

Rate ES – Environmental Surcharge

Applicability

In all territories of owner-members of EKPC.

Availability

This rate schedule shall apply to EKPC Rates B, C, E, and G and all special contracts with rates subject to adjustment upon the approval of the Commission.

Rate

The Environmental Surcharge shall provide for monthly adjustments based on a percent of revenues equal to the difference between the environmental compliance costs in the base period and in the current period based on the following formula:

$$CESF = E(m) / R(m)$$

$$MESF = CESF - BESF$$

MESF = Monthly Environmental Surcharge Factor  
CESF = Current Environmental Surcharge Factor  
BESF = Base Environmental Surcharge Factor of 0%

where E(m) is the total of each approved environmental compliance plan revenue requirement of environmental costs for the current expense month and R(m) is the revenue for the current expense month as expressed below.

**Definitions**

1.  $E(m) = [(RB/12)(RORB) + OE - BAS + (Over)Under Recovery$

where:

- a. RB is the Environmental Compliance Rate Base, defined as electric plant in service for applicable environmental projects adjusted for accumulated depreciation, CWIP, cash working capital, spare parts and limestone inventory, emission allowance inventory;
- b. RORB is the Rate of Return on the Environmental Compliance Rate Base, designated as the average cost of debt for environmental compliance plan projects approved by the Commission plus application of a times-interest-earned ratio of 1.475;



T

T

R

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.

