

BLUE GRASS ENERGY COOPERATIVE CORPORATION

COGENERATION AND SMALL POWER PRODUCTION
POWER PURCHASE RATE SCHEDULE OVER 100 kW

AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of over 100 kW which have executed a contract with Blue Grass Energy Cooperative Corporation and East Kentucky Power Cooperative, Inc. for the purchase of electric power by East Kentucky Power Cooperative.

RATES

The rates set forth below shall be used as the basis for negotiating a final purchase rate with qualifying facilities pursuant to Section 7 of 807 KAR 5:054.

1. Capacity

- a. \$54.65 per kW per year is applicable if cogenerator or small power producer is dispatched by East Kentucky Power Cooperative. (I)
- b. \$0.006990 per kWh is applicable if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative. (I)

2. Energy – A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.

a. Time Differentiated Rates:

Year	Winter		Summer		
	On-Peak	Off-Peak	On-Peak	Off-Peak	
2010	\$0.04968	\$0.04128	\$0.05379	\$0.03299*	(R) (I)*
2011	\$0.05067	\$0.04160	\$0.05336	\$0.03158	(R)
2012	\$0.05605	\$0.04570	\$0.05521	\$0.03378	(R)
2013	\$0.05711	\$0.04514	\$0.06094	\$0.03651	(R)
2014	\$0.05858	\$0.04572	\$0.06574	\$0.03934	(N)

b. Non-Time Differentiated Rates:

Year	2010	2011	2012	2013	2014	
Rate	\$0.04497	\$0.04498	\$0.04858	\$0.05054	\$0.05278*	(R) (N)*

**KENTUCKY
PUBLIC SERVICE COMMISSION**

JEFF R. DEBOEN
DIRECTIVE DIVISION

TARIFF BRANCH

DATE EFFECTIVE **6/1/2010**

of Kentucky in KAR 5:011 SECTION 9 (1)

DATE OF ISSUE March 31, 2010
ISSUED BY *Donald Smith*

DATE EFFECTIVE Jur
TITLE: Vice President & CFO

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00128 Dated August 20, 2008

BLUE GRASS ENERGY COOPERATIVE CORPORATION

The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

- Winter (October - April)
- On-Peak** 7:00 a.m. - 12:00 noon
5:00 p.m. - 10:00 p.m.
 - Off-Peak** 12:00 noon - 5:00 p.m.
10:00 p.m. - 7:00 a.m.
- Summer (May - September)
- On-Peak** 10:00 a.m. - 10:00 p.m.
 - Off-Peak** 10:00 p.m. - 10:00 a.m.

TERMS AND CONDITIONS

1. All power from a Qualifying Facility (QF) will be sold only to East Kentucky Power Cooperative.
2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
3. Qualifying Facility (QF) shall provide reasonable protection for EKPC and the member cooperative's system.
4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the Qualifying Facility in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
5. Qualifying Facility shall reimburse EKPC and its member cooperative for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH
DATE EFFECTIVE <u>Jun 6/1/2010</u>
EFFECTIVE 6/1/2010
<small>PURSUANT TO 807 KAR 5:011 SECTION 9 (1)</small>

DATE OF ISSUE March 31, 2010 DATE EFFECTIVE Jun 6/1/2010
ISSUED BY *Donald Smith* TITLE: Vice President & CFO
Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00128 Dated August 20, 2008

BLUE GRASS ENERGY COOPERATIVE CORPORATION

- 6. Qualifying Facility shall obtain insurance in the following minimum amounts for each occurrence:
 - a. Public Liability for Bodily Injury - \$1,000,000.00
 - b. Property Damage - \$500,000.00
- 7. Initial contract term shall be for a minimum of five years.
- 8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.
- 9. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff.
- 10. Updated rates will be filed with the Public Service Commission of Kentucky by March 31 of each year.

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH
DATE EFFECTIVE <u>Jun</u> <i>Brent Kirtley</i>
ISSUED BY <i>J. Ronald Smith</i> TITLE: <u>Vice President & CFO</u> EFFECTIVE 6/1/2010
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

DATE OF ISSUE March 31, 2010

DATE EFFECTIVE Jun

ISSUED BY

J. Ronald Smith

TITLE: Vice President & CFO

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00128 Dated August 20, 2008

BLUE GRASS ENERGY COOPERATIVE CORPORATION

COGENERATION AND SMALL POWER PRODUCTION
POWER PURCHASE RATE SCHEDULE
LESS THAN 100 kW

AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of less than 100 kW which have executed a contract with Blue Grass Energy Cooperative Corporation and East Kentucky Power Cooperative, Inc. for the purchase of electric power by East Kentucky Power Cooperative.

RATES

1. Capacity

- a. \$54.65 per kW per year is applicable if cogenerator or small power producer is dispatched by East Kentucky Power Cooperative. (I)
- b. \$0.006990 per kWh is applicable if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative. (I)

2. Energy – A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.

a. Time Differentiated Rates:

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(R) (I)*
(R)
(R)
(R)
(N)

b. Non-Time Differentiated Rates:

Year	2010	2011	2012	2013	2014
Rate	\$0.04497	\$0.04498	\$0.04858	\$0.05054	\$0.05278

(E) (N)*

KENTUCKY PUBLIC SERVICE COMMISSION

JEFF R. DEROUEN
EXECUTIVE DIRECTOR

TARIFF BRANCH

DATE OF ISSUE March 31, 2010 DATE EFFECTIVE Jun 6/1/2010

ISSUED BY Burt Kirtley TITLE: Vice President & CFO

EFFECTIVE 6/1/2010

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

DATE OF ISSUE March 31, 2010 DATE EFFECTIVE Jun 6/1/2010

ISSUED BY J. Donald Smith TITLE: Vice President & CFO

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00128 Dated August 20, 2008

BLUE GRASS ENERGY COOPERATIVE COPORATION

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10:00 p.m. - 7:00 a.m.

Summer (May - September)

On-Peak 10:00 a.m. - 10:00 p.m.

Off-Peak 10:00 p.m. - 10:00 a.m.

TERMS AND CONDITIONS

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5. Qualifying Facility shall reimburse EKPC and its member cooperative for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

**KENTUCKY
PUBLIC SERVICE COMMISSION**

**JEFF R. DEROUEN
EXECUTIVE DIRECTOR**

TARIFF BRANCH

DATE OF ISSUE March 31, 2010

DATE EFFECTIVE June

ISSUED BY *J. Donald Smith*

TITLE: Vice President & CEO

6/1/2010

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00128 Dated August 20, 2008

PURSUANT TO 907 KAR 5:011 SECTION 9 (1)

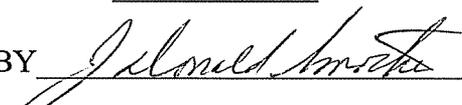
BLUE GRASS ENERGY COOPERATIVE CORPORATION

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DATE OF ISSUE March 31, 2010

DATE EFFECTIVE Jun

ISSUED BY



TITLE: Vice President & CFO

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00128 Dated August 20, 2008

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH
<i>Brent Kirtley</i>
PROJECTIVE 6/1/2010
PERMISSANT TO 807 KAR 5:011 SECTION 9 (1)