

Eversheds Sutherland (US) LLP

700 Sixth Street, N.W., Suite 700
Washington, DC 20001-3980

D: +1 202.383.0838

F: +1 202.637.3593

danielfrank@eversheds-sutherland.com

February 25, 2025

Via eTariff Filing

Hon. Debbie-Anne A. Reese
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**Re: *East Kentucky Power Cooperative,
Inc. Docket No. ER25-1392-000***
Revised Transmission Formula Rate

Dear Ms. Reese:

Pursuant to Section 205 of the Federal Power Act¹ and Part 35 of the Commission's regulations,² East Kentucky Power Cooperative, Inc. ("EKPC") hereby files revisions to EKPC's Transmission Formula Rate template to be used when calculating EKPC's annual transmission revenue requirement ("ATRR") and transmission rates under Attachment H-24A of the Open Access Transmission Tariff ("Tariff") administered by PJM Interconnection, L.L.C. ("PJM").³ This filing reflects revisions to: (i) the calculation of the Regulatory Expense includable in the transmission cost of service, (ii) references to Prorated PJM Transition Expense, (iii) the calculation of the Wages & Salaries Allocator, and (iv) several line references.⁴ The revisions to EKPC's Transmission Formula Rate template result in a net *de minimis* (less than 2%) increase to

¹ 16 U.S.C. § 824d (2018).

² 18 C.F.R. Pt. 35 (2024).

³ Pursuant to Order No. 714, this filing is being submitted by PJM on behalf of EKPC as part of an XML filing package that conforms with the Commission's regulations. PJM has agreed to make all filings on behalf of the PJM Transmission Owners in order to retain administrative control over the PJM Tariff. Thus, EKPC has requested that PJM submit this filing in the eTariff system as part of PJM's electronic Intra PJM Tariff.

⁴ See Prepared Direct Testimony of Michele M. Slater (Exhibit No. EKP-001) ("Slater Testimony"), at 4:1-6 (summarizing formula rate revisions).

the ATRR (based on the use of current rate year data⁵). Importantly, EKPC is not proposing an increase in the ATRR for the current rate year (which runs from June 1, 2024 through May 31, 2025); rather, the “increase” in the ATRR based on the use of current rate year data is provided to show the direction of the impact of the changes on the calculation of the ATRR.

Other than updating the allocation portion of the Regulatory Expense and the W&S Allocator in the attached Attachment H-24A, the ATRR produced by application of the Formula Rate will not be affected by this filing.⁶ For the reasons set forth herein, the Commission should accept them as just, reasonable, and not unduly discriminatory.

EKPC respectfully requests that the Commission accept the revisions effective as of June 1, 2025, which is coincident with the rate year that begins June 1. Consistent with the Commission’s prior-notice filing requirements, the requested effective date is more than 60 days from the date of this filing. To ensure timely implementation of the formula rate revisions and preparation of the ATRR for the 2024-2025 rate year commencing June 1, EKPC respectfully requests that the Commission issue an order accepting this filing by no later than May 15, 2025.

I. Correspondence and Communications

All communications regarding this filing should be directed to the following persons, who should be included on the official service list established for this proceeding.⁷

Denise R. Foster Cronin
Vice President, Federal and RTO
Regulatory Affairs
East Kentucky Power Cooperative,
Inc.
P.O. Box 707
Winchester, KY 40392-0707
Tel.: 859-745-9237
Email: denise.cronin@ekpc.coop

Daniel E. Frank
Kelly A. Cuthbertson
Eversheds Sutherland (US) LLP
700 Sixth Street, N.W., Suite 700
Washington, DC 20001-3980
Tel.: 202-383-0838
Fax: 202-637-3593
Email: danielfrank@eversheds-sutherland.com
kellycuthbertson@eversheds-sutherland.com

II. Background

EKPC is a not-for-profit, member-owned state-regulated generation and transmission cooperative responsible for providing and delivering reliable energy to its 16 not-for-profit member-owner distribution cooperatives that power homes and businesses for over one million Kentucky residents in rural Kentucky. As a member-owned, not-for-profit cooperative, EKPC’s

⁵ EKPC does not have data prepared for the upcoming 2025-2026 rate year, and therefore shows the impact on the calculation of its ATRR from the revisions proposed in this filing using current rate year data.

⁶ Slater Testimony at 7:9-11, 8:4-6, 8:18-20, 10:5-15, 11:9-13.

⁷ EKPC requests waiver of 18 C.F.R. §§ 385.203 and 385.2010 (2024) to the extent necessary to permit the designation of more than two individuals to receive service in this proceeding.

costs are paid for by its member-owner distribution cooperatives and the retail consumers that they in turn serve. EKPC receives financing from the Rural Utilities Service (“RUS”), and therefore is not subject to the Commission’s “public utility” rate regulation.⁸

EKPC integrated into the PJM market in 2013 to harness the benefits of the large, regional wholesale market. On March 28, 2013, EKPC filed jointly with PJM revisions to the PJM Tariff to integrate EKPC’s pricing zone into PJM and to implement a forward-looking formula rate (“Formula Rate”).⁹ On June 22, 2022, EKPC submitted a Section 205 filing to revise the depreciation rates to be used when calculating EKPC’s ATRR and transmission rates under Attachment H-24A of the PJM OATT.¹⁰ Attachment H-24A of the PJM Tariff contains the Formula Rate for establishing the ATRR and rates for transmission service over the facilities of EKPC; the ATRR and rates are updated annually. In its Formula Rate protocols, EKPC commits to seeking Commission approval prior to modifying the Formula Rate.¹¹ Consistent with that commitment, EKPC is seeking Commission approval in this filing for the revisions to the Formula Rate.

III. EKPC’s Revised Transmission Formula Rate

A. Description of Revisions to Transmission Formula Rate

EKPC’s Transmission Formula Rate template is used to calculate EKPC’s ATRR and transmission rates under Attachment H-24A of the PJM Tariff. This filing reflects revisions to the Formula Rate template, specifically: (i) the calculation of the Regulatory Expense includable in the transmission cost of service, (ii) references to Prorated PJM Transition Expense, (iii) the calculation of the Wages & Salaries (“W&S”) Allocator, and (iv) several line references.¹² The revisions to EKPC’s Transmission Formula Rate template result in a net *de minimis* (less than 2%) increase to the ATRR (based on the use of current rate year data).¹³ Other than updating the allocation portion of the Regulatory Expense and the W&S Allocator in the attached Attachment H-24A, the ATRR produced by application of the Formula Rate will not be affected by this filing.¹⁴ The other revisions to the Formula Rate provide clarity to the Formula Rate template but have no impact on the ATRR. To support these revisions, EKPC submits the testimony of Michele M. Slater (“Slater Testimony”) included with this filing as Exhibit EKP-001.

⁸ See 16 U.S.C. § 824a(3) (2018) (FPA Section 201(f) exemption for cooperatives with RUS financing).

⁹ *PJM Interconnection, L.L.C., et al.*, “Joint Integration Filing,” Docket Nos. ER13-1178-000, *et al.* (filed Mar. 28, 2013). The Commission accepted the settlement resolving the outstanding issues in EKPC’s PJM dockets via letter order issued May 8, 2014. *East Kentucky Power Cooperative*, 147 FERC ¶ 61,097 (2014).

¹⁰ *PJM Interconnection, L.L.C., et al.*, “Revised Depreciation Rates in Transmission Formula Rate,” Docket No. ER22-2163-000 (filed June 22, 2022).

¹¹ PJM Tariff, Att. H-24, EKPC Formula Rate Protocols, Section 1(g).

¹² Slater Testimony at 4:1-7.

¹³ See Slater Testimony at 12:18-20 (overall increase to ATRR of \$1,966,903 using 2024-2025 ATRR).

¹⁴ Slater Testimony at 7:9-11, 8:4-6, 8:18-20, 10:5-15, 11:9-13.

1. Calculation of Regulatory Expense

EKPC recalculates its ATRR each year to produce the “Annual Update” for the upcoming rate year.¹⁵ During the 2024 Annual Update process (for rate year 2024-2025), an intervening party identified an issue with the calculation of the Administrative & General (“A&G”) expenses in the calculation of the ATRR. Specifically, Attachment H-24A, page 3 of 5, line 5a, erroneously excluded the removal of regulatory expense apportioned to transmission.¹⁶ Upon examination, EKPC concurred with the intervenor that the Formula Rate template did not correctly adjust the total A&G expense.¹⁷

As explained in the Slater Testimony, EKPC’s Formula Rate template follows the customary ratemaking approach to regulatory expenses in a transmission cost of service by deducting all regulatory expenses from the total A&G expenses and then adding back those regulatory expenses which are transmission related.¹⁸ EKPC’s Formula Rate template follows a typical setup: column 1 lists the item description, column 2 provides the Form No. 1 reference or other note, column 3 is the company total amount, column 4 is the allocator used to allocate the portion of the company total attributable to transmission, and column 5 is the resulting transmission related amount of the expense.

In EKPC’s 2013 rate filing, EKPC intended to remove all the assessments that were not specifically related to transmission, based on the W&S Allocator.¹⁹ However, in the final version of EKPC’s formula rate template, the removal of the regulatory expense apportioned to transmission was erroneously excluded, on Attachment H-24A, page 3 of 5, line 5a.²⁰ No allocator, or a zero allocation, was applied to the Kentucky Public Service Commission Regulatory Expenses.²¹ This error resulted in costs that were not transmission related being included in the total A&G expenses and ATRR. This filing corrects this error by including the W&S Allocator on Attachment H-24A, page 3 of 5, line 5a, column 4, thus removing the assessments that are not specifically related to transmission. For purposes of showing the direction of the impact of this change, the Slater Testimony shows that removing the allocation portion of Regulatory Expense not specifically related to transmission would result in a decrease in EKPC’s ATRR of approximately \$302,000 (using current rate year data).²²

¹⁵ PJM Tariff, Att. H-24, EKPC Formula Rate Protocols, Section 1(b).

¹⁶ Slater Testimony at 7:3-5.

¹⁷ *Id.* at 5:11-13.

¹⁸ *Id.* at 6:11-17.

¹⁹ *Id.* at 6:20-7:2.

²⁰ *Id.* at 7:3-5.

²¹ *Id.* at 7:5.

²² *Id.* at 12:9-13. As noted above, EKPC is not proposing to implement this change for the 2024-2025 rate year that is currently in effect. The changes proposed herein would go into effect on June 1, 2025, when the next rate year starts.

2. Prorated PJM Transition Expense

This filing also adopts revisions to the Prorated PJM Transition Expense in the Formula Rate. EKPC has previously incurred certain costs associated with its integration with PJM.²³ EKPC amortized those costs over a three-year period, which concluded approximately nine years ago.²⁴ The Prorated PJM Transition Expense is shown on Attachment H-24A, page 3 of 5, line 5c. As the three-year amortization period has concluded, these values are zero. Thus, this line item and its supporting calculations are redundant.

Specifically, this filing makes the following changes in connection with removing line 5c of Attachment H-24A, page 3 of 5: (a) revises line 8 of Attachment H-24A, page 3 of 5 to remove references to line 5c, and (b) revises Note H of Attachment H-24A, page 5 of 5 to remove reference to line 5c.

EKPC has not included the costs of the Prorated PJM Transition Expense in the Formula Rate after the amortization ended. This correction will provide clarity by making the Formula Rate template consistent with EKPC's implementation practice. Removing the references to the Prorated PJM Transition Expense will provide a cleaner, more user-friendly template and has no impact on the ATRR calculation.²⁵

3. Calculation of the Wages & Salaries Allocator

This filing also makes a correction to the calculation of the W&S Allocator. The W&S Allocator is calculated on Attachment H-24A, page 4 of 5, lines 12 through 16. For transmission, the W&S Allocator is the transmission wages and salaries, divided by the total operation and maintenance wages and salaries, less A&G wages and salaries.²⁶ Column 2 of lines 12 through 15 lists the Form 1 accounts for Production, Transmission, Distribution and Other wages and salaries accounts used in the calculation. An issue was identified with the calculation; specifically, the "Other" category, line 15 column 2, erroneously includes A&G wages and salaries account 354.24.²⁷ This filing corrects this error by excluding A&G from the W&S Allocator calculation.²⁸ For purposes of showing the direction of the impact of this change, the Slater Testimony shows that removing the A&G wages and salaries from the denominator of the ratio increases the W&S

²³ *Id.* at 7:14-15.

²⁴ *Id.* at 7:18-19.

²⁵ *Id.* at 8:4-6.

²⁶ *Id.* at 8:11-13.

²⁷ *Id.* at 8:15-16.

²⁸ *Id.* at 8:16-17.

allocation factor, and results in an increase to the ATRR of approximately \$2,300,000 (using current rate year data).²⁹

4. Line Reference Corrections

In reviewing the Formula Rate template, several line reference errors were identified.³⁰ This filing corrects the following line reference errors.

Attachment H-24A, page 1 of 5, line 6, calculates the Total Revenue Credits. The line description states, “sum lines 2 – 5b”. This filing corrects this line to state, “sum lines 2 – 5a” because there is no line 5b.³¹ EKPC has been correctly calculating the Total Revenue Credits despite the incorrect line reference. As a result, correcting the line reference will have no impact on the calculation of the ATRR. This correction removes any future confusion or doubt as to the appropriate calculation.³²

Attachment H-24A, page 4 of 5, lines 18 and 19, in the Common Plant Allocator provide the Form 1 Reference for Gas and Water, respectively. These lines refer to Form 1 Reference 201.3d and 201.3e, respectively. The correct line references are 200.3d and 200.3e, respectively.³³ This filing makes both of those corrections. EKPC has been correctly calculating the Common Plant Allocator despite the incorrect line references.³⁴ As a result, correcting the line references will have no impact on the calculation of the ATRR. These corrections remove any future confusion or doubt as to the appropriate calculation.³⁵

Appendix A – Schedule 1A Rate Calculation calculates the Schedule 1A Annual Revenue Requirement. As explained in the Slater Testimony, line 4 of this appendix adjusts for the prior year true-up amount and references note 2 for the source of the amount.³⁶ Note 2 states: “Amount from Attachment H-24A, Appendix C, line 13 for stated year.” This line reference is incorrect. The correct line reference is line 18.³⁷ This filing makes this correction. Correcting the line reference in Appendix A – Schedule 1A Rate Calculation has no impact on the ATRR calculation because EKPC has correctly used the appropriate value as the prior year true-up in the Schedule

²⁹ *Id.* at 12:14-17. Again, as noted above and similar to the changes related to recovery of Regulatory Expense, EKPC is not proposing to implement this change for the 2024-2025 rate year that is currently in effect. The changes proposed herein would go into effect on June 1, 2025, when the next rate year starts.

³⁰ *Id.* at 9:1.

³¹ *Id.* at 9:2-4.

³² *Id.* at 10:14-15.

³³ *Id.* at 9:7-8.

³⁴ *Id.* at 10:6-7.

³⁵ *Id.* at 10:14-15.

³⁶ *Id.* at 9:9-10.

³⁷ *Id.* at 9:11-12.

1A Annual Revenue Requirement calculation despite the incorrect reference.³⁸ This correction removes any future confusion or doubt as to the appropriate calculation.³⁹

Appendix B – RTEP – Transmission Enhancement Charges includes Income Tax and Return components in calculating the Annual Allocation Factor for Return on Network Upgrades. As explained in the Slater Testimony, the calculation instructions in column 2 reference incorrect line items for both Income Tax and Return component calculations.⁴⁰ Specifically, the line 11 Annual Allocation Factor for Income Taxes instructions states: “line 8 divided by line 2 col 3.” This should read “line 10 divided by line 2 col 3”, where line 10 is the Total Income Taxes and line 2 is Net Transmission Plant.⁴¹ Similarly, for the Annual Allocation Factor for Return on Rate Base, the line 13, column 2 instructions states: “line 10 divided by line 2 col 3”.⁴² The correct instructions are “line 12 divided by line 2 col 3”, where line 12 is Return on Rate Base. This filing makes both of these corrections.⁴³ Correcting the line reference in Appendix B – RTEP Transmission Enhancement Charges has no impact on the ATRR calculation because EKPC has correctly calculated the components in calculating the Annual Allocation Factor for Return on Network Upgrades despite the incorrect reference.⁴⁴ Further, there have not been any net upgrades recently to which this allocation would be applied.⁴⁵ This correction removes any future confusion or doubt as to the appropriate calculation.⁴⁶

Notes 4 and 9 on Appendix C – Calculation of Prior Year Transmission Revenue Requirement True-Up Adjustment include a web link to the Commission page for monthly interest rates that is no longer active.⁴⁷ This filing updates these reference notes to include the active link to the Commission’s interest calculations. This correction will have no impact on the ATRR as EKPC has been using the correct interest rates for true-up calculations.⁴⁸

Finally, the Formula Rate that is on-file with the Commission (Attachment H-24A) and the associated Appendix B contain several cells with pre-populated values. Specifically, on page 1 of 5 of Attachment H-24A, lines 3 and 4, which are used in calculating Revenue Credits, include non-zero values in the Allocated Amount column. Appendix B, page 1 of 2, lines 12 through 14 also contain prepopulated values in columns 3 and 4. In each of these instances, these values are to be calculated values derived from annual data. That is, they are not fixed values and should be

³⁸ *Id.* at 10:6-7.

³⁹ *Id.* at 10:14-15.

⁴⁰ *Id.* at 9:15-17.

⁴¹ *Id.* at 9:17-19.

⁴² *Id.* at 9:20-21.

⁴³ *Id.* at 9:22-23.

⁴⁴ *Id.* at 10:10-11.

⁴⁵ *Id.* at 10:12-13.

⁴⁶ *Id.* at 10:14-15.

⁴⁷ *Id.* at 10:1-3.

⁴⁸ *Id.* at 10:12-13.

unpopulated. The ATRR is calculated using the Excel version of the Formula Rate, which recalculates each of these values annually using the current data. The template on-file with the Commission is an RTF version of the Formula Rate. The prepopulated cells were an oversight in preparing a PDF version of the Formula Rate for a prior filing. This filing restores these values to zeroes in the unpopulated Formula Rate document (Attachment H-24A) on-file with the Commission. Because EKPC has been correctly calculating each of the referenced components in its annual updates, there is no impact on the ATRR from these revisions.⁴⁹

B. The Revised Rates Are Just and Reasonable

The revisions to the Formula Rate included in this filing are just, reasonable, and not unduly discriminatory or preferential. The revisions correct the Formula Rate template to allow EKPC to accurately calculate the ATRR and transmission rates consistent with the Commission-approved Formula Rate. The revisions would result, if applied to the current rate year, in a *de minimis* net increase (less than 2%) in the ATRR (based on the use of current rate year data), as further explained in Section IV. As explained above, the revisions are consistent with generally accepted cost-of-service principles, remove unneeded line items, and/or correct ministerial errors. Therefore, the revised formula rates are just, reasonable, and not unduly discriminatory or preferential and should be used for purposes of calculating EKPC's ATRR and transmission rates under EKPC's Formula Rate.

IV. Rate Impact of the Formula Rate Revisions

EKPC's Formula Rate in Attachment H-24A calculates EKPC's ATRR and transmission rates on the basis of inputs from EKPC's financial records and supporting work papers, which reflect the RUS's Uniform System of Accounts and EKPC's Form FF1.⁵⁰ Other than updating the allocation portion of the Regulatory Expense and the W&S Allocator in the attached Attachment H-24A, the ATRR produced by application of the Formula Rate will not be affected by this filing.⁵¹ The other revisions to the Formula Rate provide clarity to the Formula Rate template but have no impact on the ATRR.

For purposes of showing the direction of the impact of this change, the Slater Testimony shows what the current rate year ATRR would be if the changes proposed herein were implemented for the current rate year ATRR (but as noted above, the changes proposed herein will not go into effect until the 2025-2026 rate year, which commences June 1, 2025). Removing the allocation portion of Regulatory Expense not specifically related to transmission would result in a decrease in EKPC's ATRR of approximately \$302,000 (using current rate year data).⁵² Removing

⁴⁹ *Id.* at 11:1-13.

⁵⁰ EKPC is not subject to the Commission's "public utility" rate regulation and therefore does not prepare or file with the Commission a FERC Form No. 1. However, EKPC annually prepares a report on its finances and expenses containing information that maps to the FERC Form No. 1. EKPC files that report with the Kentucky PSC. That document is designated as the EKPC Form FF1.

⁵¹ Slater Testimony at 7:9-11, 8:4-6, 8:18-20, 10:5-15, 11:9-13.

⁵² *Id.* at 12:9-13.

the references related to Prorated PJM Transmission Expense has no impact on the ATRR calculation because the transition costs have been fully amortized.⁵³ This change will provide a cleaner, more user-friendly template.⁵⁴ Removing the A&G wages and salaries from the denominator of the ratio would increase the W&S allocation factor, resulting in an increase to EKPC's ATRR of approximately \$2.3 million.⁵⁵ Together, these two changes would result in a *de minimis* (less than 2%) net increase to EKPC's ATRR of just under \$2 million (using current rate year data).⁵⁶

The revisions to line references have no impact on the ATRR. Correcting the line references in Attachment H-24A has no impact on the ATRR calculation because EKPC has been correctly calculating the Total Revenue Credits and the Common Plant Allocator despite the incorrect references.⁵⁷ Correcting the line reference in Appendix A – Schedule 1A Rate Calculation has no impact on the ATRR calculation because EKPC has correctly used the appropriate value as the prior year true-up in the Schedule 1A Annual Revenue Requirement calculation despite the incorrect reference.⁵⁸ Correcting the line reference in Appendix B – RTEP Transmission Enhancement Charges has no impact on the ATRR calculation because EKPC has correctly calculated the components in calculating the Annual Allocation Factor for Return on Network Upgrades despite the incorrect reference.⁵⁹ Further, there have not been any net upgrades recently to which this allocation would be applied.⁶⁰ Updating the link to the Commission website page for monthly interest rates in Notes 4 and 9 of Appendix C has no impact on the ATRR calculation because EKPC has been using the correct interest rates for true-up calculations.⁶¹ These corrections remove any future confusion or doubt as to the appropriate calculations.⁶² Finally, correcting the prepopulated cells in the Formula Rate will have no impact on the calculation of the ATRR. Those cells should be unpopulated, and EKPC calculates its ATRR each year using current year data and the formulas in Attachment H-24A.⁶³

In connection with the annual update of EKPC's Formula Rate,⁶⁴ EKPC performs a true-up of the ATRR based on use of actual data. The true-up that will be undertaken for the 2024-2025 rate year currently in effect will be performed using the Formula Rate in effect during the 2024-

⁵³ *Id.* at 8:4-6.

⁵⁴ *Id.* at 8:6.

⁵⁵ *Id.* at 12:14-17.

⁵⁶ *Id.* at 12:18-20.

⁵⁷ *Id.* at 10:6-7.

⁵⁸ *Id.* at 10:7-9.

⁵⁹ *Id.* at 10:10-11.

⁶⁰ *Id.* at 10:11-12.

⁶¹ *Id.* at 10:12-13.

⁶² *Id.* at 10:14-15.

⁶³ *Id.* at 11:9-13.

⁶⁴ See PJM Tariff, Att. H-24B, EKPC Formula Rate Implementation Protocols.

2025 rate year. The changes proposed herein, which will be effective June 1, 2025, will not be used in the true-up for the 2024-2025 rate year.

V. Requested Effective Date

Pursuant to Section 35.13(b)(2) of the Commission's regulations, EKPC respectfully requests that the revisions to the Formula Rate be made effective for the rate year beginning June 1, 2025.⁶⁵ To ensure timely implementation of the formula rate revisions and preparation of the ATRR for the 2024-2025 rate year commencing June 1, EKPC respectfully requests that the Commission issue an order accepting this filing by no later than May 15, 2025.

VI. Additional Information Required by Section 35.13

A. Contents of Filing – Section 35.13(b)(1)

EKPC provides the following materials with this filing:

- This transmittal letter;
- Clean and marked tariff records;
- Exhibit EKP-001 – Prepared Direct Testimony of Michele M. Slater;
- Exhibit EKP-002 – Background and Qualification Summary of Michele M. Slater; and
- Exhibit EKP-003 – Rate Impact Analysis.

In addition, PJM, on behalf of EKPC, is submitting the proposed Tariff revisions through the Commission's eTariff platform.

B. The Name and Address of Persons to Whom a Copy of the Rate Change Has Been Posted – Section 35.13(b)(3)

PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission's regulations,⁶⁶ PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <http://www.pjm.com/library/filing-orders.aspx> with a specific link to the newly-filed document, and will send an email on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region⁶⁷ alerting them that this filing has been made by PJM and is available by following such link. If the document is not immediately available by using the referenced link, the document will

⁶⁵ 18 C.F.R. § 35.13(b)(2) (2024).

⁶⁶ See 18 C.F.R §§ 35.2(e) and 385.2010(f)(3) (2024).

⁶⁷ PJM already maintains, updates and regularly uses email lists for all PJM members and affected state commissions.

be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the Commission's eLibrary website located at the following link: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.

C. Brief Description of Rate Change – Section 35.13(b)(4)

Section III above and the Slater Testimony (Exhibit No. EKP-001) provide a detailed description of EKPC's revised rates.

D. Statement of Reason for Rate Change – Section 35.13(b)(5)

Section III above also discusses the reasons for the revisions submitted in this filing.

E. Requisite Agreement for Rate Change – Section 35.13(b)(6)

No other agreement is required for EKPC to make the changes to its Formula Rate proposed herein.

F. Statement Showing Expenses or Costs Included in Cost-of-Service Statements – Section 35.13(b)(7)

None of the costs related to this filing has been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory practices.

G. Rate Comparison – Section 35.13(c)(1)

Section IV above and Exhibit EKP-003 discuss the impact of the revised formula rates on EKPC's ATRR and transmission rates under PJM Tariff Attachment H-24A.

H. Comparison with Other Rates – Section 35.13(c)(2)

Section 35.13(c)(2) requires "[a] comparison of the rate change and the utility's other rates for similar wholesale for resale and transmission services."⁶⁸ EKPC has no rates other than the rate in its Formula Rate for similar transmission services.

I. Installed or Modified Facilities - Section 35.13(c)(3)

No facilities were installed or modified in order to supply service pursuant to the revised Formula Rate.

⁶⁸ 18 C.F.R. § 35.13(c)(2) (2024).

J. Cost-of-Service Information, Testimony, and Statements

EKPC believes that it has provided sufficient information for the Commission to evaluate and accept the revised formula rates. To the extent that this filing does not contain information otherwise required for technical compliance with the Commission's regulations, EKPC respectfully requests that compliance with such regulation be waived.⁶⁹

VII. Conclusion

Wherefore, East Kentucky Power Cooperative, Inc. respectfully requests that the Commission accept the revised rates effective June 1, 2025. Please contact the undersigned should there be any questions regarding this filing. Thank you for your attention to this matter.

Respectfully submitted,

/s/ Daniel E. Frank

Daniel E. Frank

Kelly A. Cuthbertson

Counsel for

East Kentucky Power Cooperative, Inc.

⁶⁹ See, e.g., *Pub. Serv. Elec. And Gas Co.*, 124 FERC ¶ 61,303 at PP 23-24 (2008) (granting waiver of Sections 35.13(d)(1)-(2), 35.13(d)(5), and 35.13(h) where proposed rates were formula rates and not based on cost-of-service statements); *Okla. Gas & Elec. Co.*, 122 FERC ¶ 61,071 at P 41 (2008) (same); *Commonwealth Edison Co.*, 119 FERC ¶ 61,238 at PP 92-94 (2007) (same).

ATT H-24A – EKPC RATE FORMULA RATE TEMPLATE
CLEAN VERSION

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing EKPC 20__ Form FF1 Data
East Kentucky Power Cooperative, Inc.

Line No.					Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 29)				\$ 0
	REVENUE CREDITS	Note A	Total	Allocator	
2	Account No. 454	(page 4, line 34)	\$ 0	TP 0.00000	\$ 0
3	Account No. 456.1 (Net of Revenues from Grandfathered Transactions)	(page 4, line 35)	0	TP 0.00000	
4	Revenues from Grandfathered Transactions	Note B	0	TP 0.00000	
5	Revenues from service provided by the ISO at a discount		0	TP 0.00000	0
5a	Transmission Enhancement Credit		0	TP 0.00000	0
6	TOTAL REVENUE CREDITS (sum lines 2-5a)				\$ 0
6a	True-up Adjustment	Note C			\$ -
7	NET REVENUE REQUIREMENT	(line 1 minus line 6 plus line 6a)			\$ 0
	DIVISOR				
8	1 CP	Note D			0
9	12 CP	Note E			0
10	Reserved				
11	Reserved				
12	Reserved				
13	Reserved				
14	Reserved				
15	Annual Cost (\$/kW/Yr) - 1 CP	(line 7 / line 8)	\$ 0.000		
16	Annual Cost (\$/kW/Yr) - 12 CP	(line 7 / line 9)	\$0.000		
17	Network Rate (\$/kW/Mo)	(line 15 / 12)	\$0.000		
17a	Point-To-Point Rate (\$/kW/Mo)	(line 16 / 12)	\$0.000		
			On-Peak Rate		Off-Peak Rate
18	Point-To-Point Rate (\$/kW/Wk)	(line 16 / 52; line 16 / 52)	\$0.000		
19	Point-To-Point Rate (\$/kW/Day)	(line 16 / 260; line 16 / 365)	\$0.000	Capped at weekly rate	\$0.000
20	Point-To-Point Rate (\$/MWh)	(line 16 / 4,160; line 16 / 8,760 * 1000)	\$0.000	Capped at weekly and daily rate	\$0.000

For the 12 months ended 12/31/20__

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing EKPC 20__ Form FF1 Data
East Kentucky Power Cooperative, Inc.

Line No.	(1) RATE BASE	(2) Form No. 1 Page, Line, Col.	(3) Company Total	(4) Allocator	(5) Transmission (Col. 3 times Col. 4)
	GROSS PLANT IN SERVICE				
1	Production	204.46.g	\$ 0	NA	
2	Transmission	206.58.g	0	TP 0.00000	\$ 0
3	Distribution	206.75.g	0	NA	
4	General & Intangible	204.5.g & 206.90.g	0	W/S 0.00000	0
5	Common		0	CE 0.00000	0
6	TOTAL GROSS PLANT(sum lines 1-5)		\$ 0	GP= 0.000%	\$ 0
	ACCUMULATED DEPRECIATION				
7	Production	219.20-24.c	\$ 0	NA	
8	Transmission	219.25.c	0	TP 0.00000	\$ 0
9	Distribution	219.26.c	0	NA	
10	General & Intangible	219.28.c	0	W/S 0.00000	0
11	Common		0	CE 0.00000	0
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		\$ 0		\$ 0
	NET PLANT IN SERVICE				
13	Production	(line 1 - line 7)	\$ 0		
14	Transmission	(line 2 - line 8)	0		\$ 0
15	Distribution	(line 3 - line 9)	0		
16	General & Intangible	(line 4 - line 10)	0		0
17	Common	(line 5 - line 11)	0		0
18	TOTAL NET PLANT (sum lines 13-17)		\$ 0	NP= 0.000%	\$ 0
	ADJUSTMENTS TO RATE BASE				
19	Account No. 281 (enter negative)	272.Total 281.k	\$ -	NA zero	\$ -
20	Account No. 282 (enter negative)	274.Total 282.k	0	NP 0.00000	0
21	Account No. 283 (enter negative)	276.Total 283.k	0	NP 0.00000	0
22	Account No. 190	234.Total 190.c	0	NP 0.00000	0
23	Account No. 255 (enter negative)	266.Total.h	0	NP 0.00000	0
24	TOTAL ADJUSTMENTS (sum lines 19-23)		\$ 0		\$ 0
25	LAND HELD FOR FUTURE USE	214.Total.d, Note F	\$ -	0.00000	\$ -
	WORKING CAPITAL				
26	CWC	calculated, Note G	\$ 0		0
27	Materials & Supplies	227.8.c	0	TE 0.00000	0
28	Prepayments (Account 165)	110.46.c, Note G	0	GP 0.00000	0
29	TOTAL WORKING CAPITAL (sum lines 26-28)		\$ 0		\$ 0
30	RATE BASE (sum lines 18, 24, 25, & 29)		\$ 0		\$ 0

Rate Formula Template
Utilizing EKPC 20__ Form FF1 Data
East Kentucky Power Cooperative, Inc.

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Company Total		(4) Allocator	(5) Transmission (Col. 3 times Col. 4)
	O&M					
1	Transmission	321.100	\$ 0	TE	0.00000	\$ 0
2	Less Account 565	321.Acct 565	0	TE	0.00000	0
3	A&G	321.168	0	W/S	0.00000	0
4	Less FERC Annual Fees	N/A	0	W/S	0.00000	0
5	Less Non-safety Advertising	Note H	0	W/S	0.00000	0
5a	Less KPSC Regulatory Expenses	Note H	0	W/S	0.00000	0
5b	Plus Transmission Related Regulatory Exp	Note H	0	TE	0.00000	0
6	Common		0	CE	0.00000	0
7	Transmission Lease Payments		0		0.00000	0
8	TOTAL O&M (sum lines 1, 3, 5b, 6, 7 less lines 2, 4, 5, 5a)		\$ 0			\$ 0
	DEPRECIATION EXPENSE					
9	Transmission	336.7.f	\$ 0	TP	0.00000	\$ 0
10	General and Intangible	336.9.f	0	W/S	0.00000	0
11	Common	336.10.f	0	CE	0.00000	0
12	TOTAL DEPRECIATION (Sum lines 9-11)		\$ 0			\$ 0
	TAXES OTHER THAN INCOME TAXES					
	LABOR RELATED					
13	Payroll	Note I	\$ 0	W/S	0.00000	\$ 0
14	Highway and vehicle	Note I	0	W/S	0.00000	0
15	PLANT RELATED					
16	Property	Note I	0	GP	0.00000	0
17	Gross Receipts		0	NA	NA	0
18	Other		0	GP	0.00000	0
19	Payments in lieu of taxes		0	GP	0.00000	0
20	TOTAL OTHER TAXES (sum lines 13-19)		\$ 0			\$ 0
	INCOME TAXES	Note J				
21	$T=1 - \{[(1-SIT) * (1-FIT)] / (1 - SIT * FIT * p)\} =$		0.000000%			
22	$CIT=(T/1-T) * (1-(WCLTD/R)) =$		0.000000%			
23	$1 / (1 - T) =$ (from line 21)		0.0000			
24	Amortized Investment Tax Credit	266.8.f (enter negative)	0			
25	Income Tax Calculation (line 22 * line 28)		\$ 0	NA		\$ 0
26	ITC adjustment (line 23 * line 24)		0	NP	0.00000	0
27	Total Income Taxes	(line 25 plus line 26)	\$ 0			\$ 0
28	RETURN					
	[Rate Base (page 2, line 30) * Rate of Return (page 4, line 29)]		\$ 0	NA		\$ 0
29	REVENUE REQUIREMENT (sum lines 8,12, 20, 27, 28)		\$ 0			\$ 0

Rate Formula Template
Utilizing EKPC 20__ Form FF1 Data
East Kentucky Power Cooperative, Inc.

SUPPORTING CALCULATIONS AND NOTES

<u>Line</u> <u>No.</u>					
TRANSMISSION PLANT INCLUDED IN ISO RATES					
1	Total transmission plant (page 2, line 2, column 3)				0
2	Less transmission plant excluded from ISO rates				0
3	Less transmission plant included in OATT Ancillary Services	See Supporting Exhibit, Page 5 of 8, Line 4, (Note K)			0
4	Transmission plant included in ISO Rates (line 1 less lines 2 & 3)				0
5	Percentage of transmission plant included in ISO Rates (line 4 divided by line 1)		TP=		0.00000
TRANSMISSION EXPENSES					
6	Total transmission expenses (page 3, line 1, column 3)				0
7	Less transmission expenses included in OATT Ancillary Services	Note L			0
8	Included transmission expenses (line 6 less line 7)				0
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)				0.00000
10	Percentage of transmission plant included in ISO Rates (line 5)		TP		0.00000
11	Percentage of transmission expenses included in ISO Rates (line 9 times line 10)		TE=		0.00000
WAGES & SALARY ALLOCATOR (W&S)					
		Form I Reference	\$	TP	Allocation
12	Production	354.18.b	0	0.00	0
13	Transmission	354.19.b	0	0.00	0
14	Distribution	354.20.b	0	0.00	0
15	Other	354.21,22,23.b	0	0.00	0
16	Total (sum lines 12-15)		0		0 = 0.00000
COMMON PLANT ALLOCATOR (CE)					
17	Electric	200.3.c	0.00	% Electric (line 17 / line 20)	W&S Allocator (line 16)
18	Gas	200.3.d	0.00	0.00000	*
19	Water	200.3.e	0.00		0.00000
20	Total (sum lines 17 - 19)		0.00		
RETURN (R)					
21					\$
22		Long Term Interest (117, sum of 58.c through 65.c)			0
		Preferred Dividends (118.29c) (positive number)			0
Development of Cost of Capital:					
23	Long Term Debt	(112.23c) See Supporting Exhibit, Page 7 of 8			\$ 0
24	Proprietary Capital	(112.15.c)			0
25	Less Account 216.1	(112.12.c) (enter negative)			0
26	Total Capital	(sum lines 23-25)			\$ 0
			\$	%	Cost
27	Long Term Debt (112.23c)	Note M	0	0.00%	0.000%
28	Proprietary Capital (112.15.c)	Note N	0	0.00%	0.000%
29	Total (sum lines 27-28)		0		R = 0.000%
30	Effective TIER	Note O		TIER =	0.00
REVENUE CREDITS					
	ACCOUNT 447 (BUNDLED SALES FOR RESALE)	(310-311)			
31	a. Bundled Non-RQ Sales for Resale (311.x.k)				\$ 0
32	b. Bundled Sales for Resale included in Divisor on page 1				0
33	Total of (a)-(b)				\$ 0
34	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY)	See Supporting Exhibit, Page 6 of 8, Line 3 (Note P)			\$ 0
35	ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)	See Supporting Exhibit, Page 6 of 8, Line 17 (Note Q)			\$ 0

Rate Formula Template
Utilizing EKPC 20__ Form FF1 Data
East Kentucky Power Cooperative, Inc.

General Note: **References to pages in this formulary rate are indicated as: (page#, line#, col.#)**
References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Note
Letter

- A The revenues credited on page 1 lines 2-5c shall include only the amounts received directly (in the case of grandfathered agreements) or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, or facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Formulary Rate Template.
- B Revenue from AEP Grandfathered Agreement. See Rev Cred Support, Attachment H-24A, Supporting Exhibit, page 6 of 8, line 16
- C Calculated in accordance with the EKPC Formulary Rate Protocols in Attachment H-24B of this Tariff. See Appendix C
- D EKPC 1 CP is EKPC's highest Monthly Firm Transmission System Peak Load based on the source data as described in Note 1 of Attachment H-24A, Page 8 of 8, plus transmission service provided for others over the EKPC transmission system, plus wheel-out to EKPC load connected to AEP/KP, Duke Ky, and LGE/KU
See Attachment H-24A, Supporting Exhibit, Page 8 of 8
- E EKPC 12 CP is EKPC's Monthly Firm Transmission System Peak Load based on the source data as described in Note 1 of Attachment H-24A, Page 8 of 8, plus transmission service provided for others over the EKPC transmission system, plus wheel-out to EKPC load connected to AEP/KP, Duke Ky, and LGE/KU
See Attachment H-24A, Supporting Exhibit, Page 8 of 8
- F Identified in EKPC Form FF1 as being non-transmission related. See Attachment H-24A, Supporting Exhibit, Pg 2 of 8
- G Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3 of 5, line 8, column 5.
Prepayments are the electric related prepayments booked to Account No. 165 and reported on EKPC Form FF1, Ref Pg 110, line 46.
- H Line 5 - Remove non-safety related advertising included in Account 930.1. See Attachment H-24A, Supporting Exhibit, Page 3 of 8, Line 3
Line 5a - Remove Total Regulatory Commission Expenses - See Attachment H-24A, Supporting Exhibit, Page 3 of 8, Line 4
Line 5b - Add Back Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting - See Attachment H-24A, Supporting Exhibit, Page 3 of 8, Line 6
- I In accordance with RUS accounting standards, EKPC allocates all payroll and property taxes to the functional account. Labor- and plant-related taxes are already included in the appropriate transmission account.
- J As a member-owned non-profit RUS generation and transmission cooperative, EKPC is exempt from state and from federal income taxes under 501(c)(12) of Internal Revenue Code
- K Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
- L Removes dollar amount of transmission expenses included in the OATT ancillary services rates, included in Account 561. See Attachment H-24A, Supporting Exhibit, Page 4 of 8.
- M Debt cost rate = long-term interest (line 21) / long term debt (line 27).
- N Proprietary Capital Cost calculated to achieve TIER of 1.50
- O TIER value approved by KPSC in Case No. 2010-000167
- P Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
- Q Net of retained legacy transactions. See Attachment H-24A, Supporting Exhibit, page 6 of 8.

ATT H-24A – EKPC RATE FORMULA RATE TEMPLATE
REDLINE VERSION

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing EKPC 20__ Form FF1 Data
East Kentucky Power Cooperative, Inc.

Line No.						Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 29)					\$ 0
2	REVENUE CREDITS	Note A	Total	Allocator		
3	Account No. 454	(page 4, line 34)	\$ 0	TP 0.00000		\$ 0
3	Account No. 456.1 (Net of Revenues from Grandfathered Transactions)	(page 4, line 35)	0	TP 0.00000		138,874
4	Revenues from Grandfathered Transactions	Note B	0	TP 0.00000		155,395
5	Revenues from service provided by the ISO at a discount		0	TP 0.00000		0
5a	Transmission Enhancement Credit		0	TP 0.00000		0
6	TOTAL REVENUE CREDITS (sum lines 2-5a5b)					\$ 0
6a	True-up Adjustment	Note C				\$ -
7	NET REVENUE REQUIREMENT	(line 1 minus line 6 plus line 6a)				<u>\$ 0</u>
8	DIVISOR					
8	1 CP	Note D				0
9	12 CP	Note E				0
10	Reserved					
11	Reserved					
12	Reserved					
13	Reserved					
14	Reserved					
15	Annual Cost (\$/kW/Yr) - 1 CP	(line 7 / line 8)	\$ 0.000			
16	Annual Cost (\$/kW/Yr) - 12 CP	(line 7 / line 9)	\$0.000			
17	Network Rate (\$/kW/Mo)	(line 15 / 12)	\$0.000			
17a	Point-To-Point Rate (\$/kW/Mo)	(line 16 / 12)	\$0.000			
			On-Peak Rate			Off-Peak Rate
18	Point-To-Point Rate (\$/kW/Wk)	(line 16 / 52; line 16 / 52)	\$0.000			
19	Point-To-Point Rate (\$/kW/Day)	(line 16 / 260; line 16 / 365)	\$0.000	Capped at weekly rate		\$0.000
20	Point-To-Point Rate (\$/MWh)	(line 16 / 4,160; line 16 / 8,760 * 1000)	\$0.000	Capped at weekly and daily rate		\$0.000

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing EKPC 20__ Form FF1 Data
East Kentucky Power Cooperative, Inc.

Line No.	(1) RATE BASE	(2) Form No. 1 Page, Line, Col.	(3) Company Total	(4) Allocator	(5) Transmission (Col. 3 times Col. 4)
	GROSS PLANT IN SERVICE				
1	Production	204.46.g	\$ 0	NA	
2	Transmission	206.58.g	0	TP 0.00000	\$ 0
3	Distribution	206.75.g	0	NA	
4	General & Intangible	204.5.g & 206.90.g	0	W/S 0.00000	0
5	Common		0	CE 0.00000	0
6	TOTAL GROSS PLANT(sum lines 1-5)		\$ 0	GP= 0.000%	\$ 0
	ACCUMULATED DEPRECIATION				
7	Production	219.20-24.c	\$ 0	NA	
8	Transmission	219.25.c	0	TP 0.00000	\$ 0
9	Distribution	219.26.c	0	NA	
10	General & Intangible	219.28.c	0	W/S 0.00000	0
11	Common		0	CE 0.00000	0
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		\$ 0		\$ 0
	NET PLANT IN SERVICE				
13	Production	(line 1 - line 7)	\$ 0		
14	Transmission	(line 2 - line 8)	0		\$ 0
15	Distribution	(line 3 - line 9)	0		
16	General & Intangible	(line 4 - line 10)	0		0
17	Common	(line 5 - line 11)	0		0
18	TOTAL NET PLANT (sum lines 13-17)		\$ 0	NP= 0.000%	\$ 0
	ADJUSTMENTS TO RATE BASE				
19	Account No. 281 (enter negative)	272.Total 281.k	\$ -	NA zero	\$ -
20	Account No. 282 (enter negative)	274.Total 282.k	0	NP 0.00000	0
21	Account No. 283 (enter negative)	276.Total 283.k	0	NP 0.00000	0
22	Account No. 190	234.Total 190.c	0	NP 0.00000	0
23	Account No. 255 (enter negative)	266.Total.h	0	NP 0.00000	0
24	TOTAL ADJUSTMENTS (sum lines 19-23)		\$ 0		\$ 0
25	LAND HELD FOR FUTURE USE	214.Total.d, Note F	\$ -	0.00000	\$ -
	WORKING CAPITAL				
26	CWC	calculated, Note G	\$ 0		0
27	Materials & Supplies	227.8.c	0	TE 0.00000	0
28	Prepayments (Account 165)	110.46.c, Note G	0	GP 0.00000	0
29	TOTAL WORKING CAPITAL (sum lines 26-28)		\$ 0		\$ 0
30	RATE BASE (sum lines 18, 24, 25, & 29)		\$ 0		\$ 0

Rate Formula Template
Utilizing EKPC 20__ Form FF1 Data
East Kentucky Power Cooperative, Inc.

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Company Total	(4) Allocator	(5) Transmission (Col. 3 times Col. 4)
	O&M				
1	Transmission	321.100	\$ 0	TE 0.00000	\$ 0
2	Less Account 565	321.Acct 565	0	TE 0.00000	0
3	A&G	321.168	0	W/S 0.00000	0
4	Less FERC Annual Fees	N/A	0	W/S 0.00000	0
5	Less Non-safety Advertising	Note H	0	W/S 0.00000	0
5a	Less KPSC Regulatory Expenses	Note H	0	W/S 0.00000	0
5b	Plus Transmission Related Regulatory Exp	Note H	0	TE 0.00000	0
5c	Plus Prorated PJM Transition Expense	Note H	0		0
6	Common		0	CE 0.00000	0
7	Transmission Lease Payments		0	0.00000	0
8	TOTAL O&M (sum lines 1, 2a, 3, 5b, 5a, 6, 7 less lines 4a, 2, 4, 5, 5a)		\$ 0		\$ 0
	DEPRECIATION EXPENSE				
9	Transmission	336.7.f	\$ 0	TP 0.00000	\$ 0
10	General and Intangible	336.9.f	0	W/S 0.00000	0
11	Common	336.10.f	0	CE 0.00000	0
12	TOTAL DEPRECIATION (Sum lines 9-11)		\$ 0		\$ 0
	TAXES OTHER THAN INCOME TAXES				
	LABOR RELATED				
13	Payroll	Note I	\$ 0	W/S 0.00000	\$ 0
14	Highway and vehicle	Note I	0	W/S 0.00000	0
15	PLANT RELATED				
16	Property	Note I	0	GP 0.00000	0
17	Gross Receipts		0	NA NA	0
18	Other		0	GP 0.00000	0
19	Payments in lieu of taxes		0	GP 0.00000	0
20	TOTAL OTHER TAXES (sum lines 13-19)		\$ 0		\$ 0
	INCOME TAXES	Note J			
21	$T = 1 - \{[(1 - \text{SIT}) * (1 - \text{FIT})] / (1 - \text{SIT} * \text{FIT} * p)\}$		0.000000%		
22	$\text{CIT} = (T / 1 - T) * (1 - (\text{WCLTD} / \text{R}))$		0.000000%		
23	$1 / (1 - T) = (\text{from line 21})$		0.0000		
24	Amortized Investment Tax Credit	266.8.f (enter negative)	0		
25	Income Tax Calculation (line 22 * line 28)		\$ 0	NA	\$ 0
26	ITC adjustment (line 23 * line 24)		0	NP 0.00000	0
27	Total Income Taxes	(line 25 plus line 26)	\$ 0		\$ 0
28	RETURN				
	[Rate Base (page 2, line 30) * Rate of Return (page 4, line 29)]		\$ 0	NA	\$ 0
29	REVENUE REQUIREMENT (sum lines 8, 12, 20, 27, 28)		\$ 0		\$ 0

Rate Formula Template
Utilizing EKPC 20__ Form FF1 Data
East Kentucky Power Cooperative, Inc.

SUPPORTING CALCULATIONS AND NOTES

<u>Line</u> <u>No.</u>					
TRANSMISSION PLANT INCLUDED IN ISO RATES					
1	Total transmission plant (page 2, line 2, column 3)				0
2	Less transmission plant excluded from ISO rates				0
3	Less transmission plant included in OATT Ancillary Services	See Supporting Exhibit, Page 5 of 8, Line 4, (Note K)			0
4	Transmission plant included in ISO Rates (line 1 less lines 2 & 3)				0
5	Percentage of transmission plant included in ISO Rates (line 4 divided by line 1)		TP=		0.00000
TRANSMISSION EXPENSES					
6	Total transmission expenses (page 3, line 1, column 3)				0
7	Less transmission expenses included in OATT Ancillary Services	Note L			0
8	Included transmission expenses (line 6 less line 7)				0
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)				0.00000
10	Percentage of transmission plant included in ISO Rates (line 5)		TP		0.00000
11	Percentage of transmission expenses included in ISO Rates (line 9 times line 10)		TE=		0.00000
WAGES & SALARY ALLOCATOR (W&S)					
		Form 1 Reference	\$	TP	Allocation
12	Production	354.18.b	0	0.00	0
13	Transmission	354.19.b	0	0.00	0
14	Distribution	354.20.b	0	0.00	0
15	Other	354.21,22,23,24.b	0	0.00	0
16	Total (sum lines 12-15)		0		0 = 0.00000
COMMON PLANT ALLOCATOR (CE)					
17	Electric	200.3.c	0.00	% Electric (line 17 / line 20)	W&S Allocator (line 16)
18	Gas	200.4.3.d	0.00	0.00000	*
19	Water	200.4.3.e	0.00		0.00000
20	Total (sum lines 17 - 19)		0.00		
RETURN (R)					
21					\$
22		Long Term Interest (117, sum of 58.c through 65.c)			0
		Preferred Dividends (118.29c) (positive number)			0
Development of Cost of Capital:					
23	Long Term Debt	(112.23c) See Supporting Exhibit, Page 7 of 8			\$ 0
24	Proprietary Capital	(112.15.c)			0
25	Less Account 216.1	(112.12.c) (enter negative)			0
26	Total Capital	(sum lines 23-25)			\$ 0
			\$	%	Cost
27	Long Term Debt (112.23c)	Note M	0	0.00%	0.000%
28	Proprietary Capital (112.15.c)	Note N	0	0.00%	0.000%
29	Total (sum lines 27-28)		0		R = 0.000%
30	Effective TIER	Note O		TIER =	0.00
REVENUE CREDITS					
	ACCOUNT 447 (BUNDLED SALES FOR RESALE)	(310-311)			
31	a. Bundled Non-RQ Sales for Resale (311.x.k)				\$ 0
32	b. Bundled Sales for Resale included in Divisor on page 1				0
33	Total of (a)-(b)				\$ 0
34	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY)	See Supporting Exhibit, Page 6 of 8, Line 3 (Note P)			\$ 0
35	ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)	See Supporting Exhibit, Page 6 of 8, Line 17 (Note Q)			\$ 0

Rate Formula Template
Utilizing EKPC 20__ Form FF1 Data
East Kentucky Power Cooperative, Inc.

General Note: **References to pages in this formulary rate are indicated as: (page#, line#, col.#)**
References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Note
Letter

- A The revenues credited on page 1 lines 2-5c shall include only the amounts received directly (in the case of grandfathered agreements) or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, or facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Formulary Rate Template.
- B Revenue from AEP Grandfathered Agreement. See Rev Cred Support, Attachment H-24A, Supporting Exhibit, page 6 of 8, line 16
- C Calculated in accordance with the EKPC Formulary Rate Protocols in Attachment H-24B of this Tariff. See Appendix C
- D EKPC 1 CP is EKPC's highest Monthly Firm Transmission System Peak Load based on the source data as described in Note 1 of Attachment H-24A, Page 8 of 8, plus transmission service provided for others over the EKPC transmission system, plus wheel-out to EKPC load connected to AEP/KP, Duke Ky, and LGE/KU
See Attachment H-24A, Supporting Exhibit, Page 8 of 8
- E EKPC 12 CP is EKPC's Monthly Firm Transmission System Peak Load based on the source data as described in Note 1 of Attachment H-24A, Page 8 of 8, plus transmission service provided for others over the EKPC transmission system, plus wheel-out to EKPC load connected to AEP/KP, Duke Ky, and LGE/KU
See Attachment H-24A, Supporting Exhibit, Page 8 of 8
- F Identified in EKPC Form FF1 as being non-transmission related. See Attachment H-24A, Supporting Exhibit, Pg 2 of 8
- G Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3 of 5, line 8, column 5.
Prepayments are the electric related prepayments booked to Account No. 165 and reported on EKPC Form FF1, Ref Pg 110, line 46.
- H Line 5 - Remove non-safety related advertising included in Account 930.1. See Attachment H-24A, Supporting Exhibit, Page 3 of 8, Line 3
Line 5a - Remove Total Regulatory Commission Expenses - See Attachment H-24A, Supporting Exhibit, Page 3 of 8, Line 4
Line 5b - Add Back Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting - See Attachment H-24A, Supporting Exhibit, Page 3 of 8, Line 6
~~Line 5c - Add EKPC costs relating to PJM transition. See Attachment H-24A, Supporting Exhibit, Page 3 of 8, Line 14~~
- I In accordance with RUS accounting standards, EKPC allocates all payroll and property taxes to the functional account. Labor- and plant-related taxes are already included in the appropriate transmission account.
- J As a member-owned non-profit RUS generation and transmission cooperative, EKPC is exempt from state and from federal income taxes under 501(c)(12) of Internal Revenue Code
- K Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
- L Removes dollar amount of transmission expenses included in the OATT ancillary services rates, included in Account 561. See Attachment H-24A, Supporting Exhibit, Page 4 of 8.
- M Debt cost rate = long-term interest (line 21) / long term debt (line 27).
- N Proprietary Capital Cost calculated to achieve TIER of 1.50
- O TIER value approved by KPSC in Case No. 2010-000167
- P Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
- Q Net of retained legacy transactions. See Attachment H-24A, Supporting Exhibit, page 6 of 8.

ATT H-24A – APPENDIX A
CLEAN VERSION

East Kentucky Power Cooperative, Inc.
Transmission Formula Rate Revenue Requirement
Utilizing EKPC 20__ Form FF1 Data
For Rates Effective June 1, 20__

Schedule 1A Rate Calculation

Line No.		Source	Revenue Requirement	
A.	<u>Schedule 1A Annual Revenue Requirements</u>			
1	Total Load Dispatch & Scheduling (Account 561)	Supporting Exh, page 4 of 8, line 11	\$ 0	
	Less allocated amount for steam production [(Line 6c/Line 6b) * Line 1]		\$ 0	
	Total Load Dispatch & Scheduling (Account 561) excluding Steam		\$ 0	
2	Revenue Credits for Schedule 1A	Note 1	\$ -	
3	Net Schedule 1A Revenue Requirement for Zone		\$ 0	
4	Less: True Up Under/(Over) Recovery for 12 months ended 12/31/20__	Note 2	\$ -	
5	Schedule 1A Recovery Amount for 12 Months ended		\$ 0	
B.	<u>Schedule 1A Rate Calculations</u>			
6	2012 Requirements Sales for Resale	Note 3		
6a	Plus Non-requirements Sales for Resale	Note 4	0	MWh
6b	Subtotal	Note 5	0	
6c	Less Equivalent Steam	Note 6	0	
6d	Net MWh		0	MWh
7	Schedule 1A rate \$/MWh (Line 5 / Line 6)	(Line 3 / Line 6)	\$0.0000	\$/MWh

- Notes:
- (1)

Revenue received pursuant to PJM Schedule 1A revenue allocation procedures for transmission service outside of EKPC's zone during the year used to calculate rates under Attachment H-24A
- (2)

Amount from Attachment H-24A, Appendix C, line 18 for stated year.
- (3)

Sourced from EKPC Form FF1, Ref Pg 401, adjusted for equivalent steam sold
- (4)

FF1, Ref Page 401, Line 23
- (5)

FF1, Ref Page 401, Line 24
- (6)

FF1, Ref Page 401, Footnote

ATT H-24A – APPENDIX A
REDLINE VERSION

East Kentucky Power Cooperative, Inc.
Transmission Formula Rate Revenue Requirement
Utilizing EKPC 20__ Form FF1 Data
For Rates Effective June 1, 20__

Schedule 1A Rate Calculation

Line No.		Source	Revenue Requirement	
A.	<u>Schedule 1A Annual Revenue Requirements</u>			
1	Total Load Dispatch & Scheduling (Account 561)	Supporting Exh, page 4 of 8, line 11	\$ 0	
	Less allocated amount for steam production [(Line 6c/Line 6b) * Line 1]		\$ 0	
	Total Load Dispatch & Scheduling (Account 561) excluding Steam		\$ 0	
2	Revenue Credits for Schedule 1A	Note 1	\$ -	
3	Net Schedule 1A Revenue Requirement for Zone		\$ 0	
4	Less: True Up Under/(Over) Recovery for 12 months ended 12/31/20__	Note 2	\$ -	
5	Schedule 1A Recovery Amount for 12 Months ended		\$ 0	
B.	<u>Schedule 1A Rate Calculations</u>			
6	2012 Requirements Sales for Resale	Note 3		
6a	Plus Non-requirements Sales for Resale	Note 4	0	MWh
6b	Subtotal	Note 5	0	
6c	Less Equivalent Steam	Note 6	0	
6d	Net MWh		0	MWh
7	Schedule 1A rate \$/MWh (Line 5 / Line 6)	(Line 3 / Line 6)	\$0.0000	\$/MWh

- Notes:
- (1) Revenue received pursuant to PJM Schedule 1A revenue allocation procedures for transmission service outside of EKPC's zone during the year used to calculate rates under Attachment H-24A
 - (2) Amount from Attachment H-24A, Appendix C, line ~~18~~¹³ for stated year.
 - (3) Sourced from EKPC Form FF1, Ref Pg 401, adjusted for equivalent steam sold
 - (4) FF1, Ref Page 401, Line 23
 - (5) FF1, Ref Page 401, Line 24
 - (6) FF1, Ref Page 401, Footnote

ATT H-24A – APPENDIX B
CLEAN VERSION

Rate Formula Template
Utilizing Attachment H-24A
East Kentucky Power Cooperative, Inc.
RTEP - Transmission Enhancement Charges
To be completed in conjunction with Attachment H-24A

	(1)	(2)	(3)	(4)
Line No.		Attachment H-24A Page, Line, Col.	Transmission	Allocator
	TRANSMISSION PLANT			
1	Gross Transmission Plant - Total	Attachment H-24A, p 2, line 2 col 5 (Note A)	0	
2	Net Transmission Plant - Total	Attachment H-24A, p 2, line 14 col 5 (Note B)	0	
	O&M EXPENSE			
3	Total O&M Allocated to Transmission	Attachment H-24A, p 3, line 8 col 5	0	
4	Annual Allocation Factor for O&M	(line 3 divided by line 1 col 3)	0.00%	0.00%
	GENERAL AND COMMON (G&C) DEPRECIATION EXPENSE			
5	Total G&C Depreciation Expense	Attachment H-24A, p 3, lines 10 & 11, col 5 (Note H)	0	
6	Annual Allocation Factor for G&C Depreciation Expense	(line 5 divided by line 1 col 3)	0.00%	0.00%
	TAXES OTHER THAN INCOME TAXES			
7	Total Other Taxes	Attachment H-24A, p 3, line 20 col 5	-	
8	Annual Allocation Factor for Other Taxes	(line 5 divided by line 1 col 3)	0.00%	0.00%
9	Annual Allocation Factor for Expense	Sum of lines 4, 6 and 8		0.00%
	INCOME TAXES			
10	Total Income Taxes	Attachment H-24A, p 3, line 27 col 5	-	
11	Annual Allocation Factor for Income Taxes	(line 10 divided by line 2 col 3)	0.00%	0.00%
	RETURN			
12	Return on Rate Base	Attachment H-24A, p 3, line 28 col 5	0	
13	Annual Allocation Factor for Return on Rate Base	(line 12 divided by line 2 col 3)	0.00%	0.00%
14	Annual Allocation Factor for Return	Sum of lines 11 and 13		0.00%

Note

A

Gross Transmission Plant is that identified on page 2 line 2 of Attachment H-24A and includes any sub lines 2a or 2b etc. and is inclusive of any CWIP included in rate base when authorized by FERC order.

B

Net Transmission Plant is that identified on page 2 line 14 of Attachment H-24A and includes any sub lines 14a or 14b etc. and is inclusive of any CWIP included in rate base when authorized by FERC order.

C

Project Gross Plant is the total capital investment for the project calculated in the same method as the gross plant value in line 1 and includes CWIP in rate base if applicable. This value includes subsequent capital investments required to maintain the facilities to their original capabilities.

D

Project Net Plant is the Project Gross Plant Identified in Column 3 less the associated Accumulated Depreciation.

E

Project Depreciation Expense is the actual value booked for the project and included in the Depreciation Expense in Attachment H-24A, page 3 line 12.

F

True-Up Adjustment is included pursuant to a FERC approved methodology if applicable.

G

The Network Upgrade Charge is the value to be used in PJM OATT Schedule 26.

H

The Total General and Common Depreciation Expense excludes any depreciation expense directly associated with a project and thereby included in Attachment H-24A Appendix B, page 2, column 9.

For the 12 months ended 12/31/20__

East Kentucky Power Cooperative, Inc.
RTEP - Transmission Enhancement Charges

Network Upgrade Charge Calculation By Project

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Line No.	Project Name	RTEP Project Number	Project Gross Plant	Annual Allocation Factor for Expense	Annual Expense Charge	Project Net Plant	Annual Allocation Factor for Return	Annual Return Charge	Project Depreciation Expense	Annual Revenue Requirement	True-Up Adjustment	Network Upgrade Charge
			(Page 1 line 7) (Note C)	(Col. 3 * Col. 4)		(Note D)	(Page 1 line 12)	(Col. 6 * Col. 7)	(Note E)	(Sum Col. 5, 8 & 9)	(Note F)	Sum Col. 10 & 11 (Note G)
1a		\$ -	0.00%	\$0.00	\$ -	0.00%	\$0.00	\$0	\$0.00	\$ -	\$0.00	\$0.00
1b		\$ -	0.00%	\$0.00	\$ -	0.00%	\$0.00	\$0	\$0.00	\$ -	\$0.00	\$0.00
1c		\$ -	0.00%	\$0.00	\$ -	0.00%	\$0.00	\$0	\$0.00	\$ -	\$0.00	\$0.00
2	Annual Totals									\$0	\$0	\$0
3	RTEP Transmission Enhancement Charges for Attachment H-24A, Page 1, Line 5c											\$0

Note Letter

- A
- Gross Transmission Plant is that identified on page 2 line 2 of Attachment H-24A and includes any sub lines 2a or 2b etc. and is inclusive of any CWIP included in rate base when authorized by FERC order.
- B
- Net Transmission Plant is that identified on page 2 line 14 of Attachment H-24A and includes any sub lines 14a or 14b etc. and is inclusive of any CWIP included in rate base when authorized by FERC order.
- C
- Project Gross Plant is the total capital investment for the project calculated in the same method as the gross plant value in line 1 and includes CWIP in rate base if applicable. This value includes subsequent capital investments required to maintain the facilities to their original capabilities.
- D
- Project Net Plant is the Project Gross Plant Identified in Column 3 less the associated Accumulated Depreciation.
- E
- Project Depreciation Expense is the actual value booked for the project and included in the Depreciation Expense in Attachment H-24A, page 3 line 12.
- F
- True-Up Adjustment is included pursuant to a FERC approved methodology if applicable.
- G
- The Network Upgrade Charge is the value to be used in Schedule 26.
- H
- The Total General and Common Depreciation Expense excludes any depreciation expense directly associated with a project and thereby included in page 2 column 9.

ATT H-24A – APPENDIX B
REDLINE VERSION

Rate Formula Template
Utilizing Attachment H-24A
East Kentucky Power Cooperative, Inc.
RTEP - Transmission Enhancement Charges
To be completed in conjunction with Attachment H-24A

	(1)	(2)	(3)	(4)
Line No.		Attachment H-24A Page, Line, Col.	Transmission	Allocator
	TRANSMISSION PLANT			
1	Gross Transmission Plant - Total	Attachment H-24A, p 2, line 2 col 5 (Note A)	0	
2	Net Transmission Plant - Total	Attachment H-24A, p 2, line 14 col 5 (Note B)	0	
	O&M EXPENSE			
3	Total O&M Allocated to Transmission	Attachment H-24A, p 3, line 8 col 5	0	
4	Annual Allocation Factor for O&M	(line 3 divided by line 1 col 3)	0.00%	0.00%
	GENERAL AND COMMON (G&C) DEPRECIATION EXPENSE			
5	Total G&C Depreciation Expense	Attachment H-24A, p 3, lines 10 & 11, col 5 (Note H)	0	
6	Annual Allocation Factor for G&C Depreciation Expense	(line 5 divided by line 1 col 3)	0.00%	0.00%
	TAXES OTHER THAN INCOME TAXES			
7	Total Other Taxes	Attachment H-24A, p 3, line 20 col 5	-	
8	Annual Allocation Factor for Other Taxes	(line 5 divided by line 1 col 3)	0.00%	0.00%
9	Annual Allocation Factor for Expense	Sum of lines 4, 6 and 8		0.00%
	INCOME TAXES			
10	Total Income Taxes	Attachment H-24A, p 3, line 27 col 5	-	
11	Annual Allocation Factor for Income Taxes	(line 108 divided by line 2 col 3)	0.00%	0.00%
	RETURN			
12	Return on Rate Base	Attachment H-24A, p 3, line 28 col 5	025,293,160	
13	Annual Allocation Factor for Return on Rate Base	(line 1210 divided by line 2 col 3)	0.00%6.58%	0.00%6.58%
14	Annual Allocation Factor for Return	Sum of lines 11 and 13		0.00%6.58%

Note	
A	Gross Transmission Plant is that identified on page 2 line 2 of Attachment H-24A and includes any sub lines 2a or 2b etc. and is inclusive of any CWIP included in rate base when authorized by FERC order.
B	Net Transmission Plant is that identified on page 2 line 14 of Attachment H-24A and includes any sub lines 14a or 14b etc. and is inclusive of any CWIP included in rate base when authorized by FERC order.
C	Project Gross Plant is the total capital investment for the project calculated in the same method as the gross plant value in line 1 and includes CWIP in rate base if applicable. This value includes subsequent capital investments required to maintain the facilities to their original capabilities.
D	Project Net Plant is the Project Gross Plant Identified in Column 3 less the associated Accumulated Depreciation.
E	Project Depreciation Expense is the actual value booked for the project and included in the Depreciation Expense in Attachment H-24A, page 3 line 12.
F	True-Up Adjustment is included pursuant to a FERC approved methodology if applicable.
G	The Network Upgrade Charge is the value to be used in PJM OATT Schedule 26.
H	The Total General and Common Depreciation Expense excludes any depreciation expense directly associated with a project and thereby included in Attachment H-24A Appendix B, page 2, column 9.

For the 12 months ended 12/31/20__

East Kentucky Power Cooperative, Inc.
RTEP - Transmission Enhancement Charges

Network Upgrade Charge Calculation By Project

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Line No.	Project Name	RTEP Project Number	Project Gross Plant	Annual Allocation Factor for Expense	Annual Expense Charge	Project Net Plant	Annual Allocation Factor for Return	Annual Return Charge	Project Depreciation Expense	Annual Revenue Requirement	True-Up Adjustment	Network Upgrade Charge
			(Page 1 line 7) (Note C)	(Col. 3 * Col. 4)		(Note D)	(Page 1 line 12)	(Col. 6 * Col. 7)	(Note E)	(Sum Col. 5, 8 & 9)	(Note F)	Sum Col. 10 & 11 (Note G)
1a		\$ -	0.00%	\$0.00	\$ -	0.00%	\$0.00	\$0	\$0.00	\$ -	\$0.00	
1b		\$ -	0.00%	\$0.00	\$ -	0.00%	\$0.00	\$0	\$0.00	\$ -	\$0.00	
1c		\$ -	0.00%	\$0.00	\$ -	0.00%	\$0.00	\$0	\$0.00	\$ -	\$0.00	
2	Annual Totals									\$0	\$0	\$0
3	RTEP Transmission Enhancement Charges for Attachment H-24A, Page 1, Line 5c											\$0

Note Letter

- A
- Gross Transmission Plant is that identified on page 2 line 2 of Attachment H-24A and includes any sub lines 2a or 2b etc. and is inclusive of any CWIP included in rate base when authorized by FERC order.
- B
- Net Transmission Plant is that identified on page 2 line 14 of Attachment H-24A and includes any sub lines 14a or 14b etc. and is inclusive of any CWIP included in rate base when authorized by FERC order.
- C
- Project Gross Plant is the total capital investment for the project calculated in the same method as the gross plant value in line 1 and includes CWIP in rate base if applicable. This value includes subsequent capital investments required to maintain the facilities to their original capabilities.
- D
- Project Net Plant is the Project Gross Plant Identified in Column 3 less the associated Accumulated Depreciation.
- E
- Project Depreciation Expense is the actual value booked for the project and included in the Depreciation Expense in Attachment H-24A, page 3 line 12.
- F
- True-Up Adjustment is included pursuant to a FERC approved methodology if applicable.
- G
- The Network Upgrade Charge is the value to be used in Schedule 26.
- H
- The Total General and Common Depreciation Expense excludes any depreciation expense directly associated with a project and thereby included in page 2 column 9.

ATT H-24A – APPENDIX C
CLEAN VERSION

Rate Formula Template
Utilizing Attachment H-24A

East Kentucky Power Cooperative, Inc.
Calculation of Prior Year Transmission Revenue Requirement True-up Adjustment
To be completed in conjunction with Attachment H-24A

<u>Line</u> <u>No.</u>	(1)		(2)
<u>Reconciliation Adjustment for Transmission Revenue Requirements</u>			
1	Actual Transmission Revenue Requirement for 12 Months Ended 12/31/20__ including True Up for 12 months ended 12/31/20__ (1)		\$ -
2	Less: True Up Under/(Over) Recovery Adjustment for EKPC Appendix H-24A for 12 months ended 12/31/20__ (2)		\$ -
3	Transmission revenue requirements for the 12 months ended12/31/20__	(Line 1 - Line 2)	<u>\$ -</u>
4	Less: Actual Transmission Revenue Collected for 12 months Ended 12/31/20__(3)		<u>\$ -</u>
5	True-Up Principal Under(Over) Recovery before Interest	(Line 3 - Line 4)	<u>\$ -</u>
6	Monthly Interest Rate--Final FERC rate (4)		0.000%
7	Number of Months being Trued Up		0
8	Interest	(Line 5 x Line 6 x Line 7)	<u>\$ -</u>
9	True Up Principal & Interest Under(Over) Recovery--Preliminary (5)	(Line 9 + Line 15)	<u><u>\$ -</u></u>

- Notes:
- (1) Revenue requirement from Page 1 of 5, line 7 of Attachment H-24A for the referenced year.
 - (2) EKPC Attachment H-24A, page 1 of 5, Line 6a for the referenced recovery year
 - (3) Revenue received under PJM Tariff Schedules 7 and 8 under Attachment H-24A for the referenced year.
 - (4) See: <https://www.ferc.gov/interest-calculation-rates-and-methodology> for the appropriate Month
 - (5) Goes to Attachment H-24A , page 1 of 5, line 6a

Rate Formula Template
Utilizing Attachment H-24A

East Kentucky Power Cooperative, Inc.
Calculation of Prior Year Transmission Revenue Requirement True-up Adjustment
To be completed in conjunction with Attachment H-24A

<u>Line No.</u>	(1)		(2)
<u>Reconciliation Adjustment for Schedule 1A Charges</u>			
10	Actual Schedule 1A Costs for 12 Months Ended 12/31/20__ including True Up for 12 months ended 12/31/20__ (6)		\$ -
11	Less: True Up Under/(Over) Recovery Adjustment for EKPC Sch. 1A for 12 months ended 12/31/20__ (7)		\$ -
12	True-Up Principal Under(Over) Recovery before Interest	(Line 10 - Line 11)	<u>\$0.00</u>
13	Less: Actual Sch. 1A Revenue Collected for 12 months Ended 12/31/20__ (8)		<u>\$0.00</u>
14	True-Up Principal Under(Over) Recovery before Interest	(Line 12 - Line 13)	\$ -
15	Monthly Interest Rate--Final FERC rate (9)		0.000%
16	Number of Months being Trued Up		0
17	Interest	(Line 5 x Line 6 x Line 7)	\$ -
18	True Up Principal & Interest Under(Over) Recovery--Preliminary (10)	(Line 9 + Line 15)	<u><u>\$ -</u></u>

- Notes:
- (6) Revenue requirement calculated using EKCP Attachment H-24A, Appendix A and actual cost information for the referenced year.
 - (7) EKPC Attachment H-24A, Appendix A, Line 6a for the referenced recovery year.
 - (8) Revenue received from PJM under PJM Tariff Schedules 7 and 8 for the EKPC Zone under Attachment H-24A for the referenced year.
 - (9) See: <https://www.ferc.gov/interest-calculation-rates-and-methodology> for the appropriate Month
 - (10) Goes to Attachment H-24A, Appendix A, line 4.

ATT H-24A – APPENDIX C
REDLINE VERSION

Rate Formula Template
Utilizing Attachment H-24A

East Kentucky Power Cooperative, Inc.
Calculation of Prior Year Transmission Revenue Requirement True-up Adjustment
To be completed in conjunction with Attachment H-24A

<u>Line</u> <u>No.</u>	(1)	(2)
<u>Reconciliation Adjustment for Transmission Revenue Requirements</u>		
1	Actual Transmission Revenue Requirement for 12 Months Ended 12/31/20__ including True Up for 12 months ended 12/31/20__ (1)	\$ -
2	Less: True Up Under/(Over) Recovery Adjustment for EKPC Appendix H-24A for 12 months ended 12/31/20__ (2)	\$ -
3	Transmission revenue requirements for the 12 months ended12/31/20__ (Line 1 - Line 2)	\$ -
4	Less: Actual Transmission Revenue Collected for 12 months Ended 12/31/20__ (3)	\$ -
5	True-Up Principal Under(Over) Recovery before Interest (Line 3 - Line 4)	\$ -
6	Monthly Interest Rate--Final FERC rate (4)	0.000%
7	Number of Months being Trued Up	0
8	Interest (Line 5 x Line 6 x Line 7)	\$ -
9	True Up Principal & Interest Under(Over) Recovery--Preliminary (5) (Line 9 + Line 15)	\$ -

Notes:

- (1) Revenue requirement from Page 1 of 5, line 7 of Attachment H-24A for the referenced year.
- (2) EKPC Attachment H-24A, page 1 of 5, Line 6a for the referenced recovery year
- (3) Revenue received under PJM Tariff Schedules 7 and 8 under Attachment H-24A for the referenced year.
- (4) See: <https://www.ferc.gov/interest-calculation-rates-and-methodology> ~~<http://www.ferc.gov/legal/acct-mats/interest-rates.asp>~~ for the appropriate Month
- (5) Goes to Attachment H-24A , page 1 of 5, line 6a

Rate Formula Template
Utilizing Attachment H-24A

East Kentucky Power Cooperative, Inc.
Calculation of Prior Year Transmission Revenue Requirement True-up Adjustment
To be completed in conjunction with Attachment H-24A

Line No.	(1)	(2)
<u>Reconciliation Adjustment for Schedule 1A Charges</u>		
10	Actual Schedule 1A Costs for 12 Months Ended 12/31/20__ including True Up for 12 months ended 12/31/20__ (6)	\$ -
11	Less: True Up Under/(Over) Recovery Adjustment for EKPC Sch. 1A for 12 months ended 12/31/20__ (7)	\$ -
12	True-Up Principal Under(Over) Recovery before Interest (Line 10 - Line 11)	\$0.00
13	Less: Actual Sch. 1A Revenue Collected for 12 months Ended 12/31/20__ (8)	\$0.00
14	True-Up Principal Under(Over) Recovery before Interest (Line 12 - Line 13)	\$ -
15	Monthly Interest Rate--Final FERC rate (9)	0.000%
16	Number of Months being Trued Up	0
17	Interest (Line 5 x Line 6 x Line 7)	\$ -
18	True Up Principal & Interest Under(Over) Recovery--Preliminary (10) (Line 9 + Line 15)	\$ -

- Notes:
- (6) Revenue requirement calculated using EKCP Attachment H-24A, Appendix A and actual cost information for the referenced year.
 - (7) EKPC Attachment H-24A, Appendix A, Line 6a for the referenced recovery year.
 - (8) Revenue received from PJM under PJM Tariff Schedules 7 and 8 for the EKPC Zone under Attachment H-24A for the referenced year.
 - (9) See: <https://www.ferc.gov/interest-calculation-rates-and-methodology> ~~<http://www.ferc.gov/legal/acct-mats/interest-rates.asp>~~ for the appropriate Month
 - (10) Goes to Attachment H-24A, Appendix A, line 4.

Exhibit EKP-001

Prepared Direct Testimony of Michele M. Slater

UNITED STATES OF AMERICA

BEFORE THE

FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C,)

East Kentucky Power Cooperative, Inc.)

Docket No. ER25-____-000

)

DIRECT TESTIMONY

OF

MICHELE M. SLATER

ON BEHALF OF

EAST KENTUCKY POWER COOPERATIVE, INC.

February 25, 2025

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Michele M. Slater. My business address is 1850 Parkway Place, Suite 800, Marietta, Georgia 30067.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am a Principal in the Rates and Regulatory group of GDS Associates, Inc. (“GDS”), a multi-disciplinary engineering and consulting firm that primarily serves electric, gas, and water utilities. I have been with GDS since 2016.

Q. PLEASE SUMMARIZE YOUR FORMAL EDUCATION.

A. I earned a Bachelor of Mechanical Engineering degree from the Georgia Institute of Technology in 1987, and a Master of Business Administration degree from Tulane University in 2003, with induction into the Beta Gamma Sigma Honor Society.

Q. WHAT ARE YOUR DUTIES AND RESPONSIBILITIES AT GDS?

1 A. My primary responsibilities involve providing rate and regulatory consulting services
2 related to electric utility industry matters including rate design, cost-of-service and related
3 revenue requirements, transmission revenue requirements and formula rates, ancillary
4 services, and electric industry restructuring matters.

5 Q. PLEASE BRIEFLY DESCRIBE YOUR PROFESSIONAL EXPERIENCE.

6 A. I have more than thirty years of experience in the electric utility industry, with
7 approximately twenty-five years' experience providing consulting services in both
8 regulated and deregulated environments. Throughout my career, I have provided
9 consulting services to electric cooperatives, municipal electric systems, investor-owned
10 utilities, independent power producers, and other private parties, as well as state public
11 service commissions and state attorney general offices.

12 Prior to joining GDS, I worked on numerous cases, both litigated and arbitrated, on
13 behalf of various participants in the electric industry including wholesale power and
14 transmission customers, fuel and equipment suppliers, and operating and non-operating
15 plant owners. I provided expertise and litigation support including the development and
16 preparation of testimony and exhibits and the examination and critiquing of opposing
17 testimony and positions. I have provided expertise for cases involving the determination of
18 avoided costs, replacement power costs, determination of need and other evaluation of
19 applications for certificates of public convenience and necessity for various types of
20 resources, breach of contract and associated damages, prudence, capital expenditures for
21 major plant additions, determination of reserve margins, ratemaking treatment of
22 environmental costs, and bankruptcy before state commissions, FERC, and state and
23 federal courts.

1 Since joining GDS I have assisted in determining the cost-of-service and revenue
2 requirements for numerous ancillary service rate filings as well as submitting testimony in
3 a fixed cost filing for an eligible transmission facility at FERC. I have participated in
4 several dozen reactive power filings, representing intervenors and applicants, including
5 appearing as a witness in the first litigated solar generation reactive power filing at FERC.
6 Additionally, I have provided analysis of IOUs' affiliate cost allocation, nuclear plant
7 decommissioning costs, abandoned plant cost recovery, and recovery of coal ash
8 compliance costs. I have performed reviews of numerous transmission formula rate updates
9 on behalf of wholesale customers, public service commissions and state agencies. I have
10 assisted generation and transmission clients in filing member rates under Section 205 of
11 the Federal Power Act. I developed cost recovery and provided an affidavit supporting an
12 annual revenue requirement for a MISO designated System Support Resource (SSR). A
13 statement of my background and qualifications, summarizing my utility experience, and
14 regulatory proceedings in which I filed testimony or otherwise was engaged is included
15 herein as Exhibit No. EKP-002.

16 **Q. ON WHOSE BEHALF ARE YOU PRESENTING TESTIMONY IN THIS**
17 **PROCEEDING?**

18 **A.** I am presenting this testimony on behalf of East Kentucky Electric Cooperative, Inc.
19 ("EKPC").

20 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

21 **A.** Yes. In addition to EKP-002, described above, I am sponsoring the following additional
22 exhibit: Exhibit No. EKP-003 – Rate Impact Analysis.

23 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

1 A. The purpose of my testimony is to describe several identified errors in EKPC's
2 Transmission Formula Rate Template for Network Integrated Transmission Service under
3 Attachment H-24A of the PJM OATT, and to support the corrections to each. These are:
4 (i) the calculation of the Regulatory Expense includable in the transmission cost of service
5 ("TCOS"), (ii) references to Prorated PJM Transition Expense, (iii) the calculation of the
6 Wages & Salaries ("W&S") Allocator, and (iv) several ministerial corrections, such as
7 internal line references.

8 **II. BACKGROUND**

9 **Q. BRIEFLY, PLEASE DESCRIBE EKPC AND THE HISTORY OF ITS**
10 **TRANSMISSION FORMULA RATE.**

11 A. EKPC is a not-for-profit, member-owned state-regulated electric generation and
12 transmission cooperative organized and existing under Chapter 279 of the Kentucky
13 Revised Statutes. EKPC is responsible for providing and delivering reliable energy to its
14 16 not-for-profit member-owned distribution cooperatives. EKPC receives financing from
15 the Rural Utilities Service (RUS), and therefore is not subject to the Commission's "public
16 utility" rate regulation.

17 In preparation for integration into PJM Interconnection, L.L.C. (PJM), on March
18 28, 2013, EKPC filed jointly with PJM revisions to the PJM Tariff to integrate EKPC's
19 pricing zone into PJM and to implement a forward-looking formula rate (Formula Rate)
20 under Docket No. ER13-1178. EKPC integrated into the PJM market on June 1, 2013.

21 On June 22, 2022, under Docket No. ER22-2163, EKPC submitted a limited-scope
22 or single-issue Section 205 filing to revise depreciation rates to be used when calculating

1 EKPC's annual transmission revenue requirement (ATRR) and transmission rates under
2 Attachment H-24A of the Open Access Transmission Tariff (Tariff) administrated by PJM.

3 **Q. WHY IS EKPC SEEKING CHANGES TO ITS TRANSMISSION FORMULA**
4 **RATE IN THIS INSTANT FILING?**

5 **A.** As described above, EKPC's transmission formula rate has remained unchanged since its
6 formula rate template filing in 2013, with the exception of revising the depreciation rates
7 used to calculate the ATRR in 2022.

8 During the 2024 annual update process, an intervening party identified an issue
9 with the calculation of the Administrative & General ("A&G") expenses in the calculation
10 of the ATRR, namely, the calculation of the Transmission Related Regulatory Expense,
11 Attachment H-24A, Page 3 of 5, Line 5a. Upon examination, EKPC concurred with the
12 intervenor that the formula rate template did not correctly adjust the total A&G for
13 Transmission Related Regulatory Expense.

14 **Q. ARE THERE OTHER CHANGES EKPC IS MAKING TO ITS FORMULA RATE**
15 **TEMPLATE?**

16 **A.** Yes. The identification of the error related to the regulatory expense prompted EKPC to
17 conduct a full review of the formula rate template, Attachment H-24A, appendices, and
18 supporting exhibits for other errors or issues. The additional identified revisions are as
19 follows:

- 20 i. Prorated PJM Transition Expense: Remove Line 5c and edit Line 8 on Page 3 of 5;
21 Revise Note H on Page 5 of 5.
- 22 ii. Wages & Salaries ("W&S") Allocator: Revise calculation of the W&S Allocator
23 on Page 4 of 5, Lines 12-16.

- 1 iii. Line item reference errors: Attachment H-24A, Page 1 of 5, Line 6, and Page 4 of
2 5, Lines 18 and 19; Appendix A Note 2; Appendix B RTEP – Transmission
3 Enhancement Charges, Line 11 and Line 13; and Appendix C Notes 4 and 9.
- 4 iv. Prepopulated values in the effective tariff: Attachment H-24A, Page 1 of 5, Lines
5 3 and 4; and Appendix B, Lines 12 through 14.

6 **III. DESCRIPTIONS OF CHANGES TO THE TRANSMISSION RATE FORMULA**
7 **TEMPLATE**

8 **Q. PLEASE DESCRIBE THE ERROR IDENTIFIED WITH THE CALCULATION**
9 **OF THE TRANSMISSION RELATED REGULATORY EXPENSE, AND THE**
10 **RESOLUTION TO CORRECT THE ERROR.**

11 **A.** The customary ratemaking approach to regulatory expenses in a transmission cost of
12 service is to deduct all regulatory expenses from the total A&G, then add back those
13 regulatory expenses which are transmission related. EKPC's formula rate template follows
14 a typical setup: column 1 lists the item description, column 2 provides the Form No. 1
15 reference or other note, column 3 is the company total amount, column 4 is the allocator
16 used to allocate the portion of the company total attributable to transmission, and column
17 5 is the resulting transmission related amount of the expense.

18 EKPC witness Ann Wood described the process deriving transmission related
19 regulatory expense in her testimony in EKPC's 2013 rate filing.¹ Specifically, Ms. Wood
20 states, "EKPC has removed the assessments that are not specifically related to

¹ See Direct Testimony of Ms. Ann Wood on Behalf of East Kentucky Power Cooperative, Inc. Exhibit No. EKP-1, in FERC Docket No. ER13-1178 (Wood Testimony), Page 5, Lines 11 through 26.

1 transmission, based on the wages and salaries allocator provided on Attachment H-24A,
2 page 4 of 5, line 16.”

3 However, the final version of the formula rate template filed in 2013 erroneously
4 excluded the removal of regulatory expense apportioned to transmission, on Attachment
5 H-24A, Page 3 of 5, Line 5a, as no allocator, or a zero allocation, was applied. This filing
6 corrects this error by including the W&S allocator on Attachment H-24A, Page 3 of 5, Line
7 5a, column 4, thus removing the assessments that are not specifically related to
8 transmission.

9 **Q. DOES THIS CORRECTION IMPACT THE ATRR?**

10 **A.** Yes. Removing the allocation portion of regulatory expense not specifically related to
11 transmission lowers the overall ATRR.

12 **Q. PLEASE DESCRIBE THE FORMULA RATE TEMPLATE REVISIONS**
13 **RELATED TO PRORATED PJM TRANSITION EXPENSE.**

14 **A.** As previously described by Ms. Wood in her testimony in Docket No. ER13-1178, “EKPC
15 has incurred certain costs associated with its integration into PJM. EKPC is amortizing
16 those costs over a three-year period, which is consistent with the period over which rate
17 case expenses are amortized in proceedings before the KPSC.”² The Prorated PJM
18 Transition Expense is shown on Attachment H-24A, Page 3 of 5, Line 5c. As the three-
19 year amortization period concluded approximately nine years ago, these values are zero.
20 Thus, this line item and its supporting calculations are redundant.

² Wood Testimony, Page 6.

1 This filing removes Line 5c of Attachment H-24A, Page 3 of 5, edits Line 8 of
2 Attachment H-24A, page 3 of 5 to remove references to line 5c and revises Note H of
3 Attachment H-24A, Page 5 of 5 to remove reference to Line 5c.

4 **Q. DOES THIS CORRECTION IMPACT THE ATRR?**

5 **A.** No. Given the transition costs have been fully amortized, these changes have no impact on
6 the ATRR calculation, yet will provide a cleaner, more user-friendly template.

7 **Q. PLEASE DESCRIBE THE ERROR IN THE CALCULATION OF THE WAGES &**
8 **SALARIES ALLOCATOR, AND THE RESOLUTION TO CORRECT THE**
9 **ERROR.**

10 **A.** The W&S allocator is calculated on Attachment H-24A, page 4 of 5, lines 12 through 16.
11 However, the calculation is in error. For transmission, the W&S allocator is the
12 transmission wages and salaries, divided by the total operation and maintenance wages and
13 salaries, less A&G wages and salaries. Column 2 of lines 12 through 15 lists the Form 1
14 referenced accounts for Production, Transmission, Distribution and Other wages and
15 salaries accounts used in the calculation. The Other category, line 15 column 2, erroneously
16 includes A&G wages and salaries account 354.24. This filing corrects this error by
17 excluding A&G from the W&S allocator calculation.

18 **Q. DOES THIS CORRECTION IMPACT THE ATRR?**

19 **A.** Yes. Removing the A&G wages and salaries from the denominator of the ratio increases
20 the allocation factor.

21 **Q. PLEASE DESCRIBE THE REVISIONS TO CORRECT LINE REFERENCE**
22 **ERRORS.**

1 A. In reviewing the template, several line reference errors were identified. The first error to
2 be corrected is Attachment H-24A, Page 1 of 5, Line 6. Total Revenue Credits. The line
3 description states, “sum lines 2 - 5b”. This filing corrects this line to state, “sum lines 2 –
4 5a” as there is no line 5b.

5 A second reference error is in Attachment H-24A Page 4 of 5, Lines 18 and 19, in
6 the Common Plant Allocator calculation. These lines refer to Form 1 Reference 201.3d and
7 201.3e, respectively. These references are being corrected to 200.3d and 200.3e,
8 respectively.

9 A third line reference correction is in Note 2 to Appendix A. The note states the
10 source for the value of the True Up Over (Under) Recovery for the prior period. The note
11 references “Attachment H-24A, Appendix C, line 13 for stated year”. The correct line
12 reference is Line 18.

13 Additional line reference errors are found in Appendix B – RTEP – Transmission
14 Enhancement Charges. This appendix uses Income Tax and Return components in
15 calculating the Annual Allocation Factor for Return on Network Upgrades. The calculation
16 instructions in column 2 reference incorrect line items for both Income Tax and Return
17 component calculations. Specifically, line 11 Annual Allocation Factor for Income Taxes
18 instructions state “line 8 divided by line 2 col 3.” This should read “line 10 divided by line
19 2 col 3”, where line 10 is the Total income Taxes and line 2 is Net Transmission Plant.
20 Similarly, for the Annual Allocation Factor for Return on Rate Base, line 13, column 2
21 instructions read “line 10 divided by line 2 col 3”. The correct instructions are “line 12
22 divided by line 2 col 3”, where line 12 is Return on Rate Base. This filing makes both of
23 these corrections.

1 Finally, Notes 4 and 9 on Appendix C - Calculation of Prior Year Transmission
2 Revenue Requirement True-up Adjustment include a web link to the Commission website
3 page for monthly interest rates. That link is no longer active. This filing updates these
4 reference notes to include the active link to the Commission's interest calculation rates.

5 **Q. DO ANY OF THE LINE REFERENCE CORRECTIONS IMPACT THE ATRR?**

6 **A.** No. Since EKPC has been correctly calculating each of these components, there is no
7 impact on the ATRR. In the instance of the Appendix A - Schedule 1A Note 2 reference to
8 the prior year true-up, EKPC has correctly used the appropriate value as the prior year true-
9 up in this calculation despite the incorrect reference, thus, there is no impact on the ATRR.
10 In the instance of the RTEP calculation in Appendix B, EKPC has correctly used the
11 appropriate values despite the incorrect line references. Further, there have not been any
12 net upgrades recently to which this allocation would be applied. With regard to the interest
13 rates used for true-up calculations in Appendix C, EKPC has been using the correct rates.
14 However, these corrections remove any future confusion or doubt as to the appropriate
15 calculations.

16 **Q. PLEASE DESCRIBE THE ERRORS AND REVISIONS TO THE TEMPLATE TO**
17 **CORRECT PREPOPULATED VALUES.**

18 **A.** EKPC identified that the formula rate template that is on-file with the Commission, PJM
19 OATT Attachment H-24A – EKPC Rate Formula Template, and its associated Appendix
20 B – EKPC RTEP contain several cells with pre-populated values. Specifically, on Page 1
21 of 5 of the Formula Rate Template, Lines 3 and 4, which are used in calculating Revenue
22 Credits, include non-zero values in the Allocated Amount column. Appendix B, Page 1 of
23 2, Lines 12 through 14 also contain prepopulated values in columns 3 and 4. In each of

1 these instances these values are to be calculated values derived from annual data. That is,
2 they are not fixed values and should be unpopulated. The ATRR is calculated using the
3 Excel version of the Formula Rate Template which recalculates each of these values
4 annually using the current data. The template on-file with the Commission is an RTF
5 version of the Formula Rate Template. These prepopulated cells were an oversight in
6 preparing a PDF version of the Formula Rate Template for a prior filing. This filing restores
7 these values to zeroes in the unpopulated Formula Rate Template document on-file with
8 the Commission.

9 **Q. DO ANY OF THESE CORRECTIONS IMPACT THE ATRR?**

10 **A.** No. As stated, in each instance the values are calculated each year using the current date.
11 The Formula Rate Template identifies in references or notes the source or calculation to
12 produce each value. As EKPC has been correctly calculating each of these components in
13 its annual updates, there is no impact on the ATRR.

14 **Q. YOU PREVIOUSLY STATED THAT ONLY TWO OF THE PROPOSED**
15 **CHANGES TO THE FORMULA RATE TEMPLATE WOULD IMPACT THE**
16 **ATRR. PLEASE QUANTIFY THE OVERALL IMPACT TO THE ATRR FROM**
17 **THE PROPOSED CHANGES.**

18 **A.** EKPC's transmission rate under the PJM Tariff is a formula rate, and accordingly, the
19 impact to the ATRR would vary each year based on the changes in annual data used as
20 inputs to those calculations. Here, the direction of the impact will be consistent to each of
21 the two adjustments. Specifically, the proposed change to the calculation of the regulatory
22 expense calculation will reduce the ATRR, everything else being equal, while the proposed
23 change to the W&S Allocator will increase the ATRR, everything else being equal.

1 Importantly, the adjustments do not exist in isolation. Their relative values are
2 interdependent. The W&S Allocator affects numerous allocations throughout the template.
3 As a result, the sum of each adjustment in isolation is not the same as the overall change in
4 ATRR when both adjustments are made concurrently.

5 To gauge the relative value of each adjustment, I have prepared an exhibit
6 demonstrating the impacts of the proposed changes. *See* Exhibit No. EKP-003. I used the
7 ATRR for the 2024-2025 rate year as the benchmark and measured the value of each
8 adjustment alone and in combination.

9 For the first adjustment, correcting the calculation of the transmission-related
10 regulatory expense reduces the 2024-2025 ATRR by \$301,832. To reiterate, this is the
11 value of the reduction in ATRR when only that one correction is made. The difference in
12 ATRR of \$301,832 is the value when the original W&S Allocator is kept as filed at
13 0.16987.

14 To measure the stand-alone impact of correcting the W&S Allocator, the regulatory
15 expense calculation is kept as was filed in the 2024 annual update. The correction, as
16 described in my testimony above, produces a revised W&S Allocator of 0.21147, which
17 results in a \$2,342,635 increase to the ATRR.

18 The combination of the two adjustments made concurrently yields an overall
19 increase to the ATRR of \$1,966,903 when using the 2024-2025 ATRR as filed in the 2024
20 rate update as the base case.

21 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

22 **A. Yes.**

Exhibit EKP-002

Background and Qualification Summary of Michele M. Slater

**BACKGROUND AND QUALIFICATIONS OF
MICHELE M. SLATER, MBA**

EDUCATION

- 2003 Master of Business Administration, Tulane University, New Orleans, Louisiana.
Beta Gamma Sigma Honor Society
- 1987 Bachelor of Mechanical Engineering, Georgia Institute of Technology, Atlanta, Georgia.
Energy Engineering Certificate

PROFESSIONAL EXPERIENCE

Ms. Slater has three decades of experience in the electric utility industry. Ms. Slater's extensive experience includes both regulated and de-regulated utility environments assisting clientele with their regulatory processes, market participation and planning.

GDS Associates, Marietta, GA 2016 - Present

Principal, Rates and Regulatory

- Representation of wholesale transmission customer, ReEnergy Holdings LLC, in rate settlement negotiations with Emera Maine. (Docket No. ER15-1429)
 - Evaluation of Duke Energy Progress' proposed nuclear plant decommissioning cost allocation update and abandoned plant cost recovery for various North Carolina wholesale municipal customers.
 - Providing analysis to support North Carolina Eastern Municipal Power Agency (NCEMPA) and Fayetteville Public Works Commission (FPWC) in negotiations with Duke Energy Progress to address recovery of coal ash compliance costs.
 - Analysis of PacifiCorp's proposed changes to Ancillary Service rates on behalf of a joint customer group comprised of Utah Associated Municipal Power Systems, Utah Municipal Power Agency, Deseret Generation & Transmission Co-operative and Bonneville Power Administration. Client representation at FERC settlement conferences and at technical meetings. (Docket Nos. ER17-219-000 and EL17-27-000 (consolidated))
 - Review of annual wholesale fuel factors filed by Mississippi Power Company, assuring adherence to the MPSC-approved process in Docket 16-UN-229, used to develop wholesale fuel cost recovery (FCR) factors on behalf of Cooperative Energy.
 - Review of annual informational transmission filings of Central Maine Power Company (CMP), Versant Maine Bangor Hydro District (Versant BHD), and Versant Maine Public District (Versant MPD) on behalf of the Maine Public Utilities Commission (MPUC) including settlement of preliminary challenges and formal challenges. (ER20-2054 and ER20-1977; ongoing since 2016)
 - Assessment of Entergy Services' filing of revised service cost allocation formulae for affiliates and associated companies on behalf of Cooperative Energy, Arkansas Electric Cooperative Corporation, and East Texas Electric Cooperative. (Docket ER18-445)
-

- Sponsored testimony supporting the Section 206 complaint of the City of Minden, LA against Southwestern Electric Power Company (SWEPCO). Issues included depreciation rates, Federal Tax Rate change and Excess ADIT, double-counting of AFUDC, and unfunded reserves in Minden's PSA with SWEPCO. (Docket No. EL18-122)
 - Assisted with cost-of-service calculations for Reactive Supply and Voltage Control under Schedule 2 of the PJM Tariff for the Meldahl Hydroelectric Facility. (EL18-184)
 - Developed Ancillary Services cost of service and rate design of Regulation and Frequency Response Service (Schedule 3), Spinning Reserve (Schedule 5) and Supplemental Reserve (Schedule 6) for Associated Electric Cooperative, Inc (AECI), including both Member and non-Member classes of service.
 - Performed review and analysis of Mississippi Power Company's proposed changes to MPC's wholesale tariff, MRA Cost Based Tariff (MRA-28, -29, -30, and -31), on behalf of Cooperative Energy resulting in negotiated settlements. (ER19-1458, ER20-1660, ER22-2388, and ER24-1652)
 - Sponsored testimony supporting North Carolina Electric Membership Corporation, ("NCEMC") and its member cooperative Tideland Electric Membership Corporation filing for credits for a new eligible transmission facility under Section 30.9 of the PJM Tariff. (ER19-2512)
 - Sponsored testimony for Tri-State Generation and Transmission Association, Inc. to provide cost support for its initial stated rate filing of its Class A rate and its Schedule S Standby Service. (ER20-676)
 - Provided rate design and cost support expertise to Wolverine Power Supply Cooperative, Inc. for FPA Section 205 filing requesting change in rate to distribution cooperative members. (ER21-66)
 - Representation of joint customer group including Dominion Virginia Power, Northern Virginia Electric Cooperative and Old Dominion Electric Cooperative as intervenors in multiple reactive power filings in the Dominion Zone of PJM; Provided testimony in the first litigated solar reactive FERC filing, Fern Solar, on behalf of the joint customer group. (Docket No. ER20-2186, EL20-62)
 - Review of annual informational transmission filings of eight New England Transmission Owners (NETOs) on behalf of the New England States Committee on Electricity (NESCOE) under the NE OATT, including settlement of preliminary challenges.
 - Developed cost recovery and provided affidavits supporting the annual revenue requirement for Lakefront 9, a MISO designated System Support Resource (SSR) on behalf of the City of Manitowoc, Wisconsin. (ER23-977, ER24-525, ER25-634).
 - Provided transmission planning support for a large G&T cooperative, including recovery through new rate filing.
-

ScottMadden Management Consultants, Atlanta, Georgia 2012-2015

- Led the assessment of four strategic programs at a leading ISO, including program performance evaluation against their intended purposes and industry best practices.
- Supported Operations teams of a federally owned utility corporation as part of a major organizational redesign effort to assess the impacts of the new organization structure. Including: business unit budgets; function reallocation; and, continuity of compliance.
- Led the development of numerous corporate policies governing technical operations at a large, multi-state transmission provider.

Slater Consulting, Atlanta, Georgia 1992-2012

- Provided analysis and litigation support for Mid-Georgia Cogen, L.P. before the Georgia Public Service Commission in landmark cases which established the state's first Qualifying Facility (QF) and determined the avoided cost methodology in Georgia. (Docket No. 4900-U)
- Supported the defense of Cinergy in New Source Review (NSR) litigation brought by the Environmental Protection Agency (EPA).
- Participated in the representation of the Official Committee of Equity Holders in the Mirant Chapter 11 bankruptcy. (US Bankruptcy Court, Northern District of Texas Case No. 03-46590)
- Development of estimates of lost net revenues associated with an extended unit outage in the NYISO markets for settlement of losses.
- Provided generator capital cost analysis for the Utah Department of Commerce, Division of Public Utilities regarding capital expenditure for major plant additions (Docket Nos. 10-35-13 and 10-035-89)

Ebasco Services Incorporated, Atlanta (Norcross), Georgia 1990-1992
(sold to Raytheon in 1993)

Georgia Power Company, Plant E.I. Hatch, Baxley, Georgia 1988-1989

REACTIVE SUPPLY AND VOLTAGE CONTROL REGULATORY EXPERIENCE

FERC Filings

In Support of Applicants

Docket No.	Company	Facility Name
EL18-136	Kestral Acquisitions, LLC	Hunterstown
EL18-172	American Municipal Power, Inc.	Cannelton
EL18-174	American Municipal Power, Inc.	Smithland
EL18-181	American Municipal Power, Inc.	Belleville
EL18-184	Meldahl, LLC	Meldahl
EL18-185	American Municipal Power, Inc.	Willow Island
ER21-864	Meyersdale Storage, LLC	Meyersdale
ER21-1662	Indianapolis Power & Light Company	Fleet of 16 units
EL21-37	Michigan Public Power Agency	Belle River 1 and 2
EL21-102 ER21-2500	Panther Creek Power Operating, LLC	Panther Creek

In Support of Intervenorors

Docket No.	Intervenor	Applicant/ Facility Name
ER19-2546	DTE Energy	Tuscola Wind II
ER19-2547	DTE Energy	Pheasant Run Wind
ER20-2550	Cooperative Energy	Entergy/Choctaw
ER20-1863	Dominion Virginia Power, Northern Virginia Electric Cooperative and Old Dominion Electric Cooperative	Ingenco Wholesale Power, LLC
ER20-2576	Dominion Virginia Power, Northern Virginia Electric Cooperative and Old Dominion Electric Cooperative	Holloman Lessee, LLC
ER20-2186	Dominion Virginia Power, Northern Virginia Electric Cooperative and Old Dominion Electric Cooperative	Fern Solar LLC
ER20-2819	Dominion Virginia Power, Northern Virginia Electric Cooperative and Old Dominion Electric Cooperative	Pleinmont Solar 1, LLC
ER21-21 EL21-17	Dominion Virginia Power, Northern Virginia Electric Cooperative and Old Dominion Electric Cooperative	Harts Mill Solar, LLC
ER21-350 EI21-31	Dominion Virginia Power, Northern Virginia Electric Cooperative and Old Dominion Electric Cooperative	Highlander Solar Energy Station 1, LLC
ER21-521, EL21-25	Dominion Virginia Power, Northern Virginia Electric Cooperative and Old Dominion Electric Cooperative	Richmond Spider Solar, LLC
ER21-1696	Dominion Virginia Power, Northern Virginia Electric Cooperative and Old Dominion Electric Cooperative	Bluestone Farm Solar

ER21-1937	Old Dominion Electric Cooperative	Altavista Solar, LLC
ER21-2091	Dominion Virginia Power, Northern Virginia Electric Cooperative and Old Dominion Electric Cooperative	Mechanicsville Solar, LLC
ER21-2364	Dominion Virginia Power, Northern Virginia Electric Cooperative and Old Dominion Electric Cooperative	Albemarle Beach Solar
ER21-2474	Dominion Virginia Power, Northern Virginia Electric Cooperative and Old Dominion Electric Cooperative	Pleinmont 2 Solar, LLC
ER21-2968	Cloverland Electric Cooperative and Upper Peninsula Power Company	Upper Michigan Energy Resources Corporation/ Kuester and Mihm generating stations
ER22-763	Dominion Virginia Power, Northern Virginia Electric Cooperative and Old Dominion Electric Cooperative	Wildwood Lessee, LLC
ER22-1076	Dominion Virginia Power, Northern Virginia Electric Cooperative and Old Dominion Electric Cooperative	Hawtree Creek Farm Solar, LLC
ER22-2048	Dominion Virginia Power, Northern Virginia Electric Cooperative and Old Dominion Electric Cooperative	Skipjack Solar
ER23-1752	Dominion Virginia Power, Northern Virginia Electric Cooperative and Old Dominion Electric Cooperative	Oak Trail Solar
ER24-1659	Dominion Virginia Power, Northern Virginia Electric Cooperative and Old Dominion Electric Cooperative	Crystal Hill Solar
EL24-130	Dominion Virginia Power, Northern Virginia Electric Cooperative and Old Dominion Electric Cooperative	Tenaska Virginia
ER24-627	Joint customer group – American Municipal Power, Inc., Blue Ridge Power Agency, Indiana Municipal Power Agency, Michigan Public Power, Wabash Valley Power Association, Inc.	Mammoth North Solar
ER24-1307	Evershed Sutherland on behalf of East Kentucky Power Cooperative	Glover Creek Solar
ER25-60 ER25-70	American Municipal Power, Inc.	Fox Squirrel

Exhibit EKP-003

Rate Impact Analysis

Line
No.
1 GROSS REVENUE REQUIREMENT (page 3, line 29)

Summary of Adjustments				
(a)	(b)	(c) = (c) - (b)	(e)	
Original ATRR	\$ 114,187,355	Revised ATRR	Increase (Decrease) from Original	Notes
Regulatory Expense Correction ALONI	\$ 113,885,523		\$ (301,832)	See pg 3 of 5, line 5a for adjustment
W&S Allocator Correction ALONE	\$ 116,529,990		\$ 2,342,636	See pg 4 of 5, line 15 for adjustment
COMBINED Corrections	\$ 116,154,258		\$ 1,968,903	

2 REVENUE CREDITS		Note A	Total	Allocator					
3	Account No. 454	(page 4, line 34)	\$ 188,740	TP 1.00000	\$ 188,740	\$ 188,740	\$ 188,740	\$ 188,740	\$ 188,740
4	Account No. 456 (1 of Revenue from Grandfathered Transactions)	(page 4, line 35)	1,212,783	TP 0.96734	1,212,783	1,212,783	1,212,783	1,212,783	1,212,783
5	Revenues from Grandfathered Transactions	Note B	97,005	TP 0.96734	94,708	94,708	94,708	94,708	94,708
6	Revenues from service provided by the ISO at a discount		0	TP 0.96734	0	0	0	0	0
7	Transmission Enhancement Credit		0	TP 0.96734	0	0	0	0	0
8	2016 TOTAL REVENUE CREDITS (sum lines 2 - 5a)		\$ 1,496,231		\$ 1,496,231	\$ 1,496,231	\$ 1,496,231	\$ 1,496,231	\$ 1,496,231
9	True-Up Adjustment	Note C	\$ 1,933,884		\$ 1,933,884	\$ 1,933,884	\$ 1,933,884	\$ 1,933,884	\$ 1,933,884
10	NET REVENUE REQUIREMENT	(line 1 minus line 6 plus line 9)	115,691,881		116,067,613	113,423,147	113,724,978		
11	DIVISOR								
12	1 CP	Note D	3,690,238		3,690,238	3,690,238	3,690,238	3,690,238	3,690,238
13	12 CP	Note E	2,612,889		2,612,889	2,612,889	2,612,889	2,612,889	2,612,889
14	Reserved								
15	Reserved								
16	Reserved								
17	Reserved								
18	Reserved								
19	Annual Cost (\$AW/Yr) - 1 CP	(line 7 / line 8)	\$31.351						
20	Annual Cost (\$AW/Yr) - 12 CP	(line 7 / line 9)	\$44.277						
21	Network Rate (\$K/WMo)	(line 15 / line 12)	\$2.613						
22	Point-to-Point Rate (\$K/WMo)	(line 16 / line 12)	\$3.690						
23									
24									
25									
26									
27									
28	Point-to-Point Rate (\$K/Wk)	(line 16 / 52; line 16 / 52)	\$0.851						
29	Point-to-Point Rate (\$K/WDay)	(line 16 / 260; line 16 / 365)	\$0.170 per day at weekly rate		\$0.121	\$0.122	\$0.119	\$0.116	\$0.115
30	Point-to-Point Rate (\$M/Mo)	(line 16 / 4,160; line 16 / 8,760 * 1000)	\$10.644 at weekly and daily rate		\$5.055	\$5.071	\$4.955	\$4.966	\$4.966

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing EKPC 2023 Form FPI Data (ver. FINAL - AUDITED)

For the 12 months ended 12/31/2024 months ended 12/31/2024

East Kentucky Power Cooperative, Inc.

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Company Total	(4) Allocator	(5) Transmission (Col. 3 times Col. 4)	(5) Transmission (Col. 3 times Col. 4)	(5) Transmission (Col. 3 times Col. 4)	(5) Transmission (Col. 3 times Col. 4)
	RATE BASE							
1	GROSS PLANT IN SERVICE							
2	Production	204.46 g	\$ 3,474,831.599	NA				
3	Transmission	206.58 g	862,583.695	TP	0.96734	\$ 834,415,711	\$ 834,415,711	\$ 834,415,711
4	Distribution	206.75 g	349,007.839	NA				
5	General & Intangible	204.5 g & 206.90 g	196,143.096	WIS	0.21147	33,018,972	33,018,972	26,524,696
6	Common		0	CE	0.00000	0	0	0
7	TOTAL GROSS PLANT (sum lines 1-5)		\$ 4,842,566,101	GP+	17.913%	\$ 867,434,683	\$ 867,434,683	\$ 865,940,397
8	ACCUMULATED DEPRECIATION							
9	Production	219.20-24 c	\$ 1,487,242,293	NA				
10	Transmission	219.25 c	199,019,253	TP	0.96734	\$ 192,520,227	\$ 192,520,227	\$ 192,520,227
11	Distribution	219.26 c	97,404,423	NA				
12	General & Intangible	219.28 c	12,313,131	WIS	0.21147	15,291,780	15,291,780	12,284,139
13	Common		0	CE	0.00000	0	0	0
14	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		\$ 1,855,979,100			\$ 207,812,007	\$ 207,812,007	\$ 204,804,366
15	NET PLANT IN SERVICE							
16	Production	(line 1 - line 7)	\$ 1,987,589,306					
17	Transmission	(line 2 - line 8)	863,564,352			\$ 641,895,484	\$ 641,895,484	\$ 641,895,484
18	Distribution	(line 3 - line 9)	251,863,416					
19	General & Intangible	(line 4 - line 10)	83,829,927			17,727,192	17,727,192	14,240,547
20	Common	(line 5 - line 11)	0			0	0	0
21	TOTAL NET PLANT (sum lines 13-17)		\$ 2,366,587,001	NP+	22.086%	\$ 689,622,676	\$ 689,622,676	\$ 686,136,031
22	ADJUSTMENTS TO RATE BASE							
23	Account No. 281 (enter negative)	272. Total 281 k	\$ -	NA	zero	\$ -	\$ -	\$ -
24	Account No. 282 (enter negative)	274. Total 282 k	0	NP	0.22086	0	0	0
25	Account No. 283 (enter negative)	276. Total 283 k	0	NP	0.22086	0	0	0
26	Account No. 190	234. Total 190 c	0	NP	0.22086	0	0	0
27	Account No. 255 (enter negative)	266. Total h	0	NP	0.22086	0	0	0
28	TOTAL ADJUSTMENTS (sum lines 19-23)		\$ -			\$ -	\$ -	\$ -
29	LAND HELD FOR FUTURE USE	214. Total d, Note F	\$ -	1.00000		\$ -	\$ -	\$ -
30	WORKING CAPITAL							
31	CWC	calculated, Note G	\$ 12,221,141			7,095,591	7,142,230	6,846,397
32	Materials & Supplies	227.8 c	72,484,529	TE	0.91294	66,174,280	66,174,280	66,174,280
33	Prepayments (Account 165)	110.46 c, Note G	22,452,095	GP	0.17913	4,021,773	4,021,773	3,951,663
34	TOTAL WORKING CAPITAL (sum lines 26 - 28)		\$ 107,158,135			\$ 77,291,644	\$ 77,338,283	\$ 77,972,340
35	RATE BASE (sum lines 18, 24, 25, & 29)		\$ 3,083,745,136			\$ 736,914,320	\$ 736,960,959	\$ 733,148,371

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing EKPC 2023 Form FPI Data (ver. FINAL - AUDITED)

For the 12 months ended 12/31/2024

East Kentucky Power Cooperative, Inc.

Line No.	(1)	(2) Form No. 1 Page Line Col.	(3) Company Total	(4) Allocator	(5) Transmission (Col. 3 times Col. 4)	(5) Transmission (Col. 3 times Col. 4)	(5) Transmission (Col. 3 times Col. 4)	(5) Transmission (Col. 3 times Col. 4)	(6) Transmission (Col. 3 times Col. 4)
O&M									
1	Transmission	321.100	\$ 74,925,519	TE 0.91294	\$ 68,402,388	\$ 68,402,388	\$ 68,402,388	\$ 68,402,388	\$ 68,402,388
2	Less Account 565	321.Acct 565	23,869,218	TE 0.91294	21,791,127	21,791,127	21,791,127	21,791,127	21,791,127
3	AM&G	321.108	48,716,372	WS 0.21147	10,301,864	10,301,864	8,275,658	8,275,658	8,275,658
4	Less FERC Annual Fees	N/A	0	WS 0.21147	0	0	0	0	0
5	Less Non-safety Advertising	Note H	631,566	WS 0.21147	133,555	133,555	107,287	107,287	107,287
5a	Less KPSC Regulatory Expenses	Note H	1,764,411	WS 0.21147	373,113	0	299,728	0	0
5b	Plus Transmission Related Regulatory Exp	Note H	392,435	TE 0.91294	358,269	358,269	291,273	291,273	291,273
6	Common		0	CE 0.00000	0	0	0	0	0
7	Transmission Lease Payments		0	1.00000	0	0	0	0	0
8	TOTAL O&M (sum lines 1, 3, 5b, 6, 7 less lines 2, 4, 5, 5a)		\$ 97,769,132		\$ 56,764,726	\$ 57,137,839	\$ 54,771,177	\$ 55,070,905	
DEPRECIATION EXPENSE									
9	Transmission	336.7.f	\$ 18,286,325	TP 0.96734	\$ 17,689,180	\$ 17,689,180	\$ 17,689,180	\$ 17,689,180	\$ 17,689,180
10	General and Intangible	336.8.f	1,532,402	WS 0.21147	324,051	324,051	260,316	260,316	260,316
11	Common	336.10.f	0	CE 0.00000	0	0	0	0	0
12	TOTAL DEPRECIATION (Sum lines 9 - 11)		\$ 19,818,727		\$ 18,013,231	\$ 18,013,231	\$ 17,949,496	\$ 17,949,496	
LABOR RELATED									
13	Payroll	Note I	-	WS 0.21147	-	-	-	-	-
14	Highway and vehicle	Note I	0	WS 0.21147	0	0	0	0	0
PLANT RELATED									
16	Property	Note I	0	GP 0.17913	0	0	0	0	0
17	Gross Receipts		0	NA NA	0	0	0	0	0
18	Other		0	GP 0.17913	0	0	0	0	0
19	Payments in lieu of taxes		0	GP 0.17913	0	0	0	0	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)		\$ -		\$ -	\$ -	\$ -	\$ -	
INCOME TAXES									
21	T=1 - [(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p.ij) =	Note J	0.000000%						
22	CIT=(T(1-T)) * (1-(WCLTD/R)) =		0.000000%						
23	1 / (1 - T) = (from line 21)		0.0000						
24	Amortized Investment Tax Credit	266.8.f (enter negative)	0						
25	Income Tax Calculation (line 22 * line 28)		\$ -	NA	\$ -	\$ -	\$ -	\$ -	
26	ITC adjustment (line 23 * line 24)		0	NP 0.22086	\$ 0	\$ 0	\$ 0	\$ 0	
27	Total Income Taxes	(line 25 plus line 26)	\$ -		\$ -	\$ -	\$ -	\$ -	
RETURN									
28	[Rate Base (page 2, line 30) * Rate of Return (page 4, line 29)]		\$ 173,707,752	NA	\$ 41,376,301	\$ 41,378,920	\$ 41,164,850	\$ 41,166,954	
29	REVENUE REQUIREMENT (sum lines 8, 12, 20, 27, 28)		\$ 291,265,611		\$ 116,154,258	\$ 116,529,990	\$ 113,885,523	\$ 114,187,355	

Formula Rate - Non-Levelized

For the 12 months ended 12/31/2024

Rate Formula Template
Utilizing EKPC 2023 Form FP1 Data (ver. FINAL - AUDITED)

East Kentucky Power Cooperative, Inc.
SUPPORTING CALCULATIONS AND NOTES

Line No.	TRANSMISSION PLANT INCLUDED IN ISO RATES								
1	Total transmission plant (page 2, line 2, column 3)			862,583,605		862,583,605		862,583,605	
2	Less transmission plant excluded from ISO rates			0		0		0	
3	Less transmission plant included in OATT Ancillary Services	See Supporting Exhibit, Page 5 of 8, Line 4, (Note K)		28,167,894		28,167,894		28,167,894	
4	Transmission plant included in ISO Rates (line 1 less lines 2 & 3)			834,415,711		834,415,711		834,415,711	
5	Percentage of transmission plant included in ISO Rates (line 4 divided by line 1)		TP=	0.96734		0.96734		0.96734	
TRANSMISSION EXPENSES									
6	Total transmission expenses (page 3, line 1, column 3)			74,925,519		74,925,519		74,925,519	
7	Less transmission expenses included in OATT Ancillary Services	Note L		4,214,029		4,214,029		4,214,029	
8	Included transmission expenses (line 6 less line 7)			70,711,490		70,711,490		70,711,490	
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)		TP	0.94376		0.94376		0.94376	
10	Percentage of transmission plant included in ISO Rates (line 5)			0.96734		0.96734		0.96734	
11	Percentage of transmission expenses included in ISO Rates (line 9 times line 10)		TE=	0.91294		0.91294		0.91294	
WAGES & SALARY ALLOCATOR (W&S)									
12	Production	Form 1 Reference	\$	TP	Allocation				
13	354.18.3		66,211,569	0.00	0				
14	354.19.b		13,820,896	0.97	13,369,561				
15	354.20.b		1,214,796	0.00	0	W&S Allocator	W&S Allocator	W&S Allocator	W&S Allocator
16	354.21.22.23.b		1,915,992	0.00	0	(\$ / Allocation)	(\$ / Allocation)	(\$ / Allocation)	(\$ / Allocation)
17	Total (sum lines 12-15)		63,223,173		13,369,561	=	0.21147	0.21147	0.16987
COMMON PLANT ALLOCATOR (CE)									
18	Electric	200.3.c	%	1.00	% Electric (line 17 / line 20)	W&S Allocator (line 16)	W&S Allocator (line 16)	W&S Allocator (line 16)	W&S Allocator (line 16)
19	Gas	200.3.d		0.00	1.00000	0.21147	0.21147	0.16987	0.16987
20	Water	200.3.e		0.00					
21	Total (sum lines 17 - 19)			1.00					
RETURN (R)									
22	Long Term Interest (117, sum of 58.c through 65.c)				\$	\$	\$	\$	
23	Preferred Dividends (118.29c) (positive number)				107,001,951	107,001,951	107,001,951	107,001,951	
Development of Cost of Capital:									
24	Long Term Debt (112.23c) See Supporting Exhibit, Page 7 of 8				\$2,858,566,428	\$2,858,566,428	\$2,858,566,428	\$2,858,566,428	
25	Proprietary Capital (112.15.c)				784,020,385	784,020,385	784,020,385	784,020,385	
26	Less Account 216.1 (112.12.c) (enter negative)				0	0	0	0	
27	Total Capital (sum lines 23-25)				\$ 3,642,586,813	\$ 3,642,586,813	\$ 3,642,586,813	#####	
28	Long Term Debt (112.23c)	Note M	\$	%	Cost	Weighted	Weighted	Weighted	
29	Proprietary Capital (112.15.c)	Note N	2,858,566,428	78.48%	2.743%	2.133%	2.133%	2.133%	
30	Total (sum lines 27-28)		784,020,385	21.52%	12.439%	2.677%	2.677%	2.677%	
			3,642,586,813		R =	5.619%	5.619%	5.619%	
31	Effective TIER	Note O			TIER =	1.50	1.50	1.50	1.50
REVENUE CREDITS									
32	ACCOUNT 447 (BUNDLED SALES FOR RESALE)		(310-311)						
33	a. Bundled Non-RQ Sales for Resale (311.x.k)				\$ -	\$ -	\$ -	\$ -	
34	b. Bundled Sales for Resale included in Division on page 1				0	0	0	0	
35	Total of (a)-(b)				\$0	\$0	\$0	\$0	
36	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY)	See Supporting Exhibit, Page 6 of 8, Line 3 (Note P)			\$ 188,740	\$ 188,740	\$ 188,740	\$ 188,740	
37	ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)	See Supporting Exhibit, Page 6 of 8, Line 17 (Note Q)			\$ 1,253,724	\$ 1,253,724	\$ 1,253,724	\$ 1,253,724	

Formula Rate - Non-Levelized

For the 12 months ended 12/31/2024

Rate Formula Template
Utilizing EKPC 2023 Form FF1 Data (ver. FINAL - AUDITED)

East Kentucky Power Cooperative, Inc.

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)
References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Note

Letter

- A The revenues credited on page 1 lines 2-5c shall include only the amounts received directly (in the case of grandfathered agreements) or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, or facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Formulary Rate Template.
- B Revenue from AEP Grandfathered Agreement. See Rev Cred Support, Attachment H-24A, Supporting Exhibit, page 6 of 8, line 16
- C Calculated in accordance with the EKPC Formulary Rate Protocols in Attachment H-24B of this Tariff. See Appendix C
- D EKPC 1 CP is EKPC's highest Monthly Firm Transmission System Peak Load based on the source data as described in Note 1 of Attachment H-24A, Page 8 of 8, plus transmission service provided for others over the EKPC transmission system, plus wheel-out to EKPC load connected to AEP/KP, Duke Ky, and LGE/KJ. See Attachment H-24A, Supporting Exhibit, Page 8 of 8
- E EKPC 12 CP is EKPC's Monthly Firm Transmission System Peak Load based on the source data as described in Note 1 of Attachment H-24A, Page 8 of 8, plus transmission service provided for others over the EKPC transmission system, plus wheel-out to EKPC load connected to AEP/KP, Duke Ky, and LGE/KJ. See Attachment H-24A, Supporting Exhibit, Page 8 of 8
- F Identified in EKPC Form FF1 as being non-transmission related. See Attachment H-24A, Supporting Exhibit, Pg 2 of 8
- G Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3 of 5, line 8, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on EKPC Form FF1, Ref Pg 110, line 46.
- H Line 5 - Remove non-safety related advertising included in Account 930.1. See Attachment H-24A, Supporting Exhibit, Page 3 of 8, Line 3
- Line 5a - Remove Total Regulatory Commission Expenses - See Attachment H-24A, Supporting Exhibit, Page 3 of 8, Line 4
- Line 5b - Add Back Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting. - See Attachment H-24A, Supporting Exhibit, Page 3 of 8.
- I In accordance with RUS accounting standards, EKPC allocates all payroll and property taxes to the functional account. Labor- and plant-related taxes are already included in the appropriate transmission account.
- J As a member-owned non-profit RUS generation and transmission cooperative, EKPC is exempt from state and from federal income taxes under 501(c)(12) of Internal Revenue Code
- K Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
- L Removes dollar amount of transmission expenses included in the OATT ancillary services rates, included in Account 561. See Attachment H-24A, Supporting Exhibit, Page 4 of 8.
- M Debt cost rate = long-term interest (line 21) / long-term debt (line 27).
- N TIER Target =1.50
- O Effective TIER based on calculated amounts
- P Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
- Q Net of revenue from retained legacy transactions. See Attachment H-24A, Supporting Exhibit, page 6 of 8.