new employees at each location. The estimated capital expenditure for each location is approximately $2.0 million.

B. Special Contract

5. Pursuant to the Commission's decision in Administrative Case No. 327[1] and the respective EDR tariffs, EKPC, Jackson, and UMine have entered into a special contract that includes EDR provisions titled "Industrial Power Agreement with Interruptible Service and Economic Development Rider." Jackson will be billed under EKPC's Section C rate tariff and UMine will be billed under Jackson's Rate Schedule 46 – Large Power Rate tariff. UMine has selected a five-year EDR discount period which requires a total contract term of ten years. Paragraph 5 of the special contract includes the EDR provisions and is consistent with the EKPC and Jackson EDR tariffs.

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[1] *See In the Matter of An Investigation Into the Implementation of Economic Development Rates by Electric and Gas Utilities*, Order, Administrative Case No. 327 (Ky. P.S.C. Sept. 24, 1990).

6. Paragraph 5 of the special contract also includes an early termination clause. In Administrative Case No. 327 the Commission required that the term of EDR special contracts had to be twice the length of the discount period. There have been no indications that UMine would not fulfill the full contract term. However, as the reductions to the demand charges during the discount period are significant, EKPC and Jackson believed it was necessary to include provisions that would encourage EDR customers to complete the full contract term.

7. UMine will also be an interruptible service customer of EKPC and Jackson, pursuant to the provisions of Jackson's Interruptible Service Rider. UMine has designated 150 kW as its Firm Load, with the balance being Interruptible Demand. Interruptible Demand shall not exceed 20,000 kW. The application of the EDR discount is impacted by the inclusion of interruptible service. Pursuant to the provisions of Jackson's EDR tariff, the EDR discount is applied to the total demand charge, which is the sum of all demand charges including any credits provided under any other demand-related rider. Thus, for that portion of the monthly demand that exceeds the Firm Load levels, the EDR discount will be applied to a net demand charge that reflects the applicable demand charge less the interruptible service credit. For that portion of the monthly demand that is less than the Firm Load levels, the EDR discount will be applied to the applicable demand charge.

8. The special contract will become effective upon the date of the Commission's Order approving the special contract. Consequently, the discount period will not begin until the effective date and UMine will not be billed at the reduced demand charges until that time. EKPC is requesting that the Commission declare the effective date to be November 1, 2022.

II. COMPLIANCE WITH SEPTEMBER 24, 1990 ORDER IN ADMINISTRATIVE CASE NO. 327

9. In its September 24, 1990 Order the Commission ordered that when filing EDR contracts the jurisdictional gas and electric utilities were to comply with a set of findings enumerated in that Order. In compliance with that directive, EKPC, on behalf of itself and Jackson, provide the following information.

10. Consistent with Finding Number 3, EKPC, Jackson, and UMine have entered into a special contract that contains EDR provisions.

11. Consistent with Finding Number 4, the special contract specifies all terms and conditions of service. UMine has selected the five-year discount option as described in the EKPC and Jackson EDR tariffs, which provides for a 50 percent discount of the demand charge in the first year and a discount that declines by 10 percent in each of the subsequent years. UMine anticipates hiring at least three employees at the McKee plant and that facility represents a capital investment of approximately $2.0 million. EKPC and Jackson have not identified any customer-specific fixed costs associated with serving UMine, but the special contract provides that such costs would be recovered over the life of the special contract. The minimum bill will be determined in accordance with the provisions for a minimum bill contained in Jackson's Rate Schedule 46 – Large Power Rate tariff plus its fuel adjustment clause and environmental surcharge. The contract demand for UMine will initially be 1,000 kW and the special contract requires a minimum load factor of 60 percent in order for UMine to receive the EDR discounts. The total term of the special contract is ten years.

12. Finding Number 5 directed that economic development rates should only be offered during periods of excess capacity. The Commission required that upon submission of each special contract utilities should demonstrate that the load expected to be served during each year of the

contract period would not cause the utility to fall below a reserve margin that was considered essential for system reliability and that such a reserve margin should be identified and justified with each special contract filing. In its June 20, 2014 Order in Case No. 2014-00034[2] the Commission granted EKPC's request for deviation from the excess capacity guideline based on the EDR tariff provision stating that individual EDR customers would be responsible for the cost of market purchases made on their behalf.

13. PJM maintains an Installed Reserve Margin ("IRM") of 14.9 percent and EKPC is required to maintain / purchase its pro-rata share of this IRM. The diversity of EKPC's load as compared to the PJM load provides additional margin for EKPC. That is, the EKPC load at the time of the PJM peak is typically less than the EKPC peak load. Therefore, EKPC's relative percentage of reserve margin that it carries on its peak load is less than the PJM IRM. The typical EKPC capacity requirement, as defined by PJM, represents close to a 3 percent reserve margin on the EKPC projected summer peak. EKPC showed the expected required reserve margins based on this estimation in its 2022 Integrated Resource Plan.[3] As a participant in the PJM markets, EKPC sells all its generating resources into the market and purchases all its load requirements, including the reserve margin. Based on current conditions, EKPC does not believe it will be necessary to make a specific market purchase to cover the new UMine demand during the ten-year contract term. However, the special contract includes provisions to address a specific market purchase if needed.

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[2] *See In the Matter of Application of East Kentucky Power Cooperative, Inc. for Approval of an Economic Development Rider*, Order, Case No. 2014-00034 (Ky. P.S.C. June 20, 2014).

[3] *See In the Matter of Electronic 2022 Integrated Resource Plan of East Kentucky Power Cooperative, Inc.*, Case No. 2022-00098, Integrated Resource Plan filed April 1, 2022 at p. 5 and 170.

14. Finding Number 6 required that upon submission of a special contract, a utility should demonstrate that the discounted rate exceeds the marginal cost associated with serving the customer. The Commission noted that marginal cost includes both the marginal cost of capacity as well as the marginal cost of energy. To demonstrate marginal cost recovery, the Commission required that a utility should submit a current marginal cost-of-service study which had been conducted no more than one year prior to the date of the special contract. As a member of PJM, EKPC's marginal cost to service its Members is in effect the costs incurred when purchasing its load requirements from the market. Included with this filing of the EDR special contract is an analysis of marginal costs for the twelve-month period ending May 31, 2022 and a determination of whether the offered discounted rate exceeds the marginal costs associated with serving UMine.

15. Consistent with Finding Number 7, the Commission's June 20, 2014 Order in Case No. 2014-00034, and the Commission's November 21, 2016 Order in Case No. 2016-00316,[4] EKPC will file by March 31 of each year an annual report with the Commission detailing revenues received from individual EDR customers and the marginal costs associated with serving those customers.

16. Consistent with Finding Number 8, during rate proceedings EKPC will demonstrate through a detailed cost-of-service analysis that nonparticipating ratepayers are not adversely affected by EDR customers.

17. Consistent with Finding Number 9 and EKPC's and Jackson's EDR tariffs, the special contract includes a provision providing for the recovery of EDR customer-specific fixed costs over the life of the special contract. At this time, EKPC and Jackson have not identified any EDR customer-specific fixed costs that need to be recovered.

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[4] *See In the Matter of Application of East Kentucky Power Cooperative, Inc. for Approval of an Industrial Power Agreement with Economic Development Rider*, Order, Case No. 2016-00316 (Ky. P.S.C. Nov. 21, 2016).

18. While UMine has indicated the number of new jobs and expected capital investment associated with the facility, neither EKPC nor Jackson established minimum requirements for these items in order to be eligible for the EDR. This is consistent with Finding Number 10.

19. Consistent with Finding Number 11, the Commission's June 20, 2014 Order in Case No. 2014-00034, and the Commission's November 21, 2016 Order in Case No. 2016-00316, EKPC will file by March 31 of each year an annual report with the Commission providing information about active EDR contracts in the format prescribed in the Orders.

20. Finding Number 12 stated that for new industrial customers, an EDR should apply only to load which exceeded a minimum base level. The Commission required that at the time an EDR special contract was filed the minimum usage level required for a new customer was to be identified and justified. In Case No. 2014-00034 EKPC proposed to apply the EDR discounts to a qualifying new customer's entire load instead of an incremental load over a certain threshold amount. In the June 20, 2014 Order the Commission granted a waiver of the original requirement, noting that all of the load of a new customer would be incremental usage over and above what was included in EKPC's last rate case and that EKPC's proposed load parameters as they related to applying the EDR discounts would not disadvantage other customers. The special contract with UMine applies the EDR discounts to the entire new load.

21. Consistent with Finding Number 14, the discount period is for five years and the total term of the special contract is ten years. During the last five years of the special contract, UMine will be charged the rates contained in Jackson's Rate Schedule 46 – Large Power Rate tariff.

22. Finding Number 17 directed that comments submitted by the Kentucky Cabinet for Economic Development ("Cabinet") or other interested parties pertaining to EDR contracts were to be filed with the Commission no more than 20 days following the filing of an EDR contract by a utility. EKPC is providing the Cabinet and the Office of the Attorney General copies of the EDR special contract and all related information submitted through the Commission's electronic tariff filing system commensurate with the filing at the Commission.

23. Finding Numbers 13, 15, and 16 are not applicable to this special contract with UMine.

MARGINAL COST ANALYSIS

EKPC, Jackson, and UMine EDR Special Contract Filing

Finding No. 6 of the Commission's September 24, 1990 Order in Administrative Case No. 327 states:

> Upon submission of each EDR contract, a utility should demonstrate that the discounted rate exceeds the marginal cost associated with serving the customer. Marginal cost includes both the marginal cost of capacity as well as the marginal cost of energy. In order to demonstrate marginal cost recovery, a utility should submit, with each EDR contract, a current marginal cost-of-service study. A current study is one conducted no more than one year prior to the date of the contract.

EKPC fully integrated into PJM effective June 1, 2013 and participates in the Reliability Pricing Model ("RPM") capacity market. Under the RPM forward market construct, PJM annually conducts a Base Residual Auction ("BRA") in May for generation owners to make capacity available three years in advance of the delivery year and for load serving entities to buy capacity as needed for that delivery year. The capacity auction includes not only generation capacity but also demand response and transmission assets as resources. As a participant in RPM, EKPC bids its entire generation capacity into the market and receives the market price for that generation while simultaneously purchasing at the market price the generation needed to serve its load. EKPC also purchases its energy needs from the market.

The focus of marginal cost studies is on the estimated change in costs that results from providing an increment of service.[1] Given EKPC's participation in the PJM markets, it is reasonable to use the capacity and energy pricing from those markets as EKPC's marginal costs. This analysis compares the market demand and energy pricing with the demand and energy rates that EKPC will be charging for the service to the new UMine facility in Jackson County. The

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[1] NARUC Electric Utility Cost Allocation Manual (Washington, DC: NARUC, January 1992), 18.

historic analysis is based on pricing experienced during the PJM Delivery Year June 1, 2021 through May 31, 2022.

<u>Marginal Cost Analysis – Demand</u>

UMine is establishing a second crypto-currency facility in Jackson County, Kentucky. The contract demand when the EDR begins on November 1, 2022 is 1,000 kW. In addition, UMine has requested interruptible service, with the firm demand to be 150 kW. UMine's application for an EDR applies to the total demand.

<u>Historic Analysis.</u> The historic marginal cost analysis for demand compares the BRA results for the PJM Delivery Year with the discounted demand rates for each of the five discount years. The BRA result for the 2021-22 Delivery Year was $140.00 / MW-day. For the comparison, this price has to be restated as a rate per kW-month. The price is first multiplied by the days in the year. This product is then divided by 1,000 to convert to kW and further divided by 12 to reach a monthly rate. Thus,

$140.00 / MW-day x 365 days ÷ 1,000 ÷ 12 = $4.26 / kW-month

The contract demand up to the firm demand is expected to be eligible for the EDR discount. However, all demand over the firm demand will first be subject to the interruptible service demand credit and the EDR discount will be applied to the demand rate net of the interruptible service demand credit. EKPC's Rate C contract demand rate is $7.49 / kW and the interruptible service demand credit is $5.60 / kW. The EDR discount would be applied to the full $7.49 / kW rate up to the firm demand level. For all demand over the firm demand, the EDR discount would be applied to the net rate of $1.89 / kW ($7.49 / kW - $5.60 / kW). The comparison of the discounted demand rates and the BRA results is shown below.

Discount Period	Contract Demand Rate Up To Firm Demand			Demand Rate Net of Interruptible Credit[2]		
	Discounted $7.49	BRA Results	Difference	Net Rate of $1.89	BRA Results	Difference
1st Year – 50%	$3.75	$4.26	-$0.51	$6.54	$4.26	$2.28
2nd Year – 40%	$4.49	$4.26	$0.23	$6.73	$4.26	$2.47
3rd Year – 30%	$5.24	$4.26	$0.98	$6.92	$4.26	$2.66
4th Year – 20%	$5.99	$4.26	$1.73	$7.11	$4.26	$2.85
5th Year – 10%	$6.74	$4.26	$2.48	$7.30	$4.26	$3.04

As shown in the table, the discounted demand rate net of the interruptible service demand credit is greater than the marginal cost (represented by the BRA results) for each of the discount periods covered in the EDR special contract. Thus, the marginal costs can be considered "covered" by the applicable discounted demand rate net of the interruptible service demand credit. For the contract demand rate up to the firm demand, the discounted demand rate is greater than the marginal costs for each of the discount periods except the first year. The potential annual dollar impact has been modeled in the following table based on the contract demand of 1,000 kW, with a firm contract demand of 150 kW and an interruptible demand of 850 kW, as established in the EDR special contract.

[2] The amounts appearing under the column "Net Rate of $1.89" reflect the full demand rate of $7.49 / kW less the EDR discount calculated after taking the interruptible service demand credit into consideration. For example, in the first year, the demand rate net of the interruptible service demand credit is $1.89 and a 50% discount is applied, resulting in an EDR discount of $0.95 / kW. The $0.95 / kW is subtracted from the $7.49 / kW for the marginal cost analysis of the EDR. The interruptible service demand credit is not evaluated on a marginal cost basis in this analysis.

Discount Period	Discounted Contract Demand Rate Revenues		BRA Results – Marginal Costs		Difference	
	Monthly Revenue	Annual Revenue	Monthly Cost	Annual Cost	Monthly	Annual
1st Year						
Firm	$563	$6,756	$639	$7,668	-$76	-$912
Interruptible	$5,559	$66,708	$3,621	$43,452	$1,938	$23,256
Total 1st	$6,122	$73,464	$4,260	$51,120	$1,862	$22,344
2nd Year						
Firm	$674	$8,088	$639	$7,668	$35	$420
Interruptible	$5,721	$68,652	$3,621	$43,452	$2,100	$25,200
Total 2nd	$6,395	$76,740	$4,260	$51,120	$2,135	$25,620
3rd Year						
Firm	$786	$9,432	$639	$7,668	$147	$1,764
Interruptible	$5,882	$70,584	$3,621	$43,452	$2,261	$27,132
Total 3rd	$6,668	$80,016	$4,260	$51,120	$2,408	$28,896
4th Year						
Firm	$899	$10,788	$639	$7,668	$260	$3,120
Interruptible	$6,044	$72,528	$3,621	$43,452	$2,423	$29,076
Total 4th	$6,943	$83,316	$4,260	$51,120	$2,683	$32,196
5th Year						
Firm	$1,011	$12,132	$639	$7,668	$372	$4,464
Interruptible	$6,205	$74,460	$3,621	$43,452	$2,584	$31,008
Total 5th	$7,216	$86,592	$4,260	$51,120	$2,956	$35,472
Total Annual		$400,128		$255,600		$144,528

While the marginal cost was not "covered" by the discounted demand rate for the firm demand in the first discount year, the marginal cost was "covered" by the discounted demand rate for the interruptible demand in the first discount year. The net marginal cost position for the first discount year would be "covered". For the five-year discount period the potential demand rate revenues were greater than the potential marginal costs by $144,528. Based on this analysis the discounted demand rates for the contract and net of interruptible service exceed the historic marginal costs for the five-year discount period.

Alternative Analysis. EKPC performed a similar comparison for the discounted demand rates using the BRA results for future PJM Delivery Years. In this analysis, the 2022-23 PJM Delivery Year will be assumed to correspond to the first year of the discount period. The latest

BRA results are for the 2023-24 Delivery Year. For this alternative analysis, the 2023-24 Delivery Year BRA results will be used for the second through fifth year of the discount period.

As discussed previously, the BRA results need to be restated from MW-day to kW-month. The following table shows the restated auction results.

Delivery Year	Corresponding EDR Discount Period	BRA Results, $ / MW-day	BRA Results, $ / kW-month
2022-23	1st Year	$50.00	$1.52
2023-24	2nd Year	$34.13	$1.04
2024-25, 2025-26 & 2026-27	3rd through 5th Years	$34.13	$1.04
Notes: For Delivery Years 2022-23 and 2024-25 through 2026-27 the Mw-day rate was multiplied by 365 days; for Delivery Year 2023-24 the multiplier was 366 days because of leap year.			

The comparison of the discounted demand rates and the BRA results under the alternative analysis is shown below.

Discount Period	Contract Demand Rate Up To Firm Demand			Demand Rate Net of Interruptible Credit		
	Discounted $7.49	BRA Results	Difference	Net Rate of $1.89	BRA Results	Difference
1st Year – 50%	$3.75	$1.52	$2.23	$6.54	$1.52	$5.02
2nd Year – 40%	$4.49	$1.04	$3.45	$6.73	$1.04	$5.69
3rd Year – 30%	$5.24	$1.04	$4.20	$6.92	$1.04	$5.88
4th Year – 20%	$5.99	$1.04	$4.95	$7.11	$1.04	$6.07
5th Year – 10%	$6.74	$1.04	$5.70	$7.30	$1.04	$6.26

As shown in the table, the discounted demand rate for the firm demand and the net of the interruptible service demand credit is greater than the marginal cost (represented by the BRA results) for each of the discount periods covered in the EDR special contract. Thus, under the alternative analysis, the marginal costs can be considered "covered" by the applicable discounted demand rates for both the firm demand and the net of the interruptible service demand.

Marginal Cost Analysis – Energy

The historic marginal cost analysis for energy will compare the average monthly market purchase rate with the tariffed energy rate for Rate C net of the applicable fuel adjustment clause ("FAC") adjustment for the month. The comparison for the 2021-22 Delivery Year is shown below.

Month Ended	Energy Rate as $ per kWh				
	Rate C Tariffed Rate[3]	Applicable FAC Rate	Net Energy Rate	Cost of Market Purchases	Difference
June 2021	$0.038982	-$0.004030	$0.034952	$0.031509	$0.003443
July	$0.038982	-$0.003480	$0.035502	$0.037172	-$0.001670
August	$0.038982	-$0.002670	$0.036312	$0.034528	$0.001784
September	$0.038982	-$0.000900	$0.038082	$0.049538	-$0.011456
October	$0.039884	$0.011250	$0.051134	$0.057107	-$0.005973
November	$0.039884	$0.017600	$0.057484	$0.058512	-$0.001028
December	$0.039884	$0.007860	$0.047744	$0.039633	$0.008111
January 2022	$0.039884	$0.009940	$0.049824	$0.057034	-$0.007210
February	$0.039884	$0.010010	$0.049894	$0.046394	$0.003500
March	$0.039884	$0.007430	$0.047314	$0.041905	$0.005409
April	$0.039884	$0.007070	$0.046954	$0.055876	-$0.008922
May 2022	$0.039884	$0.009180	$0.049064	$0.059784	-$0.010720
Averages for 2021-22 Delivery Year	$0.039583	$0.005772	$0.045355	$0.047416	-$0.002061

As shown in the comparison, the tariffed Rate C energy rate net of the FAC adjustment exceeded the cost of market purchases (marginal cost) in five months of the 2021-22 Delivery Year. For the remaining seven months the cost of market purchases exceeded the tariffed Rate C energy rate net of the FAC adjustment and this was the case for the entire delivery year on average.

Given the results of the comparison, EKPC determined that the potential annual dollar impact should be modeled in order to determine an overall marginal cost impact. The modeling

[3] The energy rate was increased as a result of EKPC's base rate case, which was effective with the October 2021 billing.

requires an estimate of the monthly kWh energy usage. The estimated monthly energy usage can be calculated using this formula:

Contract Demand X Average Hours in Month X Load Factor

The average hours in a month would be 730 hours, based on 365 days times 24 hours per day divided by 12 months. Given the nature of UMine's operations, a load factor between 90% and 98% is not unreasonable to expect. EKPC modeled the potential annual dollar impact using three different load factors, as shown in the following table.

Load Factor	Estimated Monthly Energy Usage (kWh)	Averages 2021-22 Delivery Year		Difference	
		Net Energy Rate	Cost of Market Purchases	Monthly	Annual
90%	657,000	$29,798	$31,152	-$1,354	-$16,248
95%	693,500	$31,454	$32,883	-$1,429	-$17,148
98%	715,400	$32,447	$33,921	-$1,474	-$17,688

The results from the potential annual dollar impact analysis for the discounted demand rate were compared with the potential annual dollar impact analysis for the energy rate. For each of the five years in the discount period, the potential annual dollar impact for the discounted demand rate exceeded the marginal costs by an amount greater than the negative annual difference determined for the energy rate. This was true regardless of the load factor utilized to estimate the monthly energy usage. Based on this comparison, EKPC believes that margin costs associated with the UMine special contract are "covered" on a total marginal cost basis.

Conclusion

EKPC believes that the marginal cost analyses adequately demonstrate that the discounted demand rates and the net energy rates that will be charged as part of the EDR special contract exceed the marginal costs of providing service. EKPC further believes that this marginal cost analyses satisfies the requirements of Finding No. 6 of the September 24, 1990 Order.