

P.S.C. KY. No. 1
Cancels P.S.C. KY. No. _____

BLUE GRASS ENERGY COOPERATIVE CORPORATION

OF
NICHOLASVILLE, KY

RATES, RULES AND REGULATIONS
FOR FURNISHING

ELECTRICITY

AT
ANDERSON, FAYETTE, FRANKLIN, GARRARD, HENRY, JACKSON,
JESSAMINE, MADISON, MERCER, SHELBY, SPENCER,
WASHINGTON AND WOODFORD COUNTIES

C
1/1/2002

FILED WITH THE PUBLIC SERVICE COMMISSION OF KENTUCKY

ISSUED: January 1, 1998

EFFECTIVE: January 1, 1998

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

ISSUED BY: Blue Grass Energy Coop Corp

JAN 01 1998

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)

BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

BY: Dan Brewer
President/CEO *pm*

**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

FOR Entire Territory Served
P.S.C. KY NO. 1
Original SHEET NO. 1
CANCELLING P.S.C. NO. _____
SHEET NO. _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

RULES AND REGULATIONS

JAN 01 1998

(1) SCOPE

PURSUANT TO 807 KAR 5:011,
SECTION 111

This schedule of Rules and Regulations is hereby made a part of all contracts for electric service received from Blue Grass Energy Cooperative Corporation, hereinafter referred to as Blue Grass Energy, and applies to all service received, whether such service is based upon a contract, agreement, signed application, or otherwise. No employee or director of Blue Grass Energy is permitted to make an exception to rates and rules. Regulations are on file at the Blue Grass Energy offices and can be obtained there from personnel. All Rules and Regulations shall be in effect so long as they do not conflict with Public Service Commission Rules and Regulations.

(2) REVISIONS

These Rules and Regulations may be revised, amended, supplemented, or otherwise changed from time to time after approval by Blue Grass Energy's Board of Directors and the Public Service Commission. Such changes, when effective, shall have the same force as the present Rules and Regulations.

(3) SERVICE AREA

Blue Grass Energy furnishes electric power in portions of Anderson, Fayette, Franklin, Garrard, Henry, Jackson, Jessamine, Madison, Mercer, Shelby, Spencer, Washington and Woodford Counties.

(4) AVAILABILITY

Available to all members of Blue Grass Energy as specified in the tariff sheets and classifications of service.

(5) AVAILABILITY OF SERVICE TO DELINQUENT MEMBERS

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If an application is received by a person residing with a delinquent member at the premises where power was supplied to the delinquent member, the application will be denied on the grounds that the applicant is applying as the agent of the delinquent member.

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ISSUED BY: Don Brewer, President/CEO

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**BLUE GRASS ENERGY
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FOR Entire Territory Served
P.S. KY NO. 1
PUBLIC SERVICE COMMISSION
Original SHEET NO. 2
CANCELLING P.S. NO. _____
SHEET NO. _____
JAN 01 1998

RULES AND REGULATIONS PURSUANT TO 807 KAR 5:011,
SECTION 9(1)

(6) APPLICATION FOR ELECTRIC SERVICE

BY: Stephan Bue
SECRETARY OF THE COMMISSION

Each prospective member and/or spouse desiring electric service will be required to sign the "Application for Membership and Electric Service". Where applicable, the prospective consumer must sign a contract pertaining to their particular service. Also, where applicable, the prospective consumer must provide Blue Grass Energy with all necessary electrical permits and fully executed right of way easements for his/her property, and all necessary load information at the time of application for service. The consumer may be required to furnish his/her social security number, telephone number, permanent address, place of employment, and name of spouse.

(7) MEMBERSHIP

The membership fee shall be twenty-five dollars (\$25.00). No member may hold more than one membership in the cooperative. Discontinuance of service will automatically terminate the membership, and the membership fee will be refunded or applied against any unpaid bills of the member. Membership fees are not transferable from one member to another.

(8) CONTINUITY OF SERVICE

Blue Grass Energy shall use reasonable diligence to provide a constant and uninterrupted supply of electrical power and energy, but if such a supply should fail or be interrupted or become defective through an Act of God, or the public enemy, or by accident, strikes or labor troubles, or by action of the elements, or other permits needed, or for any other cause beyond the reasonable control of Blue Grass Energy, the cooperative shall not be liable.

(9) EASEMENTS

Each member, together with his/her spouse and all other real estate title owners, shall grant or convey to Blue Grass Energy, without cost, any permanent easements reasonably required by the cooperative to provide electric service to that member for the installation, maintenance, and operation of the cooperative's electrical distribution system, both existing and future, with right of

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ISSUED BY: Jan Brewer, President/CEO
JB

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**BLUE GRASS ENERGY
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PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
FOR Entire Territory Served
P.S.C. KY NO. 1
Original SHEET NO. 3
CANCELLING P.S.C. NO. _____
JAN 01 1998 _____ SHEET NO. _____

PURSUANT TO 807 KAR 5:011,
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BY: Stephen O. Brewer

ingress and egress for these purposes over the member's property, provided such electrical distribution system is located on real estate owned, rented, or otherwise controlled by the member. The failure or refusal to convey easements shall constitute grounds for discontinuing service.

(10) RIGHT OF ACCESS

Each member shall, at the time of application provide Blue Grass Energy with permits or shall sign right of way easements if applicable. Blue Grass Energy shall at all reasonable hours have access to meters, service connections, and other property owned by it and located on the consumer's premises for purposes of placing, locating, building, constructing, operating, replacing, rebuilding, relocating, repairing, improving, enlarging, extending, and maintaining on, over, or under such lands and premises, or removing therefrom its electrical distribution system, new or existing lines, wires, poles, anchors, and other necessary parts.

(11) NO PREJUDICE OF RIGHTS

Failure by Blue Grass Energy to enforce any of the terms of these Rules and Regulations shall not be deemed as a waiver of the right to do so.

(12) NON-STANDARD SERVICE

The member shall pay the cost of any special installation necessary to meet his/her requirements for service at other than standard voltage, or for the supply of closer voltage regulation than required by standard practices.

(13) BILLING

A bill for electric service is mailed to all consumers each month a few days after the meter is read. Normally, the bill is for approximately 30 days of service, but may vary from 28 to 35 days depending on the number of working days in a month, bad weather, or holiday schedules. Electric service is billed on the basis of energy charge and fuel cost adjustment. Consumers living in certain counties may also pay a school tax or special assessment tax imposed by their local

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ISSUED BY: Stephen O. Brewer, President/CEO

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**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

PUBLIC SERVICE COMMISSION
OF KENTUCKY FOR Entire Territory Served
EFFECTIVE P.S.C. KY NO. 1
Original SHEET NO. 4
JAN 07 1998 CANCELLING P.S.C. NO. _____
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PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

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government. A locked entrance, dog or other problem may prevent the meter reader from reading the meter at times. The reading may then be estimated, based on the electricity previously used. When the reading is estimated, it will be noted on the bill. After the next actual reading, the bill will be adjusted automatically if the estimated reading was too high or too low. Failure to receive a statement will not release the member from payment obligation.

(14) DEPOSITS

Blue Grass Energy may require a minimum cash deposit to secure payment of bills except for customers qualifying for service connection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Residential customers, where applicable, will pay equal deposits in the amount of \$75.00 without electric heat or \$125.00 with electric heat. This amount does not exceed the average bill of residential customers served by Blue Grass Energy and is equal to 2/12 of the average bill. Interest, as prescribed by KRS 278.460, will be paid annually either by refund or credit to the customer's bill, except that no refund or credit will be made if the customer's bill is delinquent on the anniversary date of the deposit.

The deposit may be waived upon a customer's showing of satisfactory credit or payment history. Required deposits will be returned after one year if the customer has established a satisfactory payment record for that period. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, a deposit may then be required. The cooperative may require a deposit in addition to the initial deposit if the customer's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit, any principal amounts and any interest earned and owing, will be credited to the final bill with any remainder refunded to the customer.

In determining whether a deposit will be required or waived, the following criteria will be considered.

1. Previous payment history with the cooperative.
2. A statement from the previous electric utility as evidence of good credit.
3. Whether the consumer owns property in the area.

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**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

FOR Entire Territory Served
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If a deposit is held longer than 18 months, the deposit will be recalculated at the consumer's request based on the consumer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential consumer or 10% for a non-residential consumer, the cooperative may collect any underpayment and shall refund any overpayment by check or credit to the consumer's bill. No refund will be made if the consumer's bill is delinquent at the time of the recalculation.

(15) LEVELIZED BILLING

Blue Grass Energy will provide a levelized billing plan for any member who wishes to equalize monthly electric bills based on the latest twelve (12) months usage. The primary purpose of the levelized billing plan is to equalize a member's bill without accumulating a large credit or debit balance on the account. The customer's monthly electric bill is levelized by averaging energy charges on their latest 12 months history and may vary slightly from month to month. Actual monthly charges are calculated according to the meter reading provided by the meter reader.

The amount is recomputed monthly and will fluctuate based upon the member's changing usage. The account will self-adjust to a near-current status during the budget year, providing there are no abnormal deviations in the member's usage. No other adjustments are made to the member's account as long as the member meets the payment terms of the plan. Upon cancelling the levelized billing plan, either by the member or the cooperative, the total account balance outstanding is then due.

(16) MONITORING OF CUSTOMER USAGE

At least once annually Blue Grass Energy will monitor the usage of each customer according to the following procedure:

1. The customer's annual usage for the most recent 12 month period will be compared with the annual usage for the 12 months immediately preceding that period.

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ISSUED BY: *Dan Brewer*, President/CEO

ADDRESS: PO Box 990, Nicholasville KY 40340-0990

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: *Stephan Bue*
SECRETARY OF THE COMMISSION

**BLUE GRASS ENERGY
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2. If the annual usage for the two periods are substantially the same or if any difference is known to be attributed to unique circumstances, such as unusual weather common to all customers, no further review will be done.
3. If the annual usage differs by 50% or more and cannot be attributed to a readily identified common cause, the cooperative will compare the customer's monthly usage records for the 12 month period with the monthly usage for the same months in the preceding year.
4. If the cause for the usage deviation cannot be determined from analysis of the customer's meter reading and billing records, the cooperative will contact the customer by telephone or in writing to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume, or known leaks in the customer's service line.
5. Where the deviation is not otherwise explained, the Cooperative will test the customer's meter to determine whether it shows an average error greater than 2% fast or slow.
6. The cooperative will notify the customer of the investigation, its findings, and any refunds or backbilling in accordance with 8078 KAR 5:006, Section 10 (4) and (5).

In addition to the annual monitoring, Blue Grass Energy will immediately investigate usage deviations brought to its attention as a result of its on going meter reading or billing processes or customer inquiry.

(17) PARTIAL PAYMENT PLAN

Residential members who are unable to pay their bills in accordance with the cooperative's regular payment terms may come to one of the cooperative's offices during normal business hours to make arrangement for a partial payment plan and retention of service. Such arrangements must be made before the arrival at the service location of cooperative field collection personnel. The agreement will be mutually agreed upon and reasonable and in accordance with the provisions set forth in 807 KAR 5:006, Section 14, Refusal or Termination of Service, and Section 15, Winter Hardship Reconnection. The agreement shall be in writing and signed by the member. The agreement will state and the member will be advised that should he/she fail to honor the payment schedule mutually agreed upon, the member's service may be disconnected without prior additional notice. Blue Grass Energy shall not be obligated or required to negotiate additional partial payment plans with members who are currently delinquent under a previous partial payment plan.

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ISSUED BY: Alan Brewer pm
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PURSUANT TO 167.011,
SECTION 9 (1)
BY: Stephan D. Bell
PUBLIC SERVICE COMMISSION

**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

FOR Entire Territory Served
P.S.C. KY NO. 1
Original SHEET NO. 8
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SHEET NO. _____

RULES AND REGULATIONS

(22) NOTICE OF TROUBLE

Member or customer should notify Blue Grass Energy immediately, should service be unsatisfactory for any reason, or should there be any defects, trouble or accidents affecting the supply of electricity.

(23) POINT OF DELIVERY

The point of delivery is the point as designated by Blue Grass Energy on the member's premises where current is to be delivered to building or premises, namely, the point of attachment, which is normally the point closest to the utility line. A member or customer requesting a delivery point different from the one designated by the cooperative will be required to pay the additional cost of the special construction. All wiring and equipment, excluding the metering, beyond this point of delivery shall be supplied and maintained by the member.

(24) FAILURE OF METER TO REGISTER

In the event a member's meter should fail to register, the member shall be billed from the date of such failure at the average consumption of the member, based on the twelve months period immediately preceding the failure.

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(25) MEMBER'S WIRING STANDARD

All wiring of member must conform to Blue Grass Energy requirements and accepted modern standards, as exemplified by the requirements of the National Electrical Safety Code. The cooperative assumes no responsibility in respect to type, standard of construction, protective equipment or the condition of the member's property, and will not be liable for any loss or injury to persons or property occurring on the premises or property of the member. The member will have complete responsibility for all construction, operation, and maintenance beyond the meter. All wiring must have been inspected and accepted by a certified electrical inspector before service will be connected, as required by local or state laws.

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President/CEO
PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

ADDRESS: PO Box 990, Nicholasville KY 40340-0990

BY: Stephan Bell
SECRETARY OF THE COMMISSION

**BLUE GRASS ENERGY
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FOR Entire Territory Served
P.S.C. KY NO. 1
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SHEET NO. _____

RULES AND REGULATIONS

(26) DISCONTINUANCE OF SERVICE

The Cooperative may refuse or discontinue service to a member under the following conditions:

- a. Non-payment of bills.
- b. Fraudulent or illegal use of service.

If the meter or other equipment belonging to the Cooperative is tampered or interfered with or the appearance of current-theft devices on the premises of the member, the customer supplied shall pay the amount the Cooperative estimates is due for service rendered but not registered on the Cooperative's meter and for such repairs and replacements as are necessary. In discontinuing the illegal service, actual cost to disconnect will be charged if it is required to be discontinued at the transformer. This estimated cost is \$72.00 based on the following detail:

Estimated trip time - 1 hour	
2 Man Crew - Labor @ \$18.00 average X 2	\$36.00
Overhead	\$36.00
Total Cost	\$72.00

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1/11/2002

- c. When dangerous conditions exist, service shall be discontinued.
- d. When applicant or member is indebted to the Cooperative for services furnished until indebtedness is paid.
- e. When applicant or member refuses to provide reasonable access to premises.
- f. Non-compliance with state, local, and other codes, rules and regulations that are applicable to providing service.

If discontinuance is for non-payment of bills, the consumer shall be given at least ten (10) days written notice, separate from the original bill, disconnect shall be effected not less than twenty-seven (27) days after the original bill unless, prior to discontinuance, a residential consumer presents to the Cooperative a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the

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ISSUED BY: *Nan Brewer* PUBLIC SERVICE COMMISSION OF KENTUCKY, President/CEO
ADDRESS: PO Box 990, Nicholasville KY 40340-0990 JAN 01 1998

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)
BY: *Stephen D. Bell*

**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

FOR Entire Territory Served
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affected premises, in which case discontinuance may be effected not less than thirty (30) days from the date the Cooperative notifies the consumer, in writing, of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.

(27) FRANCHISE FEE

The franchise fee of any local governmental unit shall be assessed only against consumers located within the boundaries of the franchising unit of government and shall be listed as a separate item on the bills of the consumers located within the franchised area with a designation on the bill of the amount of the franchise fee and the unit of government to which the fee is payable.

(28) INSPECTIONS

Blue Grass Energy shall not initiate new permanent electric service until the required certificate of approval has been issued by a certified electrical inspector, as required by local or state laws.

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(29) PROTECTION OF THE COOPERATIVE EQUIPMENT

The consumer shall protect the equipment of Blue Grass Energy on his/her premises and shall not interfere with or alter or permit interference with or alteration of the cooperative's meter or other property except by duly authorized representatives of the cooperative. For any loss or damage to the property of the cooperative due to or caused by or arising from carelessness, neglect, vandalism, or misuses by the consumer or other unauthorized persons, the cost of the necessary replacement and repairs shall be paid by the consumer. After proper negotiations with the cooperative and if unable to reach an agreement, a court of law having jurisdiction over the parties shall determine the cost.

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Dan Brewer
pm

PURSUANT TO KY KAR 5.011,
SECTION 9 (1)
President/CEO
PUBLIC SERVICE COMMISSION

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PO Box 990, Nicholasville KY 40340-0990

RULES AND REGULATIONS

(30) RELOCATION OF LINES

When Blue Grass Energy is requested or required to relocate its facilities for any reason, any expense involved will be paid by the firm, person, or persons requesting the relocation, unless one or more of the following conditions are met.

1. The relocation is made for the convenience of Blue Grass Energy.
2. The relocation will result in a substantial improvement in Blue Grass Energy's facilities.
3. That the relocation is associated with other regularly scheduled conversion or construction work and can be done at the same time.

(31) VOLTAGE FLUCTUATIONS CAUSED BY THE CONSUMER

Electric service must not be used in such a manner as to cause unusual fluctuations or disturbances to the Distribution System. Blue Grass Energy may require the consumer, at his/her own expense, to install suitable apparatus which will reasonably limit such fluctuation.

(32) COLLECTION OF DELINQUENT ACCOUNTS

Should it become necessary for Blue Grass Energy to send a representative to the member's premises for collecting a delinquent account, a charge of \$25.00 will be applied to the member's account for the extra service rendered, due and payable at the time such delinquent account is collected. Only one field collection charge will be applied to a customer's account in any one billing period. If service is discontinued for non-payment, an additional charge of \$25.00 will be added for reconnecting service during regular working hours. If the member requests reconnection after regular working hours, the charge will be \$50.00 in accordance with 807 KAR 5:006, Section 8(3)(c).

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SECTION 5(1)

DATE OF ISSUE: August 18, 2000

DATE EFFECTIVE: April 5, 2001

ISSUED BY: *[Signature]*

Dan Brewer, President and CEO

ADDRESS: P. O. Box 990, Nicholasville KY 40340-0990

**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

APR 05 2001

For Entire Territory Served
P.S.C. KY No. 1
~~Original~~ SHEET NO 12
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~~Original~~ SHEET NO. 12

PURSUANT TO 807 KAR 5011,
REGULATIONS (1)

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(33) **CONNECT AND RECONNECT CHARGE**

Blue Grass Energy will make no charge for connecting service to the member's premises for the initial installation of service, provided the connection is made during regular working hours. Blue Grass Energy may make a service charge of \$25.00 for reconnecting the service of a member whose service has been connected one or more times within the preceding twelve (12) months. The service charge will be \$50.00 if made after regular working hours. Any service charge will be due and payable prior to time of connection.

(34) **CHECKS RETURNED UNHONORED BY BANK**

If a check is returned from a member's banking institution due to insufficient funds or any other reason, a charge of \$20.00 will be added to the member's account for processing and handling. If a trip to collect the check has to be made by a cooperative representative, an additional \$25.00 charge will be added. These charges will be due and payable at the time the returned check amount is collected.

The cooperative shall have the right to refuse to accept checks in payment of an account from any member that has demonstrated poor credit risk by having two or more checks within a six month period which are returned unpaid from a bank to the cooperative for any reason until such time as the member's six month billing history does not reflect two returned checks. The cooperative shall not accept a check to pay for and redeem another check or accept a two-party check for cash or payment of an account.

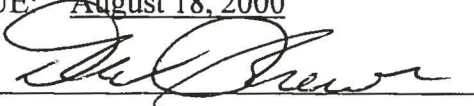
If a member has been mailed a notice of termination for non-payment and subsequently presents an insufficient check as payment, the original termination date will remain unchanged. The presentation of an insufficient funds check does not constitute payment of the account. The cooperative will attempt to contact the member by telephone or mail to request payment, but no further time for payment will be extended beyond that stated on the original termination notice.

(35) **COLLECTION AGENT PROCESSING**

All collection and/or legal fees incurred in the collection of any unpaid debt, will be the sole responsibility of and payable by the member or the person in whose name the account is billed.

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**BLUE GRASS ENERGY
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SHEET NO. _____

RULES AND REGULATIONS

(36) REFUSAL OR TERMINATION OF SERVICE

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1/1/2002*

Blue Grass Energy may refuse or terminate service to a member under the following conditions, except as provided in 807 KAR 5:006:

1. For noncompliance with the cooperative's tariffed rules or commission regulations. The cooperative may terminate service for failure to comply with applicable tariffed rules or commission regulations pertaining to that service. However, the cooperative shall not terminate or refuse service to any member for noncompliance with its tariffed rules or commission regulations without first having made a reasonable effort to obtain member compliance. After such effort by the cooperative, service may be terminated or refused only after the member has been given at least ten (10) days' written termination notice pursuant to 807 KAR 5:006.
2. For dangerous conditions. If a dangerous condition relating to the cooperative's service which could subject any person to imminent harm or result in substantial damage to the property of the cooperative or others, is found to exist on the member's premises, the service shall be refused or terminated without advance notice. The cooperative shall notify the member immediately in writing, and if possible, orally of the reasons for the termination or refusal. Such notice shall be recorded by the cooperative and shall include the corrective action to be taken by the member or cooperative before service can be restored or provided. However, if the dangerous condition can be effectively isolated or secured from the rest of the system, the cooperative need discontinue service only to the affected member.
3. For refusal of access. When a member refuses or neglects to provide reasonable access to the premises for installation, operation, meter reading, maintenance or removal of cooperative property, the cooperative may terminate or refuse service. Such action shall be taken only when corrective action negotiated between the cooperative and member has failed to resolve the situation and after the member has been given at least ten (10) days written notice of termination pursuant to 807 KAR 5:006.
4. For outstanding indebtedness. Except as provided in 807 KAR 5:006, the cooperative shall not be required to furnish new service to any member who is indebted to the cooperative for service furnished or other tariffed charges until that member has paid his/her indebtedness.

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ISSUED BY: *Van Brewer* PUBLIC SERVICE COMMISSION
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PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
Dr. Stephen D. Bell

**BLUE GRASS ENERGY
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5. For noncompliance with state, local or other codes. The cooperative may refuse or terminate service to a member if the member does not comply with state, municipal, or other codes, rules and regulations applying to such service. The cooperative may terminate service pursuant to 807 KAR 5:006 only after ten (10) days written notice is provided, unless ordered to terminate immediately by a governmental official.
6. For nonpayment of bills. The cooperative may terminate service at a point of delivery of nonpayment of charges incurred for cooperative service at that point of delivery; however, the cooperative shall not terminate service to any member for nonpayment of bills for any tariffed charge without first having mailed or otherwise delivered an advance termination notice which complies with the requirements of 807 KAR 5:006.
 - a. Termination notice requirements for electric service. The cooperative shall mail or otherwise deliver that member ten days written notice of intent to terminate. Under no circumstances shall service be terminated before twenty-seven (27) days after the mailing date of the original unpaid bill. The termination notice to residential members shall include written notification to the member of the existence of local, state, and federal programs providing for payment of cooperative bills under certain conditions, and of the address and telephone number of the Department for Social Insurance of the Cabinet for Human Resources to contact for possible assistance.
 - b. The termination notice requirements of this subsection shall not apply if termination notice requirements to a particular member or members are otherwise dictated by the terms of a special contract between the utility and member which has been approved by the Commission.

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BY: *Stephan D. Bell*
SECRETARY OF THE COMMISSION

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**BLUE GRASS ENERGY
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7. For illegal use or theft or service. The cooperative may terminate service to a member without advance notice if it has evidence that a member has obtained unauthorized service by illegal use or theft. Within twenty-four (24) hours after such termination, the cooperative shall send written notification to the member of the reasons for termination or refusal of service upon which the cooperative relies and of the member's right to challenge the termination by filing a formal complaint with the commission. This right of termination is separate from and in addition to any other legal remedies which the cooperative may pursue for illegal use or theft of service. The cooperative shall not be required to restore service until the customer has complied with all tariffed rules of the cooperative and laws and regulations of the Public Service Commission.

(37) TEMPORARY SERVICE

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A member requesting temporary service may be required to pay all cost of constructing, removing, connecting and disconnecting service. Facilities that are temporary in nature such as for construction contractors, sawmills, carnivals, fairs, camp meetings, etc., will be provided to members making application for same, provided they pay an advance fee equal to the reasonable cost of constructing and removing such facilities along with a deposit (amount to be determined by Blue Grass Energy), for estimated kwh usage. Upon termination of temporary service, the payment made on estimated usage will be adjusted to actual usage and either a refund or additional billing will be issued to such temporary member.

(38) DISTRIBUTION LINE EXTENSIONS

- A. Normal Service Extensions. An extension to a permanent residence of one thousand (1,000) feet or less shall be made by Blue Grass Energy to its existing distribution line without charge for a prospective member who shall apply for and agree to use the service for one year or more and provides guarantee for such service. The "service drop" to the structure from the distribution line at the last power shall not be included in the foregoing measurements. This distribution line extension shall be limited to service where installed transformer capacity does not exceed 25 KVA. Any extensions to a consumer who may require polyphase service or

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JAN 01 1998
PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: Stanley Bee

**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

FOR Entire Territory Served
P.S.C. KY NO. 1
Original SHEET NO. 16
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whose installed transformer capacity will exceed 25 KVA will be required to pay in advance additional cost of construction which exceeds that for a single phase line where the installed transformer capacity does not exceed 25 KVA.

B. Other Extensions.

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1. When an extension of Blue Grass Energy's line to service a member or a group of members amounts to more than 1,000 feet per member, the total cost of the excessive footage over 1,000 feet per member shall be deposited by the applicant or applicants based on the estimated cost of the total extension.
2. Each member receiving service under such extension will be reimbursed under the following plan:

Each year for a period of ten (10) years, which for the purpose of this rule shall be the refund period, the cooperative shall refund to the member or members who paid for the excess footage the cost of 1,000 feet of the extension in place for each additional member connected during the year whose service line is directly connected to the extension installed and not to extensions or laterals therefrom, but in no case shall the total amount refunded exceed the amount paid the Cooperative. After the end of the refund period, no refund will be required to be made. For additional consumers connected to an extension or lateral from the distribution line, the cooperative shall refund to any consumer who paid for excessive footage the cost of 1,000 feet of line less the length of the lateral or extension. No refund will be made to any consumer who did not make the advance originally.

3. An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of extension. Each year for a period of ten (10) years, the cooperative shall refund to the applicant who paid for the extension,, a sum equivalent to the cost of 1,000 feet of the extension installed for each additional member connected during the year, but in no case shall the total amount refunded exceed the amount paid to the Cooperative. After the end of the refund period from the completion of the extension, no refund will be required to be made.

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Stephan D. Bell

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- 4. The member may elect to clear the right-of-way, to cooperatives specifications, to reduce his cost of connection.
- 5. The member must grant an easement for the cooperative to construct lines off the original line extension to all adjacent property in order to receive a refund on the original deposit.

(39) UNDERGROUND EXTENSIONS OF SERVICE

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- A. Applicability. This policy shall only apply to underground electrical supply facilities used in connection with electric distribution within the definitions set out herein.
- B. Definitions. The following words and terms, when used in this policy, shall have the meaning indicated:
 - 1. Applicant - The developer, builder, or other person, partnership, association, corporation, or governmental agency applying for the installation of an underground electric distribution system.
 - 2. Building - A structure enclosed within exterior walls or fire walls, built, erected, and framed of component structural parts and designed to contain five (5) or more individual dwelling units.
 - 3. Distribution System - Electric service facilities consisting of primary and secondary conductors, transformers, and necessary accessories and appurtenances for the furnishing of electric power at utilization voltage.
 - 4. Subdivision - The tract of land which is divided into ten (10) or more lots for the construction of new residential buildings, or the land on which is constructed two (2) or more new multiple occupancy buildings.
 - 5. Commission - The Public Service Commission.
 - 6. Trenching and Backfilling - Opening and preparing the ditch for the installation of conduits, raceways, and conductors, providing a sand bedding when required, and the compacting and backfilling of trench to ground level.

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Stephan D. Bell
Secretary of the Commission

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C. Right-Of-Way Easements

1. The cooperative shall construct or cause to be constructed, own, operate, and maintain distribution lines only along easements, public streets, roads, and highways which are by legal right accessible to the cooperative's equipment and which the cooperative has the legal right to occupy, and the public lands and private property across which rights-of-way and easements satisfactory to the cooperative are provided without cost or condemnation by the cooperative.
2. Rights-of-way and easements suitable to the cooperative for the underground distribution facilities must be furnished by the applicant in reasonable time to meet service requirements. The applicant shall make the area in which the underground distribution facilities are to be located accessible to the cooperative's equipment, remove all obstruction from such area, stake to show property lines and final grade, perform rough grading to a reasonable approximation of final grade, and maintain clearing and grading during construction by the cooperative. Suitable land rights shall be granted to the cooperative, obligating the applicant and subsequent property owners to provide continuing access to the cooperative for operation, maintenance, or replacement of its facilities, and to prevent any encroachment in the Cooperative's easement including changes in grade or elevation thereof.

D. Installation of Underground Distribution System Within New Subdivision

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1. Where appropriate contractual arrangements have been made, the Cooperative shall install within the subdivision and underground electric distribution system of sufficient capacity and suitable materials which, in its judgment will assure that the property owners will receive safe and adequate electric service for the foreseeable future.
2. All single phase conductors installed by the utility shall be underground. Appurtenances such as transformers, pedestal-mounted terminals, switching equipment, and meter cabinets may be placed above ground.

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PURSUANT TO 807 KAR 5011,
SECTION 9 (1)
BY *Steph O. Bell*

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3. Three-phase primary mains or feeders required within a subdivision to supply local distribution or to serve individual three-phase loads may be overhead unless underground is required by governmental authority or chosen by the applicant, in either of which case the differential cost of underground shall be borne by the applicants.
4. If the applicant has complied with the requirements herein and has given the cooperative not less than 120 days written notice prior to the anticipated date of completion (i.e., ready for occupancy) of the first building in the subdivision, the cooperative shall complete the installation 30 days prior to the estimated completion date. (Subject to weather and ground conditions and availability of materials and barring extraordinary or emergency circumstances beyond the reasonable control of the cooperative). However, nothing in this policy shall be interpreted to require the cooperative to extend to service portions of the subdivision not under active development.
5. A non-refundable payment shall be made by the applicant equal to the differences between the cost of providing underground facilities and that of providing overhead facilities. The payment to be made by the applicant shall be determined from the total footage of single-phase primary, secondary and service conductor to be installed at an average per foot cost differential in accordance with the average cost differential filed with the Public Service Commission. Where rock, shale, or other impairments are anticipated or encountered in construction, the actual increased cost of trenching and backfilling shall be borne by the applicant. This payment may be waived if the applicant performs a sufficient amount of the installation equal to the cost differential.
6. The applicant may be required to contribute the entire estimated cost of the extension. If this is done, the amount contributed in excess of the normal charge for the underground extensions, as provided in Paragraph 5 above shall be refunded to the applicant over a ten (10) year period as provided by the Public Service Commission.

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PURSUANT TO 607 KAR 6011,
SECTION 9(1)
v. Shaw-D

**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

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7. The cooperative normally will perform or cause to be performed all necessary trenching and backfilling. The applicant may elect to perform all necessary trenching and backfilling in accordance with the cooperative's specification. The cooperative shall then credit the applicant's cost in an amount equal to the cooperative's normal cost for trenching and backfilling. However, the cooperative personnel must be present at the time of backfilling in the applicant elects to trench and backfill.
8. The cooperative shall furnish, install, and maintain the service lateral to the applicant's meter base. The applicant may elect to perform the trenching, conduit installation, and backfilling relative to the installation of the service lateral. This work performed by the applicant must be inspected and approved by cooperative personnel or agents before backfilling is completed. The cooperative shall then credit the applicant's cost in an amount equal to the cooperative's normal cost for such work.
9. Plans for the location of all facilities to be installed shall be approved by the cooperative and applicant prior to construction. Alterations in plans by the applicant which require additional cost of installation or construction shall be at the sole expenses of the applicant.
10. The cooperative shall not be obligated to install any facility within a subdivision until satisfactory arrangements for the payment of charges have been completed by the applicant.
11. The charges specified in these rules are based on the premise that each applicant will cooperate with the cooperative in an effort to keep the cost of construction and installation of the underground electric distribution system as low as possible and make satisfactory arrangements for the payment of the above charges prior to the installation of the facilities.

(40) DISTRIBUTION LINE EXTENSION TO MOBILE HOMES

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- A. All extensions of up to 300 feet from the nearest facility shall be made without charge. Mobile homes which are located in an established Mobile Home Park or placed on a permanent foundation and connected to a septic tank and disposal field shall be considered as a permanent home. All required fees must be paid at the time application for service is made or by mail within 10 days.

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BY: Stephan D. Bee
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- B. For extensions greater than 300 feet and less than 1,000 feet from the nearest facility, the Cooperative may charge an advance equal to the reasonable costs incurred by it for that portion of the service beyond 300 feet plus conditions set forth in (1) above.
 - 1. This advance shall be refunded to the member over a four (4) year period in equal amounts for each year the service is continued.
 - 2. If the service is discontinued for a period of sixty (60) days, or should the mobile home be removed and another not take its place within sixty (60) days, or be replaced by a permanent structure, the remainder of the advance shall be forfeited.
 - 3. No refunds shall be made to any member who did not make the advance originally.
- C. For extensions beyond 1,000 feet from the nearest facility, the cooperative may charge an advance equal to the reasonable costs incurred by it for that portion of service. This portion of the refund will be refunded as per PSC Regulation.
- D. All mobile homes not on a foundation and/or not connected to a disposal field shall be in a readily removable condition and will be considered as a temporary service.
- E. The "Service Drop" to the above services from the distribution line at the last pole shall not be included in the foregoing measurements.
- F. The cooperative shall furnish and install meter pole at a fee.
- G. The member requesting service will clear right-of-way for initial installation.
- H. The member requesting service may clear right-of-way for initial installation in order to reduce cost.
- I. When home installs concrete footer, mortar wall foundation, septic system and water supply, wheel axel and tongue removed, service will be considered a permanent structure.

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PERMANENT STRUCTURE
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**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

For Entire Territory Served
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RULES AND REGULATIONS

(41) NEW SERVICES RUN TO BARNES, CAMPS, PUMPS AND MISCELLANEOUS SERVICES NOT CONSIDERED PERMANENT RESIDENCES

A. Conditions for Overhead Services

1. All wiring must be in accordance with Rules and Regulations of the Cooperative and the National Electrical Code.
2. All extensions 150 feet from the nearest existing facility will be at no charge. Greater than 150 feet and less than 1,000 feet will be considered advance for construction. The cost of advance for construction will be refunded in four (4) equal payments to the member over a period of four (4) years, provided the service stays connected during that time. The advance payment will be forfeited if the service is disconnected or ownership of service is changed during this refundable period.
3. All over 1,000 feet will be considered as PSC Regulation.

B. Condition for Underground Service. Aid to construction payment shall be estimated by the cooperative before construction is begun. When construction is completed, the member shall be billed for the actual cost of construction and credit shall be given for advance payment. This payment shall be considered as aid to construction.

(42) SECURITY LIGHTS

A. The installation of security lights is available to all Blue Grass Energy members under the following conditions.

1. Security light requests requiring a pole installation will be required to pay the actual cost of construction from existing facilities to new service in advance. This advance payment shall be considered as an aid to construction.
2. Members are expected to assist in the curtailment of security light vandalism. In the event security light vandalism occurs, the cooperative will bear the cost of repairing or replacing the bulb or fixture the first time. If the security light is damaged again within a year, it will not be repaired or replaced unless the owner bears the cost.

B. The cooperative reserves the right to discontinue service to any location after a fixture has been vandalized.

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ISSUED BY: [Signature]

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KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH
EFFECTIVE 1/1/2002
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

**BLUE GRASS ENERGY
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RULES AND REGULATIONS

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President/CEO
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**BLUE GRASS ENERGY
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FOR Entire Territory Served
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2. Members are expected to assist in the curtailment of security light vandalism. In the event security light vandalism occurs, the cooperative will bear the cost of repairing or replacing the bulb or fixture the first time. If the security light is damaged again within a year, it will not be repaired or replaced unless the owner bears the cost.

B. The cooperative reserved the right to discontinue service to any location after a fixture has been vandalized.

(43) ENERGY EMERGENCY CONTROL PROGRAM

This is a plan to reduce the consumption of electric energy on Blue Grass Energy Cooperative's system in the event of a severe electric energy shortage.

For the purpose of this program, the following priority levels have been established:

- I. Essential Health and Safety uses - as defined in Appendix B
- II. Residential Use
- III. Commercial and Industrial Uses
- IV. Nonessential Uses - as defined in Appendix C
- V. Interruptible Loads
- VI. Direct Load Control

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1/11/2002

Procedure. In the event East Kentucky Power Cooperative, Inc. (EKPC) notifies the cooperative of a potential severe electric energy shortage, or the cooperative, itself, determines such an emergency exists, the following steps will be implemented. These steps will be carried out to the extent not prohibited by contractual commitments or by order of the regulatory authorities having jurisdiction.

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PURSUANT TO 807 KAR 5011,
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SECRETARY OF THE COMMISSION

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EKPC and the cooperative will take the following actions listed in priority order in accordance with EKPC's "Emergency Electric Procedures", revised February 17, 1995, and files in PSC Administrative Case No. 353 as part of its Wholesale Tariff.

Step 1: EKPC will, when feasible, initiate Direct Load Control and notify the cooperative.

Step 2: EKPC will interrupt Interruptible Loads and notify the cooperative.

Step 3: The cooperative will initiate its Load Reduction Procedure, Appendix C.

Step 4: EKPC will notify the cooperative to initiate its Voltage Reduction Procedure, Appendix D.

Step 5: EKPC will notify the cooperative and EKPC and the cooperative will initiate media appeal for general Voluntary Load Reduction, Appendix E.

Step 6: EKPC will, in coordination with other Kentucky utilities, request the Governor to declare a statewide Energy Emergency.

Step 7: EKPC will request the cooperative to initiate mandatory load reduction of up to 20 percent in five percent steps, Appendix F.

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RULES AND REGULATIONS

APPENDIX "A"
Essential Health and Safety Uses

Essential health and safety uses given special consideration in these procedures shall, insofar as the situation permits, include the following types of use and such other uses which the Commission may subsequently identify:

- (a) "hospitals", which shall be limited to institutions providing medical care to patients.
- (b) "life support equipment", which shall be limited to kidney machines, respirators, and similar equipment used to sustain the life of a person.
- (c) "police stations and government detention institutions", which shall be limited to essential uses required for police activities and the operation of facilities used for the detention of persons. These uses shall include essential street, highway and signal-lighting services.
- (d) "fire stations", which shall be limited to facilities housing mobile fire-fighting apparatus.
- (e) "communications services", which shall be limited to essential uses required for telephone, telegraph, television, radio and newspaper operations.
- (f) "water and sewage services", which shall be limited to essential uses required for the supply of water to a community, flood pumping and sewage disposal.
- (g) "transportation and defense-related services", which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those essential to the national defense and operation of state and local emergency services.
- (h) "other energy source services", which shall be limited to essential uses required for the production, transportation, transmission and distribution - for fuel - of natural or manufacture gas, coal, oil or gasoline.
- (i) "perishable food or medicine", which shall be limited to refrigeration for the storage and preservation of perishable food or medicine, when that use is substantially all of the customer's load.

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SECTION 4(1)
BY: Steph D. Smith
SECRETARY

RULES AND REGULATIONS

**APPENDIX "B"
Nonessential Uses**

The following and similar types of uses of electric energy and others which the commission may subsequently identify shall be considered for all customers:

- (a) outdoor flood and advertising lighting, except for the minimum level to protect life and property, and a single illuminated sign identifying commercial facilities when operating after dark.
- (b) general interior lighting levels greater than minimum functional levels
- (c) show-window and display lighting
- (d) parking-lot lighting above minimum functional levels
- (e) energy use greater than that necessary to maintain a temperature of not more than 65 degrees during operation of heating equipment.
- (f) elevator and escalator use in excess of the minimum necessary for non-peak hours of use.
- (g) energy use greater than that which is the minimum necessary for non-peak hours of use.

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**APPENDIX "C"
Load Reduction Procedure**

A. Objective.

To reduce demand at the cooperative facilities over the time period during which an electric energy shortage is anticipated.

B. Criteria.

This procedure is implemented when a Load Reduction Alert is issued. The President/CEO or his designee has the responsibility of issuing a Load Reduction Alert.

C. Procedure.

1. The President/CEO receives notice from EKPC of a capacity shortage.
2. The President/CEO or his designee is responsible for seeing that the Cooperative's employees are participating in achieving the largest load reduction possible while still maintaining the service of the facility and not unduly jeopardizing safety.
3. Each Department Manager is responsible for seeing that his/her employees are participating in achieving the largest load reduction possible while still maintaining the service of the facility and not unduly jeopardizing safety.
4. Examples of load reduction are:
 - a. turning off all but a minimum of indoor and outdoor lighting
 - b. turning off microcomputers, printers, copiers, and other office equipment except as they are used
 - c. in the winter, setting thermostats no higher than 68 degrees, and in the summer no lower than 94 degrees

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PURSUANT TO 807 KAR 5011,
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President/CEO

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SECTION 10
COMMISSION

**BLUE GRASS ENERGY
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FOR Entire Territory Served _____
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**APPENDIX "D"
Voltage Reduction Procedure**

- A. Objective.
To reduce demand on the cooperative system over the period during which an electric energy shortage is anticipated by reducing the set point on system voltage regulators.
- B. Criteria.
This procedure is implemented when requested by the EKPC System Operator.
- C. Procedure.
The cooperative will immediately reduce voltage on the system (to a voltage within the lower limits allowed by prudent utility practices) at its substations through the cooperative's Supervisory Control and Data Acquisition (SCADA) system. Crews will also be dispatched to the system's voltage regulator banks to manually reduce voltage.

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JAN 01 1998

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SECTION 9 (1)
BY: *Stechand Bell*

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**APPENDIX "E"
Voluntary Load Reduction Procedure**

A. Objective.

To reduce demand on the cooperative system over the period during which an electric energy shortage is anticipated through media appeal for consumers to curtail energy use.

B. Criteria.

This procedure is implemented when requested by EKPC Marketing and Communications Division personnel.

C. Procedure.

Notify all Anderson, Fayette, Franklin, Jessamine, Madison, Mercer and Woodford radio and TV stations of the electrical energy shortage and ask them to make the public service announcement recommended by EKPC personnel. An example announcement is as follows:

Attention All Electric Cooperative Members:

Blue Grass Energy Cooperative is experiencing a critical shortage of electricity to its members, and is requesting that all non-essential electrical appliances and lighting be turned off, and thermostats be lowered/raised immediately until (time of emergency).

The cooperative is encountering record high usage of electricity during this period of extreme high/low temperatures, and to prevent us from having a power brownout/blackout in your area, we need you held NOW until (time of emergency). Please turn off all electricity you do not have to have on . Thank you for your cooperation.

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The cooperative will also contact the system's major industrial and large commercial consumers and request that they curtail their energy use as well. These consumers are listed in Blue Grass Energy Cooperative's Emergency Response Plan, available at the cooperative's office and on file with the PSC.

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ADDRESS: PO Box 990, Nicholasville KY 40340-0990

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EFFECTIVE
JAN 01 1998
PURSUANT TO 07 KAR 6:011,
SECTION 3 (1)
S. David Bell

RULES AND REGULATIONS

**APPENDIX "F"
Load Reduction Procedure**

A. Objective.

To reduce demand on the cooperative's system over the period during which an electric energy shortage is anticipated by interrupting firm consumer load in five (5) percent blocks up to a total of 20% of the system load.

B. Criteria.

This procedure is implemented when requested by the EKPC System Operator or when deemed necessary by Blue Grass Energy Cooperative. This procedure will only be requested after the Governor of Kentucky has issued a statewide State of Emergency Order.

C. Procedure.

The cooperative will dispatch personnel to interrupt service to member consumer loads to achieve the reduction requested by EKPC. This may be achieved by interrupting service to certain nonessential loads for the entire period of the emergency or by rotating outages to various substation feeder circuits.

The following steps will be implemented, in order, to achieve the requested reduction. These steps will be carried out to the extent not prohibited by contractual commitments or by order of the regulatory authorities having jurisdiction.

Step One

1. Implement mandatory curtailment of the use of electric service by Commercial and Industrial Uses (Priority Level III) at a rate of 25 percent, based on a monthly base period, as defined in Appendix G.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

DATE OF ISSUE: January 1, 1998

DATE EFFECTIVE: January 1, 1998

ISSUED BY: Alan Brewer

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)
BY: Steward Bell
SECRETARY OF THE COMMISSION

ADDRESS: PO Box 990, Nicholasville KY 40340-0990

RULES AND REGULATIONS

- (2) In cooperation with EKPC and through use of the new media and direct member-consumer contact, continue to appeal to all member-consumers to voluntarily reduce their use of electric energy as much as possible, and in any case, endeavor to reduce the nonessential usage of electric (Priority Level IV) by at least 25%.
- (3) In cooperation with EKPC, the cooperative shall advise member-consumers of the nature of the mandatory program to be introduced in Step Two below through direct contact and mass media, and establish an effective means of answering specific member-consumer inquiries concerning the impact of the mandatory program on his/her electricity availability.

Step Two

Implement mandatory curtailment of the use of electric service by Commercial and Industrial Uses (Priority Level III) at a rate of 75 percent, maintaining a minimum service level to Essential Health and Safety Uses, as defined in Appendix A.

Step Three

- (1) Implement mandatory curtailment of the use of electric service by all priority levels (including Priority Level I) at a minimum service level which is not greater than that required for protection of human life and safety, protection of human physical plant facilities, and employee's security.
- (2) The cooperative shall advise all member-consumers of the mandatory program specified in Step Four below.

Step Four

Implement procedures, subject to commission approval, for interruption of selected distribution circuits on a rotational basis, while minimizing - to the extent practicable - interruption to Priority Level I.

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11/1/2002*

DATE OF ISSUE: January 1, 1998

DATE EFFECTIVE: January 1, 1998

ISSUED BY: Alan Brewer

J. A. ...
President

ADDRESS: PO Box 990, Nicholasville KY 40340-0990

PUBLIC SERVICE COMMISSION
OF KENTUCKY
PURSUANT TO 202 KAR 5:011,
SECTION 9 (1)
BY: Stephan B...
SECRETARY OF THE COMMISSION

**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

FOR Entire Territory Served
P.S.C. KY NO. 1
Original SHEET NO. 33
CANCELLING P.S.C. NO. _____
SHEET NO. _____

RULES AND REGULATIONS

With regard to mandatory curtailments identified in Steps Two to Four above, the cooperative proposes to monitor compliance after the fact, to the extent feasible, as approved by the commission. A member-consumer exceeding his/her electric energy allotment would be warned to curtail his/her usage, or face, upon continuing noncompliance, for any period of time, and upon one day's written notice, disconnection of electrical service for the duration of the energy emergency.

Termination of Energy Emergency - The Energy Emergency Control Program shall be terminated, upon notice to the commission, when EKPC notified the cooperative that the emergency situation has been resolved.

C
1/1/1998

DATE OF ISSUE: January 1, 1998 DATE EFFECTIVE: January 1, 1998
ISSUED BY: Alan Brewer JAN 01 1998
ADDRESS: PO Box 990, Nicholasville KY 40340-0990 President/CEO

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
PURSUANT TO 807 KAR 5.011,
SECTION 6 (1)
BY: Stephen D. Bell
SECRETARY OF THE COMMISSION

**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

FOR Entire Territory Served
P.S.C. KY NO. 1
Original SHEET NO. 34
CANCELLING P.S.C. NO. _____
SHEET NO. _____

RULES AND REGULATIONS

**APPENDIX "G"
Monthly Base Period**

"Monthly Base Period Use" is defined as the customer's usage during the corresponding monthly billing cycle of the twelve monthly billing periods immediately prior to December 31 of the year immediately preceding the current year, adjusted to reflect any increases or decreases of load in the operating rate as computed in the formula.

Upon application by the member-consumer and agreement by the cooperative, a one-time adjustment of the monthly energy use of the twelve-month billing period ending December 31 of the year immediately preceding the current year, or an adjustment of the prior three-month usage (PQKWH), will be made to correct any abnormalities of energy use resulting from such events as strikes and breakdowns of major equipment that may have occurred during the period in question. For member-consumers connected after December 31 of the year preceding the current year by one year, base period energy use will be negotiated between the member-consumer and the cooperative.

$$\text{AMBP} = \text{CM} \times \text{PQ} / \text{BPQ}$$

Where:

AMBP = Adjusted Monthly Base Period (KW or KWH)

CM = Corresponding month during the year immediately preceding the current year.

PQ = Average use (KW or KWH) for the second, third and fourth monthly billing periods immediately prior to the date of the curtailment order. Should a curtailment be extended so that one of the three monthly billing periods reflects usage under a curtailment period, the actual billing for that month is replaced with AMBP previously calculated for that month.

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11/1/2002*

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DATE OF ISSUE: January 1, 1998 DATE EFFECTIVE: January 1, 1998

ISSUED BY: Alan Brewer *pm* President/CEO

ADDRESS: PO Box 990, Nicholasville KY 40340-0990

**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

FOR Entire Territory Served
P.S.C. KY NO. 1
Original SHEET NO. 35
CANCELLING P.S.C. NO. _____
SHEET NO. _____

RULES AND REGULATIONS

BPQ = Average of corresponding three monthly billings prior to CM.
Example - Curtailment ordered during month of May 1997)

1st Curtailment Month

Since the April 1997 billing may not always be available, then for uniformity to all member-consumers from the time curtailment is ordered until the May meter reading date.

May 1995 = (Jan., Feb., March)1997 X June 1996
(Jan., Feb., March)1995

2nd Curtailment Month

June 1997 = (Feb., March, April)1997 X June 1996
(Feb., March, April)1996

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1/11/2002

3rd Curtailment Month

Since May 1997 will reflect electric use under a curtailment, May 1997 will be replaced with June 1997 as calculated in the 1st curtailment month:

July 1997 = (March, April, May) X July 1996
(March, April, May)1996

NOTE: The nomenclature for any one billing period is determined by the last reading date in that period, i.e., a bill from April 2 to May is considered the May billing period.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DATE OF ISSUE: January 1, 1998 DATE EFFECTIVE: January 1, 1998

ISSUED BY: Nan Brewer, President/CEO
JAN 01 1998

ADDRESS: PO Box 990, Nicholasville KY 40340-0990

PURCH. # 01307 MAR 0011
MOTRLE 11
Mr. Steven D. Hill

**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

FOR Entire Territory Served
P.S.C. KY NO. 1
Original SHEET NO. 36
CANCELLING P.S.C. NO. _____
SHEET NO. _____

RULES AND REGULATIONS

(44) BILL STATEMENT



ACCOUNT NUMBER	CODE	AMOUNT DUE	DUE UPON RECEIPT TO PAY BY CREDIT CARD, PLEASE SEE REVERSE SIDE PLEASE RETURN THIS PORTION WITH YOUR PAYMENT.
CURRENT BILL DUE		AMOUNT AFTER DUE DATE	

NAME	LOCATION	METER	BILL DATE
SERVICE ADDRESS			CURRENT BILL DUE
ACCOUNT NO	RATE	CLASS	NEXT METER READING DATE
			TOTAL DUE

SERVICE FROM	TO	NO DAYS	CODE	READINGS PRESENT	PREVIOUS	METER CONSTANT	KWH USAGE	CHARGES

A Touchstone Energy™ Partner

CURRENT BILLING PERIOD	PREVIOUS BILLING PERIOD	SAME PERIOD LAST YEAR	DAYS OF SERVICE	TOTAL KWH	AVG KWH PER DAY	COST PER DAY

SEE BACK OF BILL FOR EXPLANATIONS

TO PAY YOUR BILL BY CREDIT CARD, PLEASE COMPLETE THE INFORMATION BELOW AND RETURN THIS PORTION OF YOUR BILL IN THE ENCLOSED RETURN ENVELOPE. YOUR ACCOUNT WILL BE CREDITED UPON RECEIPT OF THIS AUTHORIZATION.

ALL INFORMATION MUST BE COMPLETED FOR PAYMENT TO BE ACCEPTED.

NAME AS IT APPEARS ON CREDIT CARD (PLEASE PRINT) _____

CREDIT CARD NUMBER _____ EXPIRATION DATE _____

AMOUNT TO PAY _____ (CARD TYPE) VISA MASTERCARD

SIGNATURE OF CARDHOLDER _____

WHETHER YOU PAY BY CHECK, MONEY ORDER, OR CREDIT CARD, PLEASE INCLUDE THIS TOP PORTION OF THE BILL WITH YOUR PAYMENT TO ENSURE PROPER CREDIT TO YOUR ACCOUNT.

PAYMENT TERMS

Current Month's Bill
The current month's bill due date is shown on the front of this statement. Payment is due in the Cooperative's office on or before the due date.
Payment must be received in the Cooperative's office on or before the due date indicated on the bill if you are paying the NET AMOUNT. If payment is made after the bill due date, then the gross amount must be paid. Adequate time should be allowed for the payment to reach the Cooperative's office if you are paying the net amount and are mailing the payment.
Previous Amounts Due
The due date indicated on the statement is for the current month's bill only and does not apply to Previous Amounts Due. Previous Amounts Due are past due and may be subject to service disconnection. No extension of time for Previous Amounts Due is being authorized by this bill statement. Prior notices of due dates for past due amounts remain in effect. (This does not apply to Levelized Budget accounts.)
PAYING YOUR BILL
You may pay your bill by mail, at any of our conveniently located offices, or collecting agents. When paying by mail, allow enough time for the payments to reach the Cooperative by the due date.
TO PAY BY MAIL
1) Enclose the top portion of this statement with your payment.
2) Indicate your account number on your check or money order.
3) Return your payment in the enclosed return envelope.

WHAT TO DO IF THERE IS A PROBLEM WITH YOUR ELECTRIC SERVICE
If your power is off, first check to see that all fuses and breakers are working properly. If this is not the problem, call Toll-Free 1-888-655-4BGE (4243). Please provide your account number, name and address as they appear on your statement. Phone dispatch available 24 hours, seven days a week.

OFFICE LOCATIONS	COLLECTING AGENTS
Headquarters Office PO Box 990 1201 Lexington Road Nicholasville, KY 40340-0990 (606) 885-4191 or (606) 623-0000	Jessamine County National City Bank Farmers Bank & Trust Citizens National Bank
Madison District Office PO Box 276 2099 Berea Road Richmond, KY 40476-0276 (606) 623-1582	Madison County Peoples Bank & Trust Fayette County Central Bank & Trust Franklin County Farmers Bank & Capital Trust Woodford County United Bank & Trust
For Creek District Office PO Box 150 1200 Versailles Road Lawrenceburg, KY 40342 (502) 839-3442 or 1-800-372-7160	

RATE STRUCTURE	
11(12) Residential	34 Large Commercial (201 to 500 kW)
15 Yard Light Only	35 Large Commercial (Exceed 500 kW)
16(17) Electric Thermal Storage	41 Large Industrial - C (1,000 to 4,999 kW)
21(23) Small Commercial (no demand)	42 Large Industrial - C (5,000 to 9,999 kW)
22(24) Small Commercial (demand)	43 Large Industrial - C (10,000 kW and greater)
31 Large Commercial (exceed 50 kW)	44 Large Industrial - B (1,000 to 3,999 kW)
32 Large Commercial (exceed 500 kW)	45 Large Industrial - B (4,000 kW and greater)
33 Large Commercial (50 to 200 kW)	46 Large Industrial - B (1,000 to 4,999 kW)

CODE DEFINITIONS
R Request Meter Reading
E Estimated Meter Reading
M Meter Change-out
Usage is occasionally estimated due to weather conditions, unforeseen circumstances, or for certain types of seasonal loads. Actual meter readings will be taken at subsequent times and your bill will be adjusted, if necessary.

FOR GENERAL QUESTIONS OR HELP WITH ANY MATTER
Please call your local office for assistance. Our telephone number is 1-888-655-4BGE.

DATE OF ISSUE: January 1, 1998

DATE EFFECTIVE: January 1, 1998

ISSUED BY: Alan Brewer
pm

JAN 01 1998
President/CBO

ADDRESS: PO Box 990, Nicholasville KY 40340-0990

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
PURSUANT TO 807 KAR 60.11,
SECTION 9 (1)
BY: Stephan D. Buel
1/1/02

RULES AND REGULATIONS

Although these types of uses will be given special consideration when implementing the manual load-shedding provisions of this procedure, these customers are encouraged to install emergency generation equipment if continuity of service is essential. In case of customers supplied from two utility sources, only one source will be given special consideration. Also, any other customers who, in their opinion, have critical equipment should install emergency general equipment.

(44) TEMPORARY SERVICE LEASE FEE

1. Applicants may either furnish their own temporary meter pole or lease from the Cooperative a temporary meter pole with 20 amp and 30 amp single phase 120/240 volt service. The fee for leasing said equipment shall be fifteen (\$15.00) dollars per month. The lease period shall not exceed four (4) months unless prior arrangements are made with the Cooperative.
2. Applicant shall pay the normal customer and KWH charge set forth under the Residential Rate schedules for all energy used during the lease period.
3. Applicants requiring temporary service that will not become permanent service will be required to pay all costs of construction and removal, incidental to supplying electric service. A payment will be required to cover estimated consumption of electricity. This amount shall be adjusted to actual usage, by refund or additional billing when removed.
 - a. Both fees shall be paid in advance.
 - b. This rule applies to fairs, carnivals, circuses, construction sites, and any other location of a strictly temporary nature.

C
11/1/2002

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

OCT 01 1998

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephen D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: August 20, 1998

DATE EFFECTIVE: October 1, 1998

ISSUED BY: [Signature]
(Name of Officer)

TITLE: President/CEO

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

For Entire Territory Served

Community, Town or City

P.S.C. No. 1

Original Sheet No. 101

Blue Grass Energy

Name of Issuing Corporation

Cancelling P.S.C. No. _____

Sheet No. _____

RULES AND REGULATIONS

(45) AUTOMATIC METER READING (AMR) LEASE:

This lease option is available to all Blue Grass Energy members interested in limiting access to their property, gaining a greater understanding of their KWH usage, or enhancing outage notification for their home/building. The automatic meter reading equipment allows Blue Grass Energy to receive a meter reading, check voltage or receive outage notification without direct access to the meter. Blue Grass Energy will continue to require access to the meter periodically for meter and equipment inspections, in addition to safety inspections. If this option is requested, the member will be billed a lease charge of \$4.50 per month.

C
11/1/2002

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

APR 01 1999

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan B. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE March 18, 1999

DATE EFFECTIVE April 1, 1999

ISSUED BY [Signature]

TITLE President/CEO

Name of Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ dated _____.

**CLASSIFICATION OF SERVICE
Cable Television Attachment Rate**

APPLICABILITY

In all territory served by the company on poles owned and used by the company for their electric plant.

AVAILABILITY

To all qualified CATV operators having the right to receive service.

RENTAL CHARGE

The yearly rental charges shall be as follows:

Two-party pole attachment	\$4.77
Three-party pole attachment	\$4.21
Two-party anchor attachment	\$7.58
Three-party anchor attachment	\$5.00
Two-party grounding attachment	\$0.31
Three-party grounding attachment	\$0.19

Pedestal attachment = Same as respective pole charges.

CANCELLED
1/1/2002
~~SEP 01 2008~~
KENTUCKY PUBLIC
SERVICE COMMISSION

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 30 2001

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: May 31, 2001

DATE EFFECTIVE: May 30, 2001
~~June 1, 2001~~

ISSUED BY: 
(Name of Officer)

TITLE: President/CEO

CLASSIFICATION OF SERVICE OCT 01 2000
Voluntary Interruptible Service

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

STANDARD RIDER

BY: Stephen O. Bee
SECRETARY OF THE COMMISSION

This Voluntary Interruptible Rate is a rider to Rate Schedule, LP-2 Large Power, C-1 Large Industrial, C-2 Large Industrial, C-3 Large Industrial, B-1 Large Industrial, B-2 Large Industrial and N-Industrial and Large Commercial.

APPLICABLE

In all territory served by the Cooperative.

No interruptible demand which is already under contract under any other Interruptible Rider is eligible for this service.

AVAILABILITY OF SERVICE

This schedule shall be made available at any load center, to any member cooperative where an ultimate "Customer" is capable of interrupting at least 1,000 KW upon request and has contracted with the Cooperative to do so under a retail contract rider.

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11/1/2002

CONDITIONS OF SERVICE FOR CUSTOMER CONTRACT

1. Any request for interruption under this Rider shall be made by the Cooperative.
2. Each interruption will be strictly voluntary.
3. No responsibility of any kind shall attach to the Cooperative for, or on account of, any loss or damage caused by, or resulting from, any interruption or curtailment of this service.
4. The Customer shall agree by contract to own, operate, and maintain all necessary equipment for receiving electric energy and all telemetering and communications

DATE OF ISSUE: August 24, 2000

DATE EFFECTIVE: October 1, 2000

ISSUED BY: 

(Name of Officer)

TITLE: President/CEO

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

**CLASSIFICATION OF SERVICE
Voluntary Interruptible Service – Continued**

- equipment, within the Customer's premises, required for interruptible service.
5. It is the Cooperative's responsibility to notify the Customer and execute an interruption request. Therefore, the Cooperative and the Customer shall mutually agree upon the manner by which the Cooperative shall notify the Customer of a request for interruption. Such an agreement shall include the means by which the Cooperative shall communicate the interruption request (e.g. email, phone, pager, etc.) and the Customer's point of contact to receive such a request.
 6. The Cooperative will attempt to provide as much advance notice as possible for requests for interruption. However, upon the Customer's acceptance of the Terms of Interruption the Customer's load shall be interrupted with as little as one (1) hour of advance notification.
 7. The Cooperative reserves the right to require verification of a Customer's ability to interrupt its load.
 8. The Customer is not eligible for the Interruption Credits for any interruption when the Customer's interruptible load is down for other reasons during the period of the requested interruption. Such down time would include any event outside of the Customer's normal operating circumstances such as planned or unplanned outages due to renovation, repair, vacation, refurbishment, renovation, strike, or force majeure.

*C
11/1/2002*

INTERRUPTIBLE CUSTOMER DATA REPORT

The Customer shall furnish to the Cooperative as Interruptible Customer Data Report. Such a report shall include such information as:

1. The maximum number of hours per day and the time of day that the Customer has the ability to interrupt.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DATE OF ISSUE: August 24, 2000 DATE EFFECTIVE: October 1, 2000

ISSUED BY: *J. A. Drew* OCT 01 2000 TITLE: President/CEO
(Name of Officer)

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

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

CLASSIFICATION OF SERVICE
Voluntary Interruptible Service – Continued

2. The maximum number of days and the maximum number of consecutive days that the Customer has the ability to interrupt.
3. The maximum interruptible demand and the minimum interruptible demand by the Customer upon request.
4. The minimum price at which each Customer is willing to interrupt.

DEMAND AND ENERGY INTERRUPTION

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11/12/2002

The Customer will agree by contract, within an agreed time after receiving notice, to comply to the extent possible with the Cooperative's request to interrupt load. The Cooperative is the sole judge of the need for interruption of load. The Cooperative is the sole judge of the amount of interruption demand provided by the Customer, based on the following calculation:

The average of the integrated fifteen-minute demand for the tow hours prior to the hour immediately preceding the call for interruption will be used as the basis for establishing the existing demand level. The hourly interruptible demands for each customer will be the difference between the existing demand level and the actual demand measured during each hour of the interruption period. The interrupted energy of each interruption period shall be the sum of the hourly interrupted demands. These type of interruptions will cover a period of no more than six hours.

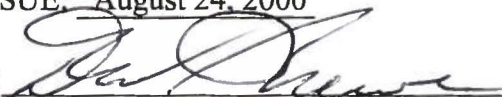
For interruptions longer than six hours in duration, the Customer's average load usage for the same hours as the interruption hours in the two preceding business days prior to the day of notice will be used as the basis for determining the demand level for interruption. The average hourly usage for these business days, based on the average integrated fifteen minute demand intervals, minus the actual load during the interruption period will equal the amount of interruptible load. The interrupted energy of each interruption period will equal the amount of interruptible load. The interrupted energy of each interruption period shall be the sum of the hourly interrupted

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

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DATE EFFECTIVE: October 1, 2000

ISSUED BY:


(Name of Officer)

OCT 01 2000

TITLE: President/CEO

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

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

SECRETARY OF COMMISSION
Dated: _____

CLASSIFICATION OF SERVICE
Voluntary Interruptible Service – Continued

demands.

TERMS OF INTERRUPTION

For each interruption request, the Cooperative shall identify the Customer to be interrupted. The Cooperative shall inform the Customer of an interruption request in accordance with the agreed upon method of notification. The Terms of Interruption shall include the following:

1. The time at which each interruption shall begin is to be established by the Cooperative. At least one (1) hour of advance notice of each request for interruption shall be provided by the cooperative.
2. The duration in clock hours of the interruption request is to be established by the Cooperative.
3. The price and the potential savings. This savings will determined by the Cooperative on a case by case basis and will be based on a percentage of the market price of power at the time of the interruption.
4. The Customer shall specify:
 - a. The maximum demand in KW that will be interrupted.
 - b. The maximum firm demand that the Customer will purchase through the Cooperative during the interruption.

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11/1/2002

INTERRUPTION CREDITS

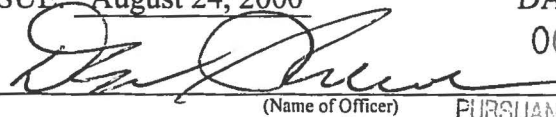
The interruption credit for each interruption period shall be equal to the interrupted energy kwh times the amount by which the quoted price for each interruption exceeds the Customer's regular tariff rate. The sum of the interruption credits for the billing month will be allocated as follows:

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DATE OF ISSUE: August 24, 2000

DATE EFFECTIVE: October 1, 2000

ISSUED BY: _____



(Name of Officer)

OCT 01 2000

TITLE: President/CEO

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

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

BY: Stephen O. Ritt
SECRETARY OF THE COMMISSION

CLASSIFICATION OF SERVICE

Voluntary Interruptible Service – Continued

The interruption credit to the Customer shall be equal to the product of the interrupted energy multiplied by the interruption price for each interruption.

FAILURE TO INTERRUPT

For those Customers failing to interrupt a minimum of 80% of their agreed amount of interruptible load of 5,000 kw or greater, an excess charge will be applicable. This excess energy is equal to the difference for 80% of the interruptible load minus the interrupted load. Excess energy shall be charged to the Customer at a price equal to 125% of the interruption price plus the standard rate applicable to this load.

TERM

The minimum original contract period shall be one (1) year and shall remain in effect thereafter until either party provides to the other at least thirty (30) days previous written notice.

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11/1/2002*

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

OCT 01 2000

PURSUANT TO 607 KAR 5.011,
SECTION 9 (1)

BY: Stephen D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: August 24, 2000

DATE EFFECTIVE: October 1, 2000

ISSUED BY: _____

[Signature]
(Name of Officer)

TITLE: President/CEO

BLUE GRASS ENERGY COOPERATIVE CORPORATION

OF
NICHOLASVILLE, KENTUCKY

**RATES, RULES AND REGULATIONS
FOR PURCHASING
ELECTRIC POWER SERVICE
AT VARIOUS LOCATIONS
WITHIN ITS SERVICE AREA**

FROM

**QUALIFIED CO-GENERATION AND
SMALL POWER PRODUCTION
FACILITIES OF 100 KW OR LESS
AND
OVER 100 KW
AND
FOR FURNISHING
POLE USE FOR CATV OPERATORS**

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1/1/2002

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

FILED WITH THE PUBLIC SERVICE COMMISSION OF KENTUCKY PURSUANT TO 807 KAR 5.011, SECTION 9 (1)

BY: *Stephan G. Bell*

SECRETARY OF THE COMMISSION

ISSUE: January 1, 1998

EFFECTIVE: January 1, 1998

ISSUED BY: Blue Grass Energy

BY: *D W Brewer*
President/CEO *sep*

CLASSIFICATION OF SERVICE

Cogeneration and Small Power Production Rate Schedule

AVAILABILITY

Available only to qualified co-generators and small power producers with a rated capacity over 100 kW which have executed a contract for the sale of power to Blue Grass Energy.

RATE SCHEDULE

1. Capacity - \$0.00

2. Energy

A base payment per kWh of energy as listed below for the appropriate calendar years:

Year	0-50 MW	50-100 MW
1982	1.463 cents	1.421 cents
1983	1.535 cents	1.499 cents
1984	1.686 cents	1.659 cents
1985	1.625 cents	1.596 cents
1986	1.732 cents	1.711 cents
1987	1.897 cents	1.870 cents

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6/11/2008
1/11/2002

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: *Stephan D. Bire*

DATE OF ISSUE: January 1, 1998

DATE EFFECTIVE: January 1, 1998

ISSUED BY:

D.W. Brewer
(Name of Officer) *oap*

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 97-424 Dated: December 12, 1997

CLASSIFICATION OF SERVICE

Cogeneration and Small Power Production Rate Schedule - Continued

TERMS AND CONDITIONS

1. All payments due the seller are payable on or before the twentieth day of the month following the month for which payment is due unless other arrangements are specifically contracted for.
2. All power from qualifying facilities will be sold to Blue Grass Energy.
3. Seller shall provide good quality electric power within reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
4. Seller shall provide reasonable protection for the Blue Grass Energy system and East Kentucky Power System including, but not limited to, the following:
 - a. Synchronization
 - b. Phase and Ground Faults
 - c. High or Low Voltage
 - d. High or Low Frequency
5. Seller shall provide lockable disconnect switch accessible at all times by Blue Grass Energy and East Kentucky Power personnel.
6. Seller shall design, construct, install, own, operate, and maintain the qualifying facility in accordance with all applicable codes, laws, regulation and generally accepted utility practice.
7. Seller's plans must be approved by Blue Grass Energy and East Kentucky Power Cooperative.

C
6/11/2008
1/11/2002

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURSUANT TO 807 KAR 5.011

DATE OF ISSUE: January 1, 1998

DATE EFFECTIVE: January 1, 1998

ISSUED BY:

D. W. Brewer
(Name of Officer) *sep*

TITLE: President/CEO

CLASSIFICATION OF SERVICE

Cogeneration and Small Power Production Rate Schedule - Continued

TERMS AND CONDITIONS - Continued

- 8. Seller shall maintain operations and maintenance records including start-up and down time.
- 9. Seller shall reimburse Blue Grass Energy for any additional costs as a result of interconnecting with the seller including operation, maintenance, administration and billing expense.
- 10. Seller shall allow 24 hours access to all metering equipment for Blue Grass Energy and East Kentucky Power personnel.
- 11. Seller shall contract with member cooperative for stand-by power to meet seller's power needs when seller's generation is down.
- 12. Seller shall provide space for the interconnection facility at no cost to Blue Grass Energy or East Kentucky Power Cooperative.
- 13. Seller agrees to indemnify and hold harmless Blue Grass Energy, East Kentucky Power Cooperative, their directors, officers, employees or agents from all actions except as may be solely caused by them.
- 14. Seller shall obtain insurance in at least the following amounts for each occurrence:
 - a. Public Liability for Bodily Injury - \$1,000,000
 - b. Property Damage - \$500,000
- 15. Seller shall have sole responsibility for the safety and electrical protection of seller's facilities.
- 16. Initial contract term shall be for a minimum of two years. Contract may be terminated by Blue Grass Energy for a material breach by seller of its obligation upon 30 days notice.

C
6/1/2008
1/1/2002

PUBLIC SERVICE COMMISSION
OF KENTUCKY

JAN 01 1998

PURSUANT TO 807 KAR 501.1
SECTION 4(1)

DATE OF ISSUE: January 1, 1998

DATE EFFECTIVE: January 1, 1998

ISSUED BY: D W Brauder
(Name of Officer) *asp*

TITLE: President/CEO

CLASSIFICATION OF SERVICE

LP-1 Large Power - Continued

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of this maximum demand is less than 85%, the demand for billing purposes shall be demand as indicated or recorded by the demand meter multiplied by 85% and divided by the per cent factor.

MINIMUM CHARGE

The minimum monthly charge shall be one of the following charges as determined for the consumer in question:

- (a) The minimum monthly charge as specified in the contract.
- (b) A charge of \$0.75 per KVA per month of contract capacity.
- (c) A charge of \$25.00.



PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

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2011
BY *[Signature]*

DATE OF ISSUE: January 1, 1998

DATE EFFECTIVE: January 1, 1998

ISSUED BY:

D. W. Brewer
(Name of Officer)

TITLE: President/CEO

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-1 - Continued

BILLING DEMAND - Continued

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

MINIMUM MONTHLY CHARGE

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

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh.
- (c) The Consumer charge.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 0.90 (90%), the demand for billing purposes shall be demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE



JAN 01 1998

PURSUANT TO 807 KAR 6011,
SECTION 9 (1)
By: [Signature]

DATE OF ISSUE: January 1, 1998

DATE EFFECTIVE: January 1, 1998

ISSUED BY: *D. W. Brewer*
(Name of Officer) *dep*

TITLE: President/CEO

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-1 - Continued

BILLING DEMAND - Continued

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

CANCELLED
 1/1/2002
~~SEP 01 2008~~
 KENTUCKY PUBLIC
 SERVICE COMMISSION

MINIMUM MONTHLY CHARGE

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

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh.
- (c) The Consumer charge.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 0.90 (90%), the demand for billing purposes shall be demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURSUANT TO 807 KAR 0011,
SECTION 2 (1)

Dr. Stewart

DATE OF ISSUE: January 1, 1998

DATE EFFECTIVE: January 1, 1998

ISSUED BY: *D. W. Brewer*
(Name of Officer) *dep*

TITLE: President/CEO

CLASSIFICATION OF SERVICE

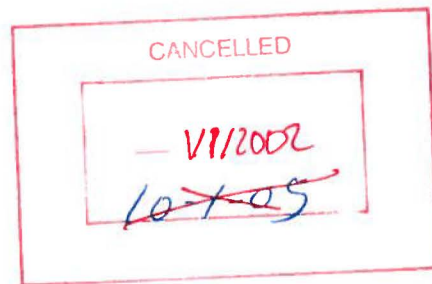
Large Industrial Rate - Schedule C-1 - Continued

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line loss will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all applicable provisions as set out in 807 KAR 5.056.

SPECIAL PROVISIONS

1. Delivery Point - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.
All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.
2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the Consumer.



PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURSUANT TO 807 KAR 5:011,
SECTION 8 (1)
Dr. Steven D. Bell

DATE OF ISSUE: January 1, 1998

DATE EFFECTIVE: January 1, 1998

ISSUED BY:

D. W. Brewer
(Name of Officer) *dep*

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 97-424 Dated: December 12, 1997

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-1 - Continued

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line loss will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all applicable provisions as set out in 807 KAR 5.056.

SPECIAL PROVISIONS

1. Delivery Point - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.
All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.
2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the Consumer.

CANCELLED
1/1/2008
~~SEP 01 2008~~
KENTUCKY PUBLIC
SERVICE COMMISSION
PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURSUANT TO 807 KAR 5.011,
SECTION 2 (1)

by Steven D. Bell

DATE OF ISSUE: January 1, 1998

DATE EFFECTIVE: January 1, 1998

ISSUED BY:

D. W. Brewer
(Name of Officer) *dep*

TITLE: President/CEO

CLASSIFICATION OF SERVICE

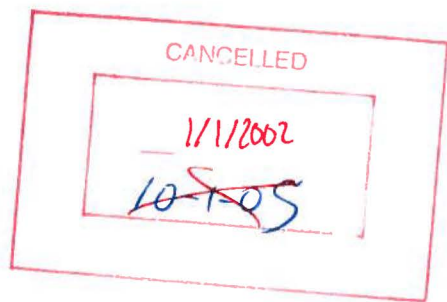
Large Industrial Rate - Schedule C-1 - Continued

TERMS OF PAYMENT

The above rates are net, and payment shall be due by the twenty-fourth (24th) of each month. The gross rates are 5% higher. In the event the current monthly bill is not paid within fifteen (15) days from the due date of the bill, the gross rate shall apply.

TEMPORARY SERVICE

Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.



PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)
BY: Stewart Bell

DATE OF ISSUE: January 1, 1998

DATE EFFECTIVE: January 1, 1998

ISSUED BY:

D. W. Brewer
(Name of Officer) *dep*

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 97-424 Dated: December 12, 1997

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-1 - Continued

TERMS OF PAYMENT

The above rates are net, and payment shall be due by the twenty-fourth (24th) of each month. The gross rates are 5% higher. In the event the current monthly bill is not paid within fifteen (15) days from the due date of the bill, the gross rate shall apply.

TEMPORARY SERVICE

Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.



PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURSUANT TO 207 KAR 5.011,
SECTION 12 (1)

[Signature]

DATE OF ISSUE: January 1, 1998

DATE EFFECTIVE: January 1, 1998

ISSUED BY:

[Signature: D. W. Brewer]
(Name of Officer) *aep*

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 97-424 Dated: December 12, 1997

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-2 - Continued

BILLING DEMAND - Continued

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

Minimum Monthly Charge

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

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh.
- (c) The consumer charge.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 0.90 (90%), the demand for billing purposes shall be demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.

1/1/2002
~~*6-1-05*~~

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURSUANT TO 207 KAR 5011

DATE OF ISSUE: January 1, 1998

DATE EFFECTIVE: January 1, 1998

ISSUED BY:

D. W. Brewer
(Name of Officer) *sep*

TITLE: President/CEO

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-2 - Continued

BILLING DEMAND - Continued

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

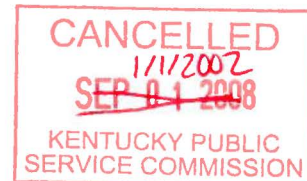
Minimum Monthly Charge

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

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh.
- (c) The consumer charge.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 0.90 (90%), the demand for billing purposes shall be demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.



PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PUBLIC SERVICE COMMISSION OF KENTUCKY KAR 5011

DATE OF ISSUE: January 1, 1998

DATE EFFECTIVE: January 1, 1998

ISSUED BY:

D. W. Brewer
(Name of Officer)

TITLE: President/CEO

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-2 - Continued

FUEL ADJUSTMENT CLAUSE

This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all applicable provisions as set out in 807 KAR 5.056.

SPECIAL PROVISIONS

1. Delivery Point - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.
2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to the consumer's transformer structure unless otherwise specified in the contract for electric service. All wiring, pole lines, and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.



PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE DATE

JAN 01 1998

DATE OF ISSUE: January 1, 1998

PURSUANT TO 807 KAR 5.056
DATE EFFECTIVE: January 1, 1998

ISSUED BY: D. W. Brainerd
(Name of Officer) *cep*

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 97-424 Dated: December 12, 1997

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-2 - Continued

TERMS OF PAYMENT

The above rates are net, and payment shall be due by the twenty-fourth (24th) of each month. The gross rates are 5% higher. In the event the current monthly bill is not paid within fifteen (15) days from the due date of the bill, the gross rate shall apply.

TEMPORARY SERVICE

Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.



PUBLIC SERVICE COMMISSION
OF KENTUCKY
OFFICE

JAN 01 1998

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: *Stephan D. Bell*

DATE OF ISSUE: January 1, 1998

DATE EFFECTIVE: January 1, 1998

ISSUED BY:

D. W. Brewer
(Name of Officer) *awp*

TITLE: President/CEO

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-3 - Continued

BILLING DEMAND - Continued

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

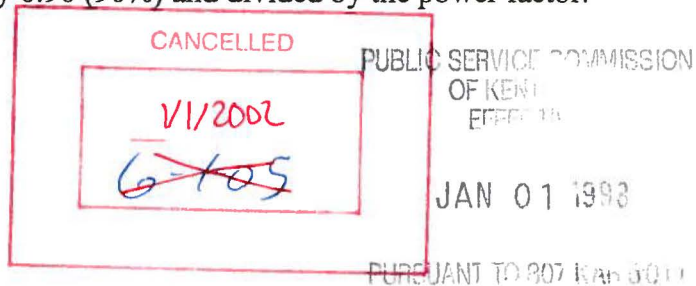
Minimum Monthly Charge

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

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh.
- (c) The consumer charge.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 0.90 (90%), the demand for billing purposes shall be demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.



DATE OF ISSUE: January 1, 1998

DATE EFFECTIVE: January 1, 1998

ISSUED BY: D. W. Brewer
(Name of Officer) *sep*

TITLE: President/CEO

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-3 - Continued

FUEL ADJUSTMENT CLAUSE

This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all applicable provisions as set out in 807 KAR 5.056.

SPECIAL PROVISIONS

1. Delivery Point - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.

All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.

2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to the consumer's transformer structure unless otherwise specified in the contract for electric service. All wiring, pole lines, and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.



PUBLIC SERVICE COMMISSION
OF KENTUCKY
DIRECTIVE

JAN 01 1998

PURCHASE 10-807 KAR 5.011
SECTION 8 (1)

DATE OF ISSUE: January 1, 1998

DATE EFFECTIVE: January 1, 1998

ISSUED BY: D. W. Brewer
(Name of Officer) *dep*

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 97-424 Dated: December 12, 1997

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-3 - Continued

TERMS OF PAYMENT

The above rates are net, and payment shall be due by the twenty-fourth (24th) of each month. The gross rates are 5% higher. In the event the current monthly bill is not paid within fifteen (15) days from the due date of the bill, the gross rate shall apply.

TEMPORARY SERVICE

Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.



PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURSUANT TO 807 KAR 0011,
SECTION 8 (1)

BY: Stephen D. Smith
SECRETARY

DATE OF ISSUE: January 1, 1998

DATE EFFECTIVE: January 1, 1998

ISSUED BY:

D. W. Brewer
(Name of Officer) *dfp*

TITLE: President/CEO

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-1 - Continued

MINIMUM MONTHLY CHARGE

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

- (a) Consumer Charge
- (b) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand, multiplied by the in excess of contract demand charge.
- (c) The product of the contract demand multiplied by 425 hours and the energy charge per kWh.
- (d) Contract provisions that reflect special facilities requirements.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 0.90 (90%), the demand for billing purposes shall be demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.

FUEL ADJUSTMENT CLAUSE

This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all applicable provisions as set out in 807 KAR 5.056.



PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

DATE OF ISSUE: January 1, 1998

DATE EFFECTIVE: January 1, 1998

ISSUED BY:

D. W. Brewer
(Name of Officer) *awp*

TITLE: President/CEO

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-2 - Continued

SPECIAL PROVISIONS

1. Delivery Point - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.

All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.

2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to the consumer's transformer structure unless otherwise specified in the contract for electric service. All wiring, pole lines, and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the Consumer.

TERMS OF PAYMENT

The above rates are net, and payment shall be due by the twenty-fourth (24th) of each month. The gross rates are 5% higher. In the event the current monthly bill is not paid within fifteen (15) days from the due date of the bill, the gross rate shall apply.

TEMPORARY SERVICE

Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.

CANCELLED
1/1/2002
~~6705~~

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURQUANT TO 807 KAR 5011,
SECTION 2(1)

DATE OF ISSUE: January 1, 1998

DATE EFFECTIVE: January 1, 1998

ISSUED BY:

D. W. Brewer
(Name of Officer)

TITLE: President/CEO

For Fox Creek District
Community, Town or City
P.S.C. No. 3
1st Revision Sheet No. 58

Blue Grass Energy
Name of Issuing Corporation

Cancelling P.S.C. No. 2
Original Sheet No. 58

CLASSIFICATION OF SERVICE

SCHEDULE R RESIDENTIAL RATE
Availability of Service PER UNIT

Available in all territory served by the Cooperative, in accordance with the Cooperative's Service Rules and Regulations.

Applicability

Applicable for residential use and for use incidental thereto supplied through one meter to each individual unit where the load requirements can be met by transformers having a capacity not to exceed 25 kVA. The capacity on individual motors served under this schedule may not exceed ten (10) horsepower.

Type of Service

Single-phase, 60 hertz, at 120/240 standard secondary voltage, or where available, three phase, 60 hertz, 4 wire 120/240 standard secondary voltage.

Monthly Rate

Minimum bill first 30 kwh per month \$5.39 per month ¹⁹⁹⁹ DEC 20 ~~1999~~

All over 30 kwh per month 0.05731

Minimum Monthly

The minimum monthly charge under the above rate shall be \$.90 per KVA of transformer capacity but in no case less than \$5.39.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
PURSUANT TO KYR 8011,
SECTION 6 (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION
CANCELLED
1/1/2002

DATE OF ISSUE December 28, 1999 DATE EFFECTIVE December 20, 1999
ISSUED BY [Signature] TITLE President/CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY in Case No. 99-311 dated December 20, 1999.

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 59
Cancelling P.S.C. No. _____
Sheet No. _____

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE R RESIDENTIAL RATE
PER UNIT
Terms of Payment

In the event the current monthly bill is not paid within fifteen (15) days from the date of the bill, five percent (5%) shall be added to the bill.

Fuel Adjustment Clause

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kwh equal to the fuel adjustment amount per kwh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12 month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

CANCELLED
1/17/2007
~~SEP 01 2008~~
KENTUCKY PUBLIC
SERVICE COMMISSION

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: Stephan D. Bledsoe
SECRETARY OF THE COMMISSION

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY DW Bremer TITLE President/CEO
Name of Officer pm

Issued by authority of an Order of the Public Service Commission of KY
in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 61
Cancelling P.S.C. No. _____
Sheet No. _____

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE C COMMERCIAL AND SMALL POWER RATE
Determination of Billing Demand PER UNIT

The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen (15) consecutive minutes during the month for which the bill is rendered as indicated or recorded by a demand meter and adjusted for power as follows.

Power Factor Adjustment

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserved the right to measure such power factor at any time. Should such measurements indicate that the power factor at the time of a consumer's maximum demand is less than 80%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by .80 and divided by the percent power factor.

CANCELLED
1/17/2002
SEP 04 2008
PUBLIC SERVICE COMMISSION

Terms of Payment

In the event the current monthly bill is not paid within fifteen (15) days from the date of the bill, five percent (5%) shall be added to the bill.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Fuel Adjustment Clause

All rates are applicable to the Fuel Adjustment Clause and ^{JAN 01 1998} be increased or decreased by an amount per kwh equal to the fuel adjustment amount per kwh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12 month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

807 KAR 5:011,
SECTION 2 (1)
bill

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY DW Brewer TITLE President/CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 63
Cancelling P.S.C. No. _____
Sheet No. _____

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE L LARGE POWER SERVICE (50 TO 200 kw) RATE
Power Factor Adjustment PER UNIT

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at any time. Should such measurements indicate that the power factor at the time of the consumer's maximum demand is less than 80%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by .80 and divided by the percent power factor.

CANCELLED
1/1/2002
~~SEP 04 2008~~
KENTUCKY PUBLIC
SERVICE COMMISSION

Minimum Annual Charge for Seasonal Service

Consumer requiring service only during certain seasons not exceeding nine (9) months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section in which case there shall be no minimum monthly charge.

Conditions of Services

- (1) Motors having a rated capacity in excess of 10 horsepower.
- (2) All wiring, pole lines, and other electrical equipment beyond the metering point shall be considered the distribution system of the consumer and shall be furnished and maintained by the consumer.
- (3) If service is furnished at primary distribution voltage, a discount of ten (10) percent shall apply to the demand and energy charges; and if the minimum charge is based on transformer capacity, a discount of ten (10) percent shall also apply to the minimum charge. However, the cooperative shall have the option of metering at secondary voltage and adding the estimated transformer losses to the metered kilowatt hours and kilowatt demand.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
JAN 01 1998
FEB 11 2011

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY W. Brewer TITLE President/CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 64
Cancelling P.S.C. No. _____
Sheet No. _____

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE L LARGE POWER SERVICE (50 TO 200 kw) RATE
Terms of Payment PER UNIT

In the event the current monthly bill is not paid within fifteen (15) days from the date of the bill, five percent (5%) shall be added to the bill.

Fuel Adjustment Charge

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kwh equal to the fuel adjustment amount per kwh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12 month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.



PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURSUANT TO 807 KAR 0011,
SECTION 9(1)
BY: Stewart
MEMBER OF THE COMMISSION

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY D.W. Brewer TITLE President/CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
Community, Town or City
P.S.C. No. 2
Original Sheet No. 65
Cancelling P.S.C. No. 1
Sheet No. 65

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE A RURAL LIGHTING & COMMUNITY STREET LIGHTING RATE PER UNIT

(1) The Cooperative will furnish, install and make all necessary electrical connections at no expense to the member, a lighting unit of 175 watts, 120 volts, mercury vapor on an existing cooperative owned pole at a location suitable to both parties.

(2) The Cooperative shall furnish electric power to the lighting unit which shall be controlled by a photocell to energize the unity from dusk to dawn.

(3) Service for the above unit shall be unmetered and billed on the members monthly bill for other electrical service furnished by the Cooperative at the rate of \$5.08 each and every month.

(4) The Cooperative will maintain the unit free of charge. Burned out lamps will be replaced by the Cooperative's service personnel.

(5) The member agrees to furnish the location for the lighting unit and shall permit any tree trimming required for the conductors of unit installation.

(6) The member further agrees that the unit, together with the poles and conductors, may be removed at any time by the cooperative upon failure of the member to pay the charges set forth herein in accordance with the cooperative's established rules for billing and collecting electric accounts.

(7) The minimum term for this agreement shall be one year. Service may be terminated by the member upon any anniversary date of this agreement.

(8) It is mutually agreed that the unit installed remain the property of the Cooperative in its premises and in the event of loss or damage to the Cooperative's property arising from negligence of member to care for same, the cost of necessary repair or replacement shall be paid by the member.

(9) It is mutually agreed that service interruptions to the lighting unit shall be reported by the member to the cooperative. Replacement of lamps and all other necessary repairs shall be made only during the regular working hours of the Cooperative's service personnel as soon as possible after notice of such interruption of service is received.

CANCELLED
SEP 01 2008
1/1/2002
KENTUCKY PUBLIC
SERVICE COMMISSION

DATE OF ISSUE April 9, 1999 DATE EFFECTIVE May 1, 1999
ISSUED BY *R. W. Brewer* TITLE President/CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. 98-568 dated March 22, 1999

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 66
Cancelling P.S.C. No. _____
Sheet No. _____

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE A RURAL LIGHTING & COMMUNITY STREET LIGHTING RATE
PER UNIT

No reductions will be made to the member's monthly charge under this agreement for service interruption time due to the lamp failure or other cause beyond the control of the cooperative.

(10) The monthly kilowatt hours consumption for each light is determined by multiplying the watts input of each light times the annual hours the light is in use.

Type	Size	Watts Input	Hours Used	Kwh/Yr	Kwh/Month
Sodium	100w	120	4,000	480	40

CANCELLED
1/1/2002
~~SEP 01 2008~~
KENTUCKY PUBLIC
SERVICE COMMISSION

Fuel Adjustment

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kwh equal to the fuel adjustment amount per kwh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12 month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY DW Brewer TITLE President/CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. 97-424 dated December 12, 1997.

**CLASSIFICATION OF SERVICE
SECURITY LIGHTS**

APPLICABLE

Entire territory served

AVAILABILITY

Available to all consumers of the Cooperative subject to its established rules and regulations.

RATE PER LIGHT PER MONTH

175 Watt Mercury Vapor	\$ 4.55	
400 Watt Mercury Vapor	\$ 6.52	
100 Watt High Pressure Sodium	\$ 4.86	
250 Watt High Pressure Sodium	\$ 6.76	
400 Watt Metal Halide Directional Flood	\$10.24	(a)

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line loss will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all applicable provisions as set out in 807 KAR 5.056.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

C
5/1/2003
1/1/2002

MAY 01 2000

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: April 9, 1999

DATE EFFECTIVE: May 1, 1999

ISSUED BY: _____
(Name of Officer)

TITLE: President/CEO

CLASSIFICATION OF SERVICE

STREET LIGHTING

APPLICABLE

Entire territory served

AVAILABILITY

State and local governments subject to established rules and regulations.

RATES PER LIGHT PER MONTH

70 Watt High Pressure Sodium (Ornamental)	\$ 5.02
100 Watt High Pressure Sodium (Ornamental)	\$ 6.44
250 Watt High Pressure Sodium (Ornamental)	\$ 8.41
70 Watt High Pressure (Colonial) (15-foot mounting height)	\$ 7.80

C
10/1/2005
1/1/2002

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line loss will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all applicable provisions as set out in 807 KAR 5.056.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

AUG 01 1998

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY: Stephan D. Bee
SECRETARY OF THE COMMISSION

DATE OF ISSUE: July 17, 1998

DATE EFFECTIVE: August 1, 1998

ISSUED BY: [Signature]
(Name of Officer)

TITLE: President/CEO

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

For Fox Creek District
Community, Town or City
P.S.C. No. 3
1st Revision Sheet No. 67

Blue Grass Energy
Name of Issuing Corporation

Cancelling P.S.C. No. 2
Original Sheet No. 67

CLASSIFICATION OF SERVICE

SCHEDULE R2 RESIDENTIAL MARKETING RATE RATE
Availability of Service PER UNIT

This special marketing rate is available for specific marketing programs as approved by Blue Grass Energy's Board of Directors. The electric power furnished under this marketing program shall be separately metered for each point of delivery and is applicable during the below listed off-peak hours. This rate is available to customers already receiving service under the Schedule R Residential Rate. This marketing rate applies only to programs which are expressly approved by the Public Service Commission to be offered under the Marketing Rate of East Kentucky Power Cooperative's Wholesale Power Rate Schedule A.

<u>Months</u>	<u>Off Peak Hours - Est</u>
May through September	10:00 p.m. to 10:00 a.m.
October through April	12:00 noon to 5:00 p.m. 10:00 p.m. to 10:00 a.m.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
1999
DEC 20 ~~1999~~
PURSUANT TO KYR 011,
SECTION 9(1)
BY: Stephan O. Berg
SECRETARY OF THE COMMISSION

Rates

The energy rate for this program is as listed below.

All kwh 0.03439

Terms of Payment

In the event the current monthly bill is not paid within fifteen (15) days from the date of the bill, five percent (5%) shall be added to the bill.

CANCELLED
~~JUN 2002~~
1/1/2002

DATE OF ISSUE December 28, 1999 DATE EFFECTIVE December 20, 1999
ISSUED BY [Signature] TITLE President/CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY in Case No. 99-311 dated December 20, 1999.

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 68
Cancelling P.S.C. No. _____
Sheet No. _____

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE R2 RESIDENTIAL MARKETING RATE RATE
Fuel Adjustment PER UNIT

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kwh equal to the fuel adjustment amount per kwh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12 month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

CANCELLED
1/1/2002
~~SEP 01 2008~~
KENTUCKY PUBLIC
SERVICE COMMISSION

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURSUANT TO 807 KAR 5.011,
SECTION 8 (1)
By: Stefan D. Bue
KENTUCKY PUBLIC SERVICE COMMISSION

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY Stefan D. Bue TITLE President/CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 70
Cancelling P.S.C. No. _____
Sheet No. _____

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE C1 LARGE INDUSTRIAL RATE (1,000 to 4,999 kw) RATE
Minimum Monthly Charge PER UNIT

The minimum monthly charge shall not be less than the sum of
(a) and (b) below:
(a) The product of the billing demand multiplied by the demand charge, plus
(b) The product of the billing demand multiplied by 425 hours and the energy charge per kwh.

CANCELLED
1/1/2002
~~SEP 04 2008~~
KENTUCKY PUBLIC SERVICE COMMISSION

Power Factor Adjustment

The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 0.90 (90%), the demand for billing purposes shall be the demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.

Fuel Adjustment

This rate may be increased or decreased by an amount per kwh equal to the fuel adjustment amount per kwh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12 month moving average of such losses, plus or minus the under or over recovery in the previous month. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

Special Provisions

1. Delivery Point - If service is furnished as secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.

PURSUANT TO 807 KAR 5:011
EFFECTIVE

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY A.W. Brewer TITLE President/CEO
Name of Officer
Issued by authority of an Order of the Public Service Commission of KY
in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 71
Cancelling P.S.C. No. _____
Sheet No. _____

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE C1 LARGE INDUSTRIAL RATE (1,000 to 4,999 kw) RATE PER UNIT

All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.

2. If service is furnished at seller's primary line voltage, the delivery point shall be the point of attachment of seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

Terms of Payment

The above rates are net. The gross rates are 5% higher. In the event the current monthly bill is not paid within fifteen (15) days from the due date of the bill, the gross rate shall apply.

Temporary Service

Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.

CANCELLED
1/1/2002
~~SEP 01 2008~~
KENTUCKY PUBLIC
SERVICE COMMISSION

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)

BY: Shirley D. Bell

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY DW Brewer TITLE President/CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 73
Cancelling P.S.C. No. _____
Sheet No. _____

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE C2 LARGE INDUSTRIAL (5,000 to 9,999 kw) RATE
Minimum Monthly Charge PER UNIT

The minimum monthly charge shall not be less than the sum of
(a) or (b) below:
(a) The product of the billing demand multiplied by the demand charge, plus
(b) The product of the billing demand multiplied by ~~425~~ ^{425 hours} and the energy charge per kwh.

CANCELLED
11/1/2002
~~SEP 01 2008~~
KENTUCKY PUBLIC SERVICE COMMISSION

Power Factor Adjustment

The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 0.90 (90%) the demand for billing purposes shall be the demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.

Fuel Adjustment

This rate may be increased or decreased by an amount per kwh equal to the fuel adjustment amount per kwh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12 month moving average of such losses, plus or minus the under or over recovery in the previous month. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
JAN 01 1998

Special Provisions

1. Delivery Point - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY W W Brewer TITLE President/CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 74
Cancelling P.S.C. No. _____
Sheet No. _____

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE C2 LARGE INDUSTRIAL (5,000 to 9,999 kw) RATE
PER UNIT

All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.

2. If service is furnished at seller's primary line voltage, the delivery point shall be the point of attachment of the seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

Terms of Payment

The above rates are net. The gross rates are 5% higher. In the event the current monthly bill is not paid within fifteen (15) days from the due date of the bill, the gross rate shall apply.

Temporary Service

Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.

CANCELLED
1/1/2002
SEP 01 2008
KENTUCKY PUBLIC
SERVICE COMMISSION

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURSUANT TO 807 KAR 6011,
SECTION 9 (1)

BY: Stephan Bell

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY W Brewer TITLE President/CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 76
Cancelling P.S.C. No. _____
Sheet No. _____

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE C3 LARGE INDUSTRIAL (Over 10,000 kw) RATE
Minimum Monthly Charge PER UNIT

The minimum monthly charge shall not be less than the sum of
(a) and (b) below:
(a) The product of the billing demand multiplied by the demand charge, plus
(b) The product of the billing demand multiplied by 425 hours and the energy charge per kwh.

CANCELLED
1/1/2002
~~SEP 8 2008~~
KENTUCKY PUBLIC SERVICE COMMISSION

Power Factor Adjustment

The consumer agrees to maintain unity power factor as ~~nearly as~~ practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 0.90 (90%) the demand for billing purposes shall be the demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.

Fuel Adjustment

This rate may be increased or decreased by an amount per kwh equal to the fuel adjustment amount per kwh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12 month moving average of such losses, plus or minus under or over recovery in the previous month. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
JAN 01 1998
PERMIT TO 807 KAR 5:011,
SECTION 9(1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Special Provisions

1. Delivery Point - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY D. W. Brewer TITLE President/CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 77
Cancelling P.S.C. No. _____
Sheet No. _____

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE C3 LARGE INDUSTRIAL (Over 10,000 kw) RATE
PER UNIT

All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.

2. If service is furnished at seller's primary line voltage, the delivery point shall be the point of attachment of seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

CANCELLED
1/1/2008
~~SEP 01 2008~~
KENTUCKY PUBLIC
SERVICE COMMISSION

Terms of Payment

The above rates are net. The gross rates are 5% higher. In the event the current monthly bill is not paid within fifteen (15) days from the due date of the bill, the gross rate shall apply.

Temporary Service

Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY W W Brewer TITLE President/CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
Community, Town or City
P.S.C. No. 3
Original Sheet No. 79
Cancelling P.S.C. No. 2
Sheet No. 79

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE M COMMERCIAL & INDUSTRIAL POWER SERVICE (201-500) PER UNIT
Power Factor Adjustment

The consumer agrees to maintain unity power factor as nearly as practicable. The cooperative reserved the right to measure such power factor at any time. Should such measurements indicate that the power factor at the time of the consumer's maximum demand is less than 85%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by .85 and divided by the percent power factor.

CANCELLED
1/1/2002
~~SEP 01 2008~~
KENTUCKY PUBLIC SERVICE COMMISSION

Minimum Annual Charge for Seasonal Service

Consumers requiring service only during certain seasons ^{not} exceeding nine (9) months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section in which case there shall be no minimum monthly charge.

Conditions of Service

- (1) Motors having a rated capacity in excess of 10 horse-power must be three-phase.
- (2) All wiring, pole lines, and other electrical equipment beyond the metering point shall be considered the distribution system of the consumer and shall be furnished and maintained by the consumer.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

NOV 01 2000

FURSUANT TO 807 KAR 5011,
SECTION 9 (1)
BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

Terms of Payment

In the event the current monthly bill is not paid within fifteen (15) days from the date of the bill, five percent (5%) shall be added to the bill.

DATE OF ISSUE September 5, 2000 DATE EFFECTIVE November 1, 2000
ISSUED BY _____ TITLE President/CEO

Name of Officer

Issued by authority of an Order of the Public Service Commission of KY in Case No. 98-568 dated March 22, 1999.

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 80
Cancelling P.S.C. No. _____
Sheet No. _____

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE M COMMERCIAL & INDUSTRIAL POWER SERVICE (201-500) RATE
Fuel Adjustment PER UNIT

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kwh equal to the fuel adjustment amount per kwh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12 month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

CANCELLED
1/1/2002
~~SEP 01 2000~~
KENTUCKY PUBLIC
SERVICE COMMISSION

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY DW Brewer TITLE President/CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
Community, Town or City
P.S.C. No. 3
Original Sheet No. 82
Cancelling P.S.C. No. 2
Sheet No. 82

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

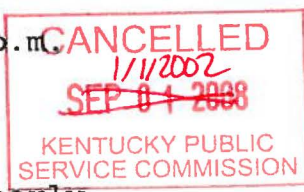
SCHEDULE N INDUSTRIAL & LARGE COMMERCIAL POWER SERVICE (Over 500 kw) RATE PER UNIT

the below listed hours:

<u>Months</u>	<u>Hours - EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Power Factor Adjustment

The consumer agrees to maintain unity power factor as nearly as practicable. The cooperative reserves the right to measure such power factor at any time. Should such measurements indicate that the power factor at the time of the consumer's maximum demand is less than 85%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by .85 and divided by the percent power factor.



(C)
(C)

Minimum Annual Charge for Seasonal Service

Consumers requiring service only during certain seasons not exceeding nine (9) months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section in which case there shall be no minimum monthly charge.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

NOV 01 2000

Conditions of Service

- (1) Motors having a rated capacity in excess of 10 horse-power must be three phase.
- (2) All wiring, pole lines, and other electrical equipment beyond the metering point shall be considered the distribution system of the consumer and shall be furnished and maintained by the consumer.

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE September 5, 2000 DATE EFFECTIVE November 1, 2000
ISSUED BY _____ TITLE President/CEO

Name of Officer

Issued by authority of an Order of the Public Service Commission of KY in Case No. 98-568 dated March 22, 1999.

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 83
Cancelling P.S.C. No. _____
Sheet No. _____

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

INDUSTRIAL & LARGE COMMERCIAL RATE
SCHEDULE N POWER SERVICE (Over 500 kw) PER UNIT
Terms of Payment

In the event the current monthly bill is not paid within fifteen (15) days from the date of the bill, five percent (5%) shall be added to the bill.

Fuel Adjustment

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kwh equal to the fuel adjustment amount per kwh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12 month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

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1/1/2002
~~SEP 01 2008~~
KENTUCKY PUBLIC SERVICE COMMISSION

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: Stephan D Bell

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY Q W Brewer TITLE President/CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY in Case No. 97-424 dated December 12, 1997.

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE B1 LARGE INDUSTRIAL RATE

RATE
PER UNIT

Minimum Monthly Charge

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

- (a) Consumer charge
- (b) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the in excess of contract demand charge.
- (c) The product of the contract demand multiplied by 425 hours and the energy charge per kwh.
- (d) Contract provisions that reflect special facilities requirements.

CANCELLED
1/1/2002
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SERVICE COMMISSION

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OF KENTUCKY
EFFECTIVE

MAY 13 1998

Power Factor Adjustment

The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of the billing demand is less than 0.90 (90%), the demand for billing purposes shall be the demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)
By: Stephan O. Bue
SECRETARY OF THE COMMISSION

Fuel Adjustment

This rate may be increased or decreased by an amount per kwh equal to the fuel adjustment amount per kwh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12 month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

DATE OF ISSUE April 10, 1998 DATE EFFECTIVE ~~April 10, 1998~~

ISSUED BY *W. Brewer* TITLE President/CEO
Name of Officer Wm

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

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE B1 LARGE INDUSTRIAL RATE

RATE
PER UNIT

Special Provisions

1. Delivery Point - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.

All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.

2. If service is furnished at seller's primary line voltage, the delivery point shall be the point of attachment of seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines and other equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

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1/1/2002
~~SEP 01 2008~~
KENTUCKY PUBLIC
SERVICE COMMISSION

Terms of Payment

The above rates are net, and payment shall be due fifteen days from the billing date. The gross rates are 5% higher. In the event the current monthly bill is not paid within fifteen (15) days, the gross rate shall apply.

Temporary Service

Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting or disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 13 1998

PURSUANT TO 807 KAR 5011,
SECTION 9(1)
BY: Stephan Bue
SECRETARY OF THE COMMISSION

DATE OF ISSUE April 10, 1998

DATE EFFECTIVE April 10, 1998

ISSUED BY D.W. Brewer
Name of Officer DM

TITLE President/CEO

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

For Fox Creek District
 Community, Town or City
 P.S.C. No. 1
Original Sheet No. 87
 Cancelling P.S.C. No. _____
 _____ Sheet No. _____

Blue Grass Energy
 Name of Issuing Corporation

CLASSIFICATION OF SERVICE

INTERRUPTIBLE SERVICE RATE
PER UNIT

Standard Rider

This Interruptible Rate is a rider to Rate Schedules M, N, B1
 C1, C2, and C3.

Applicable

In all territory served by the Cooperative.

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 1/1/2007
~~SEP 01 2008~~
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 SERVICE COMMISSION

Availability of Service

This schedule shall be made available to any member where
 that member will contract for an interruptible demand of not
 less than 250 kW and not more than 20,000 kW, subject to a
 maximum number of hours of interruption per year and a notice
 period as listed below.

Monthly Rate

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

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 OF KENTUCKY
 EFFECTIVE
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Annual Hours of Interruption

<u>Notice Minutes</u>	<u>Annual Hours of Interruption</u>		
	<u>200</u>	<u>300</u>	<u>400</u>
10	\$2.70	\$3.15	\$3.60
60	\$2.25	\$2.70	\$3.15

PURSUANT TO 807 KAR 6011,
 SECTION 6 (1)
 BY: Stephan O. Bell

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
 ISSUED BY W Brewer TITLE President/CEO
 Name of Officer

Issued by authority of an Order of the Public Service Commission of KY
 in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 88
Cancelling P.S.C. No. _____
Sheet No. _____

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

INTERRUPTIBLE SERVICE RATE
PER UNIT

Determination of Measured Load - Billing Demand

The monthly billing demand shall be the highest average rate at which energy is used during any fifteen consecutive minute period during the below listed hours:

<u>Months</u>	<u>Hours Applicable for Demand Billing - E.S.T.</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

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1/17/2002
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KENTUCKY PUBLIC
SERVICE COMMISSION

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

Conditions of Service for Member Contract

1. The member will, upon notification by the Cooperative, reduce his load being supplied by the Cooperative to the contract capacity level specified by the contract.

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

3. Service will be furnished under the Cooperative's Rules and Regulations except as set out herein and/or provisions agreed to by written contract.

SUBJECT TO 807 KAR 60.11,
SECTION 9 (1)
BY: Steve J. [Signature]

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY D W Brewer TITLE President/CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 89
Cancelling P.S.C. No. _____
Sheet No. _____

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

INTERRUPTIBLE SERVICE RATE
PER UNIT

Conditions of Service

4. No responsibility of any kind shall attach to the Cooperative for, or on account of, any loss or damage caused by, or resulting from, any interruption or curtailment of this service.

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

6. The minimum original contract period shall be one year and thereafter until terminated by giving at least six months previous written notice. The Cooperative may require a contract be executed for a longer initial term when deemed necessary by the size of the load and other conditions.

7. The Fuel Adjustment Clause, as specified in the prevailing rate schedule is applicable.

Calculation of Monthly Bill

The monthly bill is calculated on the following basis:

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

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY D W Brewer TITLE President/CEO
Name of Officer Pm

Issued by authority of an Order of the Public Service Commission of KY in Case No. 97-424 dated December 12, 1997.

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1/1/2002
~~SEP 01 2000~~

KENTUCKY PUBLIC SERVICE COMMISSION

PUBLIC SERVICE COMMISSION
OF KENTUCKY
ST. LOUIS, MO

JAN 01 1998

PURSUANT TO 807 KAR 5.011,
SECTION 8 (1)

BY: Stephan D Bell

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 90
Cancelling P.S.C. No. _____
Sheet No. _____

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

INTERRUPTIBLE SERVICE RATE
PER UNIT

Number and Duration of Interruptions

A. Winter Season: There shall be no more than two (2) interruptions during any 24 hour calendar day. No interruption shall last more than six (6) hours. (T)

B. Summer Season: There shall be no more than one (1) interruption during any 24 hour calendar day. No interruption shall last more than twelve (12) hours. (T)

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

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1/11/2002
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KENTUCKY PUBLIC
SERVICE COMMISSION

Charge for Failure to Interrupt

If member fails to interrupt load as requested by the Cooperative, the Cooperative shall bill the entire billing demand at a rate equal to five (5) times the applicable firm power demand charge for that billing month.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

AUG 19 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE July 16, 2001 DATE EFFECTIVE August 1, 2001
ISSUED BY [Signature] TITLE President/CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ dated _____.

For Fox Creek District
 Community, Town or City
 P.S.C. No. 1
Original Sheet No. 91
 Cancelling P.S.C. No. _____
 _____ Sheet No. _____

Blue Grass Energy
 Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE CATV - CABLE ANTENNA TELEVISION TARIFF RATE
PER UNIT

Applicability

In all territory served by the company on poles owned and used by the company for their electric plant.

Availability

To all qualified CATV operators having the right to receive service.

Rental Charges

On or about December 31st of each year, the parties acting in cooperation shall tabulate the total number of pole attachments in place and render the rental charges as follows:

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 KENTUCKY PUBLIC SERVICE COMMISSION

	<u>Yearly</u>
Two-party pole attachment	\$2.94
Three-party pole attachment	2.42
Two-party anchor attachment	\$4.12
Three-party anchor attachment	2.74
Two-party pole ground attachment	\$.94
Three-party pole ground attachment	.58

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE

JAN 01 1998

Billing

Rental charges shall be billed yearly based on the number of pole attachments. The rental charges are net, the gross being 5% higher. In the event the bill is not paid within thirty (30) days from the date of the bill, the gross rate shall apply.

PURSUANT TO 807 KAR 60.11,
 SECTION 9 (7)
 PUBLIC SERVICE COMMISSION

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
 ISSUED BY W W Brewer TITLE President/CEO
 Name of Officer W W Brewer

Issued by authority of an Order of the Public Service Commission of KY in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 92
Cancelling P.S.C. No. _____
Sheet No. _____

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE CATV - SPECIAL RULES RATE
Specifications: PER UNIT

- A. The attachment to poles covered by this tariff shall at all times conform to the requirements of the National Electrical Safety Code, 1981 Edition, and subsequent revisions thereof, except where the lawful requirements of public authorities may be more stringent, in which case the latter will govern.
- B. The strength of poles covered by this agreement shall be sufficient to withstand the transverse and vertical load imposed upon them under the storm loading of the National Electrical Safety Code assumed for the area in which they are located.

Establishing Pole Use.

A. Before the CATV operators shall make use of any of the poles of the Cooperative under this tariff, they shall notify the Cooperative of their intent in writing and shall comply with the procedures established by the Cooperative. The CATV operator shall furnish the Cooperative detailed construction plans and drawings for each pole line, together with necessary maps, indicating specifically the poles of the Cooperative, the number and character of the attachments to be placed on such poles, and rearrangements of the Cooperative's fixtures and equipment necessary for the attachment, any relocation or replacements of existing poles, and any additional poles that CATV intends to install.

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1/11/2007
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PUBLIC SERVICE COMMISSION
KENTUCKY PUBLIC SERVICE COMMISSION

The Cooperative shall, on the basis of such detailed construction plans and drawings, submit to the CATV operators a cost estimate (including overhead and less salvage value of materials) of all changes that may be required in each such pole line. Upon written notice by the CATV operators to the Cooperative that the cost estimate is approved, the Cooperative shall proceed with the necessary changes in pole lines covered by cost estimate.

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY D W Brewer TITLE President/CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 93
Cancelling P.S.C. No. _____
Sheet No. _____

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE CATV - SPECIAL RULES RATE
PER UNIT

Upon completion of all changes, the CATV operators shall have the right hereunder to make attachments in accordance with the terms of the application of this tariff. The CATV operators shall, at their own expense, make attachments in such manner as not to interfere with the service of the Cooperative.

B. Upon completion of all changes, the CATV operators shall pay to the Cooperative the actual cost (including overhead and less salvage value of materials) of making such changes. The obligations of the CATV operators hereunder shall not be limited to amounts shown on estimates made by the Cooperative hereunder. An itemized statement of the actual cost of all such changes shall be submitted by the Cooperative to the CATV operators, in a form mutually agreed upon.

C. Any reclearing of existing rights-of-way and any tree trimming necessary for the establishment of pole line attachments hereunder shall be performed by the CATV operators.

D. All poles to which attachments have been made under this tariff shall remain the property of the Cooperative, and any payments made by the CATV operators for changes in pole line under this tariff shall not entitle the CATV operator to the ownership of any of said poles.

E. Any charges necessary for correction of substandard installation made by the CATV operators, where notice of intent had not been requested, shall be billed at rate equal to twice the charges that would have been imposed if the attachment had been properly authorized.

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12/1/2002
~~SEP 04 2000~~
KENTUCKY PUBLIC
SERVICE COMMISSION

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURSUANT TO 507 KAR 5011,
SECTION 2 (1)
(Signature)
COMMISSION

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY *(Signature)* Brewer TITLE President/CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 94

Blue Grass Energy
Name of Issuing Corporation

Cancelling P.S.C. No. _____
Sheet No. _____

CLASSIFICATION OF SERVICE

SCHEDULE CATV - SPECIAL RULES RATE
Easements and Rights-of-Way PER UNIT

The Cooperative does not warrant nor assure to the CATV operators any rights-of-way privileges or easements, and if the CATV operators shall at any time be prevented from placing or maintaining its attachments on the Cooperative's poles, no liability on account thereof shall attach to the Cooperative. Each party shall be responsible for obtaining its own easements and rights-of-way.

Maintenance of Poles, Attachments and Operation

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1/1/1998
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KENTUCKY PUBLIC SERVICE COMMISSION

A. Whenever right-of-way considerations or public regulations make relocation of a pole, or poles necessary, such relocation shall be made by the Cooperative at its own expense, except that each party shall bear the cost of transferring its own attachments.

B. Whenever it is necessary to replace or relocate an attachment, the Cooperative shall, before making such replacement or relocation, give forty-eight (48) hours notice (except in cases of emergency) to the CATV operators, specifying in said notice the time of such proposed replacement or relocation, and the CATV operators shall, at the time so specified, transfer its attachments to the new or relocated pole. Should the CATV operators fail to transfer its attachments to the new or relocated pole at the time specified for such transfer of attachments, the Cooperative may elect to do such work and the CATV operators shall pay the Cooperative the cost thereof.

C. Any existing attachment of CATV which does not conform to the specifications as set out in this tariff hereof shall be brought into conformity therewith as soon as practical. The Cooperative, because of the importance of its service, reserves the right to inspect each new installation of the CATV operator on its poles and in the vicinity of its lines or appurtenances.

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY D W Brewer TITLE President/CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of KY in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
 Community, Town or City
 P.S.C. No. 1
Original Sheet No. 95
 Cancelling P.S.C. No. _____
 _____ Sheet No. _____

Blue Grass Energy
 Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE CATV - SPECIAL RULES RATE
PER UNIT

Such inspection, made or not, shall not operate to relieve the CATV operators of any responsibility, obligations or liability assumed under the tariff.

D. The Cooperative reserves to itself, its successor and assigns, the right to maintain its poles and to operate its facilities thereon in such manner as will, in its own judgement, best enable it to fulfill its own service requirements. The Cooperative shall not be liable to the CATV operators for any interruption of service of CATV operator or for interference with the operation of the cables, wires and appliances of the CATV operators arising in any manner out of the use of the Cooperative's poles hereunder.

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 SERVICE COMMISSION

The Cooperative shall exercise reasonable care to avoid damaging the facilities of the CATV operator, make an immediate report to the CATV operator of the occurrence of any such damage caused by its employees, agents or contractors, and, except for removal for non-payment or for failure to post or maintain the required "Performance Bond", agrees to reimburse the CATV operator for all reasonable cost incurred by the CATV operator for the physical repair of facilities damaged by the negligence of the Cooperative.

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 JAN 01 1998
 KENTUCKY PUBLIC SERVICE COMMISSION
 SECTION 9 (1)
W. Stewart Bell

Inspections

A. Periodic Inspection: Any unauthorized or unreported attachment by CATV operator will be billed at a rate of two times the amount equal to the rate that would have been due had the installation been made the day after the last previously required inspection.

B. Make-Ready Inspection: Any "make-ready" inspection or "walk-through" inspection required of the Cooperative will be paid for by the CATV operators at a rate equal to the Cooperative's actual expenses, plus appropriate overhead charges.

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
 ISSUED BY W. Brewster TITLE President/CEO
 Name of Officer

Issued by authority of an Order of the Public Service Commission of KY in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
 Community, Town or City
 P.S.C. No. 1
Original Sheet No. 96
 Cancelling P.S.C. No. _____
 _____ Sheet No. _____

Blue Grass Energy
 Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE CATV - SPECIAL RULES RATE
Insurance or Bond PER UNIT

A. The CATV operator agrees to defend, indemnify and save harmless the Cooperative from any and all damage, loss, claim, demand, suit, liability, penalty or forfeiture of every kind and nature, including, but not limited to, costs and expense of defending against the same and payment of any settlement or judgement therefor, by reason of (a) injuries or deaths to persons, (b) damages to or destruction of properties, (c) pollutions, contaminations of or other adverse effects on the environment or (d) violations of governmental laws, regulations or orders whether suffered directly by the Cooperative itself, or indirectly by reason of claims, demands or suits against it by third parties, resulting or alleged to have resulted from acts or omissions of the CATV operator, its employees, agents, or other representatives or from their presence on the premises of the Cooperative, either solely or in concurrence with any alleged joint negligence of the Cooperative. The Cooperative shall be liable for sole active negligence.

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 SERVICE COMMISSION

B. The CATV operator will provide coverage from a company authorized to do business in the Commonwealth of Kentucky:

1. Protection for its employees to the extent required by Workmen's Compensation Law of Kentucky.
2. Public liability coverage with separate coverage for each town or city in which the CATV operator operates under this contract to a minimum amount of \$100,000.00 for each person and \$300,000.00 for each accident or personal injury or death, and \$25,000.00 as to the property of any one person, and \$100,000.00 as to any one accident of property damage.

PUBLIC SERVICE COMMISSION
 EFFECTIVE
 JAN 01 1998
 PURSUANT TO 807 KAR 5011,
 SECTION 2 (1)
 BY _____

Before beginning operations under this tariff, the CATV operator shall cause to be furnished to the Cooperative a certificate for such coverage, evidencing the existence of such coverage.

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
 ISSUED BY W. Brewer TITLE President/CEO
 Name of Officer pm

Issued by authority of an Order of the Public Service Commission of KY in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
 Community, Town or City
 P.S.C. No. 1
Original Sheet No. 97
 Cancelling P.S.C. No. _____
 _____ Sheet No. _____

Blue Grass Energy
 Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE CATV - SPECIAL RULES RATE
PER UNIT

Each policy required hereunder shall contain a contractual endorsement written as follows:

"The insurance or bond provided herein shall also be for the benefit of Blue Grass Energy, so as to guarantee, within the coverage limits, the performance by the insured of any indemnity agreement set forth in this tariff. This insurance or bond may not be cancelled for any cause without thirty (30) days advance notice being first given to Blue Grass Energy."

Change of Use Provision

When the Cooperative subsequently requires a change in its pole or attachment for reasons unrelated to CATV operations, the CATV operator shall be given forty-eight (48) hours notice of the proposed change (except in case of emergency). If the CATV operator is unable or unwilling to meet the Cooperative's time schedule for such changes, the Cooperative may do the work and charge the CATV operator its reasonable cost for performing the change of CATV attachments.

PUBLIC SERVICE COMMISSION
OF KENTUCKY

Abandonment

A. If the Cooperative desires at any time to abandon any pole to which CATV operator has attachments, it shall give the CATV operator notice in writing to that effect at least thirty (30) days prior to the date on which it intends to abandon such pole. If, at the expiration of said period, the Cooperative shall have no attachments on such pole, but the CATV operator shall not have removed all of its attachments therefrom, such pole shall thereupon become the property of the CATV operator, and the CATV operator shall save harmless the Cooperative from all obligation, liability, damages, cost, expenses or charges incurred thereafter; and shall pay the

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 1/1/2002
 SEP 01 2000
 KENTUCKY PUBLIC SERVICE COMMISSION

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

AN 01 1998
 PURSUANT TO ORDER 5011,
 SECTION 9 (1)
 S. Schmitt, Bill

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
 ISSUED BY W. Brewer TITLE President/CEO
 Name of Officer

Issued by authority of an Order of the Public Service Commission of KY in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 98
Cancelling P.S.C. No. _____
Sheet No. _____

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE CATV - SPECIAL RULES RATE
PER UNIT

Cooperative for such pole an amount equal to the Cooperative's depreciated cost thereof. The Cooperative shall further evidence transfer to the CATV operator of title to the pole by means of a bill of sale.

B. The CATV operator may at any time abandon the use of the attached pole by giving due notice thereof in writing to the Cooperative and by removing therefrom any and all attachments it may have thereon. The CATV operator shall in such case pay to the Cooperative the full rental for said pole for the then current billing period.

Rights of Others

Upon notice from the Cooperative to the CATV operator that the use of any pole or poles is forbidden by municipal or other public authorities or by property owners, the permit governing the use of such pole or poles shall immediately terminate and the CATV operator shall remove its facilities from the affected pole or poles at once. No refund of any rental will be due on account of any removal resulting from such forbidden use.

Payment of Taxes

Each party shall pay all taxes and assessments lawfully levied on its own property upon said attached poles, and the taxes and the assessments which are levied on said property shall be paid by the owner thereof, but any tax fee, or charge levied on the Cooperative's poles solely because of their use by the CATV operator shall be paid by the CATV operators.

CANCELLED
1/1/2002
~~SEP 01 2000~~
KENTUCKY PUBLIC
SERVICE COMMISSION

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
JAN 01 1998
PURSUANT TO 607 KAR 60.11,
SECTION 6 (1)
BY: Stedward Bell

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY W Brewer TITLE President/CEO
Name of Officer pm

Issued by authority of an Order of the Public Service Commission of KY
in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 99

Blue Grass Energy
Name of Issuing Corporation

Cancelling P.S.C. No. _____
Sheet No. _____
PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

CLASSIFICATION OF SERVICE

JAN 01 1998

SCHEDULE CATV - SPECIAL RULES
Bond or Depositor Performance

RATE
PURSUANT TO 807 KAR 011,
SECTION 8 (1)
BY: Stephan B...

A. The CATV operators shall furnish bond or satisfactory evidence of contractual insurance coverage for the purposes hereinafter specified in the amount of twenty-five thousand dollars (\$25,000.00) until such time as the CATV operator shall occupy twenty-five hundred (2,500) poles of the Cooperative and thereafter the amount thereof shall be increased to increments of one thousand dollars (\$1,000.00) for each one hundred (100) poles (or fraction thereof) occupied by the CATV operator, evidence of which shall be presented to the Cooperative fifteen (15) days prior to beginning construction. Such bond or insurance shall contain the provision that it shall not be terminated prior to six (6) months after receipt by the Cooperative of written notice of the desire of the Bonding or Insurance Company to terminate such bond or insurance. Upon receipt of such notice, the Cooperative shall request the CATV operator to immediately remove its cables, wires, and all other facilities from all poles of the Cooperative. If the CATV operator should fail to complete the removal of all its facilities from the poles of the Cooperative within thirty (30) days after receipt of such request from the Cooperative, then the Cooperative shall have the right to remove them at the cost and expense of the CATV operator and without being liable for any damage to the CATV operator's wires, cables, fixtures, or appurtenances. Such bond or insurance shall guarantee the payment of any sums which may become due to the Cooperative for rentals, inspections or work performed for the benefit to the CATV operator under this tariff, including the removal of attachments upon termination of service by any of its provisions.

B. After the CATV operator has been a customer of the Cooperative and not in default for a period of two years, the Cooperative shall reduce the bond by 50%, or, at the Cooperative's option, require a deposit in keeping with 807 KAR 5:006, Section 7.

CANCELLED
1/1/2002
~~SEP 11 2000~~
KENTUCKY PUBLIC SERVICE COMMISSION

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY W W Brewer TITLE President/CEO
Name of Officer am

Issued by authority of an Order of the Public Service Commission of KY in Case No. 97-424 dated December 12, 1997.

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 100
Cancelling P.S.C. No. _____
Sheet No. _____

Blue Grass Energy
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE CATV - SPECIAL RULES RATE
PER UNIT

Use of Anchors

The Cooperative reserves the right to prohibit the use of any existing anchors by CATV operator where the strength or conditions of said anchors cannot be readily identified by visual inspection.

Discontinuance of Service

The Cooperative may refuse or discontinue serving an applicant or customer under the conditions set out in 807 KAR 5:006, Section 11.

CANCELLED
1/1/2008
~~SEP 01 2008~~
KENTUCKY PUBLIC
SERVICE COMMISSION

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURSUANT TO 807 KAR 5:011,
SECTION 8 (1)
BY: Stephen D. Bell

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY al W Brewer TITLE President/CEO
Name of Officer pm

Issued by authority of an Order of the Public Service Commission of KY
in Case No. 97-424 dated December 12, 1997.