PSC CASE 2006-00475 FILING FOR PASS-THROUGH OF EAST KENTUCKY POWER COOPERATIVE, INC. WHOLESALE RATE ADJUSTMENT IN PSC CASE NO. 2006-00472

FILED 1/29/07

C



P.O. Box 990 • 1201 Lexington Road • Nicholasville, Kentucky 40340-0990 Phone: (859) 885-4191 • Fax: (859) 885-2854 • www.bgenergy.com

January 29, 2007

Ms. Elizabeth O'Donnell Executive Director Public Service Commission 211 Sower Boulevard Frankfort, KY 40602

RECEIVED

JAN 29 2007

PUBLIC SERVICE COMMISSION

Re: Blue Grass Energy Pass-Through of East Kentucky Power Cooperative, Inc. Wholesale Rate Adjustment- PSC Case No. 2006-00475

Dear Ms. O'Donnell:

Blue Grass Energy Cooperative Corporation ("Blue Grass Energy") hereby submits to the Public Service Commission (the "Commission"), its Proposed Tariffs and other information required by 807 KAR 5:007 in regard to the pass-through of any wholesale rate adjustment granted to East Kentucky Power Cooperative, Inc., ("EKPC") in PSC Case No. 2006-00472. This filing includes the following:

1. Blue Grass Energy's Proposed Tariffs are attached as Exhibit I.

 The name and filing address of the filing cooperative is: Blue Grass Energy Cooperative Corporation 1201 Lexington Road P.O. Box 990 Nicholasville, KY 40356

3. In accordance with the provisions of KRS 278.455(2), Blue Grass Energy hereby states that the effects of the increase in rates from its wholesale supplier, EKPC, is being passed through to its retail tariffs on a proportional basis and that the rate design structure proposed for each retail rate schedule does not change the rate design currently in effect.

4. A comparison of the current and proposed rates of Blue Grass Energy is attached as Exhibit II.

5. Attached as Exhibit III is a billing analysis which shows the existing and proposed rates for each rate class. EKPC's proposed rate increase to Blue Grass Energy was developed by allocating the proposed wholesale increase on a proportional basis to each major group of customer classes. The proposed increase for EKPC's "B" and "C"

Ms. Elizabeth O'Donnell Page 2 January 29, 2007

industrial classes, and its large load special contracts, was applied to the demand charge for those customers. The remainder of the proposed increase was applied to the energy charge for the "E' customer class. Blue Grass Energy, in turn, followed the same process by first increasing the demand charges for its industrial "B" and "C' rates, as applicable, and then allocating the remaining dollar increase to all remaining classes and increasing the energy charges for those rate schedules. In each instance, the retail rates for a particular class have been developed in a manner that is consistent with the method proposed by EKPC. The proposed rate design structure at retail does not change the rate design currently in effect and is consistent with the rate design methodology used at wholesale.

6. A certification that a copy this filing has been filed with the Office of Rate Intervention, Office of the Attorney General, and is attached as Exhibit IV.

7. Notice of the proposed rate change has been given, not more than thirty (30) days prior to January 29, 2007, by publication in a newspaper of general circulation in the affected area of Blue Grass Energy. A copy of this notice is attached as Exhibit V.

Blue Grass Energy hereby requests that the Commission accept this filing and allow the pass-through to its retail rates of the wholesale rate adjustment granted to EKPC as of the effective date of such adjustment.

Respectfully submitted,

BLUE GRASS ENERGY COOPERATIVE CORPORATION

10

President and Chief Executive Officer

FOR Nicholasville & Madison Districts P.S.C. KY NO.<u>1</u> ORIGINAL SHEET NO. 4

CLASSIFICATION OF SERVICE

GS-2 Off-Peak Retail Marketing Rate (ETS)

AVAILABILITY

Available to consumers eligible for Tariff GS-1, Residential, Farm and Non-Farm Schedule. The electric power and energy furnished under Tariff GS-2, Off Peak Retail Marketing Rate shall be separately metered for each point of delivery. Other power and energy furnished will be billed under GS-1, Residential, Farm and Non-Farm Schedule.

RATES

All kWh/Month: .03849 kWh (I)

SCHEDULE OF HOURS

This rate is only applicable for the below listed off-peak hours:

Months	Off-Peak Hours - EST
October through April	12:00 noon to 5:00 p.m. 10:00 p.m. to 7:00 a.m.
May through September	10:00 p.m. to 10:00 a.m.

DATE OF ISSUE: <u>January 29, 2007</u>

DATE EFFECTIVE: April 1, 2007

ISSUED BY:____

(Name of Officer)

TITLE: <u>President/CEO</u>

FOR Nicholasville & Madison Districts P.S.C. KY NO.<u>1</u> ORIGINAL SHEET NO. 6

CLASSIFICATION OF SERVICE

GS-1 (Residential, Farm and Non-Farm)

APPLICABLE

Entire Territory Served

AVAILABILITY

Available to all consumers of the Cooperative for service including lighting, incidental appliances, refrigeration, cooking, laundry, heating, cooling, and power for motors up to and including 10 horsepower motors; subject to the established rules and regulations.

A farm dwelling and its appurtenances including barns, domestic servant quarters and outbuildings, which processes its own products shall be considered a domestic farm and be classified for the residential rate for all its power requirements.

Individual consumers with a pump-house or other outbuildings located at such a distance from the residence as to make it impractical to supply service through the residential meter, and requiring a separate meter to measure the service, will be billed as a separate meter service under the GS-1 Rate.

TYPE OF SERVICE

Single-phase, 60 cycles, at available secondary voltage.

RATES

Customer Charge (No Usage) Energy Charge per kWh \$5.30 per meter, per month .06414 (I)

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: <u>April 1, 2007</u>

ISSUED BY:____

(Name of Officer)

_____TITLE: _____President/CEO

FOR Nicholasville & Madison Districts P.S.C. KY NO.<u>1</u> ORIGINAL SHEET NO. 10

CLASSIFICATION OF SERVICE

GS-3 (Residential, Farm and Non-Farm Time-of-Day Rate)

APPLICABLE

Entire Territory Served

AVAILABILITY

Available to all consumers eligible for the Tariff GS-1, Residential, Farm and Non-Farm.

TYPE OF SERVICE

Single-phase, to cycles, at available secondary voltage.

RATES:

Customer Charge (No Usage) Energy Charge per kWh On-peak energy Off-peak energy \$10.48 per meter, per month

0.07929 (I) 0.04179 (I)

On-Peak Hours and Off-Peak Hours

 Months
 On-Peak Hours
 Off-Peak Hours

 May through September 10:00 a.m. to 10:00 p.m.
 10:00 p.m. to 10:00 a.m.
 10:00 p.m. to 10:00 a.m.

 October through April 7:00 a.m. to 12:00 noon
 5:00 p.m. to 10:00 p.m.
 10:00 p.m. to 7:00 a.m.

 S:00 p.m. to 10:00 p.m.
 12:00 noon to 5:00 p.m.

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: <u>April 1, 2007</u>

ISSUED BY:____

(Name of Officer)

_____ TITLE: <u>President/CEO</u>

FOR Nicholasville & Madison Districts P.S.C. KY NO.<u>1</u> ORIGINAL SHEET NO. 12

CLASSIFICATION OF SERVICE

C-1 Commercial and Industrial Lighting & Power

APPLICABLE

Entire territory served

AVAILABILITY

Available for commercial, industrial, and three-phase farm service under 50 kW for all uses including lighting, heating and power, subject to the established rules and regulations.

TYPE OF SERVICE

Single-phase and three-phase, 60 cycles, at available secondary voltages. Motors having a rated capacity in excess of 10 horsepower must be three-phase.

RATE

Demand Charge	
First 10 kW of billing demand	No charge
Over 10 kW of billing demand	\$ 6.23
Energy Charge (Under 50 kW)	
First 3,000 kWh	.06839 (I)
All Over 3,000 kWh	.06359 (I)
Customer Charge	\$ 6.95

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: April 1, 2007

(Name of Officer)

TITLE: <u>President/CEO</u>

FOR Nicholasville & Madison Districts P.S.C. KY NO._1 **ORIGINAL SHEET NO. 17**

CLASSIFICATION OF SERVICE

LP-1 Large Power - Continued

RATE

Maximum Demand Charge

\$6.23 per month per kW of billing demand

Energy Charge (51-500 kW)

Customer Charge	\$24.00
First 10,000 kWh	.05331 (I)
Next 15,000 kWh	.04661 (I)
Next 50,000 kWh	.04101 (I)
Next 75,000 kWh	.03871 (I)
All Over 150,000 kWh	.03701 (I)

DATE OF ISSUE: January 29, 2007 DATE EFFECTIVE: April 1, 2007

ISSUED BY:____

(Name of Officer) TITLE: President/CEO

FOR Nicholasville & Madison Districts P.S.C. KY NO.<u>1</u> ORIGINAL SHEET NO. 21

CLASSIFICATION OF SERVICE

LP-2 Large Power - Continued

RATE

Maximum Demand Charge

\$6.23 per month per kW of billing demand

Energy Charge (over 500 kW)

Customer Charge	\$24.00
First 3,500 kWh	.05414 (I)
Next 6,500 kWh	.04587 (I)
Next 140,000 kWh	.04074 (I)
Next 200,000 kWh	.03919 (I)
Next 400,000 kWh	.03827 (I)
Next 550,000 kWh	.03735 (I)
All Over 1,300,000 kWh	.03208 (I)

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.

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY

(Name of Officer)

TITLE: <u>President/CEO</u>

FOR Nicholasville Madison & Fox Creek Districts P.S.C. KY NO. 1 **ORIGINAL SHEET NO. 25**

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 Vapor400 Watt Mercury Vapor100 Watt High Pressure Sodium	\$ 5.33 (I) \$ 8.30 (I) \$ 5.27 (I)
250 Watt High Pressure Sodium	\$ 7.90 (I)
400 Watt Metal Halide Directional Flood	\$12.02 (I)
400 Watt High Pressure Sodium Directional Flood	\$13.05 (I)
100 Watt High Pressure Sodium – Shoebox Fixture	\$16.28 (I)
100 Watt High Pressure Sodium – Acorn Fixture	
(Fiberglas Pole)	\$15.76 (I)
100 Watt High Pressure Sodium – Colonial Fixture	\$13.30 (I)
400 Watt High Pressure Sodium Cobra Head	
(Aluminum Pole)	\$19.48 (I)

ADDITIONAL ORNAMENTAL SERVICE

The Cooperative will, upon request, furnish ornamental poles/fixtures not listed in our current rates of the Cooperative's choosing, together with overhead wiring and all other equipment as needed. The Member will pay this additional cost prior to installation.

DATE OF ISSUE: January 29, 2007 DATE EFFECTIVE: April 1, 2007

ISSUED BY:______ TITLE: <u>President/CEO</u>

FOR Nicholasville Madison & Fox Creek Districts P.S.C. KY NO. 1 **ORIGINAL SHEET NO. 27**

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)	\$ 5.30 (I)
100 Watt High Pressure Sodium (Ornamental)	\$ 6.88 (I)
250 Watt High Pressure Sodium (Ornamental)	\$ 9.64 (I)
70 Watt High Pressure (Colonial)	\$ 8.08 (I)
(15-foot mounting height)	
200 Watt High Pressure Sodium Cobra Head	\$11.69 (I)
(Aluminum Pole)	
100 Watt High Pressure Sodium Cobra Head	\$ 8.61 (I)
(Aluminum Pole)	
100 Watt High Pressure Sodium – Shoebox Fixture	\$16.28 (I)
100 Watt High Pressure Sodium – Acorn Fixture	
(Fiberglas Pole)	\$15.76 (I)
100 Watt High Pressure Sodium – Colonial Fixture	\$13.30 (I)
400 Watt High Pressure Sodium Cobra Head	
(Aluminum Pole)	\$19.48 (I)

ADDITIONAL ORNAMENTAL SERVICE

The Cooperative will, upon request, furnish ornamental poles/fixtures not listed in our current rates of the Cooperative's choosing, together with overhead wiring and all other equipment as needed. The Member will pay this additional cost prior to installation.

DATE OF ISSUE: January 29, 2007 DATE EFFECTIVE: April 1, 2007

ISSUED BY:____

(Name of Officer) TITLE: President/CEO

FOR Nicholasville & Madison Districts P.S.C. KY NO.<u>1</u> ORIGINAL SHEET NO. 26

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-1

AVAILABILITY

Applicable to contracts with demands of 1,000 to 4,999 kW with a monthly energy usage equal to or greater than 425 hours per kW of billing demand. The contracts will be a two-party contract between the Seller and the ultimate consumer.

MONTHLY RATE

Consumer Charge	\$ 535.00
Demand Charge per kW of billing demand	7.29 (I)
Energy Charge per kWh	.03556

BILLING DEMAND

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

(a) The contract demand

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

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISS	UED	BY:	

(Name of Officer)

____TITLE: ____President/CEO

FOR Nicholasville & Madison Districts P.S.C. KY NO.<u>1</u> ORIGINAL SHEET NO. 30

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-2

AVAILABILITY

Applicable to contracts with demands of 5,000 to 9,999 kW with a monthly energy usage equal to or greater than 425 hours per kW of billing demand. These contracts will be a two-party contract between the Seller and the ultimate consumer.

MONTHLY RATE

Consumer Charge	\$1,069.00
Demand Charge per kW of billing demand	7.29 (I)
Energy Charge per kWh	.03056

BILLING DEMAND

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

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

DATE OF ISSUE: <u>January 29, 2007</u>	DATE EFFECTIVE: <u>April 1, 2007</u>
ISSUED BY:	TITLE: <u>President/CEO</u>
Issued by authority of an Order of t	he Public Service Commission of Kentu

FOR Nicholasville & Madison Districts P.S.C. KY NO._1 ORIGINAL SHEET NO. 34

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-3

AVAILABILITY

Applicable to contracts with demands of 10,000 kW and over with a monthly energy usage equal to or greater than 425 hours per kW of billing demand. These contracts will be a two-party contract between the Seller and the ultimate consumer.

MONTHLY RATE

Consumer Charge	\$1,069.00
Demand Charge per kW of billing demand	7.29 (I)
Energy Charge per kWh	.02956

BILLING DEMAND

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

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

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: <u>April 1, 2007</u>

ISSUED BY:____

(Name of Officer)

TITLE: President/CEO

FOR Nicholasville & Madison Districts P.S.C. KY NO.<u>1</u> ORIGINAL SHEET NO. 38

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-1

AVAILABILITY

Applicable to contracts with demands of 1,000 kW to 3,999 kW with a monthly energy usage equal to or greater than 425 hours per kW of billing demand.

MONTHI	LY RATE
--------	---------

Consumer Charge	\$535.00
Demand Charge per kW of Contract Demand	7.29 (I)
Demand Charge per kW for Billing Demand	
in Excess of Contract Demand	9.72 (I)
Energy Charge per kWh	.03577

BILLING DEMAND

The monthly billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand, during the current month, exceeds the contract demand. The load center's peak demand is highest average rate at which energy is used during any fifteen-minute interval, in the below listed hours for each month, and adjusted for power factor as provided herein:

Months	Hours Applicable for
	Demand Billing - EST
October through April	7:00 a.m. to 12:00 noon
	5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10 p.m.
DATE OF ISSUE: <u>January 29, 20</u>	DATE EFFECTIVE: <u>April 1, 2007</u>
ISSUED BY:	TITLE: <u>President/CEO</u>
(Name of Officer)	
Issued by authority of an	Order of the Public Service Commission of Kentucky
in Case	

FOR Nicholasville & Madison Districts P.S.C. KY NO.<u>1</u> ORIGINAL SHEET NO. 42

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-2

AVAILABILITY

Applicable to contracts with demands of 4,000 kW and greater with a monthly energy usage equal to or greater than 425 hours per kW of contract demand.

MONTHL	Y	RATE	
--------	---	------	--

Consumer Charge	\$1,069.00
Demand Charge per kW of Contract Demand	7.29 (I)
Demand Charge per kW for Billing Demand	
in Excess of Contract Demand	9.72 (I)
Energy Charge per kWh	.03077

BILLING DEMAND

The monthly billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand, during the current month, exceeds the contract demand. The load center's peak demand is highest average rate at which energy is used during any fifteen-minute interval, in the below listed hours for each month, and adjusted for power factor as provided herein:

in Case No.: _____ Dated: _____

<u>Months</u>	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.
DATE OF ISSUE: <u>January 29, 20</u>	07 DATE EFFECTIVE: <u>April 1, 2007</u>
ISSUED BY:	TITLE: President/CEO
(Name of Officer)	
Issued by authority of an O	Order of the Public Service Commission of Kentucky

EXHIBIT I Page 14 of 31

RATE

	For <u>Fox Creek District</u>
	Community, Town or City
	P.S.C. No. 1
	Original Sheet No. 58
Blue Grass Energy	
Name of Issuing Corporation	Cancelling P.S.C. No.
	Sheet No.

CLASSIFICATION OF SERVICE

SCHEDULE R	RESIDENTIAL	PER UNIT
Availability	of Service	

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
All over	30 kwh per month	0.06853 (I)

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.

DATE OF ISSUE January 29, 2007	DATE EFFECTIVE April 1, 2007
ISSUED BY Name of Officer	TITLE President/CEO
Issued by authority of an Order of in Case No.	the Public Service Commission of KY Dated

	For <u>Fox Creek District</u>
	Community, Town or City
	P.S.C. No. 1
	Original Sheet No. 60
Blue Grass Energy	
Name of Issuing Corporation	Cancelling P.S.C. No.
	Sheet No

CLASSIFICATION OF SERVICE

<u></u>				RAT	ΓE
SCHEDULE C	COMMERCIAL AND	SMALL	POWER	PER	UNIT
Availability					

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

Applicability

Applicable to all commercial and industrial consumers for all uses including lighting and power where the load requirements can be met by transformers having a capacity less than 50 kva.

Type of Service

Single-phase and three-phase, 60 hertz, at available secondary voltages. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity in excess of ten (10) horsepower.

Monthly Rate

First Over	billing demand billing demand	2
Minimum Bill All Over	L	\$5.39 per month 0.07285 per kwh (I)

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.

DATE OF ISSUEJanuary 29, 2007	DATE EFFECTIVE April 1, 2007
ISSUED BYName of Officer	TITLE President/CEO
	the Public Service Commission of KY
in Case No.	Dated

EXHIBIT I Page 16 of 31

Blue Grass Energy

Name of Issuing Corporation

Community, Town or City P.S.C. No. 1 Original Sheet No. 62

Fox Creek District

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

CLASSIFICATION OF SERVICE

For

								RATI	2
SCHEDULE L	LARGE P	OWER	SERVICE	(50	ТО	200	kw)	PER	UNIT
		,							

Availability

Available to consumers located on or near the Cooperative's three phase lines for all types of usage, in accordance with the Cooperative's Service Rules and Regulations.

Applicability

Applicable to all electric service where the load requirements make necessary transformers having a capacity equal to or in excess of 50 kva.

Type of Service

Single-phase or multi-phase, 60 hertz, at standard voltage.

Monthly Rate

Demand Charge per kw of billing demand \$3.18 First 50 kwh per kw of billing demand 0.07586 per kwh (I) Next 100 kwh per kw of billing demand 0.07186 per kwh (I) Over 150 kwh per kw of billing demand 0.06196 per kwh (I)

Monthly Minimum

(1) Contract minimum
(2) \$.90 per kva of transformer capacity
(3) \$30.00

Determination of Billing Demand

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

DATE OF ISSUE January 29, 2007	DATE EFFECTIVE April 1, 2007
ISSUED BYName of Officer	TITLE President/CEO
Issued by authority of an Order of in Case No	the Public Service Commission of KY Dated

EXHIBIT I Page 17 of 31

RATE

	For <u>Fox Creek District</u> Community, Town or City
	P.S.C. No. 1
	Original Sheet No. 67
Blue Grass Energy	
Name of Issuing Corporation	Cancelling P.S.C. No
-	Sheet No

CLASSIFICATION OF SERVICE

SCHEDULE R2	RESIDENTIAL	MARKETING	RATE	PER UNIT
Availability	of Service			

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.

Months	<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.

Rates

The energy rate for this program is as listed below.

All kwh

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 January 29, 2007	DATE EFFECTIVE April 1, 2007
ISSUED BYName of Officer	TITLE President/CEO
	the Public Service Commission of KY Dated

0.04112 (I)

EXHIBIT I Page 18 of 31

\$0.03537 per kwh

	For Fox Creek District
	Community, Town or City
	P.S.C. No. 1
	Original Sheet No. 69
Blue Grass Energy	
Name of Issuing Corporation	Cancelling P.S.C. No.
	Sheet No
CLASSIFICATION	OF SERVICE
	RATE
SCHEDULE C1 LARGE INDUSTRIAL RATE	(1,000 to 4,999 kw) PER UNIT
Availability	
Applicable to contracts with demand of	1,000 to 4,999 kw with

Applicable to contracts with demand of 1,000 to 4,999 kw with a monthly energy usage equal to or greater than 425 hours per kw of billing demand. These contracts will be between the cooperative association and the ultimate consumer subject to the approval of East Kentucky Power Cooperative. The electric power and energy furnished hereunder shall be separately metered for each point of delivery.

Monthly Rate

Consumer Charge	\$535.00 per month
Demand Charge (per kw of billing demand)	\$7.29 per kw (I)

Energy Charge

Billing Demand

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

Months	Hours Applicable For Demand Billing - EST
occonce constructionTransmi	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.
DATE OF ISSUE January 29, 20	07 DATE EFFECTIVE April 1, 2007
ISSUED BYName of Officer	TITLE President/CEO
Issued by authority of an Orde in Case No.	r of the Public Service Commission of KY Dated

EXHIBIT I Page 19 of 31

	For Fox Creek District
	Community, Town or City
	P.S.C. No1
	Original Sheet No. 72
Blue Grass Energy	
Name of Issuing Corporation	Cancelling P.S.C. No.
	Sheet No
CLASSIFICATIC	N OF SERVICE
CLASSIFICATIC	
	RATE
SCHEDULE C2 LARGE INDUSTRIAL (5,0	000 TO 9,999 KW) PER UNIT
Availability	
Applicable to contracts with demand	of 5,000 to 9,999 kw with
a monthly energy usage equal to grea	iter than 425 hours per kw
of billing demand. These contracts	will be between the
cooperative association and the ulti	mate consumer subject to
the approval of East Kentucky Power	Cooperative. The electric
power and energy furnished hereunder	Shall be separately metered
for each point of delivery.	
Monthly Rate	
Monthly Rate	
Consumer Charge	\$1,069.00 per month
Demand Charge per kw of billing de	emand \$7.29 per kw (I)
с. — — — — — — — — — — — — — — — — — — —	
Energy Charge	\$0.03037
Billing Demand	
The monthly billing demand shall be	the greater of (a) or (b)
listed below:	the grouter of (a, or (a)
(a) The contract demand	
(b) The ultimate consumer's peak de	emand during the current
month or preceding eleven months.	The peak demand shall be
the highest average rate at which en	nergy is used during any
fifteen minute interval in the below	N listed hours for each
month and adjusted for power factor	as provided herein.
<u> </u>	Hour Applicable
Months	<u>for Demand Billing – EST</u>
October through April	7:00 a.m. to 12:00 noon
	5:00 p.m. to 10:00 p.m.
Man the second Contomborg	10:00 a.m. to 10:00 p.m.
May through September	10.00 a.m. 00 10.00 p.m.
DATE OF ISSUE January 29, 2007	DATE EFFECTIVE April 1, 2007
1000HD 21	TITLE President/CEO
Name of Officer	

EXHIBIT I Page 20 of 31

	For <u>Fox Creek District</u> Community, Town or City
	P.S.C. No. 1 Original Sheet No. 75
Blue Grass Energy	~
Name of Issuing Corporation	Cancelling P.S.C. No Sheet No.
CLASSIFICATI	ION OF SERVICE
	RATE
SCHEDULE C3 LARGE INDUSTRIAL (C Availability	Over 10,000 kw) PER UNIT
Applicable to contracts with demand with a monthly energy usage equal t hours per kw of billing demand. Th between the cooperative association subject to the approval of East Ker electric power and energy furnished separately metered for each point of	to or greater than 425 nese contracts will be n and the ultimate consumer ntucky Power Cooperative. The d hereunder shall be
Monthly Rate	
Consumer Charge Demand Charge (per kw of billing	\$1,069.00 per month demand) \$7.29 per kw (I)
Energy Charge	\$0.02937 per kwh
Billing Demand	
The monthly billing demand shall be below: (a) The contract demand (b) The ultimate consumer's peak of month of preceding eleven months. the highest average rate at which of fifteen minute interval in the below month and adjusted for power factor	demand during the current The peak demand shall be energy is used during any ow listed hours for each
Months	Demand Billing - EST
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.
DATE OF ISSUE January 29, 2007	Date EFFECTIVE April 1, 2007
ISSUED BYName of Officer	TITLE President/CEO
Issued by authority of an Order of in Case No.	the Public Service Commission of KY Dated

EXHIBIT I Page 21 of 31

RATE

	For Fox Creek District
	Community, Town or City
	P.S.C. No1
	Original Sheet No. 78
Blue Grass Energy	
Name of Issuing Corporation	Cancelling P.S.C. No.
	Sheet No
	Sheet No

CLASSIFICATION OF SERVICE

SCHEDULE M COMMERCIAL & INDUSTRIAL POWER SERVICE (201-500) PER UNIT Availability

Available to consumers located on or near the cooperative's three phase lines for all types of usage, in accordance with the Cooperative's Service Rules and Regulations.

Applicability

Applicable to all electric service where the load requirements make necessary transformers having a capacity equal to or in excess of 200 kva.

Type of Service

Multi-phase, 60 hertz, at standard voltage.

Monthly Rate

Consumer Chai	rge						\$10	35.00			
Demand Charge	е							4.34			
Energy Charge	Э										
First	425	kwhs	per	kw	of	billing	demand	0.05062	per	kwh	(I)

All Over 425 kwhs per kw of billing demand 0.04273 per kwh (I)

Monthly Minimum

(1) Contract minimum

(2) \$.90 per kva of transformer capacity plus \$135.00

Determination of Billing Demand

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

DATE OF ISSUE	anuary 29, 2007	DATE EFFECTIVEApril 1, 2007
ISSUED BY		TITLE President/CEO
Nar	me of Officer	
Issued by authori [.] in Case No.	ty of an Order of	the Public Service Commission of KY Dated

EXHIBIT I Page 22 of 31

For Fox Creek District Community, Town or City P.S.C. No. _____1 Original Sheet No. 81 Cancelling P.S.C. No. _____ Sheet No.____ CLASSIFICATION OF SERVICE INDUSTRIAL & LARGE COMMERCIAL RATE SCHEDULE N POWER SERVICE (Over 500 kw) PER UNIT Availability Available to consumers located on or near the Cooperative's three phase lines for all types of usage, in accordance with the Cooperative's Service Rules and Regulations. Applicability Applicable to all electric service where the load requirements make necessary transformers having a capacity in excess of 500 kva. Type of Service Multi-phase, 60 hertz, at standard voltage. Monthly Rate \$270.00 Consumer Charge 4.34 per kw of billing Demand Charge demand Energy Charge First 425 kwhs of billing demand 0.04662 per kwh (I) All Over 425 kwhs of billing demand 0.03873 per kwh (I) Monthly Minimum (1) Contract minimum (2) \$.90 per kva of transformer capacity plus \$270. Determination of Billing Demand The billing demand shall be the maximum kilowatt demand established by the consumer for any period for fifteen (15) consecutive minutes during the month for which the bill is rendered by a demand meter and adjusted for power factor in DATE OF ISSUE January 29, 2007 DATE EFFECTIVE April 1, 2007 ISSUED BY _____ _____ TITLE ____ President/CEO Name of Officer Issued by authority of an Order of the Public Service Commission of KY

in Case No. Dated _____

Blue Grass Energy

Name of Issuing Corporation

EXHIBIT I Page 23 of 31

	For Fox Creek District
	Community, Town or City
	P.S.C. No. 1
	Original Sheet No. 84
Blue Grass Energy	
Name of Issuing Corporation	Cancelling P.S.C. No.
	Sheet No

CLASSIFICATION OF SERVICE

	RATE
SCHEDULE B1	PER UNIT

Availability

Applicable to contracts with demand of 1,000 to 4,999 kw with a monthly energy usage equal to or greater than 425 hours per kw of contract demand.

Monthly Rate

Consumer Charge	\$565.00
Demand Charge per kw of contract demand	\$7.29 (I)
Demand Charge per kw of billing demand in	
excess of contract demand	\$9.72 (I)
Energy Charge per kwh	\$0.03537

Billing Demand

The billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract demand. The load center's peak demand is highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein.

Months	Hours Applicable for Demand Billing -
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.
DATE OF ISSUE January 29, 2007	DATE EFFECTIVE April 1, 2007
ISSUED BYName of Officer	TITLE President/CEO
Issued by authority of an Order of in Case No.	the Public Service Commission of KY Dated

FOR Harrison District P.S.C. KY NO. 1 ORIGINAL SHEET NO. 98

CLASSIFICATION OF SERVICE

FARM AND HOME SERVICE SCHEDULE A (RATE 1)

AVAILABILITY

Available to members of the Cooperative for all farm, home, school and church uses. Subject to its established rules and regulations. Service under this schedule is limited to individual motors up to and including ten horsepower (10 HP).

TYPE OF SERVICE

Single-phase at available voltage.

RATES

Consumer Charge (No usage)\$8.86 per monthAll kWh Used0.07016 per kWh (I)

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 twelve-month moving average of such losses. This Fuel Clause is subject to all applicable provisions as set out in 807 KAR 5.056.

TERMS OF PAYMENT

The rates are net. In the event the current monthly bill is not paid within 15 days from the billing date of the bill the gross rates, being 5% higher, shall apply.

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY:

TITLE: President/CEO

FOR Harrison District P.S.C. KY NO. 1 ORIGINAL SHEET NO. 99

CLASSIFICATION OF SERVICE

FARM AND HOME SERVICE OFF-PEAK RETAIL MARKETING RATE (RATE 1 ETS)

AVAILABILITY

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 A 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.

RATES

All kWh Used .04209 per kWh (I)

SCHEDULE OF HOURS

This rate is only applicable for the below listed off-peak hours:MonthsOff-Peak Hours (Eastern Standard Time)October thru April12 noon to 5:00 pm10:00 pm to 7:00 am10:00 pm to 7:00 am

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 twelve-month moving average of such losses. This Fuel Clause is subject to all applicable provisions as set out in 807 KAR 5.056.

TERMS OF PAYMENT

The rates are net. In the event the current monthly bill is not paid within 15 days from the billing date of the bill the gross rates, being 5% higher, shall apply.

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY:_____

TITLE: President/CEO

FOR Harrison District P.S.C. KY NO. 1 ORIGINAL SHEET NO. 100

CLASSIFICATION OF SERVICE

COMMERCIAL AND SMALL POWER SERVICE 0 TO 50 KW DEMAND (RATE 2)

AVAILABILITY

Available to commercial consumers and small industrial consumers for all uses including lighting, appliances, cooking and heating; all subject to the established rules and regulations of the Cooperative covering this service.

Service under this schedule is limited to consumers whose load requirements do not exceed 50 KVA of transformer capacity.

Consumers having their homes on the same premises with their business establishments may include service to both on the same meter, in which case all service will be billed under this schedule, using the rate set out below. If the consumer prefers he may make provision for two meters, in which case his usage for residential purposes will be billed under the appropriate residential schedule and his usage for business purposes will be billed under this schedule and rate.

TYPE OF SERVICE

Single-phase and three phase are available at available voltage.

RATES

Consumer Charge (No Usage) All kWh Used \$23.87 per month 0.07175 per kWh (I)

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 twelve-month moving average of such losses. This Fuel Clause is subject to all applicable provisions as set out in 807 KAR 5.056.

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY:

TITLE: President/CEO

FOR Harrison District P.S.C. KY NO. 1 ORIGINAL SHEET NO. 102

CLASSIFICATION OF SERVICE

LARGE POWER SERVICE 50 TO 500 KW DEMAND (RATE 8)

AVAILABILITY

Available to consumers located on or near Seller's Distribution Lines for all types of usage, subject to the established rules and regulations of Seller.

RATES

Consumer Charge (No Usage) All kWh Used All KW Demand Used \$28.68 per month 0.04715 per kWh (I) 7.82 per KW

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 which may be adjusted for power factor as follows:

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. Demand charges will be adjusted for consumers with 50 KW or more of measured demand to correct for average power factors lower than 85%, and may be so adjusted for other consumers if and when the Seller deems necessary. Such adjustments will be made by increasing the measured demand 1% for each 1% by which the average power factor is less than 85% lagging.

OPTIONAL TIME-OF-DAY SERVICE

Consumers may qualify for the time-of-day provisions of this rate schedule. The consumer must pay for any special metering equipment necessary to measure the proper billing units for this rate schedule. The consumer will pay the consumer charge and the energy rate listed above and with the above demand rate being applied to the maximum demand in the below listed hours:

Month July thru September October thru April Hours Applicable for Demand Billing-EST 10:00 am to 10:00 pm 7:00 am to 12 noon; 5:00 pm to 10:00 pm

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY:

TITLE: President/CEO

FOR Harrison District P.S.C. KY NO. 1 ORIGINAL SHEET NO. 105

CLASSIFICATION OF SERVICE

LARGE POWER SERVICE OVER 500 KW DEMAND (LPR 1, RATE 8)

AVAILABILITY

Available to all commercial and industrial consumers whose kilowatt demand shall be over 500 KW for lighting and/or heating and/or power.

CONDITIONS

An "Agreement for Purchase of Power" shall be executed by the consumer for service under this schedule.

CHARACTER OF SERVICE

The electric service furnished under this schedule will be 60-cycle, alternating current and at available nominal voltage.

RATES

Consumer Charge (No Usage)	\$40.16 per month
All kWh Used	0.04463 per kWh (I)
All KW Demand Used	7.82 per KW

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 which may be adjusted for power factor as follows:

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 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.

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY:

TITLE: President/CEO

FOR Harrison District P.S.C. KY NO. 1 ORIGINAL SHEET NO. 108

CLASSIFICATION OF SERVICE

LARGE POWER SERVICE 1,000 TO 4,999 KW DEMAND (LPR 2, RATE 8)

AVAILABILITY

Available to contracts with demands of 1,000 to 4,999 KW demand with a monthly energy usage equal to or greater than 425 hours per KW of billing demand. These contracts will be 'two-party' contracts with the first being between the Seller and the Cooperative and the second one being between the Seller and the ultimate consumer.

RATES

Consumer Charge (No Usage)	\$40.16 per month
All kWh Used	0.03992 per kWh
All KW Demand Used	7.29 per KW (I)

DETERMINATION OF BILLING DEMAND

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

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

Months	Hours Applicable for Demand Billing - EST
October thru April	7:00 am to 12 noon
	5:00 pm to 10:00 pm
May thru September	10:00 am to 10:00 pm

MINIMUM MONTHLY CHARGE

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

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

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY:_____

TITLE: President/CEO

FOR Harrison District P.S.C. KY NO. 1 **ORIGINAL SHEET NO. 111**

CLASSIFICATION OF SERVICE

LARGE POWER SERVICE 5,000 TO 9,999 KW (LPR 2, RATE 8)

AVAILABILITY

Available to contracts with demands of 5,000 to 9,999 KW with a monthly energy usage equal to or greater than 425 hours per KW of billing demand. These contracts will be between the Seller and the ultimate consumer and will require a minimum energy usage of 425 kWh per KW billing demand.

RATES

Consumer Charge (No Usage)	\$2,373.00 per month
Energy Charge	0.03735 for the first 425 kWh per KW of billing demand
	0.02983 for all remaining kWh
Demand Charge	7.29 per KW (I)

BILLING DEMAND

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

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

Months	Hours Applicable for Demand Billing - EST
October thru April	7:00 am to 12 noon
-	5:00 pm to 10:00 pm
May thru September	10:00 am to 10:00 pm

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY:

TITLE: President/CEO

FOR Harrison District P.S.C. KY NO. 1 **ORIGINAL SHEET NO. 114**

CLASSIFICATION OF SERVICE

OUTDOOR LIGHTING SERVICE (SECURITY LIGHTS)

AVAILABILITY

Available to individuals, towns, villages and others for controlled single or multiple outdoor lighting from dusk to dawn. Service under this schedule is for a term of not less than one year and is subject to the rules and regulations of the Seller.

RATES	
Lamp Size	
175 Watt	

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INTES .	
Lamp Size	Monthly Charge
175 Watt	\$ 9.09 per month (I)
400 Watt	14.61 per month (I)
200 Watt High Pressure Sodium	11.69 per month (I)
Cobra Head (Aluminum Pole)	
100 Watt High Pressure Sodium	\$ 8.61 per month (I)
Cobra Head (Aluminum Pole)	
100 Watt High Pressure Sodium	
Shoebox Fixture	\$16.28 (I)
100 Watt High Pressure Sodium	
Acorn Fixture (Fiberglas Pole)	\$15.76 (I)
100 Watt High Pressure Sodium	
Colonial Fixture	\$13.30 (I)
400 Watt High Pressure Sodium	
Cobra Head (Aluminum Pole)	\$19.48 (I)
400 Watt Metal Halide Directional Flood	\$12.02 (I)
400 Watt High Pressure Sodium Directional	l Flood \$13.05 (I)
Lights Requiring Separate Transformer	\$1.00 per month in addition to monthly charge

CONDITIONS OF SERVICE

The Cooperative will furnish, install and maintain at no extra expense to the consumer, a lighting unit in accordance with the rate schedule above on existing Cooperative owned poles. If the consumer desires a light other than on an existing Cooperative pole, he shall pay the total additional cost of the installation including pole(s), conductor and labor. Such work is to be done by Cooperative personnel with the payment in advance being in the form of a contribution to cover these costs and title to such installations must remain with the Cooperative.

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY:

TITLE: President/CEO

Blue Grass Energy EXHIBIT II

The present and proposed rates structures of Blue Grass Energy are listed below:

For the Nicholasville & Madison Districts

Rate Class	Present	Proposed
GS-1 (Residential, Farm & Non-farm)		
Customer Charge per Month	\$5.30	\$5.30
Energy Charge per kWh	\$0.06028	\$0.06414
GS-2 (Off-Peak Marketing Rate - ETS)		
Energy Charge per kWh	\$0.03617	\$0.03849
GS-3 (Residential, Farm & Non-Farm TOD)		
Customer Charge per Month	\$10.48	\$10.48
Energy Charge per kWh		
On-peak	\$0.07543	\$0.07929
Off-peak	\$0.03793	\$0.04179
C-1 Commercial & Industrial Lighting & Pwr		
Demand Charge per kW		
First 10 kW of billing demand	No charge	No charge
Over 10 kW of billing demand per kW	\$6.23	\$\$6.23
Energy Charge		
First 3,000 kWh	\$0.06453	\$0.06839
All over 3,000 kWh	\$0.05973	\$0.06359
Customer Charge per Month	\$6.95	\$6.95
LP-1 Large Power		
Demand Charge per kW per month	\$6.23	\$6.23
Energy Charge (51-500 kW)		
First 10,000 kWh	\$0.04945	\$0.05331
Next 15,000 kWh	\$0.04275	\$0.04661
Next 50,000 kWh	\$0.03715	\$0.04101
Next 75,000 kWh	\$0.03485	\$0.03871
All over 150,000	\$0.03315	\$0.03701
Customer Charge per month	\$24.00	\$24.00
LP –2 Large Power		
Demand Charge per kW per month	\$6.23	\$6.23
Energy Charge (over 500 kW)		
First 3,500 kWh	\$0.05028	\$0.05414
Next 6,500 kWh	\$0.04201	\$0.04587
Next 140,000 kWh	\$0.03688	\$0.04074
Next 200,000 kWh	\$0.03533	\$0.03919
Next 400,000 kwh	\$0.03441	\$0.03827
Next 550,000 kWh	\$0.03349	\$0.03735
All over 1,300,000 kWh	\$0.02822	\$0.03208
Customer Charge per month	\$24.00	\$24.00
Security Lights – Rate per Light per Month		
175 w Mercury Vapor	\$ 5.06	\$5.33
400 w Mercy Vapor	\$ 7.69	\$8.30
100 w High Pressure Sodium	\$ 5.13	\$5.27
250 w High Pressure Sodium	\$ 7.51	\$7.90
400 w Metal Halide-Directional Flood	\$11.41	\$12.02
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400 w High Pressure Sodium Directional Flood	\$12.44	\$13.05
100 w High Pressure Sodium Shoebox Fixture	\$16.14	\$16.28
100 w High Pressure Sodium – Acorn Fixture (Fiberglass Pole)	\$15.62	\$15.76
100 w High Pressure Sodium Colonial Fixture	\$13.16	\$13.30
400 w High Pressure Sodium Cobra Head (Aluminum Pole)	\$18.87	\$19.48
Street Lighting		
70 w High Pressure Sodium (Ornamental)	\$ 5.21	\$5.30
100 w High Pressure Sodium (Ornamental)	\$ 6.74	\$6.88
250 w High Pressure Sodium (Ornamental)	\$ 9.25	\$9.64
70 w High Pressure (Colonial) (15-foot mounting height)	\$ 7.99	\$8.08
200 w High Pressure Sodium Cobra Head (Aluminum Pole)	\$11.37	\$11.69
100 w High Pressure Sodium Cobra Head (Aluminum Pole)	\$ 8.47	\$8.61
100 w High Pressure Sodium Shoebox Fixture	\$16.14	\$16.28
100 w High Pressure Sodium Acorn Fixture (Fiberglass Pole)	\$15.62	\$15.76
100 w High Pressure Sodium Colonial Fixture	\$13.16	\$13.30
400 w High Pressure Sodium Cobra Head (Aluminum Pole)	\$18.87	\$19.48
Large Industrial Rate C-1	<i><i>t</i> t t</i> <i>t t t</i> <i>t t t</i> <i>t t</i> <i>t t</i> <i>t t</i> <i>t t</i> <i>t t</i> <i>t t</i> <i>t</i> <i>t t</i> <i>t t</i> <i>t</i> <i>t t</i> <i>t</i> <i>t t</i> <i>t</i> <i>t t</i> <i>t</i> <i>t</i> <i>t</i> <i>t t</i> <i>t</i> <i>t</i> <i>t</i> <i>t</i> <i>t</i> <i>t</i> <i>t</i> <i>t t</i> <i>t t</i> <i>t</i> t <i>t</i> <i>t</i> t <i>t</i> <i>t</i> t t t t <i>t</i> t t t t t t t t t 	
Consumer Charge per Month	\$535.00	\$535.00
Demand Charge per kW of billing demand	\$5.39	\$7.29
Energy Charge per kWh	\$0.03556	\$0.03556
Large Industrial Rate C-2	¢1.070.00	#1 .070.00
Consumer Charge per Month	\$1,069.00	\$1,069.00
Demand Charge per kW of billing demand	\$5.39 \$0.0205 <i>C</i>	\$7.29
Energy Charge per kWh	\$0.03056	\$0.03056
Large Industrial Rate C-3 Consumer Charge per Month	¢1.060.00	¢1.070.00
Demand Charge per kW of billing demand	\$1,069.00 \$5.39	\$1,069.00 \$7.29
Energy Charge per kWh	\$0.02956	
Large Industrial Rate B-1	\$0.029.00	\$0.02956
Consumer Charge per Month	\$535.00	\$535.00
Demand Charge per kW – Contract	\$5.39	\$7.29
Demand Charge per kW – Excess	\$7.82	\$9.72
Energy Charge per kWh	\$0.03577	\$0.03577
Large Industrial Rate B-2	ψ0.05.577	\$0.03377
Consumer Charge per Month	\$1,069.00	\$1,069.00
Demand Charge per kW – Contract	\$5.39	\$7.29
Demand Charge per kW – Excess	\$7.82	\$9.72
Energy Charge per kWh	\$0.03077	\$0.03077
	0.00077	0.03077
For the Fox Creek District		
Rate Class	Present	Proposed
Sch R Residential		
Customer Charge per month	\$5.39	\$5.39
All kWh over 30 per month	\$0.06467	\$0.06853
Sch R2 Residential Marketing Rate		
All kWh	\$0.03880	\$0.04112
Sch C Commercial & Small Pwr		
Over 10 kW of Billing Demand Per Month	\$3.18	\$3.18
Minimum Bill First 30 kWh per month	\$5.39	\$5.39
All kWh over 30 kWh per month	\$0.06899	\$0.07285
Sch L Large Pwr Service (50-200 kW)		
Demand charge per kW per month	\$3.18	\$3.18
First 50 kWh/kW of billing demand	\$0.07200	\$0.07586
Next 100 kWh/kW of billing demand	\$0.06800	\$0.07186
Over 150 kWh/kW of billing demand	\$0.05810	\$0.06196
Sch C1 Large Industrial Rate (1,000-4,999 kW)		
---	---	--------------------
Consumer Charge per month	\$535.00	\$535.00
Demand Charge per kW of billing demand	\$5.39	\$7.29
Energy Charge	\$0.03537	\$0.03537
Sch C2 Large Industrial (5,000-9,999 kW)	<i>(0,000)</i>	ψ0.05057
Consumer Charge per month	\$1,069.00	\$1,069.00
Demand Charge per kW of billing demand	\$5.39	\$7.29
Energy Charge	\$0.03037	\$0.03037
Sch C3 Large Industrial (Over 10,000 kW)	\$\$105057	ψ0.05057
Consumer Charge per month	\$1,069.00	\$1,069.00
Demand Charge per kW of billing demand	\$5.39	\$7.29
Energy Charge	\$0.02937	\$0.02937
Sch M Commercial & Industrial (201-500 kW)	<i><i>((())))))))))))))</i></i>	\$0.0 <u>2</u> 957
Consumer Charge	\$135.00	\$135.00
Demand Charge per kW	\$4.34	\$4.34
Energy Charge	0.110.1	ψ 115 T
First 425 kWh/kW of billing demand	\$0.04676	\$0.05062
All over 425 kWh/kW of billing demand	\$0.03887	\$0.04273
Sch N Industrial & Lrg Commercial (Over 500 kw)	<i><i><i>q</i> c c c c c c c c c </i></i>	00101275
Consumer Charge	\$270.00	\$270.00
Demand Charge per kW	\$4.34	\$4.34
Energy Charge	-- .	
First 425 kWh/kW	\$0.04276	\$0.04662
All over 425 kWh/kW	\$0.03487	\$0.03873
Sch B1 Large Industrial Rate		+
Consumer Charge	\$565.00	\$565.00
Demand Charge per kW – Contract	\$5.39	\$7.29
Demand Charge per kW – Excess	\$7.82	\$9.72
Energy Charge per kWh	\$0.03537	\$0.03537
For the Harrison District		
Rate Class	Present	Proposed
Farm & Home Sch A (Rate 1)		
Consumer Charge per month	\$8.86	\$8.86
All kWh used	\$0.06628	\$0.07016
Farm & Home Off-Peak Mkt. Rate (Rate 1, ETS)		
All kWh used	\$0.03977	\$0.04209
Commercial & Small Pwr 0-50 Demand (Rate 2)		
Consumer Charge per month	\$23.87	\$23.87
All kWh used	\$0.06789	\$0.07175
Large Power Service 50-500 kW (Rate 8)		
Consumer Charge per month	\$28.68	\$28.68
All kWh	\$0.04329	\$0.04715
Demand Charge per kW	\$7.82	\$7.82
Large Power Service Over 500 kW (LPR 1, Rate 8)		
Consumer Charge per month	\$40.16	\$40.16
All kWh	\$0.04077	\$0.04463
Demand charge per kW	\$7.82	\$7.82
Large Power Service 1,000 – 4,999 kW (LPR 2, Rate8)		
Consumer Charge per month	\$40.16	\$40.16
All kWh	\$0.03992	\$0.03992
Demand charge per kW	\$5.39	\$7.29

Large Power Service 5,000 – 9,999 kW (LPR 2, Rate8)		
Consumer Charge per month	\$2,373.00	\$2,373.00
Energy Charge		
First 425 kWh per kW of billing demand	\$0.03735	\$0.03735
All remaining kWh	\$0.02983	\$0.02983
Demand charge per kW	\$5.39	\$7.29
Outdoor Lighting Service (monthly charge)		
175 watt	\$ 8.81	\$9.09
400 watt	\$14.02	\$14.61
200 w High Pressure Sodium Cobra Head (Aluminum Pole)	\$11.37	\$11.69
100 w High Pressure Sodium Cobra Head (Aluminum Pole)	\$ 8.47	\$8.61
100 w High Pressure Sodium Shoebox Fixture	\$16.14	\$16.28
100 w High Pressure Sodium Acorn Fixture (Fiberglass Pole)	\$15.62	\$15.76
100 w High Pressure Sodium Colonial Fixture	\$13.16	\$13.30
Lights Requiring Separate Transformer (in addition to monthly chg.)	\$1.00	\$1.00

Blue Grass Energy

Billing Analysis

for the 12 months ending September 30, 2006

	Total Present	Total		
	Annualized	Proposed		
Rate & Schedule	Revenues	Revenues	\$ Increase	% Increase
Data 11: 00 1	\$24 000 0F7	\$00.070.047	#4 550 500	4.0004
Rate 11: GS-1	\$31,326,257	\$32,879,817	\$1,553,560	4.96%
Rate 12: Schedule R	\$14,018,608	\$14,669,642	\$651,034	4.64%
Rate 13: Schedule A - Rate 1	\$16,223,639	\$16,928,385	\$704,745	4.34%
Rate 16: GS-2	\$34,727	\$36,396	\$1,669	4.81%
Rate 17: Schedule R-2	\$8,618	\$9,016	\$398	4.62%
Rate 18: Rate 1 ETS	\$110,057	\$114,968	\$4,911	4.46%
Rate 21: C1	\$2,434,234	\$2,523,852	\$89,618	3.68%
Rate 22: C-1	\$769,428	\$804,031	\$34,603	4.50%
Rate 23: Schedule C	\$528,468	\$549,786	\$21,318	4.03%
Rate 24: Schedule C	\$285,981	\$298,258	\$12,278	4.29%
Rate 25: Comm & Sm Pwr - Rate 2	\$298,364	\$311,124	\$12,760	4.28%
Rate 26: Comm & Sm Pwr - Rate 2	\$287,238	\$297,414	\$10,176	3.54%
Rate 31: LP1	\$3,012,827	\$3,174,371	\$161,544	5.36%
Rate 32: LP2	\$3,919,597	\$4,159,153	\$239,556	6.11%
Rate 33: Schedule L	\$209,815	\$218,988	\$9,172	4.37%
Rate 35: Schedule N	\$169,452	\$178,461	\$9,009	5.32%
Rate 39: Lrg Pwr Srvc - Rate 8	\$576,646	\$604,073	\$27,428	4.76%
Rate 40: Large Ind - Rate 8	\$325,858	\$343,136	\$17,278	5.30%
Rate 44: Large Ind - Rate B-2	\$1,127,711	\$1,218,911	\$91,200	8.09%
Rate 45: Large Ind - Rate B-2	\$1,991,254	\$2,109,435	\$118,181	5.93%
Rate 46: B-1	\$1,217,390	\$1,284,529	\$67,139	5.52%
Rate 47: Large Ind B-2	\$1,162,923	\$1,256,403	\$93,480	8.04%
Rate 48: Large Ind Rate B-2	\$1,922,356	\$2,058,786	\$136,430	7.10%
Rate 49: Large Ind Rate B-2	\$2,236,000	\$2,378,971	\$142,971	6.39%
Rate 50: Large Pwr Srvc, LPR 2 - Rate 8	\$3,112,228	\$3,296,589	\$184,361	5.92%
Total - Excluding Lights	\$87,309,677	\$91,704,495	\$4,394,819	5.03%
			<i><i><i></i></i></i>	0.0078
Lights: 175 WATT MERCURY VAPOR	\$26,919	\$28,356	¢4 497	E 240/
175 WATT MERCURY VAPOR			\$1,437	5.34%
400 WATT MERCURY VAPOR	\$474,348	\$489,516	\$15,168	3.20%
	\$6,175	\$6,668	\$493	7.98%
400 WATT MERCURY VAPOR	\$10,725	\$11,180	\$455	4.24%
100 WATT HIGH PRESSURE SODIUM	\$461,895	\$474,751	\$12,856	2.78%
175 WATT MERCURY VAPOR -SEPARATE TRANSFORMER	\$1,501	\$1,544	\$43	2.87%
70 WATT HIGH PRESSURE SODIUM - ORNAMENTAL	\$43,639	\$44,382	\$743	1.70%
400 WATT MERCURY VAPOR -SEPARATE TRANSFORMER	\$541	\$562	\$21	3.96%
100 WATT HIGH PRESSURE SODIUM - ORNAMENTAL	\$46,344	\$47,326	\$982	2.12%
250 WATT HIGH PRESSURE SODIUM - ORNAMENTAL	\$22,283	\$23,231	\$948	4.26%
250 WATT HIGH PRESSURE SODIUM	\$16,041	\$16,882	\$841	5.24%
200 WATT HIGH PRESSURE SODIUM - COBRA HEAD	\$10,256	\$10,548	\$292	2.85%
70 WATT HIGH PRESSURE SODIUM - COLONIAL	\$44,776	\$45,273	\$497	1.11%
400 WATT METAL HALIDE DIRECTIONAL FLOOD	\$37,585	\$39,606	\$2,021	5.38%
400 WATT HIGH PRESSURE SODIUM DIRECTIONAL FLOOD	\$6,631	\$6,958	\$327	4.93%
100 WATT HIGH PRESSURE SODIUM - COBRA HEAD	\$15,941	\$16,209	\$269	1.69%
100 WATT HIGH PRESSURE SODIUM - SHOEBOX FIXTURE	\$1,985	\$2,003	\$18	0.88%
100 WATT HIGH PRESSURE SODIUM - ACORN FIXTURE	\$1,687	\$1,702	\$15	0.91%
100 WATT HIGH PRESSURE SODIUM - COLONIAL FIXTURE	\$13,450	\$13,595	\$146	1.08%
400 WATT HIGH PRESSURE SODIUM - COBRA HEAD	\$94	\$97	\$3	3.25%
Total - Lights	\$1,242,815	\$1,280,391	\$37,576	3.02%
Grand Total	\$88,552,492	\$92,984,886	\$4,432,394	5.01%

Blue Grass Energy Rate 11: GS-1							
	Billing Determinants	Rate	Actual Revenues	Rate	oposed Revenues	Dollar Increase	Percent Increase
Customer Charge Energy Charge per kWh Billing Adjustments Total from Base Rates Plus Fuel Adjustment Plus Environmental Surcharge Green Power Total Revenues Average Customer Percent	(1) 297,501 402,289,057 \$	(2) \$5.30 \$ 0.06028	(3)=(1)*(2) \$ 1,576,755 \$ 24,249,984 \$ 25,826,740 \$ 3,363,259 \$ 2,136,259 \$ - \$ 31,326,257 \$ 105.30	(4) \$5.30 \$ 0.06414	(5)=(1)*(4) \$1,576,755 \$25,803,544 \$ 27,380,300 \$ 3,363,259 \$ 2,136,259 \$ - \$ 32,879,817 110.52	(6) \$0 \$1,553,560 \$1,553,560 \$- \$- \$- \$- \$1,553,560 \$1,553,560 \$5,22	(7)
Blue Grass Energy Rate 12: Schedule R							
Customer Charge Energy Charge per kWh Billing Adjustments Total from Base Rates Plus Fuel Adjustment Plus Environmental Surcharge Green Power Total Revenues Average Customer Percent	Billing Determinants (1) 140,644 168,635,183	Rate (2) \$5.39	Actual Revenues (3)=(1)*(2) \$ 758,071 \$ 10,905,637 \$ 11,663,708 \$ 1,414,264 \$ 940,636 \$ - \$ 14,018,608 \$ 99,67	Pro Rate (4) \$ 5.39 \$ 0.06853	opposed Revenues (5)=(1)*(4) \$758,071 \$11,556,671 \$ 12,314,742 \$ 1,414,264 \$ 940,636 \$ - \$ 14,669,642 104.30	Dollar Increase (6) \$0 \$651,034 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	Percent Increase (7) 4.64%
Blue Grass Energy							
Rate 13: Schedule A - Rate 1 Customer Charge Energy Charge per kWh Billing Adjustments Total from Base Rates Plus Environmental Surcharge Green Power Total Revenues Average Customer Percent	Billing Determinants (1) 168,703 181,781,760	Rate (2) \$8.86	Actual Revenues (3)=(1)*(2) \$ 1,494,709 \$ 12,048,495 \$ 13,543,204 \$ 1,555,282 \$ 1,555,282 \$ 1,555,282 \$ 1,555,282 \$ 1,555,282 \$ 1,6223,639 \$ 96.17 	Pr Rate (4) \$8.86 \$ 0.07016	oposed Revenues (5)=(1)*(4) \$1,494,709 \$12,753,240 \$ 14,247,949 \$ 1,555,282 \$ 1,555,282 \$ 1,555,282 \$ 1,125,154 \$ 16,928,385 100.34	Dollar Increase (6) \$704,745 \$0 \$704,745 \$- \$- \$- \$ \$- \$ \$ \$704,745 \$418	Percent Increase (7) 4.34%
Blue Grass Energy Rate 16: GS-2	Billing Determinants	Rate	Actual Revenues	Pr Rate	oposed Revenues	Dollar Increase	Percent
Customer Charge Energy Charge per kWh Billing Adjustments Total from Base Rates Plus Fuel Adjustment Plus Environmental Surcharge Green Power Total Revenues Average Customer Percent	(1) 1,376	(2) \$0.00 \$ 0.03617	(3)=(1)*(2) \$ -	(4) \$0.00 \$ 0.03849	(5)=(1)*(4) (5)=(1)*(1)*(4) (5)=(1)*(1)*(1)*(1)*(1)*(1)*(1)*(1)*(1)*(1)*	(6) \$0 \$1,669 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	(7) 4.81%
Blue Grass Energy Rate 17: Schedule R-2						*******	
Customer Charge Energy Charge per kWh Billing Adjustments Total from Base Rates Plus Fuel Adjustment Plus Environmental Surcharge Green Power Total Revenues Average Customer	Billing Determinants (1) 295 171,632	Rate (2) \$0.00	Actual Revenues (3)=(1)*(2) \$ - \$ 6,659 \$ 0 \$ 6,659 \$ 1,439 \$ 519 \$ 519 \$ - \$ 8,618 \$ 29 21	Pr Rate (4) \$0.00 \$ 0.04112	oposed Revenues (5)=(1)*(4) \$0 \$7,057 \$7,057 \$1,439 \$519 \$- \$9,016 30.56	Dollar Increase (6) \$0 \$398 \$0 \$398 \$- \$- \$- \$398 \$398 \$135	Percent Increase (7)

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Rate 18: Rate 1 ETS	P3 1117						<u> </u>	T
	Billing		ctual			oposed	Dollar	Percent
	Determinants	Rate	Revenues		Rate	Revenues	Increase	Increase
Custom as Channe		(2)	(3)=(1)*(2		(4)	(5)=(1)*(4)	(6)	(7)
Customer Charge	2,875	\$0.00	\$	•	\$0.00		, -	
Energy Charge per kWh	2,112,962	\$ 0.03977	\$84,	32 9	0.04209			
Billing Adjustments						\$ -	\$0	2
Total from Base Rates				32		\$ 88,943	\$ 4,911	
Plus Fuel Adjustment			\$ 19,			\$ 19,121	\$-	
Plus Environmental Surcharge				04		\$ 6,904	\$ -	
Green Power			\$ \$ 110,	-		\$ -	\$ ~	
Total Revenues						\$ 114,968	\$ 4,911	
Average Customer			\$ 38	28		39.99	\$ 1.71	
Percent								4.46
	<u></u>							
Blue Grass Energy Rate 21: C1 (first 10 kW charge = 0)	Billing		Actual		P	roposed	Dollar	Percent
Rate 21: C1	Billing Determinants	A Rate	Actual Revenues		P	roposed Revenues	Dollar Increase	Percent
Rate 21: C1				,				
Rate 21: C1 (first 10 kW charge = 0)	Determinants	Rate	Revenues (3)=(1)*(2		Rate	Revenues (5)=(1)*(4)	Increase (6)	Increase (7)
Rate 21: C1 (first 10 kW charge = 0) Customer Charge	Determinants (1)	Rate (2)	Revenues (3)=(1)*(2 \$ 37,	27	Rate (4) \$6.95	Revenues (5)=(1)*(4) \$37,127	Increase (6)	Increase (7)
Rate 21: C1 (first 10 kW charge = 0) Customer Charge Energy Charge per kWh	Determinants (1) 5,342	Rate (2) \$6.95	Revenues (3)=(1)*(2 \$ 37, \$ 669,	27 21 :	Rate (4) \$6.95 \$0.06839	Revenues (5)=(1)*(4) \$37,127 \$709,877	Increase (6) \$40,057	Increase (7)
Rate 21: C1 (first 10 kW charge = 0) Customer Charge Energy Charge per kWh Energy Charge per kWh (>3,000)	Determinants (1) 5,342 10,379,990	Rate (2) \$6.95 \$0.064530	Revenues (3)=(1)*(2 \$ 37, \$ 669, \$ 767,	27 21 5 15 5	Rate (4) \$6.95 \$0.06839	Revenues (5)=(1)*(4) \$37,127 \$709,877 \$816,677	Increase (6) \$40,057 \$49,562	(7)
Rate 21: C1 (first 10 kW charge = 0) Customer Charge Energy Charge per kWh Energy Charge per kWh (>3,000) Demand Charge	Determinants (1) 5,342 10,379,990 12,843,040	Rate (2) \$6.95 \$0.064530 \$0.059730	Revenues (3)=(1)*(2 \$ 37, \$ 669, \$ 767,	27 21 5 15 5	Rate (4) \$6.95 0.06839 0.06359	Revenues (5)=(1)*(4) \$37,127 \$709,877 \$816,677	Increase (6) \$40,057 \$49,562	Increase (7)
Rate 21: C1	Determinants (1) 5,342 10,379,990 12,843,040	Rate (2) \$6.95 \$0.064530 \$0.059730	Revenues (3)=(1)*(2 \$ 37, \$ 669, \$ 767,	27 321 15 700	Rate (4) \$6.95 0.06839 0.06359	Revenues (5)=(1)*(4) \$37,127 \$709,877 \$816,677 \$816,677 \$ \$618,700	Increase (6) \$40,057 \$49,562 \$	(7)
Rate 21: C1 (first 10 kW charge = 0) Customer Charge Energy Charge per kWh Energy Charge per kWh (>3,000) Demand Charge Billing Adjustments Total from Base Rates Plus Fuel Adjustment	Determinants (1) 5,342 10,379,990 12,843,040	Rate (2) \$6.95 \$0.064530 \$0.059730	Revenues (3)=(1)*(2 \$ 37, \$ 669, \$ 767, \$ 618,	27 321 15 700 762	Rate (4) \$6.95 0.06839 0.06359	Revenues (5)=(1)*(4) \$37,127 \$709,877 \$816,677 \$\$16,8770 \$\$618,700 \$-	Increase (6) \$40,057 \$49,562 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	(7)
Rate 21: C1 (first 10 kW charge = 0) Customer Charge Energy Charge per kWh Energy Charge per kWh (>3,000) Demand Charge Billing Adjustments Total from Base Rates	Determinants (1) 5,342 10,379,990 12,843,040	Rate (2) \$6.95 \$0.064530 \$0.059730	Revenues (3)=(1)*(2 \$ 37, \$ 669, \$ 767, \$ 618, \$ 2,092,	27 321 15 700 762 359	Rate (4) \$6.95 0.06839 0.06359	Revenues (5)=(1)*(4) \$37,127 \$709,877 \$816,677 \$ \$618,700 \$ - \$ 2,182,381	Increase (6) \$40,057 \$49,562 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	(7)
Rate 21: C1 (first 10 kW charge = 0) Customer Charge Energy Charge per kWh Energy Charge per kWh (>3,000) Demand Charge Billing Adjustments Total from Base Rates Plus Fuel Adjustment Plus Environmental Surcharge	Determinants (1) 5,342 10,379,990 12,843,040	Rate (2) \$6.95 \$0.064530 \$0.059730	Revenues (3)=(1)*(2 \$ 37, \$ 669, \$ 767, \$ 618, \$ 2,092, \$ 190,	27 321 15 700 762 359 13	Rate (4) \$6.95 0.06839 0.06359	Revenues (5)=(1)*(4) \$37,127 \$709,877 \$816,677 \$\$618,700 \$- \$2,182,381 \$190,359	Increase (6) \$40,057 \$49,562 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	(7)
Rate 21: C1 (first 10 kW charge = 0) Customer Charge Energy Charge per kWh Energy Charge per kWh (>3,000) Demand Charge Billing Adjustments Total from Base Rates Plus Fuel Adjustment	Determinants (1) 5,342 10,379,990 12,843,040	Rate (2) \$6.95 \$0.064530 \$0.059730	Revenues (3)=(1)*(2 \$ 37, \$ 669, \$ 767, \$ 618, \$ 2,092, \$ 190, \$ 151,	27 321 15 700 762 359 13 234	Rate (4) \$6.95 0.06839 0.06359	Revenues (5)=(1)*(4) \$37,127 \$709,877 \$816,677 \$\$\$618,700 \$ \$2,182,381 \$190,359 \$151,113	Increase (6) \$40,057 \$49,562 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	(7)

Blue Grass Energy Rate 22: C-1 Billing Dollar Actual Proposed Percent Determinants Rate Revenues Rate Revenues Increase Increase (2) (3)=(1)*(2) (5)=(1)*(4) (1) (4) (6) (7) 9,655 7,659,498 Customer Charge \$6.95 \$ \$0.064530 \$ \$0.059730 \$ \$6.95 67,102 \$67,102 \$0 Energy Charge per kWh \$ 0.06839 494,267 \$523,826 \$29,558 Energy Charge per kWh (>3,000) 1,307,233 78,081 \$ 0.06359 \$83,126 \$5,045 Demand Charge 0.00 \$0.00 \$ \$0.00 \$0 \$0 Billing Adjustments \$0 9 Total from Base Rates \$ 639,451 \$ 674,054 \$ 34,603 Plus Fuel Adjustment \$ 76,108 \$ 76,108 \$ -Plus Environmental Surcharge \$ \$ \$ 53,870 53,870 \$ Total Revenues \$ 769,428 804,031 \$ 34,603 Average \$ 79.69 \$ 83.28 \$ 3.58 Percent 4.50%

	Billing	A	ctual		Proposed					Dollar	Percent
	Determinants	Rate	Reve	enues		Rate	Revenu	es	1	ncrease	Increase
	(1)	(2)	(3)=(1)*(2)		(4)	(5)=(1)*(4)		(6)	(7)
Customer Charge	1,036	\$5.39	\$	5,584		\$5.39		\$5,584		\$0	
Energy Charge per kWh	5,524,208	\$0.068990	\$	381,115	\$	0.07285	9	6402,433		\$21,318	
Energy Charge per kWh	0	\$0.000000	\$	-	\$	-		\$0		\$0	
Demand Charge	19,421.04	\$3.18	\$	61,759		\$3.18		\$61,759		\$0	
Billing Adjustments							\$	-		\$0	
Total from Base Rates			\$	448,458			\$	469,776	\$	21,318	
Plus Fuel Adjustment			\$	45,248			\$	45,248	\$	-	
Plus Environmental Surcharge			\$	34,761			\$	34,761	\$	-	
Total Revenues			\$	528,468			\$	549,786	\$	21,318	
Average			\$	510.10			\$	530.68	\$	20.58	
											4.0

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Rate 24: Schedule C	D.00		-41			D			D - II	
	Billing		(ctual				posed		Dollar	Percent
	Determinants	Rate		nues			Revenues	Ir	ncrease	Increase
	(1)	(2)		3)=(1)*(2)		(4)	(5)=(1)*(4)		(6)	(7)
Customer Charge	3,864	\$5.39	\$	20,827		\$5.39	\$20,827		\$0	
Energy Charge per kWh	3,181,533	\$0.068990	\$	219,494	\$	0.07285	\$231,772		\$12,278	
Energy Charge per kWh	0	\$0.000000	\$	-	\$	-	\$0		\$0	
Demand Charge	0.00	\$0.00	\$	-		\$0.00	\$0		\$0	
Billing Adjustments							\$ -		\$0	
Total from Base Rates			\$	240,321	•		\$ 252,599	\$	12,278	
Plus Fuel Adjustment			\$	26,424			\$ 26,424	\$	-	
Plus Environmental Surcharge			\$	19,236			\$ 19,236	\$	-	
Total Revenues			\$	285,981	•		\$ 298,258	\$	12,278	
Average			\$	74.01			\$ 77.19	\$	3.18	
Percent										4.2

Blue Grass Energy Rate 25: Comm & Sm Pwr - Rate 2

Rate 25: Comm & Sm Pwr - Rate 2										
	Billing	A	\ctua			Pro	oposed		Dollar	Percent
	Determinants	Rate	Reve	enues		Rate	Revenues		Increase	Increase
	(1)	(2)		3)=(1)*(2)		(4)	(5)=(1)*(4)	1	(6)	(7)
Customer Charge	1,087	\$23.87	\$	25,947		\$23.87	\$25,947		\$0	
Energy Charge per kWh	3,306,543	\$0.067890	\$	224,481	\$	0.07175	\$237,241		\$12,760	
Energy Charge per kWh	0	\$0.00000	\$	-	\$	-	\$0		\$0	
Demand Charge	7,403.33	\$0.00	\$	-		\$0.00	\$0		\$0	
Billing Adjustments							\$-		\$0	
Total from Base Rates			\$	250,428	•		\$ 263,188	\$	12,760	
Plus Fuel Adjustment			\$	27,369			\$ 27,369	\$	-	
Plus Environmental Surcharge			\$	20,567			\$ 20,567	\$	-	
Total Revenues			\$	298,364			\$ 311,124	\$	12,760	
Average			\$	274.48			\$ 286.22	\$	11.74	
Percent										4.289

	Billing	/	Actual	I	Pro	posed			Dollar	Percent
	Determinants	Rate	Reve	enues	Rate	Revenues		1	ncrease	Increase
	(1)	(2)	(:	3)=(1)*(2)	(4)	(5)=(1)*(4)			(6)	(7)
Customer Charge	2,771	\$23.87	\$	66,144	 \$23.87	\$66,1	44		\$0	·····
Energy Charge per kWh	2,637,056	\$0.067890	\$	179,030	\$ 0.07175	\$189,2	206		\$10,176	
Energy Charge per kWh	0	\$0.000000	\$	-	\$ -		\$0		\$0	
Demand Charge	0.00	\$0.00	\$	-	\$0.00		\$0		\$0	
Billing Adjustments						\$-			\$0	
Total from Base Rates			\$	245,174		\$ 255,3	50	\$	10,176	
Plus Fuel Adjustment			\$	22,043		\$ 22,0	43	\$	-	
Plus Environmental Surcharge			\$	20,021		\$ 20,0	21	\$	-	
Total Revenues			\$	287,238		\$ 297,4	14	\$	10,176	
Average			\$	103.66		\$ 107	33	\$	3.67	
Percent										3.5

Rate 31: LP1	Billing			T	Dre	posed		Dollar	Percent	
	Determinants	Rate	Ctua	enues		Rate	Revenues		Increase	Increase
	(1)	(2)		3)=(1)*(2)		(4)	(5)=(1)*(4)	'	(6)	(7)
Customer Charge	996	\$24.00	\$	23,904	4	\$24.00	\$23.904	4	\$0	
Energy Charge per kWh (1st 10,000)	9,383,175	\$0.04945	\$	463,998	\$	0.05331	\$500,208		\$36,210	
Next 15,000	10,278,461	\$0 04275	\$	439,404	\$	0.04661	\$479,069		\$39,665	
Next 50,000	13,605,919	\$0.03715	\$	505,460	\$	0.04101	\$557,966		\$52,506	
Next 75,000	8,593,734	\$0.03485	\$	299,492	\$	0.03871	\$332,655		\$33,164	
Over 150,000	0	\$0.03315	\$	-	\$	0.03701	\$0		\$0	
Demand Charge	117,936.11	\$6.23	\$	734,742		\$6.23	\$734,742		\$0	
Billing Adjustments							\$ -		\$0	
Total from Base Rates			\$	2,467,000	-		\$ 2,628,544	\$	161,544	
Plus Fuel Adjustment			\$	340,667			\$ 340,667	\$	-	
Plus Environmental Surcharge			\$	205,160			\$ 205,160	\$	-	
Total Revenues			\$	3,012,827	-		\$ 3,174,371	\$	161,544	
Average			\$	3,025			\$ 3,187	\$	162	
Percent										5.3

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EXHIBIT III	
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Blue Grass Energy										
Rate 32: LP2										
	Billing	A	ctua	1		Pro	posed		Dollar	Percent
	Determinants	Rate	Rev	enues		Rate	Revenues	1	ncrease	Increase
	(1)	(2)	((3)=(1)*(2)		(4)	(5)=(1)*(4)		(6)	(7)
Customer Charge	163	\$24.00	\$	3,912		\$24.00	\$3,912		\$0	
Energy Charge per kWh (1st 10,000)	505,200	\$0.05028	\$	25,401	\$	0.05414	\$27,351		\$1,950	
Next 6,500	932,000	\$0.04201	\$	39,153	\$	0.04587	\$42,750		\$3,597	
Next 140,000	18,131,632	\$0.03688	\$	668,695	\$	0.04074	\$738,665		\$69,971	
Next 200,000	17,270,524	\$0.03533	\$	610,168	\$	0.03919	\$676,815		\$66,648	
Next 400,000	14,284,208	\$0.03441	\$	491,520	\$	0.03827	\$546,643		\$55,123	
Next 550,000	10,953,072	\$0.03349	\$	366,818	\$	0.03735	\$409,087		\$42,268	
Over 1,300,000	0	\$0.02822	\$	-	\$	0.03208	\$0		\$0	
Demand Charge	152,042.76	\$6.23	\$	947,226		\$6.23	\$947,226		\$0	
Billing Adjustments							\$-			
Total from Base Rates			\$	3,152,893	-		\$ 3,392,449	\$	239,556	
Plus Fuel Adjustment			\$	498,852			\$ 498,852	\$	-	
Plus Environmental Surcharge			\$	267,852			\$ 267,852	\$	-	
Total Revenues			\$	3,919,597			\$ 4,159,153	\$	239,556	
Average			\$	24,047			\$ 25,516	\$	1,470	
Percent										6.11%

Determinants (1) 120	Rate (2)	Reve	nues							Percent
	(2)				Rate	Rever	nues	1	ncrease	Increase
120		(3	3)=(1)*(2)		(4)	(5)	=(1)*(4)		(6)	(7)
	\$0.00	\$	-		\$0.00		\$0		\$0	
388,974	\$0.07200	\$	28,006	\$	0.07586		\$29,507		\$1,501	
777,948	\$0.06800	\$	52,900	\$	0.07186		\$55,903		\$3,002	
1,209,899	\$0.05810	\$	70,295	\$	0.06196		\$74,964		\$4,669	
7,779.48	\$3.18	\$	24,739		\$3.18		\$24,739		\$0	
						\$	-		\$0	
		\$	175,940			\$	185,113	\$	9,172	
		\$	19,495			\$	19,495	\$	-	
		\$	14,380			\$	14,380	\$	-	
		\$	209,815			\$	218,988	\$	9,172	
		\$	1,748			\$	1,825	\$	76	
	1,209,899	1,209,899 \$0.05810	1,209,899 \$0 05810 \$ 7,779.48 \$3.18 \$ \$ \$ \$ \$ \$	1,209,899 \$0 05810 \$ 70,295 7,779.48 \$3.18 \$ 24,739 \$ 175,940 \$ 19,495 \$ 14,380 \$ 209,815	1,209,899 \$0 05810 \$ 70,295 \$ 7,779.48 \$3.18 \$ 24,739 \$ 175,940 \$ 19,495 \$ 14,380 \$ 209,815	1,209,899 \$0 05810 \$ 70,295 \$ 0 06196 7,779.48 \$3.18 \$ 24,739 \$3.18 \$ 175,940 \$ 19,495 \$ 14,380 \$ 209,815	1,209,899 \$0 05810 \$ 70,295 \$ 0.06196 7,779.48 \$3.18 \$ 24,739 \$3.18 \$ 175,940 \$ \$ 19,495 \$ \$ 14,380 \$ \$ 209,815 \$	1,209,899 \$0 05810 \$ 70,295 \$ 0 06196 \$74,964 7,779.48 \$3.18 \$ 24,739 \$3.18 \$24,739 	1,209,899 \$0 05810 \$ 70,295 \$ 0 06196 \$74,964 7,779.48 \$3.18 \$ 24,739 \$3.18 \$24,739	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$

Blue Grass Energy											
Rate 35: Schedule N											
	Billing	1	Actual		Γ	Pro	oposed		E	Dollar	Percent
	Determinants	Rate	Reve	enues		Rate	Revenues		Inc	crease	Increase
	(1)	(2)	(;	3)=(1)*(2)		(4)	(5)=(1)*(4	4)	ļ	(6)	(7)
Customer Charge	25	\$270.00	\$	6,750		\$270.00	\$6	,750	1	\$0	
Energy Charge: First 425 kWh/kw	2,334,514	\$0.04276	\$	99,824	\$	0.04662	\$108	,833		\$9,009	
Over 425 kWh/kW	0	\$0.03487	\$	-	\$	0.03873		\$0		\$0	
Demand Charge	7,480.62	\$4.34	\$	32,466		\$4.34	\$32	,466		\$0	
Billing Adjustments							\$	-		\$0	
Total from Base Rates			\$	139,040	-		\$ 148,	049	\$	9,009	
Plus Fuel Adjustment			\$	18,154			\$ 18,	154	\$	-	
Plus Environmental Surcharge			\$	12,258			\$ 12,	258	\$	-	
Total Revenues			\$	169,452			\$ 178,	461	\$	9,009	
Average			\$	6,778			\$7,	138	\$	360	
Percent											5.32%

Blue Grass Energy Rate 39: Lrg Pwr Srvc - Rate 8										
Rate 33. Erg F wi Sive - Rate b	Billing		Actua	1	<u> </u>	Pr	opos	ed	 Dollar	Percent
	Determinants	Rate	Rev	enues		Rate	Rev	enues	Increase	Increase
	(1)	(2)	(3)=(1)*(2)		(4)	(5)=(1)*(4)	(6)	(7)
Customer Charge	233	\$28.68	\$	6,682		\$28.68		\$6,682	 \$0	
Energy Charge	7,107,452	\$0.04329	\$	307,682	\$	0.04715		\$335,109	\$27,428	
Demand Charge	21,067	\$7.82	\$	164,747		\$7.82		\$164,747	\$0	
Billing Adjustments							\$	-	\$0	
Total from Base Rates			\$	479,111	•		\$	506,539	\$ 27,428	
Plus Fuel Adjustment			\$	58,211			\$	58,211	\$ -	
Plus Environmental Surcharge			\$	39,323			\$	39,323	\$ -	
Total Revenues			\$	576,646	-		\$	604,073	\$ 27,428	
Average			\$	2,475			\$	2,593	\$ 118	
Percent										4.76%

EXHIBIT III	
Page 6 of 8	

Blue Grass Energy

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Blue Grass Energy Rate 40: Large Ind - Rate 8					 					
	Billing	A	ctual		Pro	oposed			Dollar	Percent
	Determinants	Rate	Reve	nues	Rate	Revenues	: 1	1r	ncrease	Increase
	(1)	(2)	(3	3)=(1)*(2)	(4)	(5)=(1)	*(4)		(6)	(7)
Customer Charge	24	\$40.16	\$	964	 \$40.16		\$964		\$0	
Energy Charge	4,477,200	\$0.04077	\$	182,535	\$ 0.04463	\$19	99,813		\$17,278	
Demand Charge	10,765.68	\$7.82	\$	84,188	\$7.82	\$8	84,188		\$0	
Billing Adjustments						\$	-		\$0	
Total from Base Rates			\$	267,687		\$ 28	4,965	\$	17,278	
Plus Fuel Adjustment			\$	35,722		\$ 3	5,722	\$	-	
Plus Environmental Surcharge			\$	22,449		\$2	2,449	\$	-	
Total Revenues			\$	325,858		\$ 34	3,136	\$	17,278	
Average			\$	13,577		\$ 1	4,297	\$	720	
Percent										5.30%

Rate 44: Large Ind - Rate B-2	(Dilling -		-	1	T					Dallar	Dement
	Billing		\ctua		1		pose			Dollar	Percent
	Determinants	Rate		enues	1			enues	1 1	ncrease	increase
	(1)	(2)		3)=(1)*(2)	L	(4)	(5	5)=(<u>1)*(</u> 4)		(6)	(7)
Customer Charge	12	\$1,069	\$	12,828		\$1,069		\$12,828		\$0	
Energy Charge	19,819,200	\$0.03077	\$	609,837	\$	0.03077		\$609,837		\$0	
Demand Charge - Contract	48,000	\$5.39	\$	258,720		\$7.29		\$349,920		\$91,200	
Demand Charge - Excess of Contract	0	7.82	\$	-		\$9.72		\$0		\$0	
Billing Adjustments							\$	-		\$0	
Total from Base Rates			\$	881,385	-		\$	972,585	\$	91,200	
Plus Fuel Adjustment			\$	160,484			\$	160,484	\$		
Plus Environmental Surcharge			\$	85,842			\$	85,842	\$	-	
Total Revenues			\$	1,127,711	-		\$	1,218,911	\$	91,200	
Average			\$	93,976			\$	101,576	\$	7,600	
Percent											8.0

	Billing	1	Actua	al	Pro	pose	bd		Dollar	Percent
	Determinants	Rate	Rev	/enues	Rate	Reve	enues	1	ncrease	Increase
	(1)	(2)		(3)=(1)*(2)	(4)	(:	5)=(1)*(4)		(6)	(7)
Customer Charge	12	\$1,069.00	\$	12,828	\$1,069		\$12,828		\$0	
Energy Charge	38,653,200	\$0.03077	\$	1,189,359	\$ 0.03077		\$1,189,359		\$0	
Demand Charge - Contract	60,000.00	\$5.39	\$	323,400	\$7.29		\$437,400		\$114,000	
Demand Charge - Excess of Contract	2,200.40	7.82	\$	17,207	\$9.72		\$21,388		\$4,181	
Billing Adjustments						\$	-		\$0	
Total from Base Rates			\$	1,542,794			\$1,660,975		\$118,181	
Plus Fuel Adjustment			\$	313,835		\$	313,835	\$	-	
Plus Environmental Surcharge			\$	134,625		\$	134,625	\$	-	
Total Revenues			\$	1,991,254		\$	2,109,435	\$	118,181	
Average			\$	165,938		\$	175,786	\$	9,848	
Percent										5.

	Billing	ŀ	Actua	1	Γ	Pro	posed			Dollar	Percent
	Determinants	Rate	Rev	enues		Rate	Revenu	ies	1	ncrease	Increase
	(1)	(2)	(3)=(1)*(2)		(4)	(5)=	(1)*(4)		(6)	(7)
Customer Charge	12	\$565.00	\$	6,780		\$565		\$6,780		\$0	
Energy Charge	21,805,200	\$0.03537	\$	771,250	\$	0.03537	:	\$771,250		\$0	
Demand Charge - Contract	35,100.00	\$5.39	\$	189,189		\$7.29	:	\$255,879		\$66,690	
Demand Charge - Excess of Contract	236.388	7.82	\$	1,849		\$9.72		\$2,298		\$449	
Billing Adjustments					_		\$	-		\$0	
Total from Base Rates			\$	969,067	-		\$ 1,	036,207	\$	67,139	
Plus Fuel Adjustment			\$	167,967			\$	167,967	\$	-	
Plus Environmental Surcharge			\$	80,356			\$	80,356	\$	-	
Total Revenues			\$	1,217,390	-		\$ 1,	284,529	\$	67,139	
Average			\$	101,449			\$	107,044	\$	5,595	
Percent											5.5

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	Billing	F	Actual		Pro	posed	1		Dollar	Percent
	Determinants	Rate	Rev	enues	Rate	Revenu	es	I	ncrease	Increase
	(1)	(2)	(3)=(1)*(2)	(4)	(5)=((1)*(4)		(6)	(7)
Customer Charge	12	\$1,069	\$	12,828	\$1,069		\$12,828		\$0	
nergy Charge	20,508,000	\$0.03077	\$	631,031	\$ 0.03077	5	631,031		\$0	
Demand Charge - Contract	49,200.00	\$5.39	\$	265,188	\$7.29	ę	\$358,668		\$93,480	
emand Charge - Excess of Contract		7.82	\$	-	\$9.72		\$0		\$0	
illing Adjustments						\$	-		\$0	
otal from Base Rates			\$	909,047		\$ 1,	002,527	\$	93,480	
Plus Fuel Adjustment			\$	165,771		\$	165,771	\$	-	
Plus Environmental Surcharge			\$	88,105		\$	88,105	\$	-	
Total Revenues			\$	1,162,923		\$ 1,	256,403	\$	93,480	
verage			\$	96,910		\$	104,700	\$	7,790	
Percent										8.04

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Blue Grass Energy

Rate 48: Large Ind Rate B-2					 			 	
	Billing	A	۱ctua	1	Pro	pos	ed	Dollar	Percent
	Determinants	Rate	Rev	enues	Rate	Re۱	venues	Increase	Increase
	(1)	(2)	((3)=(1)*(2)	(4)		(5)=(1)*(4)	(6)	(7)
Customer Charge	12	\$1,069	\$	12,828	\$1,069		\$12,828	\$0	
Energy Charge	35,685,600	\$0.03077	\$	1,098,046	\$ 0.03077		\$1,098,046	\$0	
Demand Charge - Contract	68,400.00	\$5.39	\$	368,676	\$7.29		\$498,636	\$129,960	
Demand Charge - Excess of Contract	3405	7.82	\$	26,627	\$9.72		\$33,097	\$6,470	
Billing Adjustments							-	\$0	
Total from Base Rates			\$	1,506,177		\$	1,642,607	\$ 136,430	
Plus Fuel Adjustment			\$	285,662		\$	285,662	\$ -	
Plus Environmental Surcharge			\$	130,517		\$	130,517	\$ -	
Total Revenues			\$	1,922,356		\$	2,058,786	\$ 136,430	
Average			\$	160,196		\$	171,565	\$ 11,369	
Percent									7.10%

Blue Grass Energy

Rate 49: Large Ind Rate B-2						_				
	Billing	ł	\ctua	al		Pro	posed	1	Dollar	Percent
	Determinants	Rate	Rev	/enues		Rate	Reve	nues	Increase	Increase
	(1)	(2)		(3)=(1)*(2)		(4)	(5))=(1)*(4)	(6)	(7)
Customer Charge	12	\$1,069	\$	12,828		\$1,069		\$12,828	\$0	
Energy Charge	42,588,000	\$0.03077	\$	1,310,433	\$	0.03077	;	\$1,310,433	\$0	
Demand Charge - Contract	72,000.00	\$5.39	\$	388,080		\$7.29		\$524,880	\$136,800	
Demand Charge - Excess of Contract	3247.984	7.82	\$	25,399		\$9.72		\$31,570	\$6,171	
Billing Adjustments					_		\$	-	 \$0	
Total from Base Rates			\$	1,736,740			\$	1,879,711	\$ 142,971	
Plus Fuel Adjustment			\$	349,036			\$	349,036	\$ -	
Plus Environmental Surcharge			\$	150,224			\$	150,224	\$ -	
Total Revenues			\$	2,236,000			\$	2,378,971	\$ 142,971	
Average			\$	186,333			\$	198,248	\$ 11,914	
Percent									6.39%	6.39%

Blue Grass Energy Rate 50: Large Pwr Srvc, LPR 2 - Rate 8 5% Discount for 3M Billing Actual Proposed Dollar Percent Determinants Rate Revenues Rate Revenues Increase Increase (3)=(1)*(2) 28,476 (1) (2) (4) (5)=(1)*(4) (6) (7) \$2,373 \$ Customer Charge 12 \$2,373 \$28,476 \$0 Energy Charge-First 425 kWh/kw Energy Charge-All remaining kWh 41,238,678 \$0 03735 \$ 1,540,265 \$ 0.03735 \$1,540,265 \$0 12,473,322 \$0.02983 \$ 372,079 \$0 02983 \$372,079 \$0 Demand 97,032.18 \$5 39 \$ 523,003 \$7.29 \$707,365 \$184,361 Billing Adjustments \$0 \$ 2,463,823 2,648,184 \$ Total from Base Rates \$ 184,361 Plus Fuel Adjustment \$ 434,810 \$ 434,810 \$ ٠ Plus Environmental Surcharge 213,594 213,594 \$ \$ Total Revenues \$ 3,112,228 3,296,589 \$ 184,361 \$ Average \$ 259,352 \$ 274,716 \$ 15,363 Percent 5.92%

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Blue Grass Energy: Test Year Ending September 30, 2006

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	[Annual	Rate	Normalized	Assigned	Total kWh	Proposed	Proposed		
	TYPE/	Billing	per	Annual	kWh	assigned	Rate per	Light	Dollar	Percentage
	Rate	Units	Lamp	Revenue	per Light	to Lights	Light	Revenues	Change	Change
Description		(1)	(2)	(3)=(1)*(2)	(4)	(5)=(1)*(4)	(6)	(7)=(6)*(1)	(8)=(7)-(3)	(9)=(7)/(3)-1x100
175 WATT MERCURY VAPOR	11	5,320	\$5.06	\$26,919	70	372,400	\$5.33	\$28,356	\$1,437	5.34%
175 WATT MERCURY VAPOR	14	53,842	\$8.81	\$474,348	73	3,930,466	\$9.09	\$489,516	\$15,168	3.20%
400 WATT MERCURY VAPOR	21	803	\$7.69	\$6,175	159	127,677	\$8.30	\$6,668	\$493	7.98%
400 WATT MERCURY VAPOR	24	765	\$14.02	\$10,725	154	117,810	\$14.61	\$11,180	\$455	4.24%
100 WATT HIGH PRESSURE SODIUM	31	90,038	\$5.13	\$461,895	37	3,331,406	\$5.27	\$474,751	\$12,856	2.78%
175 WATT MERCURY VAPOR -SEPARATE TRANSFORMER	34	153	\$9.81	\$1,501	73	11,169	\$10.09	\$1,544	\$43	2.87%
70 WATT HIGH PRESSURE SODIUM - ORNAMENTAL	41	8,376	\$5.21	\$43,639	23	192,648	\$5.30	\$44,382	\$743	1.70%
400 WATT MERCURY VAPOR -SEPARATE TRANSFORMER	44	36	\$15.02	\$541	154	5,544	\$15.61	\$562	\$21	3.96%
100 WATT HIGH PRESSURE SODIUM - ORNAMENTAL	51	6,876	\$6.74	\$46,344	37	254,412	\$6.88	\$47,326	\$982	2.12%
250 WATT HIGH PRESSURE SODIUM - ORNAMENTAL	61	2,409	\$9.25	\$22,283	102	245,718	\$9.64	\$23,231	\$948	4.26%
250 WATT HIGH PRESSURE SODIUM	71	2.136	\$7.51	\$16.041	102	217.872	\$7.90	\$16,882	\$841	5.24%
200 WATT HIGH PRESSURE SODIUM - COBRA HEAD	74	902	\$11.37	\$10,256	84	75,768		\$10,548	\$292	2.85%
70 WATT HIGH PRESSURE SODIUM - COLONIAL	81	5.604	\$7.99	\$44,776	23	128.892		\$45,273	\$497	1,11%
400 WATT METAL HALIDE DIRECTIONAL FLOOD	91	3.294	\$11.41	\$37,585	159	523,746		\$39,606	\$2,021	5.38%
400 WATT HIGH PRESSURE SODIUM DIRECTIONAL FLOOD	111	533	\$12.44	\$6,631	159	84.747	\$13.05	\$6,958	\$327	4.93%
100 WATT HIGH PRESSURE SODIUM - COBRA HEAD	124	1.882	\$8.47	\$15,941	37	69.634	\$8.61	\$16,209	\$269	1.69%
100 WATT HIGH PRESSURE SODIUM - SHOEBOX FIXTURE	133	123	\$16.14	\$1,985	37	4,551	\$16.28	\$2,003	\$18	0.88%
100 WATT HIGH PRESSURE SODIUM - ACORN FIXTURE	143	108	\$15.62	\$1,687	37	3,996	\$15.76	\$1,702	\$15	0.91%
100 WATT HIGH PRESSURE SODIUM - COLONIAL FIXTURE	153	1.022	\$13.16	\$13,450	37	37,814	\$13.30	\$13,595	\$146	1.08%
400 WATT HIGH PRESSURE SODIUM - COBRA HEAD	163	5	\$18.87		159	795			\$3	3.25%
		-					•			
TOTAL		184,227		\$1,242,815		9,737,065		\$1,280,391	\$37,576	3.02%
Average				\$6.75				\$6.95	\$0.20	3.02%

BLUE GRASS ENERGY COOPERATIVE CORPORATION

CASE NO. 2006-00475

I, William A. Bosta, hereby certify that a complete copy of the filing provided to the Kentucky Public Service Commission has been sent to the Office of Rate Intervention, Office of the Attorney General.

Willin A. Bosta

William A. Bosta East Kentucky Power Cooperative, Inc.

Subscribed and sworn before me on this 29th day of January, 2007.

<u>Pearon S. Shiffin</u> Notary Public <u>December 8, 2009</u>

My Commission expires

NOTICE OF PROPOSED RATE CHANGE

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set forth in 807 KAR 5:007, Section 3, of the Rules and Regulations of the Public Service Commission, notice is hereby given to the member consumers of Blue Grass Energy Cooperative Corporation of a proposed rate adjustment. An Application for Approval of Adjustment to Rates will be filed with the Public Service Commission on January 29, 2007, Case No. 2006-00475. The rates are being revised to reflect a change in wholesale rates pursuant to KRS 278.455(2). This adjustment will result in a general rate increase to the member-consumers of Blue Grass are listed below.

Rate Class $\$$ IncreasePercentGS-1 (Residential, Farm & Non-farm) $\$1,553,560$ 4.96% GS-2 (Off-Peak Marketing Rate - ETS) $\$1,669$ 4.81% C-1 Commercial & Industrial Lighting & Pwr $\$124,221$ 3.88% LP-1 Large Power $\$161,544$ 5.36% LP-2 Large Power $\$239,556$ 6.11% Large Industrial Rate B-2 $\$582,261$ 6.90% For the Fox Creek DistrictRate Class $\$$ IncreaseSch R Residential $\$651,034$ 4.64% Sch R2 Residential Marketing Rate $\$398$ 4.62% Sch C Commercial & Small Pwr $\$33,595$ 4.12% Sch L Large Pwr Service (50-200 kW) $\$9,172$ 4.37%
GS-2 (Off-Peak Marketing Rate - ETS) \$1,669 4.81% C-1 Commercial & Industrial Lighting & Pwr \$124,221 3.88% LP-1 Large Power \$161,544 5.36% LP-2 Large Power \$239,556 6.11% Large Industrial Rate B-2 \$582,261 6.90% For the Fox Creek District Rate Class \$Increase Sch R Residential \$651,034 4.64% Sch R2 Residential Marketing Rate \$398 4.62% Sch C Commercial & Small Pwr \$33,595 4.12%
C-1 Commercial & Industrial Lighting & Pwr \$124,221 3.88% LP-1 Large Power \$161,544 5.36% LP-2 Large Power \$239,556 6.11% Large Industrial Rate B-2 \$582,261 6.90% For the Fox Creek District Rate Class \$Increase Sch R Residential \$651,034 4.64% Sch R2 Residential Marketing Rate \$398 4.62% Sch C Commercial & Small Pwr \$33,595 4.12%
LP-1 Large Power \$161,544 5.36% LP-2 Large Power \$239,556 6.11% Large Industrial Rate B-2 \$582,261 6.90% For the Fox Creek District Rate Class \$Increase Percent Sch R Residential \$651,034 4.64% Sch R2 Residential Marketing Rate \$398 4.62% Sch C Commercial & Small Pwr \$33,595 4.12%
LP-2 Large Power\$239,5566.11%Large Industrial Rate B-2\$582,2616.90%For the Fox Creek DistrictRate Class\$ IncreaseSch R Residential\$651,0344.64%Sch R2 Residential Marketing Rate\$3984.62%Sch C Commercial & Small Pwr\$33,5954.12%
Large Industrial Rate B-2\$582,2616.90%For the Fox Creek DistrictEncreasePercentRate Class\$ IncreasePercentSch R Residential\$651,0344.64%Sch R2 Residential Marketing Rate\$3984.62%Sch C Commercial & Small Pwr\$33,5954.12%
For the Fox Creek DistrictRate Class\$ IncreasePercentSch R Residential\$651,0344.64%Sch R2 Residential Marketing Rate\$3984.62%Sch C Commercial & Small Pwr\$33,5954.12%
Rate Class\$ IncreasePercentSch R Residential\$651,0344.64%Sch R2 Residential Marketing Rate\$3984.62%Sch C Commercial & Small Pwr\$33,5954.12%
Sch R Residential\$651,0344.64%Sch R2 Residential Marketing Rate\$3984.62%Sch C Commercial & Small Pwr\$33,5954.12%
Sch R2 Residential Marketing Rate\$3984.62%Sch C Commercial & Small Pwr\$33,5954.12%
Sch C Commercial & Small Pwr\$33,5954.12%
Sch L Large Pwr Service (50-200 kW) \$9,172 4.37%
Sch N Industrial & Lrg Commercial (Over 500 kW)\$9,0095.32%
Sch B1 Large Industrial Rate\$67,1395.52%
For the Harrison District
Rate Class <u>§ Increase</u> Percent
Farm & Home Sch A (Rate 1) \$704,745 4.34%
Farm & Home Off-Peak Mkt. Rate (Rate 1 ETS)\$4,9114.46%
Commercial & Small Pwr 0-50 Demand (Rate 2) \$22,937 3.92%
Large Power Service 50-500 kW (Rate 8) \$27,428 4.76%
Large Power Service Over 500 kW (LPR 1, Rate 8) \$17,278 5.30%
Large Power Service 5,000 – 9,999 kW (LPR, Rate 8) \$184,361 5.92%
For All Territories Served Increase Percent
Rate Class
Security, Street, and Outdoor Lighting \$37,576 3.02%

The effect of the proposed rates on the average monthly bill by rate class are listed below:

For the Nicholasville & Madison Districts

		Percent
Rate Class	<u>\$ Increase</u>	Increase
GS-1 (Residential, Farm & Non-farm)	\$5.22	4.96%
GS-2 (Off-Peak Marketing Rate - ETS)	\$1.21	4.81%
C-1 Commercial & Industrial Lighting & Pwr	\$8.28	3.88%
LP-1 Large Power	\$162.00	5.36%
LP - 2 Large Power	\$1,470.00	6.11%

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Large Industrial Rate B-2	\$9,704.00	6.90%	
For the Fox Creek District		-	
<u>Rate Class</u> Sch R Residential	<u>\$ Increase</u> \$4.63	Percent <u>Increase</u> 4.64%	
Sch R2 Residential Marketing Rate	\$1.35	4.62%	
Sch C Commercial & Small Pwr	\$6.86	4.12%	
Sch L Large Pwr Service (50-200 kW)	\$76.00	4.37%	
Sch N Industrial & Lrg Commercial (Over 500 kw)	\$360.00	5.32%	
Sch B1 Large Industrial Rate	\$5,595.00	5.52%	
For the Harrison District			
		Percent	
Rate Class	<u>\$ Increase</u>	Increase	
Farm & Home Sch A (Rate 1)	\$4.18	4.34%	
Farm & Home Off-Peak Mkt. Rate (Rate 1 ETS)	\$1.71	4.46%	
Commercial & Small Pwr 0-50 Demand (Rate 2)	\$5.95	3.92%	
Large Power Service 50-500 kW (Rate 8)	\$118.00	4.76%	
Large Power Service Over 500 kW (LPR 1, Rate 8)	\$720.00	5.30%	
Large Power Service 5,000 – 9,999 kW (LPR, Rate 8)	\$15,363.00	5.92%	
		Percent	
For All Territories Served	\$ Increase	Increase	
Rate Class			
Security, Street, and Outdoor Lighting	\$0.20	3.02%	
The present and proposed rates structures of Blue Grass Energy are listed below:			
For the Nicholasville & Madison Districts			
	Present	Proposed	
Rate Class	Present	Proposed	
<u>Rate Class</u> GS-1 (Residential, Farm & Non-farm)	<u>Present</u> \$5.30	Proposed \$5.30	
<u>Rate Class</u> GS-1 (Residential, Farm & Non-farm) Customer Charge per Month			
Rate Class GS-1 (Residential, Farm & Non-farm) Customer Charge per Month Energy Charge per kWh	\$5.30	\$5.30	
<u>Rate Class</u> GS-1 (Residential, Farm & Non-farm) Customer Charge per Month	\$5.30	\$5.30	
Rate Class GS-1 (Residential, Farm & Non-farm) Customer Charge per Month Energy Charge per kWh GS-2 (Off-Peak Marketing Rate - ETS)	\$5.30 \$0.06028 \$0.03617	\$5.30 \$0.06414 \$0.03849	
Rate Class GS-1 (Residential, Farm & Non-farm) Customer Charge per Month Energy Charge per kWh GS-2 (Off-Peak Marketing Rate - ETS) Energy Charge per kWh	\$5.30 \$0.06028	\$5.30 \$0.06414	
Rate ClassGS-1 (Residential, Farm & Non-farm)Customer Charge per MonthEnergy Charge per kWhGS-2 (Off-Peak Marketing Rate - ETS)Energy Charge per kWhGS-3 (Residential, Farm & Non-Farm TOD)Customer Charge per MonthEnergy Charge per kWh	\$5.30 \$0.06028 \$0.03617 \$10.48	\$5.30 \$0.06414 \$0.03849 \$10.48	
Rate ClassGS-1 (Residential, Farm & Non-farm)Customer Charge per MonthEnergy Charge per kWhGS-2 (Off-Peak Marketing Rate - ETS)Energy Charge per kWhGS-3 (Residential, Farm & Non-Farm TOD)Customer Charge per MonthEnergy Charge per kWhOn-peak	\$5.30 \$0.06028 \$0.03617 \$10.48 \$0.07543	\$5.30 \$0.06414 \$0.03849 \$10.48 \$0.07929	
Rate ClassGS-1 (Residential, Farm & Non-farm)Customer Charge per MonthEnergy Charge per kWhGS-2 (Off-Peak Marketing Rate - ETS)Energy Charge per kWhGS-3 (Residential, Farm & Non-Farm TOD)Customer Charge per MonthEnergy Charge per kWhOn-peakOff-peak	\$5.30 \$0.06028 \$0.03617 \$10.48	\$5.30 \$0.06414 \$0.03849 \$10.48	
Rate ClassGS-1 (Residential, Farm & Non-farm)Customer Charge per MonthEnergy Charge per kWhGS-2 (Off-Peak Marketing Rate - ETS)Energy Charge per kWhGS-3 (Residential, Farm & Non-Farm TOD)Customer Charge per MonthEnergy Charge per kWhOn-peakOff-peakC-1 Commercial & Industrial Lighting & Pwr	\$5.30 \$0.06028 \$0.03617 \$10.48 \$0.07543	\$5.30 \$0.06414 \$0.03849 \$10.48 \$0.07929	
Rate ClassGS-1 (Residential, Farm & Non-farm)Customer Charge per MonthEnergy Charge per kWhGS-2 (Off-Peak Marketing Rate - ETS)Energy Charge per kWhGS-3 (Residential, Farm & Non-Farm TOD)Customer Charge per MonthEnergy Charge per kWhOn-peakOff-peakC-1 Commercial & Industrial Lighting & PwrDemand Charge per kW	\$5.30 \$0.06028 \$0.03617 \$10.48 \$0.07543 \$0.03793	\$5.30 \$0.06414 \$0.03849 \$10.48 \$0.07929 \$0.04179	
Rate ClassGS-1 (Residential, Farm & Non-farm)Customer Charge per MonthEnergy Charge per kWhGS-2 (Off-Peak Marketing Rate - ETS)Energy Charge per kWhGS-3 (Residential, Farm & Non-Farm TOD)Customer Charge per MonthEnergy Charge per kWhOn-peakOff-peakC-1 Commercial & Industrial Lighting & PwrDemand Charge per kWFirst 10 kW of billing demand	\$5.30 \$0.06028 \$0.03617 \$10.48 \$0.07543 \$0.03793 No charge	\$5.30 \$0.06414 \$0.03849 \$10.48 \$0.07929 \$0.04179 No charge	
Rate ClassGS-1 (Residential, Farm & Non-farm)Customer Charge per MonthEnergy Charge per kWhGS-2 (Off-Peak Marketing Rate - ETS)Energy Charge per kWhGS-3 (Residential, Farm & Non-Farm TOD)Customer Charge per MonthEnergy Charge per kWhOn-peakOff-peakC-1 Commercial & Industrial Lighting & PwrDemand Charge per kWFirst 10 kW of billing demandOver 10 kW of billing demand per kW	\$5.30 \$0.06028 \$0.03617 \$10.48 \$0.07543 \$0.03793	\$5.30 \$0.06414 \$0.03849 \$10.48 \$0.07929 \$0.04179	
Rate ClassGS-1 (Residential, Farm & Non-farm)Customer Charge per MonthEnergy Charge per kWhGS-2 (Off-Peak Marketing Rate - ETS)Energy Charge per kWhGS-3 (Residential, Farm & Non-Farm TOD)Customer Charge per MonthEnergy Charge per kWhOn-peakOff-peakC-1 Commercial & Industrial Lighting & PwrDemand Charge per kWFirst 10 kW of billing demandOver 10 kW of billing demand per kWEnergy Charge	\$5.30 \$0.06028 \$0.03617 \$10.48 \$0.07543 \$0.03793 No charge \$6.23	\$5.30 \$0.06414 \$0.03849 \$10.48 \$0.07929 \$0.04179 No charge \$\$6.23	
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Rate ClassGS-1 (Residential, Farm & Non-farm)Customer Charge per MonthEnergy Charge per kWhGS-2 (Off-Peak Marketing Rate - ETS)Energy Charge per kWhGS-3 (Residential, Farm & Non-Farm TOD)Customer Charge per MonthEnergy Charge per kWhOn-peakOff-peakC-1 Commercial & Industrial Lighting & PwrDemand Charge per kWFirst 10 kW of billing demandOver 10 kW of billing demand per kWEnergy ChargeFirst 3,000 kWhAll over 3,000 kWh	\$5.30 \$0.06028 \$0.03617 \$10.48 \$0.07543 \$0.03793 No charge \$6.23 \$0.06453 \$0.05973	\$5.30 \$0.06414 \$0.03849 \$10.48 \$0.07929 \$0.04179 No charge \$\$6.23 \$0.06839 \$0.06359	
Rate ClassGS-1 (Residential, Farm & Non-farm)Customer Charge per MonthEnergy Charge per kWhGS-2 (Off-Peak Marketing Rate - ETS)Energy Charge per kWhGS-3 (Residential, Farm & Non-Farm TOD)Customer Charge per MonthEnergy Charge per kWhOn-peakOff-peakC-1 Commercial & Industrial Lighting & PwrDemand Charge per kWFirst 10 kW of billing demandOver 10 kW of billing demand per kWEnergy ChargeFirst 3,000 kWhAll over 3,000 kWhCustomer Charge per Month	\$5.30 \$0.06028 \$0.03617 \$10.48 \$0.07543 \$0.03793 No charge \$6.23 \$0.06453	\$5.30 \$0.06414 \$0.03849 \$10.48 \$0.07929 \$0.04179 No charge \$\$6.23 \$0.06839	
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Next 75,000 kWh	\$0.03485	\$0.03871
All over 150,000	\$0.03315	\$0.03701
Customer Charge per month	\$24.00	\$24.00
LP -2 Large Power		
Demand Charge per kW per month	\$6.23	\$6.23
Energy Charge (over 500 kW)	#4 0 500 0	
First 3,500 kWh	\$0.05028	\$0.05414
Next 6,500 kWh	\$0.04201	\$0.04587
Next 140,000 kWh	\$0.03688	\$0.04074
Next 200,000 kWh	\$0.03533	\$0.03919
Next 400,000 kwh	\$0.03441	\$0.03827
Next 550,000 kWh	\$0.03349	\$0.03735
All over 1,300,000 kWh	\$0.02822	\$0.03208
Customer Charge per month	\$24.00	\$24.00
Security Lights – Rate per Light per Month	Ф. с . О.С	Φ. Ε. . 3.3
175 w Mercury Vapor	\$ 5.06	\$5.33
400 w Mercy Vapor	\$ 7.69	\$8.30
100 w High Pressure Sodium	\$ 5.13	\$5.27
250 w High Pressure Sodium	\$ 7.51	\$7.90
400 w Metal Halide-Directional Flood	\$11.41	\$12.02
400 w High Pressure Sodium Directional Flood	\$12.44	\$13.05
100 w High Pressure Sodium Shoebox Fixture 100 w High Pressure Sodium – Acorn Fixture (Fiberglass Pole)	\$16.14 \$15.62	\$16.28 \$15.76
100 w High Pressure Sodium – Acom Fixture (Fibergiass Fole)	\$13.16	\$13.30
400 w High Pressure Sodium Cobra Head (Aluminum Pole)	\$18.87	\$19.48
400 w mgn messure Soulum Coola mead (Aluminum mole)	\$10.07	\$19.40
Street Lighting		
70 w High Pressure Sodium (Ornamental)	\$ 5.21	\$5.30
100 w High Pressure Sodium (Ornamental)	\$ 6.74	\$6.88
250 w High Pressure Sodium (Ornamental)	\$ 9.25	\$9.64
70 w High Pressure (Colonial) (15-foot mounting height)	\$ 7.99	\$8.08
200 w High Pressure Sodium Cobra Head (Aluminum Pole)	\$11.37	\$11.69
100 w High Pressure Sodium Cobra Head (Aluminum Pole)	\$ 8.47	\$8.61
100 w High Pressure Sodium Shoebox Fixture	\$16.14	\$16.28
100 w High Pressure Sodium Acorn Fixture (Fiberglass Pole)	\$15.62	\$15.76
100 w High Pressure Sodium Colonial Fixture	\$13.16	\$13.30
400 w High Pressure Sodium Cobra Head (Aluminum Pole)	\$18.87	\$19.48
Large Industrial Rate C-1		
Consumer Charge per Month	\$535.00	\$535.00
Demand Charge per kW of billing demand	\$5.39	\$7.29
Energy Charge per kWh	\$0.03556	\$0.03556
Large Industrial Rate C-2		
Consumer Charge per Month	\$1,069.00	\$1,069.00
Demand Charge per kW of billing demand	\$5.39	\$7.29
Energy Charge per kWh	\$0.03056	\$0.03056
Large Industrial Rate C-3		
Consumer Charge per Month	\$1,069.00	\$1,069.00
Demand Charge per kW of billing demand	\$5.39	\$7.29
Energy Charge per kWh	\$0.02956	\$0.02956
Large Industrial Rate B-1		
Consumer Charge per Month	\$535.00	\$535.00
Demand Charge per kW – Contract	\$5.39	\$7.29
Demand Charge per kW – Excess	\$7.82	\$9.72
Energy Charge per kWh	\$0.03577	\$0.03577
Large Industrial Rate B-2	.	
Consumer Charge per Month	\$1,069.00	\$1,069.00

Demand Charge per kW – Contract	\$5.39	\$7.29
Demand Charge per kW – Excess	\$7.82	\$9.72
Energy Charge per kWh	\$0.03077	\$0.03077
For the Fox Creek District		
Rate Class	Present	Proposed
Sch R Residential		
Customer Charge per month	\$5.39	\$5.39
All kWh over 30 per month	\$0.06467	\$0.06853
Sch R2 Residential Marketing Rate		
All kWh	\$0.03880	\$0.04112
Sch C Commercial & Small Pwr		
Over 10 kW of Billing Demand Per Month	\$3.18	\$3.18
Minimum Bill First 30 kWh per month	\$5.39	\$5.39
All kWh over 30 kWh per month	\$0.06899	\$0.07285
Sch L Large Pwr Service (50-200 kW)		
Demand charge per kW per month	\$3.18	\$3.18
First 50 kWh/kW of billing demand	\$0.07200	\$0.07586
Next 100 kWh/kW of billing demand	\$0.06800	\$0.07186
Over 150 kWh/kW of billing demand	\$0.05810	\$0.06196
Sch C1 Large Industrial Rate (1,000-4,999 kW)		
Consumer Charge per month	\$535.00	\$535.00
Demand Charge per kW of billing demand	\$5.39	\$7.29
Energy Charge	\$0.03537	\$0.03537
Sch C2 Large Industrial (5,000-9,999 kW)		
Consumer Charge per month	\$1,069.00	\$1,069.00
Demand Charge per kW of billing demand	\$5.39	\$7.29
Energy Charge	\$0.03037	\$0.03037
Sch C3 Large Industrial (Over 10,000 kW)		
Consumer Charge per month	\$1,069.00	\$1,069.00
Demand Charge per kW of billing demand	\$5.39	\$7.29
Energy Charge	\$0.02937	\$0.02937
Sch M Commercial & Industrial (201-500 kW)		
Consumer Charge	\$135.00	\$135.00
Demand Charge per kW	\$4.34	\$4.34
Energy Charge		
First 425 kWh/kW of billing demand	\$0.04676	\$0.05062
All over 425 kWh/kW of billing demand	\$0.03887	\$0.04273
Sch N Industrial & Lrg Commercial (Over 500 kw)		
Consumer Charge	\$270.00	\$270.00
Demand Charge per kW	\$4.34	\$4.34
Energy Charge		
First 425 kWh/kW	\$0.04276	\$0.04662
All over 425 kWh/kW	\$0.03487	\$0.03873
Sch B1 Large Industrial Rate		
Consumer Charge	\$565.00	\$565.00
Demand Charge per kW – Contract	\$5.39	\$7.29
Demand Charge per kW – Excess	\$7.82	\$9.72
Energy Charge per kWh	\$0.03537	\$0.03537
For the Homison District		
For the Harrison District Rate Class	Drogont	Duanaad
	<u>Present</u>	Proposed
Farm & Home Sch A (Rate 1)	\$ 0 0 C	to or
Consumer Charge per month All kWh used	\$8.86 \$0.06628	\$8.86 \$0.07016
	\$0.06628	\$0.07016
Farm & Home Off-Peak Mkt. Rate (Rate 1, ETS)		

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All kWh used	\$0.03977	\$0.04209
Commercial & Small Pwr 0-50 Demand (Rate 2)		
Consumer Charge per month	\$23.87	\$23.87
All kWh used	\$0.06789	\$0.07175
Large Power Service 50-500 kW (Rate 8)		
Consumer Charge per month	\$28.68	\$28.68
All kWh	\$0.04329	\$0.04715
Demand Charge per kW	\$7.82	\$7.82
Large Power Service Over 500 kW (LPR 1, Rate 8)		
Consumer Charge per month	\$40.16	\$40.16
All kWh	\$0.04077	\$0.04463
Demand charge per kW	\$7.82	\$7.82
Large Power Service 1,000 – 4,999 kW (LPR 2, Rate8)		
Consumer Charge per month	\$40.16	\$40.16
All kWh	\$0.03992	\$0.03992
Demand charge per kW	\$5.39	\$7.29
Large Power Service 5,000 – 9,999 kW (LPR 2, Rate8)		
Consumer Charge per month	\$2,373.00	\$2,373.00
Energy Charge		
First 425 kWh per kW of billing demand	\$0.03735	\$0.03735
All remaining kWh	\$0.02983	\$0.02983
Demand charge per kW	\$5.39	\$7.29
Outdoor Lighting Service (monthly charge)		
175 watt	\$ 8.81	\$9.09
400 watt	\$14.02	\$14.61
200 w High Pressure Sodium Cobra Head (Aluminum Pole)	\$11.37	\$11.69
100 w High Pressure Sodium Cobra Head (Aluminum Pole)	\$ 8.47	\$8.61
100 w High Pressure Sodium Shoebox Fixture	\$16.14	\$16.28
100 w High Pressure Sodium Acorn Fixture (Fiberglass Pole)	\$15.62	\$15.76
100 w High Pressure Sodium Colonial Fixture	\$13.16	\$13.30
Lights Requiring Separate Transformer (in addition to monthly chg.)	\$1.00	\$1.00

The rates contained in this notice are the rates proposed by Blue Grass Energy Cooperative Corporation. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such actions may result in rates for consumers other than the rates in this notice.

Any person may examine the rate application at the main office of Blue Grass Energy Cooperative Corporation at the following address:

Blue Grass Energy Cooperative Corporation P.O. Box 990, 1201 Lexington Road Nicholasville, KY 40356 859-885-4191 www.bgenergy.com

Any person may also examine the rate application at the office of the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky.