




Blue Grass Energy

A Touchstone Energy Cooperative 

Daniel W. Brewer
President & CEO

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

April 11, 2008

RECEIVED

APR 11 2008

PUBLIC SERVICE
COMMISSION

Ms. Stephanie Stumbo
Executive Director
Kentucky Public Service Commission
PO Box 615
Frankfort, KY 40602

**RE: Case No. 2008-00011
Application of Blue Grass Energy for Adjustment in its Electric rates**

Dear Ms. Stumbo:

Attached are an original and ten copies of Blue Grass Energy's application for adjustment.

Also attached is a petition by Blue Grass Energy for the confidential treatment for exhibits 1 (one) and 2 (two) in this application.

The original contains Exhibits 1 and 2 highlighted which identifies the parts of the exhibits that should be treated as confidential. All other copies have this same information blackened to maintain confidentiality.


If you have any questions in regards to this application or petition, please contact us at your convenience.


Daniel W Brewer, President & CEO

cc: General Jack Conway
Attorney General
Utility Intervention and Rate Division
1024 Capitol Center Drive
Frankfort KY 40601



Blue Grass Energy

A Touchstone Energy Cooperative 

RATE CASE # 2008-00011

APPLICATION

VOLUME 1

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**PUBLIC SERVICE
COMMISSION**

1201 Lexington Road
P O Box 990
Nicholasville KY 40340
(859) 885-4191

Innovation Integrity

*Commitment
to Community*

Accountability

COMMONWEALTH OF KENTUCY
BEFORE THE PUBLIC SERVICE COMMISSION

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APR 11 2008

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF)
ADJUSTMENT OF RATES)
OF BLUE GRASS ENERGY)
COOPERATIVE CORPORATION)

NO. 2008- 00011

APPLICATION

Blue Grass Energy Cooperative Corporation (herein designated as "Blue Grass Energy") hereby makes application for adjustment of rates, as follows:

1. BLUE GRASS ENERGY COOPERATIVE CORPORATION informs the commission that it is engaged in the business of operation of a retail electrical distribution system in twenty-three (23) counties in Central Kentucky and does hereby propose to adjust its rates, effective May 11, 2008, in conformity with the attached schedule.

2. The name and post office address of the applicant is Blue Grass Energy Cooperative Corporation, P.O. Box 990, 1201 Lexington Road, Nicholasville, Ky 40340-0990 [807 KAR 5:001, Section 8(1)].

3. The articles of consolidation of Blue Grass Energy Cooperative Corporation are filed herein as Exhibit A. [807 KAR 5:001, Section 8(3)]. (See PSC Case No. 2001-246).

4. The application is supported by a twelve (12) month historical test period ending December 31, 2007 and includes adjustments for known and measurable changes. [807 KAR 5:001, Section 10(1)(a)]

5. Blue Grass Energy states that the reasons the rate adjustments are required pursuant to 807 KAR Section 10 (1)(a)(1) are, as follows:

a. Blue Grass Energy has incurred increases in the cost of power, materials, equipment, labor,

taxes, interest, debt service and other fixed and variable costs. Blue Grass Energy has been required to borrow funds to finance its construction projects.

b. The financial condition of Blue Grass Energy has deteriorated substantially over the past few years.

c. Blue Grass Energy had a Times Interest Earned Ratio (TIER) of .03 for the test year ending December 31, 2007. The TIER was 1.25 for calendar year 2006. Blue Grass Energy is required under its mortgage to maintain an operating TIER of 1.25, based on an average of two of the three most current years.

d. Blue Grass Energy requires this rate adjustment to meet the terms of the mortgage and to maintain its financial stability and integrity.

e. The Board of Directors of Blue Grass Energy at a special meeting on March 26, 2008 received the current financial condition of the Cooperative and the need for rate adjustments to maintain the financial stability and integrity of the Cooperative. The Board of Directors adopted a resolution directing the administrative staff and consultants to proceed with the necessary applications and filings with the Public Service Commission to adjust the rates of the Cooperative. A copy of the resolution is attached as Exhibit B.

6. Annual reports of Blue Grass Energy, including the most recent calendar year, are on file with the Commission in accordance with 807 KAR 5:006, Section 3(1) [807 KAR 5:001, Section 10(1)(a) 2].

7. Blue Grass Energy is not a limited partnership. [807 KAR 5:001, Section 10(1)(a)4].

8. Blue Grass Energy files with this application a Certificate of Good Standing dated within 60 days of the date of this Application and attached as Exhibit C. [807 KAR 5:001, Section 10(1)5].

9. Blue Grass Energy does not conduct business under an assumed name. [807 KAR 5:001, Section 10(1)(a)6].
10. The proposed tariff is attached as Exhibit D in a form that complies with 807 KAR 5:011 with an effective date not less than 30 days form the date this application is filed. [807 KAR 5:001, Section 10(1)(a)7].
11. The proposed tariff changes, identified in compliance with 807 KAR 5:011, are shown by providing the present and proposed tariffs in comparative form on the same sheet side by side or on facing sheets side by side as Exhibit E. [807 KAR 5:001, Section 10(1)(a)8].
12. Blue Grass energy has given notice to its members of the filing of this application in accordance with 807 KAR 5:001, Section 3-10 (3) and (4). A copy of the notice is attached as Exhibit F. [807 KAR 5:001, Section 10(1)(a)9].
13. Blue Grass Energy filed with the Commission a written notice of intent to file a rate application at least four (4) weeks prior to filing this application. The notice of intent stated the rate application would be supported by a historical test period and was served upon the Attorney General, Utility Intervention and Rate Division. [807 KAR 5:001, Section 10(2)].
14. A complete description and qualified explanation for all proposed adjustments with proper support for any proposed changes in price or activity levels, and any other factors which may affect the adjustment, including a Revenue Analysis shown as Exhibit G. [807 KAR 5:001 (10)(6)(a)].
15. The prepared testimony of each witness supporting the application are attached as Exhibits H. [807 KAR 5:001, Section 10 (6)(b)].
16. A statement estimating the effect that the new rates will have upon the revenues of Blue Grass Energy, including, at minimum, the total amount of revenues resulting form the increase or

decrease and the percentage of the increases or decreases and the percentage of the increase or decrease is shown by Exhibit I attached. [807 KAR 5:001, Section 10 (6)(d)].

17. The effect upon the average bill for each customer classification to which the proposed rate change will apply is shown by Exhibit J attached. [807 KAR 5:001, Section 10(6)(e)].

18. An analysis of customers' bills in such detail that revenues from present and proposed rates can be readily determined for each customer class is shown by Exhibit J attached. [807 KAR 5:001, Section 10(6)(g)].

19. A summary of the cooperative's determination of its revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage or operating ratio, with supporting schedules is shown by attached Exhibit K. [807 KAR 5:001, Section 10 (6)(h)].

20. A reconciliation of the rate base and capital used to determine its revenue requirements is show by attached Exhibit L. [807 KAR 5:001, Section 10(6)(I)].

21. A current chart of accounts is shown by attached Exhibit M. [807 KAR 5:001, Section 10 (6)(j)].

22. The independent auditor's annual opinion report is attached as Exhibit N. [807 KAR 5:001, Section 10 (6)(k)].

23. The Federal Energy Regulatory Commission or Federal Communications Commission have not audited Blue Grass Energy and no audit reports exist. [807 KAR 5:001, Section 10 (6)(l)].

24. No Federal Energy Regulatory Commission Form 1 exists as to Blue Grass Energy. [807 KAR 5:001, Section 10 (6)(m)].

25. The latest depreciation study of Blue Grass Energy is attached as Exhibit 3. [807 KAR

5:001, Section 10 (6)(n)].

26. A list of commercially available or in-house developed computer software, programs, and models used in the development of the schedules and work papers associated with the filing of this application are attached as Exhibit O. [807 KAR 5:001, Section 10(6)(o)].

27. No stock or bond offerings have been made by Blue Grass Energy. [807 KAR 5:001, Section 10(6)(p)].

28. Annual Reports to members for 2006 and 2007 are attached as Exhibit P. [807 KAR 5:001, Section 10(6)(q)].

29. The Monthly Managerial reports providing financial results of operations for the twelve (12) months in the test period are attached as Exhibit Q. [807 KAR 5:001, Section 10 (6)(r)].

30. No Securities and Exchange Commission Annual Reports exist as to Blue Grass Energy because it is not regulated by that regulatory body. [807 KAR 5:001, Section 10(6)(s)].

31. Blue Grass Energy had no amounts charged or allocated to it by an affiliate or general or home office and did not pay any monies to an affiliate or general or home office during the test period or during the previous three (3) calendar years. [807 KAR 5:001, Section 10(6)(t)].

32. A cost of service study based on a methodology generally accepted within the electric industry and based on current and reliable data for the test period is attached as Exhibit R. [807 KAR 5:001, Section 10(6)(u)].

33. Blue Grass Energy is not a Local Exchange Carrier or Company as set forth in 807 KAR 5:001, Section 10(6)(v).

34. A detailed income statement and balance sheet reflecting the impact of all proposed adjustments is attached as Exhibit S. [807 KAR 5:001, Section 10(7)(a)].

35. The most recent capital construction budget of Blue Grass Energy is filed in PSC Case No. 2006-00540. [807 KAR 5:001, Section 10(7)(b)].

36. No “proposed pro forma adjustments reflecting plant additions” exist or apply to Blue Grass Energy. [807 KAR 5:001, Section 10(7)(c)].

37. The operating budget for each month of the period encompassing the pro forma adjustments is attached as Exhibit T. [807 KAR 5:001, Section 10(7)(d)].

38. Additional financial Exhibits required by 807 KAR 5:001, Section 10, financial information covering a twelve (12) month historical test period ending December 31, 2007 and other information required to be filed is attached by Exhibits, as follows:

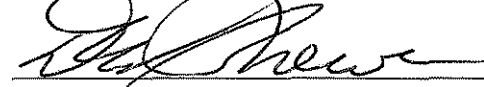
Exhibit U	By-Law Changes
Exhibit V	Detailed Comparative income statement, statement of cash flows and balance sheet.
Exhibit W	Schedule Showing Monthly Comparison of Balance Sheet Accounts from Test Year to Preceding Year
Exhibit X	Schedule Showing Monthly Comparison of Income Statement Accounts from Test Year to Preceding Year
Exhibit Y	Trial balance at end of test year
Exhibit Z	Capital Structure
Exhibit 1	Adjustment for salaries and wages
Exhibit 2	Adjustment for payroll taxes
Exhibit 3	Adjustment for depreciation
Exhibit 4	Adjustment for property taxes
Exhibit 5	Adjustment for long term and short term interest

Exhibit 6	Adjustment for post-retirement benefits
Exhibit 7	Adjustment for retirement costs
Exhibit 8	Adjustment for donations
Exhibit 9	Adjustment for professional fees
Exhibit 10	Adjustment for Director expenses
Exhibit 11	Adjustment for miscellaneous expenses
Exhibit 12	Adjustment for Non Operating activities
Exhibit 13	Adjustment for rate case expenses
Exhibit 14	Adjustment for purchase power
Exhibit 15	Adjustment for end of year customer adjustment
Exhibit 16	Adjustment for normalized revenue
Exhibit 17	RUS Borrower's Statistical Profile
Exhibit 18	CFC Key Ratio Trend Analysis
Exhibit 19	KAEC Statistical Comparison
Exhibit 20	Capitalization policies and employee benefits

WHEREFORE, BLUE GRASS ENERGY COOPERATIVE CORPORATION applies and requests approval of the adjustment of rates as set forth in this application and issuance of an order approving and authorizing the new rates at the earliest possible date.


Dated: April , 2008.

BLUE GRASS ENERGY COOPERATIVE CORPORATION



DAN BREWER, PRESIDENT AND CEO

COUNSEL:
HOWARD DOWNING
109 South First Street
Nicholasville, KY 40356



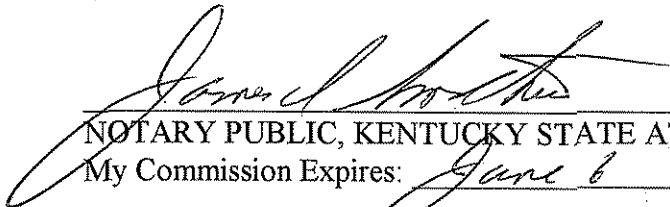
HOWARD DOWNING, ATTORNEY FOR
BLUE GRASS ENERGY COOPERATIVE CORPORATION

I, Dan Brewer, President and CEO, state that the statements contained in the foregoing application are true to the best of my information and belief.



DAN BREWER, PRESIDENT AND CEO
BLUE GRASS ENERGY COOPERATIVE CORPORATION

Subscribed and sworn to before me by Dan Brewer as President and CEO of Blue Grass Energy Cooperative Corporation this 11 day of April, 2008.



NOTARY PUBLIC, KENTUCKY STATE AT LARGE
My Commission Expires: June 6, 2009

Affiant, DANIEL W. BREWER, states that the answers given by him to the foregoing questions are true and correct to the best of his knowledge and belief.

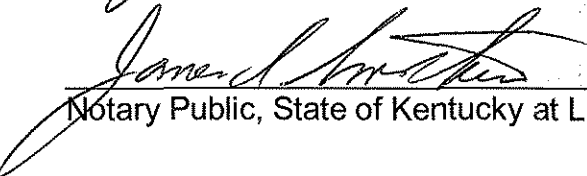


DANIEL W. BREWER

Subscribed and sworn to before me by the affiant, DANIEL W. BREWER, this 11th day of April 2008.

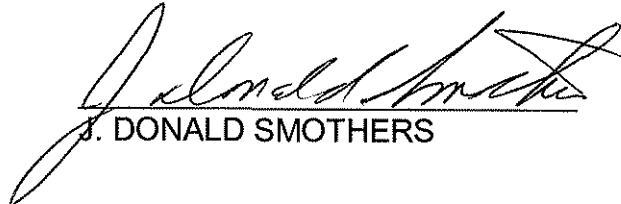
My Commission expires

June 6 2009



Notary Public, State of Kentucky at Large

Affiant, J. DONALD SMOTHERS, states that the answers given by him to the foregoing questions are true and correct to the best of his knowledge and belief.

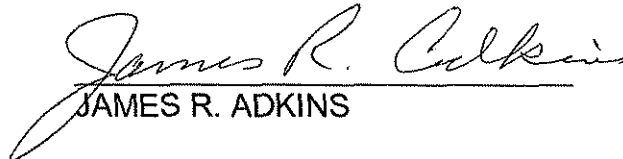

J. DONALD SMOTHERS

Subscribed and sworn to before me by the affiant, J. DONALD SMOTHERS, this 11th day of April 2008.

My Commission expires May 5, 2008


Notary Public, State of Kentucky at Large

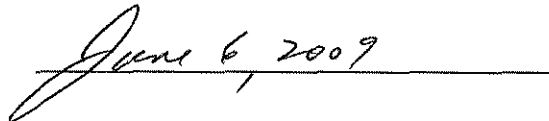
Affiant, JAMES R. ADKINS, states that the answers given by him to the foregoing questions are true and correct to the best of his knowledge and belief.




JAMES R. ADKINS

Subscribed and sworn to before me by the affiant, JAMES R. ADKINS, this 11th day of April 2008.

My Commission expires





Notary Public, State of Kentucky at Large

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

APR 11 2008

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF)
ADJUSTMENT OF RATES)
OF BLUE GRASS ENERGY)
COOPERATIVE CORPORATION)

NO. 2008 - 00011

PETITION FOR CONFIDENTIALITY

Blue Grass Energy Cooperative Corporation petitions the Public Service Commission for confidential treatment of Exhibits 1 and 2 of petitioner's application for rate adjustment and that any further references to salary and wage information about employees of Blue Grass Energy be kept confidential. (807 KAR 5:001, Section 7).

The confidential material is excluded under the provisions of KRS 61.878(1)(a) and KRS 61.878 (1)(c)(1), as follows:

KRS 61.878(1)(a) excludes from inspection and disclosure of "information of a personal nature where the public disclosure thereof would constitute a clearly unwarranted invasion of personal privacy".

KRS 61.878 (1)(c)(1) excludes "records confidentially disclosed to an agency or required to be disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records."

The information in Exhibits 1 and 2 of the application for rate adjustment includes the salaries and wages earned by employees of the cooperative. This information and any future references by date requests and otherwise should be kept confidential and personal nature as protected by KRS 61.878(1)(a) and KRS 61.878(1)(c)(1).

WHEREFORE, BLUE GRASS ENERGY COOPERATIVE CORPORATION petitions pursuant to 807 KAR 5:001, Section 7 for the PCS to treat as confidential all information regarding employee wages and salaries contained in Exhibits 1 and 2 of its Application for Rate Adjustment and in any other filings or documents containing such information. A copy of the confidential material notated but visible is filed, together with ten (10) copies of the material redacted.

A copy of this petition has been served upon the Office of the Kentucky Attorney General.

Dated: April 11, 2008.



HOWARD DOWNING
109 South First Street
Nicholasville, KY 40356
Attorney for Blue Grass Energy Cooperative
Corporation
Telephone (859)885-4619

CERTIFICATE OF SERVICE

The undersigned counsel certifies that the foregoing motion has been served upon the following:

Original and Eleven Copies

Ms. Stephanie Stumbo
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Copy

Hon. Lawrence W. Cook
Assistant Attorney General
1024 Capital Center Drive
Suite 200
Frankfort, Kentucky 40601-8204

This 11th day of April, 2008.



ATTORNEY FOR BLUE GRASS ENERGY
COOPERATIVE CORPORATION

(1)

(2)

(3)

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ARTICLES OF CONSOLIDATION

OF

BLUE GRASS ENERGY COOPERATIVE CORPORATION

Pursuant to KRS 279.170 and Consolidation Agreement between Harrison County Rural Electric Cooperative Corporation and Blue Grass Energy Cooperative Corporation, the following articles of consolidation are enacted and submitted for filing according to law.

ARTICLE I. The names of the corporations being consolidated are Blue Grass Energy Cooperative Corporation and Harrison County Rural Electric Cooperative Corporation.

ARTICLE II. The name of the consolidated corporation shall be "Blue Grass Energy Cooperative Corporation".

ARTICLE III. The purposes for which the consolidated corporation is formed are to conduct an electric cooperative corporation to produce, transmit, distribute or furnish electrical energy to any person or corporation, to provide electric devices, wiring and equipment and any services that are requested or deemed advisable or desirable to operate a utility and any other lawful activity permitted under Chapter 279 of the Kentucky revised Statutes and the laws of the Commonwealth of Kentucky.

ARTICLE IV. The operations of the corporation are to be conducted in Anderson, Bourbon, Bracken, Fayette,

0520514.09
John Y. Brown III
Secretary of State
Received and Filed
12/05/2001 01:27 PM
Fee Receipt: \$8.00
Chance - CFC

JESSAMINE COUNTY
D461 Pg 125

MAIL TO:
Prefer

Franklin, Garrard, Grant, Harrison, Henry, Jackson, Jessamine, Madison, Mercer, Nicholas, Pendleton, Robertson, Scott, Shelby, Spencer, Woodford and Washington counties of Kentucky and such other territory or territories as may become necessary or desirable to conduct activities and operations permitted by law.

ARTICLE V. The principal office of the corporation shall be at 1201 Lexington Road, Nicholasville, Kentucky 40356 in Jessamine County, Kentucky, and the agent for process is Dan Brewer at the same address.

ARTICLE VI. The number of directors shall be not less than five (5) as provided in the bylaws.

ARTICLE VII. The names and address of the initial board of directors of the consolidated corporation who are to serve in accordance with the consolidation agreement and by laws are as follows:

E.A. "Ned" Gilbert
792 Richmond Road
Berea, KY 40403

Jody E. Hughes
1167 Goshen Road
Lawrenceburg, KY 40342

Brad Marshall
7531 KY HWY 392
Cynthiana, KY 41031

Dennis Moneyhon
521 Morford Road
Foster, KY 41043

Paul L. Tucker
6840 Kentucky 32 West
Sadieville, KY 40370

Richard Crutcher
2074 Graefenburg Road
Lawrenceburg, KY 40342

Zeb Blankenship
137 Deer Crossing
Nicholasville, KY 40356

Gary Keller
395 Dunn Lane
Harrodsburg, KY 40330

Danny G. Britt
229 Boone Way
Richmond, KY 40475

Jane Smith
751 Avenstoke Road
Waddy, KY 40076

:OT JIAM

ARTICLE VIII. The duration of the consolidated corporation is perpetual, unless sooner dissolved.


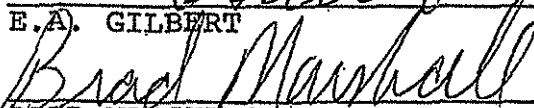
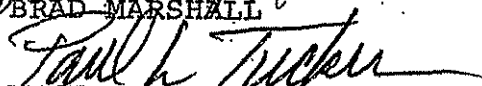

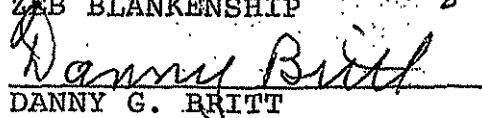
ARTICLE IX. The consolidated corporation is organized without capital stock. Any person, corporation or body politic may become a member by complying with the conditions provided in the bylaws.





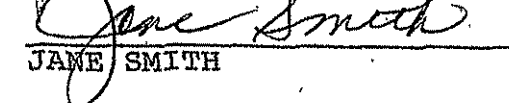
ARTICLE X. No voting by proxy shall be permitted on any matter submitted to any vote by members or directors of the consolidated corporation.

ARTICLE XI. The board of directors shall have the power to make and adopt such rules and regulations not inconsistent with these Articles of Consolidation as it may deem advisable for the management, administration and regulation of the business and affairs of the consolidated corporation.

ARTICLE XII. No member, director or incorporator shall be personally liable or responsible for any debt, obligation or liability of the consolidated corporation.

The effective date of these Articles of Consolidation is January 1, 2002.


E.A. GILBERT

BRAD MARSHALL

PAUL L. TUCKER

ZEB BLANKENSHIP

DANNY G. BRITT


JODY L. HUGHES

DENNIS MONEYHON

RICHARD CRUTCHER

GARY KELLER

JANE SMITH

STATE OF KENTUCKY)
)
COUNTY OF JESSAMINE)

The above Articles of Consolidation was signed, subscribed and acknowledged before me by E.A. Gilbert, Jody E. Hughes, Brad Marshall, Dennis Moneyhon, Richard Crutcher, Zeb Blankenship, Gary Keller, Danny G. Britt, Paul L. Tucker and Jane Smith this 29th day of October, 2001.

Howard Downing
NOTARY PUBLIC, KENTUCKY STATE AT LARGE
My Commission Expires: April 1, 2005.

THIS DOCUMENT PREPARED BY:

Howard Downing
HOWARD DOWNING, ATTORNEY
109 South First Street
Nicholasville, Kentucky 40256

DOCUMENT NO: 118814
RECORDED ON: DECEMBER 07, 2001 03:38:57PM
TOTAL FEES: \$11.00
COUNTY CLERK: EVA L. MCDANIEL, CJC
COUNTY: JESSAMINE COUNTY
DEPUTY CLERK: TOMMIE S COLLINS
BOOK D461 PAGES 125 - 128

JESSAMINE COUNTY
D461 Pg 128

**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

Resolution 2008-03-26

**AUTHORIZATION TO THE PRESIDENT & CEO TO FILE FOR A
RATE INCREASE WITH THE KENTUCKY PUBLIC SERVICE
COMMISSION**

WHEREAS, to provide its members with a reliable source of power it is the opinion of the Board of Directors of Blue Grass Energy that a rate increase is necessary to maintain Blue Grass Energy in a sound financial condition, and

WHEREAS, the Board of Directors of Blue Grass Energy hereby authorizes and directs its President & CEO, Daniel W. Brewer, to file with the Kentucky Public Service Commission for a rate increase.

NOW, THEREFORE BE IT RESOLVED, that this resolution was properly authorized by the Board of Directors during a special monthly Board of Directors meeting held March 26, 2008.

I, Paul Tucker, Secretary/Treasurer of the Blue Grass Energy Cooperative Corporation hereby certify that the foregoing is a full, true and correct copy of the Resolution duly passed by the Board of Directors of Blue Grass Energy Cooperative at a meeting duly called and held in compliance with the By-Laws of the Cooperative on the 26th day of March 2008, at which meeting a quorum was present, and that the Resolution as set out above appears in the minutes of that meeting in the Minutes Book of the Cooperative dated this 26th day of March 2008.


PAUL TUCKER, SECRETARY/TREASURER

Commonwealth of Kentucky
Trey Grayson, Secretary of State

3/27/2008

Division of Corporations
Business Filings

P. O. Box 718
Frankfort, KY 40602
(502) 564-2848
<http://www.sos.ky.gov>

Certificate of Existence

Authentication Number: 62607

Jurisdiction: BLUE GRASS ENERGY COOPERATIVE CORPORATION

Visit <http://apps.sos.ky.gov/business/obdb/certvalidate.aspx> to authenticate this certificate.

I, Trey Grayson, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records of the Office of the Secretary of State,


BLUE GRASS ENERGY COOPERATIVE CORPORATION

is a nonprofit corporation duly incorporated and existing under KRS Chapter 273, whose date of incorporation is January 1, 2002 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of state have been paid; that articles of dissolution have not been filed; and that the most recent annual report required by KRS 273.3671 has been delivered to the Secretary of State.

IN WITNESS THEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 27th day of March, 2008.




Trey Grayson
Secretary of State
Commonwealth of Kentucky
62607/0526514



BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 9
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 9, 36, 54, & 55

CLASSIFICATION OF SERVICE

SC-1 Commercial and Industrial (0-100 KW)

APPLICABLE

Entire territory served

AVAILABILITY

Available for single phase or three-phase commercial and industrial; and three-phase farm service up to 100 kW.

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 unless specially approved by the Cooperative. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

RATE

Demand Charge

First 10 KW of Billing Demand	No charge
Over 10 KW of Billing Demand	\$ 7.00

Energy Charge

All KWH	\$0.07144
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Customer Charge	\$25.00
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FUEL ADJUSTMENT CLAUSE

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

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.

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: 

(Name of Officer)

TITLE: Vice President & CFO

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 10
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 10

CLASSIFICATION OF SERVICE

SC-1 Commercial and Industrial (0-100 KW)

POWER FACTOR ADJUSTMENT

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

MINIMUM CHARGE

The minimum monthly charge under the above rate shall be the customer charge.

DELAYED PAYMENT CHARGE

The above rates are net, the gross rates being 7.5% higher. In the event the current monthly bill is not paid 15 days from the date of the bill, the gross rates shall apply.

SPECIAL RATES

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

TEMPORARY SERVICE

Temporary service shall be supplied in accordance with the foregoing rate except that the consumer shall pay in addition to the foregoing charges the total cost of connecting and disconnecting service. A deposit in advance may be required for the full amount of the estimated bill for service, including the cost of connection and disconnection.

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: J. Donald Mathis

(Name of Officer)

TITLE: Vice President & CFO

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

**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 11
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 11, 37, 46, & 56

CLASSIFICATION OF SERVICE

LP-1 Large Power (101 KW to 500 KW)

APPLICABLE

Entire territory served

AVAILABILITY

Available to all consumers whose contracted kilowatt demand shall exceed 100 kW for all usage subject to the established rules and regulations.

CONDITIONS

An "Agreement for Electric Service" shall be executed by the consumer for service under this schedule.

TYPE OF SERVICE

Single-phase and three-phase, 60 cycles, at available primary or secondary voltages. Motors having a rated capacity in excess of 10 horsepower must be three-phase unless specifically approved by the Cooperative. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

RATE

Maximum Demand Charge

\$7.50 per month per KW of billing demand

Energy Charge (101 KW to 500 kW)

<u>Customer Charge</u>	\$50.00
<u>ALL KWH</u>	\$0.04650

DETERMINATION OF BILLING DEMAND

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

POWER FACTOR ADJUSTMENT

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

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY:

Donald Smith
(Name of Officer)

TITLE: Vice President & CFO

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 12
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 12, 38, 47, & 57

CLASSIFICATION OF SERVICE

LP-1 Large Power (101 KW to 500 KW) – Continued

MINIMUM CHARGE

The minimum monthly charge shall be as specified in the contract.

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line loss will not exceed 10% to all applicable provisions as set out in 807 KAR 5.056.

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 7.5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

SPECIAL PROVISIONS

1. Delivery Point – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.
2. If service is furnished at Seller's primary line voltage, the delivery point shall be the location of the primary metering point. All wiring, pole lines, and other electrical equipment beyond the meter point shall be considered the distribution system of the consumer and shall be furnished and maintained by the consumer.
3. If service is furnished at primary distribution voltage, a discount of 5% shall apply to the energy charge.

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: *J. Donald Smith*
(Name of Officer)

TITLE: Vice President & CFO

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 13
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 13, 48, & 58

CLASSIFICATION OF SERVICE

LP-2 Large Power (over 500)

APPLICABLE

Entire territory served

AVAILABILITY

Available to all commercial and industrial consumers whose contracted kilowatt demand shall exceed 500 kW for all usage subject to the established rules and regulations.

CONDITIONS

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

TYPE OF SERVICE

Three-phase, 60 cycles, at available primary or secondary voltages. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

RATE

Maximum Demand Charge

\$7.50 per month per kW of billing demand

Energy Charge (over 500 kW)

<u>Customer Charge</u>	\$100.00
<u>ALL KWH</u>	\$0.04098

Special facilities charge as specified in the contract

DETERMINATION OF BILLING DEMAND

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

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practical. 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 the wholesale power factor, the demand for billing purposes shall be demand as indicated or recorded by the demand meter multiplied by the wholesale power factor and divided by the measured power factor.

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: *J. Donald Smith*

(Name of Officer)

TITLE: Vice President & CFO

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 14
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 14, 49, & 59

CLASSIFICATION OF SERVICE

LP-2 Large Power (over 500)- Continued

MINIMUM CHARGE

The minimum monthly charge shall be as specified in the contract.

FUEL ADJUSTMENT CLAUSE

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

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 7.5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

SPECIAL PROVISIONS

1. Delivery Point – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.
2. If service is furnished at Seller's primary line voltage, the delivery point shall be the location of the primary metering point. All wiring, pole lines, and other electrical equipment beyond the meter point shall be considered the distribution system of the consumer and shall be furnished and maintained by the consumer.
3. If service is furnished at primary distribution voltage, a discount of 5% shall apply to the energy charge.

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: 

(Name of Officer)

TITLE: Vice President & CFO

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 15
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 15, 16, & 64

CLASSIFICATION OF SERVICE

OUTDOOR LIGHTS

APPLICABLE

Entire territory served

AVAILABILITY

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

RATE PER LIGHT PER MONTH

175 Watt Mercury Vapor*	\$ 9.51
400 Watt Mercury Vapor*	\$15.39
400 Watt Metal Halide Directional Flood	\$14.50
400 Watt High Pressure Sodium Directional Flood*	\$15.25
100 Watt High Pressure Sodium – Shoebox Fixture (Metal Pole)	\$16.81
100 Watt High Pressure Sodium – Acorn Fixture (Fiberglas Pole)	\$16.28
100 Watt High Pressure Sodium – Colonial Fixture	\$13.75
400 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	\$20.40
70 Watt High Pressure Sodium (Ornamental)*	\$ 9.00
100 Watt High Pressure Sodium (Ornamental)*	\$10.00
250 Watt High Pressure Sodium (Ornamental)*	\$13.25
70 Watt High Pressure (Colonial) (15-foot mounting height)*	\$ 8.35
200 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	\$13.50
100 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	\$10.00
100 Watt High Pressure Sodium Open Bottom	\$ 9.53
250 Watt High Pressure Sodium Open Bottom	\$14.28

*Not available for new installation

ADDITIONAL ORNAMENTAL SERVICE

The Cooperative may, 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: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: 

(Name of Officer)

TITLE: Vice President & CFO

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 16
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 15, 16, & 64

CLASSIFICATION OF SERVICE

OUTDOOR LIGHTS

OTHER THAN OUR CURRENT RATE PER LIGHT PER MONTH LISTING

Should the member require, either initially or upon replacement, a type of system or equipment other than that as described in our current rates, the Member shall make a non-refundable contribution to the Cooperative equal to the difference in the installed cost between the system or equipment so required and the cost of the type as described in our current rates. In a similar manner the member will pay the difference in the cost or operation and maintaining such a system or equipment and the cost of operation and maintaining a type in our current rates. Any facilities that are required in excess of the standard light installation shall be paid by the member. Any installation costs which are to be borne by the Member shall be paid prior to installation.

STORAGE PROVISION FOR SPECIAL LIGHTS AND POLES

If the cooperative provides storage for fixture, poles or other equipment requested by the Member not included in our current rates an adder of 12.50% will apply to the monthly rate per light.

FUEL ADJUSTMENT CLAUSE

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

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 7.5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: *J. Donald Mathis*

(Name of Officer)

TITLE: Vice President & CFO

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 23
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 23 & 50

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.

MONTHLY RATE

Consumer Charge	\$1000.00
Demand Charge per kW of Contract Demand	\$ 6.22
Demand Charge per kW for Billing Demand in Excess of Contract Demand	\$ 8.65
Energy Charge per kWh	\$0 .04148

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:

<u>Months</u>	<u>Hours Applicable 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.
May through September	10:00 a.m. to 10:00 p.m.

MINIMUM MONTHLY CHARGE

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

- Customer Charge
- The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand, multiplied by the in excess of contract demand charge.
- The product of the contract demand multiplied by 425 hours and the energy charge per KWH.
- Contract provisions that reflect special facilities requirements.

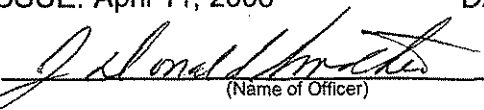
POWER FACTOR ADJUSTMENT

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

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY:


(Name of Officer)

TITLE: Vice President & CFO

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 24
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 24 & 51

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-1 - Continued

FUEL ADJUSTMENT CLAUSE

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

SPECIAL PROVISIONS

1. Delivery Point – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.
2. If service is furnished at Seller's primary line voltage, the delivery point shall be the location of the primary metering point. All wiring, pole lines, and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the Consumer.
3. If service is furnished at primary distribution voltage, a discount of 5% shall apply to the energy charge.

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 7.5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

TEMPORARY SERVICE

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

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: 

(Name of Officer)

TITLE: Vice President & CFO

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 25
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 25 & 62

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.

TYPE OF SERVICE

Three-phase, 60 cycles, at available primary voltages. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

MONTHLY RATE

Customer Charge	\$2,000.00
Demand Charge per kW of Contract Demand	\$6.22
Demand Charge per kW for Billing Demand in Excess of Contract Demand	\$8.65
Energy Charge per kWh	\$0.03703

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 10:00 p.m.

MINIMUM MONTHLY CHARGE

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

- Customer Charge
- The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand, multiplied by the in excess of contract demand charge.
- The product of the contract demand multiplied by 425 hours and the energy charge per kWh.
- Contract provisions that reflect special facilities requirements.

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: *J. Donald Matto*

(Name of Officer)

TITLE: Vice President & CFO

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 26
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 26 & 63

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-2 – Continued

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 the wholesale power factor, the demand for billing purposes shall be demand as indicated or recorded, multiplied by the wholesale power factor and divided by the measured power factor.

FUEL ADJUSTMENT CLAUSE

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

SPECIAL PROVISIONS

Delivery Point – The delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the Consumer.

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 7.5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply

TEMPORARY SERVICE

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

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: J. Donald Mather TITLE: Vice President & CFO
(Name of Officer)

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Entire Territory Served
P.S.C. KY NO. 2
ORIGINAL SHEET NO.27
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 27

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate

APPLICABILITY

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

AVAILABILITY

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

RENTAL CHARGE

The yearly rental charges shall be as follows:

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

Pedestal attachment = Same as respective pole charges.

BILLING

Rental charges shall be billed yearly based on the number of pole attachments. The rental charges are net, the gross being ten percent (10%) higher. In the event the current bill is not paid within ten (10) days from the date of the bill, the gross shall apply.

Note: Discount or penalty must apply to all electric consumers, but shall apply to advance billing only if given at least thirty (30) days before the late penalty takes effect.

SPECIFICATIONS

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

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: _____

J. David Smith
(Name of Officer)

TITLE: Vice President & CFO

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Entire Territory Served
P.S.C. KY NO. 2
ORIGINAL SHEET NO.28
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 28

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate - Continued

ESTABLISHING POLE USE

- A. Before the CATV operator shall make use of any of the poles of the Cooperative under this tariff, they shall notify the Cooperative of their intent in writing and shall comply with the procedures established by the Cooperative. The CATV operator shall furnish the Cooperative detailed construction plans and drawings for each pole line, together with necessary maps, indicating specifically the poles of the Cooperative, the number and character of the attachments to be placed on such poles, and rearrangements of the Cooperative's fixtures and equipment necessary for the attachment, and relocation or replacements of existing poles, and any additional poles that CATV intends to install.
- B. The Cooperative shall, on the basis of such detailed construction plans and drawings, submit to the CATV operator a cost estimate (including overhead and less salvage value of materials) of all changes that may be required in each such pole line. Upon written notice by the CATV operator to the Cooperative that the cost estimate is approved, the Cooperative shall proceed with the necessary changes in pole lines covered by cost estimate. Upon completion of all changes, the CATV operator shall have the right hereunder to make attachments in accordance with the terms of the application of this tariff. The CATV operator shall, at his own expense, make attachments in such manner as not to interfere with the service of the Cooperative.
- C. Upon completion of all changes, the CATV operator shall pay to the Cooperative the actual cost (including overhead and less salvage value of materials) of making such changes. The obligation of the CATV operator hereunder shall not be limited to amounts shown on estimates made by the Cooperative hereunder. An itemized statement of the actual cost of all such changes shall be submitted by the Cooperative to the CATV operator in a form mutually agreed upon.
- D. Any reclearing of existing rights-of-way and any tree trimming necessary for the establishment of pole line attachments hereunder shall be performed by the CATV operator.
- E. All poles to which attachments have been made under this tariff shall remain the property of the Cooperative, and any payments made by the CATV operator for changes in pole line under this tariff shall not entitle the CATV operator to the ownership of any of said poles.
- F. Any charges necessary for correction of substandard installation made by the CATV operator, where notice of intent had not been requested, shall be billed at rate equal to twice the charges that would have been imposed if the attachment had been properly authorized.

EASEMENTS AND RIGHTS-OF-WAY

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

DATE OF ISSUE: April 11, 2008, DATE EFFECTIVE: May 11, 2008

ISSUED BY: *J. J. [Signature]* TITLE: Vice President & CFO
(Name of Officer)

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Entire Territory Served
P.S.C. KY NO. 2
ORIGINAL SHEET NO.29
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 29

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate – Continued

MAINTENANCE OF POLES, ATTACHMENTS, AND OPERATIONS

- A. Whenever rights-of-way considerations or public regulations make relocation of a pole or poles necessary, such relocation shall be made by the Cooperative at its own expense, except that each party bear the cost of transferring its own attachments.
- B. Whenever it is necessary to replace or relocate an attachment, the Cooperative shall, before making such replacement or relocation, give forty-eight (48) hours notice (except in cases of emergency) to the CATV operator, specifying in said notice the time of such proposed replacement or relocation, and the CATV operator shall, at the time so specified, transfer its attachments to the new or relocated pole. Should the CATV operator fail to transfer its attachments to the new or relocated pole at the time specified for such transfer of attachments, the Cooperative may elect to do such work and the CATV operator shall pay the Cooperative the cost thereof.
- C. Any existing attachment of CATV which does not conform to the specifications as set out in this tariff hereof shall be brought to conformity therewith as soon as practical. The Cooperative, because of the importance of its service, reserves the right to inspect each new installation of the CATV operator on its poles and in the vicinity of its lines or appurtenances. Such inspection, made or not, shall not operate to relieve the CATV operator of any responsibility, obligation or liability assumed under the tariff.
- D. The Cooperative reserves to itself, its successor and assigns, the right to maintain its poles and to operate its facilities thereon in such manner as will, in its own judgment, best enable it to fulfill its own service requirements. The Cooperative shall not be liable to the CATV operator for any interruption in service of CATV operator or for interference with the operation of f the cables, wires and appliances of the CATV operator arising in any manner out of the use of the Cooperative's poles hereunder.
- E. The Cooperative shall exercise reasonable care to avoid damaging the facilities of the CATV operator, made an immediate report to the CATV operator of the occurrence of any such damage caused by its employees, agents or contractors, and, except for removal for non-payment or for failure to post or maintain the required "Performance Bond", agrees to reimburse the CATV operator for all reasonable cost incurred by the CATV operator for the physical repair of facilities damaged by the negligence of the Cooperative.

INSPECTIONS

- A. Periodic Inspections - Any unauthorized or unreported attachment by CATV operator will be billed at a rate of two times the amount equal to the rate that would have been due, had the installation been made the day after the last previously required inspection.
- B. Made-Ready Inspection - Any "make-ready" inspection of "walk-through" inspection required of the Cooperative will be paid for by the CATV operator at a rate equal to the Cooperative's actual expenses, plus appropriate overhead charges.

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY:  TITLE: Vice President & CFO
(Name of Officer)

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Entire Territory Served
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 30
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 30

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate - Continued

INSURANCE OR BOND

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

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

Protection for its employees to the extent required by Workmen's Compensation Law of Kentucky.

Public liability coverage with separate coverage for each town or city in which the CATV operator operates under this contract to a minimum amount of \$100,000.00 for each person and \$300,000.00 for each accident or personal injury or death, and \$25,000.00 as to the property of any one person, and \$100,000.00 as to any once accident or property damage.

Before beginning operations under this tariff, the CATV operator shall cause to be furnished to the Cooperative a certificate for such coverage, evidencing the existence of such coverage. Each policy required hereunder shall contain a contractual endorsement written as follows:

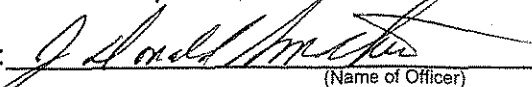
"The insurance or bond provided herein shall also be for the benefit of Blue Grass Energy Cooperative Corporation, so as to guarantee, within the coverage limits, the performance by the insured of any indemnity agreement set forth in this tariff. This insurance or bond may not be canceled for any cause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

CHANGE OF USE PROVISION

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

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: 
(Name of Officer)

TITLE: Vice President & CFO

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Entire Territory Served
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 31
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 31

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate - Continued

ABANDONMENT

- A. If the Cooperative desires at any time to abandon any pole to which the CATV operator has attachments, it shall give the CATV operator notice in writing to that effect at least thirty (30) days prior to the date on which it intends to abandon such pole. If, at the expiration of said period, the Cooperative shall have no attachments on such pole, but the CATV operator shall not have removed all of its attachments there from, such pole shall thereupon become the property of the CATV operator, and the CATV operator shall save harmless the Cooperative from all obligation, liability, damages, cost, expenses, or charges incurred thereafter; and shall pay the Cooperative for such pole an amount equal to the Cooperative's depreciated cost thereof.
- B. The Cooperative shall further evidence transfer to the CATV operator of title to the pole by means of a bill of sale.
- C. The CATV operator may at any time abandon the use of the attached pole by giving due notice thereof in writing to the Cooperative and by removing there from any and all attachments it may have thereon. The CATV operator shall in such case pay to the Cooperative the full rental for said pole for the then current billing period.

RIGHTS OF OTHERS

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

PAYMENT OF TAXES

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

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: 

(Name of Officer)

TITLE: Vice President & CFO

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

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate - Continued

BOND OR DEPOSITOR PERFORMANCE

- A. The CATV operator shall furnish bond or satisfactory evidence of contractual insurance coverage from the purposes hereinafter specified in the amount of twenty-five thousand dollars (\$25,000), until such time as the CATV operator shall occupy twenty-five hundred (2,500) poles of the Cooperative and thereafter the amount thereof shall be increased to increments of one-thousand dollars (\$1,000), for each one-hundred (100) poles (or fraction thereof) occupied by the CATV operator, evidence of which shall be presented to the Cooperative fifteen (15) days prior to beginning construction. Such bond or insurance shall contain the provision that it shall not be terminated prior to six (6) months after receipt by the Cooperative of written notice of the desire of the Bonding or Insurance Company to terminate such bond or insurance. Upon receipt of such notice, the Cooperative shall request the CATV operator to immediately remove its cables, wires, and all other facilities from all poles of the Cooperative. If the CATV operator should fail to complete the removal of all its facilities from the poles of the Cooperative within thirty (30) days after receipt of such request from the Cooperative, then the Cooperative shall have the right to remove them at the cost and expense of the CATV operator and without being liable for any damage to the CATV operator's wires, cables, fixtures, or appurtenances. Such bond or insurance shall guarantee the payment of any sums which may become due to the Cooperative for rentals, inspections or work performed for the benefit of the CATV operator under this tariff, including the removal of attachments upon termination of service by any of its provisions.
- B. After the CATV operator has been a customer of the Cooperative and not in default for a period of two years, the Cooperative shall reduce the bond by 50%, or, at the Cooperative's option, require a deposit in keeping with 807 KAR 5:006, Section 7.

USE OF ANCHORS

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

DISCONTINUANCE OF SERVICE

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

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: J. Donald Brant

(Name of Officer)

TITLE: Vice President & CFO

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 33
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 33

CLASSIFICATION OF SERVICE

Interruptible Service

STANDARD RIDER

This Interruptible Rate is a rider to the Schedule LP-1 Large Power Rate, LP-2 Large Power Rate, B-1 Large Industrial Rate and B-2 Large Industrial Rate.

APPLICABLE

In all territory served by the Cooperative.

AVAILABILITY OF SERVICE

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

MONTHLY RATES

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

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

DETERMINATION OF MEASURED LOAD - BILLING DEMAND

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

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 10:00 p.m.

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

BLUE GRASS ENERGY

FOR ENTIRE TERRITORY SERVED

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: *J. Donald Smith* TITLE: Vice President & CFO
(Name of Officer)

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

COOPERATIVE CORPORATION

P.S.C. KY NO. 2
ORIGINAL SHEET NO. 34
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 34

CLASSIFICATION OF SERVICE

Interruptible Service - Continued

CONDITIONS OF SERVICE FOR CUSTOMER CONTRACT

1. The customer will, upon notification by the Cooperative, reduce his load being supplied by the Cooperative to the contract capacity level specified by the contract.
2. The Cooperative will endeavor to provide the Customer as much advance notice as possible of the interruption of service. However, the Customer shall interrupt service within the notice period as contracted.
3. Service will be furnished under the Cooperative's General Rules and Regulations or Terms and Conditions except as set out herein and/or provisions agreed to by written contract.
4. No responsibility of any kind shall attach to the Cooperative for, or on account of, any loss or damage caused by, or resulting from, any interruption or curtailment of this service.
5. The minimum original contract period shall be one year and thereafter until terminated by giving at least six months previous written notice. The Cooperative may require a contract be executed for a longer initial term when deemed necessary by the size of the load and other conditions.
6. The Fuel Adjustment Clause, as specified in the governing rate schedule, is applicable.
7. The Customer shall arrange his wiring so that interruptible service supplied under this rider shall be separately metered and segregated from firm service.
8. A Customer's plant is considered as one or more buildings which are served by a single electrical distribution system provided and operated by the Customer. When the size of the Customer's load necessitates the delivery of energy to the Customer's plant over more than one circuit, the company may elect to connect its circuits to different points on the customer's system.
9. Any transformers required in excess of those used for regular firm power shall be owned and maintained by the Customer.

CALCULATION OF MONTHLY BILL

The monthly bill is calculated on the following basis:

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

NUMBER AND DURATION OF INTERRUPTIONS

- A. Winter Season: There shall be no more than two (2) interruptions during any 24-hour calendar day. No interruption shall last more than six hours.
- B. Summer Season: There shall be no more than one (1) interruption during any 24-hour calendar day. No interruption shall last more than twelve hours.
- C. The maximum number of annual hours of interruption shall be in accordance with the customer-contracted level of interruptible service.

BLUE GRASS ENERGY

FOR ENTIRE TERRITORY SERVED

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: 

(Name of Officer)

TITLE: Vice President & CFO

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

COOPERATIVE CORPORATION

P.S.C. KY NO. 2
ORIGINAL SHEET NO. 35

CLASSIFICATION OF SERVICE

Interruptible Service - Continued

CHARGE FOR FAILURE TO INTERRUPT

If Customer fails to interrupt load as requested by the Cooperative, the Cooperative shall bill the uninterrupted load at a rate equal to five (5) times the applicable firm power demand charge for that billing month. Uninterrupted load is equal to actual load during requested interruption minus firm load. Failure to interrupt penalty shall apply for each interruption and shall be billed accordingly.

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: 

(Name of Officer)

TITLE: Vice President & CFO

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 1
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 1

CLASSIFICATION OF SERVICE

Cogeneration and Small Power Production Power Purchase Rate Schedule Over 100 KW

AVAILABILITY

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

RATE SCHEDULE

1. Capacity

- a. \$8.47 per KW per year is applicable if co generator or small power producer is dispatched by East Kentucky Power Cooperative.
- b. \$0.00110 per KWH is applicable if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative.

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

a. Time Differentiated Rates:

Year	Winter		Summer	
	On-Peak	Off-Peak	On-Peak	Off-Peak
2005	\$0.04565	\$0.03311	\$0.04093	\$0.01991
2006	\$0.04280	\$0.03116	\$0.04304	\$0.02115
2007	\$0.04479	\$0.03179	\$0.04251	\$0.02129
2008	\$0.04256	\$0.02929	\$0.04506	\$0.01874
2009	\$0.03876	\$0.02682	\$0.03901	\$0.01667

b. Non-Time Differentiated Rates:

Year	2005	2006	2007	2008	2009
Rate	\$0.03502	\$0.03437	\$0.03498	\$0.03360	\$0.03014

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

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

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: *Donald Smith* TITLE: Vice President & CFO
(Name of Officer)

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 2
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 2

CLASSIFICATION OF SERVICE

Cogeneration and Small Power Production Power Purchase Rate Schedule Over 100 KW

TERMS AND CONDITIONS

1. All power from a Qualifying Facility (QF) will be sold only to East Kentucky Power Cooperative.
2. Seller must provide good quality electric power within reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
3. Qualifying Facility (QF) shall provide reasonable protection for the EKPC and Blue Grass Energy Cooperative Corporation's system.
4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the qualifying facility in accordance with all applicable codes, laws, regulation and generally accepted utility practice.
5. Qualifying Facility (QF) shall reimburse EKPC & Blue Grass Energy Cooperative Corporation for all costs as a result of interconnecting with the QF, including operation, maintenance, administration and billing.
6. Qualifying Facility (QF) shall obtain insurance in at least the following minimum amounts for each occurrence:
 - a. Public Liability for Bodily Injury - \$1,000,000.00
 - b. Property Damage - \$500,000.00
7. Initial contract term shall be for a minimum of twenty years.
8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: _____

(Name of Officer)

TITLE: Vice President & CFO

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 3
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 3

CLASSIFICATION OF SERVICE

Cogeneration and Small Power Production Power Purchase Rate Schedule Less than 100 KW

AVAILABILITY

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

RATE SCHEDULE

1. Capacity

- a. \$8.47 per KW per year is applicable if co generator or small power producer is dispatched by East Kentucky Power Cooperative.
- b. \$0.00110 per KWH is applicable if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative.

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

a. Time Differentiated Rates:

Year	Winter		Summer	
	On-Peak	Off-Peak	On-Peak	Off-Peak
2005	\$0.04565	\$0.03311	\$0.04093	\$0.01991
2006	\$0.04280	\$0.03116	\$0.04304	\$0.02115
2007	\$0.04479	\$0.03179	\$0.04251	\$0.02129
2008	\$0.04256	\$0.02929	\$0.04506	\$0.01874
2009	\$0.03876	\$0.02682	\$0.03901	\$0.01667

b. Non-Time Differentiated Rates:

Year	2005	2006	2007	2008	2009
Rate	\$0.03502	\$0.03437	\$0.03498	\$0.03360	\$0.03014

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

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

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: 

(Name of Officer)

TITLE: Vice President & CFO

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

CLASSIFICATION OF SERVICE

Cogeneration and Small Power Production Power Purchase Rate Schedule Less than 100 KW

TERMS AND CONDITIONS

1. All power from a Qualifying Facility (QF) will be sold only to East Kentucky Power Cooperative.
2. Seller must provide good quality electric power within reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
3. Qualifying Facility (QF) shall provide reasonable protection for the EKPC and Blue Grass Energy Cooperative Corporation's system.
4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the qualifying facility in accordance with all applicable codes, laws, regulation and generally accepted utility practice.
5. Qualifying Facility (QF) shall reimburse EKPC & Blue Grass Energy Cooperative Corporation for all costs as a result of interconnecting with the QF, including operation, maintenance, administration and billing.
6. Qualifying Facility (QF) shall obtain insurance in at least the following minimum amounts for each occurrence:
 - c. Public Liability for Bodily Injury - \$1,000,000.00
 - d. Property Damage - \$500,000.00
7. Initial contract term shall be for a minimum of twenty years.
8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: *J. Donald Brantley*

(Name of Officer)

TITLE: Vice President & CFO

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 5
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO, 5, 39, & 53

CLASSIFICATION OF SERVICE

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

AVAILABILITY

Available to consumers eligible for Tariff GS-1, Residential and 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 and Farm Schedule.

RATES

All kWh/Month: \$0.04477 kWh

SCHEDULE OF HOURS

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

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
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.

FUEL ADJUSTMENT CLAUSE

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

DELAYED PAYMENT CHARGE

The above rates are net, the gross rates being 7.5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

TERMS AND CONDITIONS

This Tariff is subject to the same terms and conditions as described in Tariff GS-1, Residential and Farm. This rate applies to only 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. Effective January 1, 2009 all consumers under this rate will be switched to the GS-3 Residential and Farm Time-of Day Rate or the GS-1 Residential and Farm Rate. This tariff is no longer available for new installations.

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: 
(Name of Officer)

TITLE: Vice President & CFO

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 6
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 6, 35, & 52

CLASSIFICATION OF SERVICE

GS-1 (Residential and Farm)

APPLICABLE

Entire Territory Served

AVAILABILITY

Available to all residential and farm consumers. The capacity on individual motors served under this schedule may not exceed ten (10) horsepower.

TYPE OF SERVICE

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

RATES

Customer Charge	\$12.00 per meter, per month
Energy Charge per kWh	\$0.07462

FUEL ADJUSTMENT CLAUSE

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

MINIMUM MONTHLY CHARGE

The minimum monthly charge under this tariff shall be the customer charge.

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 7.5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: *J. Donald Smith*

(Name of Officer)

TITLE: Vice President & CFO

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 7
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 7

CLASSIFICATION OF SERVICE

GS-1 (Residential and Farm)

BUDGET BILLING

The Cooperative has a levelized billing plan that is available to all residential consumers. Qualified consumers may be placed on or removed from this plan in any month of the year. This is a continuous plan and there is no account settlement (catch-up) month. Monthly payments are based on average kilowatt-hour usage for the past twelve months. Bills may fluctuate each month, according to how the current monthly bill affects the average. Failure to pay the exact amount by the due date each month will result in removal of this account from the levelized billing program.

During the month when the usage is the lowest, monthly payments will be larger than the actual usage and a credit will accumulate. During the months of higher usages, payments will be smaller than actual usage and debits will accumulate. At the time of disconnect or removal of the account from this plan, all accumulated debts shall be refunded and credited to the account.

The Cooperative may cancel a consumer's levelized account of delinquency (untimely payment), or non-payment (returned checks or no payment), or failure to pay the exact amount of the bill.

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: May 11, 2008

ISSUED BY: J. Donald Bratcher

(Name of Officer)

TITLE: Vice President & CFO

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 8
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 8

CLASSIFICATION OF SERVICE

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

APPLICABLE
Entire Territory Served

AVAILABILITY
Available to all consumers eligible for the Tariff GS-1, Residential and Farm. The capacity on individual motors served under this schedule may not exceed ten (10) horsepower.

TYPE OF SERVICE
Single-phase, 60 cycles, at available secondary voltage.

RATES:

Customer Charge	\$12.00 per meter, per month
<u>Energy Charge per kWh</u>	
<u>On-peak energy</u>	<u>\$0.09489</u>
<u>Off-peak energy</u>	<u>\$0.05581</u>

On-Peak Hours and Off-Peak Hours

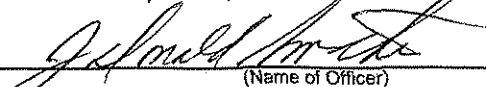
<u>Months</u>	<u>On-Peak Hours</u>	<u>Off-Peak Hours</u>
<u>May through September</u>	<u>10:00 a.m. to 10:00 p.m.</u>	<u>10:00 p.m. to 10:00 a.m.</u>
<u>October through April</u>	<u>7:00 a.m. to 12:00 noon</u> <u>5:00 p.m. to 10:00 p.m.</u>	<u>10:00 p.m. to 7:00 a.m.</u> <u>12:00 noon to 5:00 p.m.</u>

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

MINIMUM MONTHLY CHARGES
The minimum monthly charge under this tariff shall be the customer charge.

DELAY PAYMENT CHARGE
The above rates are net, the gross rates being 7.5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

DATE OF ISSUE: April 11, 2008 DATE EFFECTIVE: May 11, 2008

ISSUED BY:  TITLE: Vice President & CFO
(Name of Officer)

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

CLASSIFICATION OF SERVICE

Cogeneration and Small Power Production Power Purchase Rate Schedule Over 100 kWKW (T)

AVAILABILITY

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

RATE SCHEDULE

1. Capacity

- a. \$8.47 per kWKW per year is applicable if co generator or small power producer is dispatched by East Kentucky Power Cooperative. (T)
- b. \$0.00110 per kWKWH is applicable if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative. (T)

2. Energy - A base payment per kWKWH is listed below for a time differentiated basis or a non-time differentiated basis for the specified years. (T)

a. Time Differentiated Rates:

Year	Winter		Summer	
	On-Peak	Off-Peak	On-Peak	Off-Peak
2005	\$0.04565	\$0.03311	\$0.04093	\$0.01991
2006	\$0.04280	\$0.03116	\$0.04304	\$0.02115
2007	\$0.04479	\$0.03179	\$0.04251	\$0.02129
2008	\$0.04256	\$0.02929	\$0.04506	\$0.01874
2009	\$0.03876	\$0.02682	\$0.03901	\$0.01667

b. Non-Time Differentiated Rates:

Year	2005	2006	2007	2008	2009
Rate	\$0.03502	\$0.03437	\$0.03498	\$0.03360	\$0.03014

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

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

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

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

CLASSIFICATION OF SERVICE

Cogeneration and Small Power Production Power Purchase Rate Schedule Over 100 kWKW (T)

TERMS AND CONDITIONS

1. All power from a Qualifying Facility (QF) will be sold only to East Kentucky Power Cooperative.
2. Seller must provide good quality electric power within reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
3. Qualifying Facility (QF) shall provide reasonable protection for the EKPC and Blue Grass Energy Cooperative Corporation's system.
4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the qualifying facility in accordance with all applicable codes, laws, regulation and generally accepted utility practice.
5. Qualifying Facility (QF) shall reimburse EKPC & Blue Grass Energy Cooperative Corporation for all costs as a result of interconnecting with the QF, including operation, maintenance, administration and billing.
6. Qualifying Facility (QF) shall obtain insurance in at least the following minimum amounts for each occurrence:
 - a. Public Liability for Bodily Injury - \$1,000,000.00
 - b. Property Damage - \$500,000.00
7. Initial contract term shall be for a minimum of twenty years.
8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

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

CLASSIFICATION OF SERVICE

Cogeneration and Small Power Production Power Purchase Rate Schedule Less than 100 kWKW (T)

AVAILABILITY

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

RATE SCHEDULE

1. Capacity

- a. \$8.47 per kWKW per year is applicable if co generator or small power producer is dispatched by East Kentucky Power Cooperative. (T)
- b. \$0.00110 per kWKWH is applicable if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative. (T)

2. Energy - A base payment per kWKWH is listed below for a time differentiated basis or a non-time differentiated basis for the specified years. (T)

a. Time Differentiated Rates:

Year	Winter		Summer	
	On-Peak	Off-Peak	On-Peak	Off-Peak
2005	\$0.04565	\$0.03311	\$0.04093	\$0.01991
2006	\$0.04280	\$0.03116	\$0.04304	\$0.02115
2007	\$0.04479	\$0.03179	\$0.04251	\$0.02129
2008	\$0.04256	\$0.02929	\$0.04506	\$0.01874
2009	\$0.03876	\$0.02682	\$0.03901	\$0.01667

b. Non-Time Differentiated Rates:

Year	2005	2006	2007	2008	2009
Rate	\$0.03502	\$0.03437	\$0.03498	\$0.03360	\$0.03014

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

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

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

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

**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

For Area Served (T)
P.S.C. KY NO. 1
ORIGINAL SHEET NO.4

CLASSIFICATION OF SERVICE

Cogeneration and Small Power Production Power Purchase Rate Schedule Less than 100 kWKW (T)

TERMS AND CONDITIONS

1. All power from a Qualifying Facility (QF) will be sold only to East Kentucky Power Cooperative.
2. Seller must provide good quality electric power within reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
3. Qualifying Facility (QF) shall provide reasonable protection for the EKPC and Blue Grass Energy Cooperative Corporation's system.
4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the qualifying facility in accordance with all applicable codes, laws, regulation and generally accepted utility practice.
5. Qualifying Facility (QF) shall reimburse EKPC & Blue Grass Energy Cooperative Corporation for all costs as a result of interconnecting with the QF, including operation, maintenance, administration and billing.
6. Qualifying Facility (QF) shall obtain insurance in at least the following minimum amounts for each occurrence:
 - c. Public Liability for Bodily Injury - \$1,000,000.00
 - d. Property Damage - \$500,000.00
7. Initial contract term shall be for a minimum of twenty years.
8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

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 Residential and 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 Residential and Farm Schedule~~. (T) (T)

RATES

All ~~kWKWHh~~/Month: Present \$0.04101 ~~kWKWHh~~ Proposed 0.04477 (I) (T)

SCHEDULE OF HOURS

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

Months	Hours Applicable for Demand Billing - 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.

FUEL ADJUSTMENT CLAUSE

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

DELAYED PAYMENT CHARGE

The above rates are net, the gross rates being 40% ~~7.5%~~ higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply. (D)

TERMS AND CONDITIONS

This Tariff is subject to the same terms and conditions as described in Tariff GS-1, ~~Residential, Farm and Non-Farm Residential and Farm~~. This rate applies to 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~~. Effective January 1, 2009 all consumers under this rate will be switched to the GS-3 Residential and Farm Time-of-Day Rate or the GS-1 Residential and Farm Rate. This tariff is no longer available for new installations. (T) (T) (T) (T)

DATE OF ISSUE: _____ DATE EFFECTIVE: _____
ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

Entire Territory Served (T)
For Nicholasville & Madison Districts (T)
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 6

CLASSIFICATION OF SERVICE

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

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. (T)

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

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. (T)

Available to all residential and farm consumers. The capacity on individual motors served under this schedule may not exceed ten (10) horsepower. (T)

TYPE OF SERVICE

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

RATES

	<u>Present</u>	<u>Proposed</u>		
Customer Charge (No Usage)	\$5.44 per meter, per month	12.00	(I)	(T)
Energy Charge per kWKWHh	\$0.06835	0.07462	(I)	(T)

FUEL ADJUSTMENT CLAUSE

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

MINIMUM MONTHLY CHARGE

The minimum monthly charge under the above rate shall be \$5.44. Payment of the minimum charge shall entitle the consumer in all cases to use the number of kilowatt hours corresponding to the minimum (T)

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

~~charge in accordance with the foregoing rate.~~
The minimum monthly charge under this tariff shall be the customer charge.

(T)
(T)

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

CLASSIFICATION OF SERVICE

~~GS-1 (Residential, Farm and Non-Farm)~~- Continued (T)
(Residential and Farm)

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 40% 7.5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply. (D)

SPECIAL RULES

~~The capacity of individual motors served under this schedule may not exceed 10 horsepower.~~ (T)
(T)

BUDGET BILLING

The Cooperative has a leveled billing plan that is available to all residential consumers. Qualified consumers may be placed on or removed from this plan in any month of the year. This is a continuous plan and there is no account settlement (catch-up) month. Monthly payments are based on average kilowatt-hour usage for the past twelve months. Bills may fluctuate each month, according to how the current monthly bill affects the average. Failure to pay the exact amount by the due date each month will result in removal of this account from the leveled billing program.

During the month when the usage is the lowest, monthly payments will be larger than the actual usage and a credit will accumulate. During the months of higher usages, payments will be smaller than actual usage and debits will accumulate. At the time of disconnect or removal of the account from this plan, all accumulated debts shall be refunded and credited to the account.

The Cooperative may cancel a consumer's leveled account of delinquency (untimely payment), or non-payment (returned checks or no payment), or failure to pay the exact amount of the bill.

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

BLUE GRASS ENERGY

For Nicholasville & Madison Districts (T)
Entire Territory Served (T)
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 8

COOPERATIVE CORPORATION

CLASSIFICATION OF SERVICE

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

APPLICABLE
Entire Territory Served

AVAILABILITY
Available to all consumers eligible for the Tariff GS-1, Residential, Farm and Non-Farm. (T)
Available to all consumers eligible for the Tariff GS-1, Residential and Farm. The capacity on individual (T)
motors served under this schedule may not exceed ten (10) horsepower. (T)

TYPE OF SERVICE
Single-phase, 60 cycles, at available secondary voltage. (T)

RATES:	<u>Present</u>	<u>Proposed</u>	
Customer Charge (No Usage)	\$10.76 per meter, per month	12.00 (I)	(T)
<u>Energy Charge per kWKWHh</u>			(T)
<u>On-peak energy</u>	\$0.08391	0.09489 (I)	(T)
<u>Off-peak energy</u>	\$0.04541	0.05581 (I)	(T)

On-Peak Hours and Off-Peak Hours

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

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

MINIMUM MONTHLY CHARGES
The minimum monthly charge under the above rate shall be \$10.76. this tariff shall be the customer charge. (T)

DELAY PAYMENT CHARGE
The above rates are net, the gross rates being 40% 7.5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply. (D)

SPECIAL RULES
~~The capacity of individual motors served under this schedule may not exceed 10 horsepower.~~ (T)

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Nicholasville & Madison Districts
For Entire Territory Served
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 9

(T)
(T)

CLASSIFICATION OF SERVICE

C-1 Commercial and Industrial Lighting & Power
SC-1 Commercial and Industrial (0-100 KW)

(T)
(T)

APPLICABLE

Entire territory served

AVAILABILITY

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

Available for single phase or three-phase commercial and industrial; and three-phase farm service up to 100 KW.

(T)
(T)
(T)
(T)

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.

Single phase and three phase, 60 cycles, at available secondary voltages. Motors with a rated capacity in excess of 10 horsepower must be three-phase unless specifically approved by the Cooperative.

Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

(T)
(T)
(T)
(T)

MONTHLY RATES

Demand Charge

First 10 kW/KW of billing demand

Present

No charge

Proposed

Over 10 kW/KW of billing demand

\$ 6.40 per KW

7.00

(I)

(T)
(T)
(T)

Energy Charge (Under 50 kW)

First 3,000 kWh All KWH

\$0.07272 per KWH

0.07144

(I)

All Over 3,000 kWh All KWH

\$0.06779 per KWH

0.07144

(I)

(T)
(T)
(T)

Customer Charge

\$ 7.13

25.00 I

FUEL ADJUSTMENT CLAUSE

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

(T)

DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

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.

POWER FACTOR ADJUSTMENT

~~The consumer agrees to maintain unity power factor as nearly as practical. Demand charges will be adjusted for consumers with 50 kWh or more of measured demand to correct for average power factors lower than 90%; 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 by 1% by which the power factor is less than 90% lagging.~~

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

EDFERBER

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Nicholasville & Madison Districts
For Entire Territory Served
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 10

(T)
(T)

CLASSIFICATION OF SERVICE

C-1 Commercial and Industrial Lighting & Power - Continued
SC-1 Commercial and Industrial (0-100 KW)-Continued

(T)
(T)

MINIMUM MONTHLY CHARGE

The minimum monthly charge under the above rate shall be \$6.95 where 5 kva or less of transformer capacity is required. For consumers requiring more than 5 kva of transformer capacity, the minimum monthly charges shall be one of the following charges as determined for the consumer in question:

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

The minimum monthly charge under the above rate shall be the customer charge.

(T)
(T)
(T)
(T)
(T)
(T)

DELAYED PAYMENT CHARGE

The above rates are net, the gross rates being 40% 7.5% higher. In the event the current monthly bill is not paid 15 days from the date of the bill, the gross rates shall apply.

(D)

SPECIAL RATES

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

TEMPORARY SERVICE

Temporary service shall be supplied in accordance with the foregoing rate except that the consumer shall pay in addition to the foregoing charges the total cost of connect and disconnecting service less than the value of materials required to stock. A deposit in advance may be required of full amount of the estimated bill for service, including the cost of connection and disconnection.

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Nicholasville & Madison Districts
For Entire Territory Served
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 11

(T)
(T)

CLASSIFICATION OF SERVICE

LP-1 Large Power (101 KW to 500 KW)

(T)

APPLICABLE

Entire territory served

AVAILABILITY

Available to all customers whose kilowatt demand shall exceed 50 kW for lighting and/or heating and/or power.

(T)

Available to all consumers whose contracted kilowatt demand shall exceed 100 KW for all usage subject to the established rules and regulations.

(T)
(T)

CONDITIONS

An "Agreement for Electric Service" shall be executed by the consumer for service under this schedule.

CHARACTER OF SERVICE

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

(T)

TYPE OF SERVICE

Single-phase and three-phase, 60 cycles, at available primary or secondary voltages. Motors with a rated capacity in excess of 10 horsepower must be three-phase unless specifically approved by the Cooperative. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

(T)
(T)
(T)
(T)
(T)
(T)

Monthly RATE

Maximum Demand Charge

\$6.40 per month per kW of billing demand

Present

Proposed

7.50

(I)

(T)

(T)

Energy Charge (100 KW to 500 kW)

Customer Charge	\$24.64	
First 10,000 kWh	\$0.05723	All kWh
Next 15,000 kWh	\$0.05036	
Next 50,000 kWh	\$0.04461	
Next 75,000 kWh	\$0.04225	
All Over 150,000 kWh	\$0.04050	
First 75,000 kWh	\$0.00000 per kWh	
All Over 75,000 kWh	\$0.00000 per kWh	

50.00

(I)

(T)

0.04650

(D)

(T)

0.04650

(D)

0.04650

(D)

0.04650

(D)

0.04650

(D)

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

DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

a demand meter and adjusted for power factor as provided below.

POWER FACTOR ADJUSTMENT

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

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

(T)
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(T)

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 7.5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Nicholasville & Madison Districts
For Entire Territory Served
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 12

(T)

CLASSIFICATION OF SERVICE

LP-1 Large Power - Continued

MINIMUM Monthly CHARGE

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

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

The minimum monthly charge shall be as specified in the contract.

(T)
(T)
(T)
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(T)
(T)
(T)
(T)
(T)
(T)

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased by an amount per ~~kWh~~ equal to the fuel adjustment amount per ~~kWh~~ as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line loss will not exceed 10% to all applicable provisions as set out in 807 KAR 5.056.

(T)

SPECIAL PROVISIONS

1. ~~Delivery Point~~ - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.

(T)
(T)
(T)

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

(T)
(T)
(T)
(T)

3. ~~Lighting~~ - Both power and lighting shall be billed at foregoing rate.

Delivery Point - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.

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If service is furnished at seller's primary line voltage, the delivery point shall be the location of the primary metering point. All wiring, pole lines, and other electrical equipment beyond the meter point shall be considered the distribution system of the consumer and shall be furnished and maintained by the consumer.

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If service is furnished at primary distribution voltage, a discount of 5% shall apply to the energy charge.

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DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Nicholasville & Madison Districts
For Entire Territory Served
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 13

(T)
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CLASSIFICATION OF SERVICE

LP-2 Large Power
LP-2 Large Power (over 500 KW)

(T)
(T)

APPLICABLE

Entire territory served

AVAILABILITY

Available to all commercial and industrial consumers whose kilowatt demand shall exceed 500 kW for lighting and/or power.

Available to all commercial and industrial consumers whose contracted kilowatt demand shall exceed 500 KW for all usage subject to the established rules and regulations.

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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 cycles, alternating current and at available nominal voltage.

TYPE OF SERVICE

Three-phase, 60 cycles, at available primary or secondary voltages. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

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MONTHLY RATES

Maximum Demand Charge

\$6.40 per month per kW of billing demand

Present

Proposed

7.50

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Energy Charge (over 500 kW)

Customer Charge	\$24.64
First 3,500 kWh	\$0.05809
Next 6,500 kWh	\$0.04960
Next 140,000 kWh	\$0.04433
Next 200,000 kWh	\$0.04274
Next 400,000 kWh	\$0.04179
Next 550,000 kWh	\$0.04085
All Over 1,300,000 kWh	\$0.03544

ALL kWh

100.00
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0.04098
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~~First 180,000 KWH \$0.08000 per KWH~~
~~Next 540,000 KWH \$0.00000 per KWH~~
~~All Over 720,000 KWH \$0.00000 per KWH~~
Special facilities charge as specified in the contract

DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

DETERMINATION OF BILLING DEMAND

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

POWER FACTOR ADJUSTMENT

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

The consumer agrees to maintain unity power factor as nearly as practical. 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 the minimum required wholesale power factor, the demand for billing purposes shall be demand as indicated or recorded by the demand meter multiplied by the minimum required wholesale power factor and divided by the measured power factor.

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DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Nicholasville & Madison Districts
For Entire Territory Served
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 14

(T)
(T)

CLASSIFICATION OF SERVICE

LP-2 Large Power - Continued

MINIMUM MONTHLY CHARGE

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

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

The minimum monthly charge shall be as specified in the contract.

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FUEL ADJUSTMENT CLAUSE

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

(T)

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 7.5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

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SPECIAL PROVISIONS

1. Delivery Point — If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.

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

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3. Lighting — Both power and lighting shall be billed at foregoing rate.

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Delivery Point — If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.

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If service is furnished at Seller's primary line voltage, the delivery point shall be the location of the primary metering point. All wiring, pole lines, and other electrical equipment beyond the meter point shall be considered the distribution system of the consumer and shall be furnished and maintained by the consumer.

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If service is furnished at primary distribution voltage, a discount of 5% shall apply to the energy charge.

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DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Nicholasville, Madison, & Fox Creek Districts
For Entire Territory Served
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 15

(T)
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CLASSIFICATION OF SERVICE

SECURITY LIGHTS
OUTDOOR LIGHTS

(T)
(T)

APPLICABLE

Entire territory served

AVAILABILITY

Available to all consumers of the Cooperative subject to its established rules and regulations.
Service under this schedule is for a term not less than one year.

(T)

RATE PER LIGHT PER MONTH

	<u>Present</u>	<u>Proposed</u>
175 Watt Mercury Vapor*	\$ 5.64	9.51
400 Watt Mercury Vapor*	\$ 8.92	15.39
100 Watt High Pressure Sodium	\$ 5.51	9.53
250 Watt High Pressure Sodium*	\$ 8.37	14.28
400 Watt Metal Halide Directional Flood	\$12.74	14.50
400 Watt High Pressure Sodium Directional Flood*	\$13.80	15.25
100 Watt High Pressure Sodium – Shoebox Fixture	\$16.81	16.81
100 Watt High Pressure Sodium – Acorn Fixture (Fiberglass Pole)	\$16.28	16.28
100 Watt High Pressure Sodium – Colonial Fixture	\$13.75	13.75
400 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	\$20.40	20.40
100 Watt High Pressure Sodium Open Bottom	\$ 9.53	9.53
250 Watt High Pressure Sodium Open Bottom	\$ 14.28	14.28

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*Not available for new installation

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ADDITIONAL ORNAMENTAL SERVICE

The Cooperative may 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.

(T)

OTHER THAN OUR CURRENT RATE PER LIGHT PER MONTH LISTING

Should the member require, either initially or upon replacement, a type of system or equipment other than that as described in our current rates, the Member shall make a non-refundable contribution to the Cooperative equal to the difference in the installed cost between the system or equipment so required and the cost of the type as described in our current rates. In a similar manner the member will pay the difference in the cost or operation and maintaining such a system or equipment and the cost of operation and maintaining a type in our current rates. Any facilities that are required in excess of the standard light installation shall be paid by the member. Any installation costs which are to be borne by the Member shall be paid prior to installation.

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DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

STORAGE PROVISION FOR SPECIAL LIGHTS AND POLES

If the cooperative provides storage for fixture, poles or other equipment requested by the Member not included in our current rates an adder of 12.50% will apply to the monthly rate per light.

FUEL ADJUSTMENT CLAUSE

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

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DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 7.5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

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DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Nicholasville, Madison, Fox Creek Districts
For Entire Territory Served
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 16

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CLASSIFICATION OF SERVICE

STREET LIGHTING
OUTDOOR LIGHTS

(T)
(T)

APPLICABLE

Entire territory served

AVAILABILITY

State and local governments subject to established rules and regulations.

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

Service under this schedule is for a term of not less than one year.

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RATES PER LIGHT PER MONTH

	Present	Proposed
70 Watt High Pressure Sodium (Ornamental)*	\$ 5.50	9.00
100 Watt High Pressure Sodium (Ornamental)*	\$ 7.16	10.00
250 Watt High Pressure Sodium (Ornamental)*	\$10.16	13.25
70 Watt High Pressure (Colonial) (15-foot mounting height)*	\$ 8.35	8.35
200 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	\$12.21	13.50
100 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	\$ 8.94	10.00
100 Watt High Pressure Sodium - Shoebox Fixture	\$16.81	16.81
100 Watt High Pressure Sodium - Acorn Fixture (Fiberglas Pole)	\$16.28	16.28
100 Watt High Pressure Sodium - Colonial Fixture	\$13.75	13.75
400 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	\$20.40	20.40

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*Not available for new installation

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ADDITIONAL ORNAMENTAL SERVICE

The Cooperative may 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.

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OTHER THAN OUR CURRENT RATE PER LIGHT PER MONTH LISTING

Should the member require, either initially or upon replacement, a type of system or equipment other than that as described in our current rates, the Member shall make a non-refundable contribution to the Cooperative equal to the difference in the installed cost between the system or equipment so required and the cost of the type as described in our current rates. In a similar manner the member will pay the difference in the cost of operation and maintaining such a system or equipment and the cost of operation and maintaining a type in our current rates. Any facilities that are required in excess of the standard light installation shall be paid by the member. Any installation costs which are to be borne by the Member shall be paid prior to installation.

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STORAGE PROVISION FOR SPECIAL LIGHTS AND POLES

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

If the cooperative provides storage for fixture, poles or other equipment requested by the Member not included in our current rates an adder of 12.50% will apply to the monthly rate per light.

FUEL ADJUSTMENT CLAUSE

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

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DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 7.5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

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DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

Delete

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Entire Territory Served
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 17

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	\$ 549.22
Demand Charge per kW of billing demand	\$5.53
Energy Charge per kWh	\$0.04298

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 factors as provided herein:

<u>Months</u>	<u>Hours Applicable 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.
May through September	10:00 a.m. to 10:00 p.m.

MINIMUM MONTHLY CHARGE

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

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

POWER FACTOR ADJUSTMENT

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

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

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BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Entire Territory Served
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 18

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-1 - Continued

FUEL ADJUSTMENT CLAUSE

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

SPECIAL PROVISIONS

1. Delivery Point – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.
2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to Consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the Consumer.
3. If service is furnished at primary distribution voltage, a discount of 5% shall apply to the energy charge.

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 10% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

TEMPORARY SERVICE

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

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

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BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Entire Territory Served
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 19

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	\$1,097.42
Demand Charge per kW of billing demand	\$5.53
Energy Charge per kWh	\$0.03784

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:

<u>Months</u>	<u>Hours Applicable 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.
May through September	10:00 a.m. to 10:00 p.m.

MINIMUM MONTHLY CHARGE

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

- a) The product of the billing demand multiplied by the demand charge, plus
- b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh.
- c) The consumer charge.
- d) Contract provisions that reflect special facilities requirements.

POWER FACTOR ADJUSTMENT

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

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Delete

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Entire Territory Served
P.S.C. KY NO. 1
ORIGINAL SHEET NO.20

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-2 - Continued

FUEL ADJUSTMENT CLAUSE

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

SPECIAL PROVISIONS

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

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 10% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

TEMPORARY SERVICE

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

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

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BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Entire Territory Served
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 21

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	\$1,097.42
Demand Charge per kW of billing demand	\$5.53
Energy Charge per kWh	\$0.03682

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:

<u>Months</u>	<u>Hours Applicable 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.
May through September	10:00 a.m. to 10:00 p.m.

MINIMUM MONTHLY CHARGE

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

- a) The product of the billing demand multiplied by the demand charge, plus
- b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh.
- c) The consumer charge.
- d) Contract provisions that reflect special facilities requirements.

POWER FACTOR ADJUSTMENT

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

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Delete

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Nicholasville & Madison Districts
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 22

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-3 - Continued

FUEL ADJUSTMENT CLAUSE

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

SPECIAL PROVISIONS

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

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 10% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

TEMPORARY SERVICE

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

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

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CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-1

AVAILABILITY

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

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TYPE OF SERVICE

Three-phase, 60 cycles, at available primary or secondary voltages. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

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MONTHLY RATE

	<u>Present</u>	<u>Proposed</u>
Customer Consumer Charge	\$549.22	1,000.00 (T) (T)
Demand Charge per <u>kWKW</u> of Contract Demand	\$ 5.53	6.22 (T) (T)
Demand Charge per <u>kWKW</u> for Billing Demand in Excess of Contract Demand	\$ 8.03	8.65 (T) (T)
Energy Charge per <u>kWKWh</u>	\$0 .04319	0.04148 (T) (T)

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:

<u>Months</u>	<u>Hours Applicable 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.
May through September	10:00 a.m. to 10:00 p.m.

MINIMUM MONTHLY CHARGE

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

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

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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

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DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

~~maximum demand is less than 0.90 (90%), the demand for billing purposes shall be demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.~~
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 the minimum required wholesale power factor, the demand for billing purposes shall be demand as indicated or recorded, multiplied by the minimum required wholesale power factor and divided by the measured power factor.

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DATE OF ISSUE: _____ DATE EFFECTIVE: _____
ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Nicholasville & Madison Districts
For Entire Territory Served

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P.S.C. KY NO. 1

ORIGINAL SHEET NO. 24

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-1 - Continued

FUEL ADJUSTMENT CLAUSE

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

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SPECIAL PROVISIONS

1. Delivery Point – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.
2. If service is furnished at Seller's primary line voltage, the delivery point shall be the location of the primary metering point of attachment of Seller's primary line to Consumer's transformer structure ~~unless otherwise specified in the contract for service~~. All wiring, pole lines, and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the Consumer.
3. If service is furnished at primary distribution voltage, a discount of 5% shall apply to the energy charge.

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TERMS OF PAYMENT

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

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DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 5% (7.5%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

TEMPORARY SERVICE

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

DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Nicholasville & Madison Districts
For Entire Territory

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P.S.C. KY NO. 1
ORIGINAL SHEET NO. 25

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-2

AVAILABILITY

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

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TYPE OF SERVICE

Three-phase, 60 cycles, at available primary voltages. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

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MONTHLY RATE

	<u>Present</u>	<u>Proposed</u>	
Customer Consumer Charge	\$1,097.42	2,000.00	(T)(I)
Demand Charge per kW <u>kWKW</u> of Contract Demand	\$5.53	6.22	(T)(I)
Demand Charge per kW <u>kWKW</u> for Billing Demand in Excess of Contract Demand	\$8.03	8.65	(T)(I)
Energy Charge per kW <u>kWKW</u> h	\$0.03806	0.03703 0.03703	(T)(D)

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
October through April

Hours Applicable for Demand Billing - EST

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.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall not be less than the sum of (a) through (d) below, except during Force Majeur conditions:

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

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POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be

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DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

~~measured at any time. Should such measurements indicate that the power factor at the time of the maximum demand is less than 0.90 (90%), the demand for billing purposes shall be demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.~~

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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 the minimum required wholesale power factor, the demand for billing purposes shall be demand as indicated or recorded, multiplied by the minimum required wholesale power factor and divided by the measured power factor.

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DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-2 - Continued

FUEL ADJUSTMENT CLAUSE

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

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SPECIAL PROVISIONS

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

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TERMS OF PAYMENT

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

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DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 5% (7.5%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

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TEMPORARY SERVICE

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

DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Entire Territory Served
P.S.C. KY NO. 1
ORIGINAL SHEET NO.27

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate

APPLICABILITY

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

AVAILABILITY

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

RENTAL CHARGE

The yearly rental charges shall be as follows:

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

Pedestal attachment = Same as respective pole charges.

BILLING

Rental charges shall be billed yearly based on the number of pole attachments. The rental charges are net, the gross being ten percent (10%) higher. In the event the current bill is not paid within ten (10) days from the date of the bill, the gross shall apply.

Note: Discount or penalty must apply to all electric consumers, but shall apply to advance billing only if given at least thirty (30) days before the late penalty takes effect.

SPECIFICATIONS

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

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

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

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate - Continued

ESTABLISHING POLE USE

- A. Before the CATV operator shall make use of any of the poles of the Cooperative under this tariff, they shall notify the Cooperative of their intent in writing and shall comply with the procedures established by the Cooperative. The CATV operator shall furnish the Cooperative detailed construction plans and drawings for each pole line, together with necessary maps, indicating specifically the poles of the Cooperative, the number and character of the attachments to be placed on such poles, and rearrangements of the Cooperative's fixtures and equipment necessary for the attachment, and relocation or replacements of existing poles, and any additional poles that CATV intends to install.
- B. The Cooperative shall, on the basis of such detailed construction plans and drawings, submit to the CATV operator a cost estimate (including overhead and less salvage value of materials) of all changes that may be required in each such pole line. Upon written notice by the CATV operator to the Cooperative that the cost estimate is approved, the Cooperative shall proceed with the necessary changes in pole lines covered by cost estimate. Upon completion of all changes, the CATV operator shall have the right hereunder to make attachments in accordance with the terms of the application of this tariff. The CATV operator shall, at his own expense, make attachments in such manner as not to interfere with the service of the Cooperative.
- C. Upon completion of all changes, the CATV operator shall pay to the Cooperative the actual cost (including overhead and less salvage value of materials) of making such changes. The obligation of the CATV operator hereunder shall not be limited to amounts shown on estimates made by the Cooperative hereunder. An itemized statement of the actual cost of all such changes shall be submitted by the Cooperative to the CATV operator in a form mutually agreed upon.
- D. Any reclearing of existing rights-of-way and any tree trimming necessary for the establishment of pole line attachments hereunder shall be performed by the CATV operator.
- E. All poles to which attachments have been made under this tariff shall remain the property of the Cooperative, and any payments made by the CATV operator for changes in pole line under this tariff shall not entitle the CATV operator to the ownership of any of said poles.
- F. Any charges necessary for correction of substandard installation made by the CATV operator, where notice of intent had not been requested, shall be billed at rate equal to twice the charges that would have been imposed if the attachment had been properly authorized.

EASEMENTS AND RIGHTS-OF-WAY

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

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

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

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate – Continued

MAINTENANCE OF POLES, ATTACHMENTS, AND OPERATIONS

- A. Whenever rights-of-way considerations or public regulations make relocation of a pole or poles necessary, such relocation shall be made by the Cooperative at its own expense, except that each party bear the cost of transferring its own attachments.
- B. Whenever it is necessary to replace or relocate an attachment, the Cooperative shall, before making such replacement or relocation, give forty-eight (48) hours notice (except in cases of emergency) to the CATV operator, specifying in said notice the time of such proposed replacement or relocation, and the CATV operator shall, at the time so specified, transfer its attachments to the new or relocated pole. Should the CATV operator fail to transfer its attachments to the new or relocated pole at the time specified for such transfer of attachments, the Cooperative may elect to do such work and the CATV operator shall pay the Cooperative the cost thereof.
- C. Any existing attachment of CATV which does not conform to the specifications as set out in this tariff hereof shall be brought to conformity therewith as soon as practical. The Cooperative, because of the importance of its service, reserves the right to inspect each new installation of the CATV operator on its poles and in the vicinity of its lines or appurtenances. Such inspection, made or not, shall not operate to relieve the CATV operator of any responsibility, obligation or liability assumed under the tariff.
- D. The Cooperative reserves to itself, its successor and assigns, the right to maintain its poles and to operate its facilities thereon in such manner as will, in its own judgment, best enable it to fulfill its own service requirements. The Cooperative shall not be liable to the CATV operator for any interruption in service of CATV operator or for interference with the operation of f the cables, wires and appliances of the CATV operator arising in any manner out of the use of the Cooperative's poles hereunder.
- E. The Cooperative shall exercise reasonable care to avoid damaging the facilities of the CATV operator, made an immediate report to the CATV operator of the occurrence of any such damage caused by its employees, agents or contractors, and, except for removal for non-payment or for failure to post or maintain the required "Performance Bond", agrees to reimburse the CATV operator for all reasonable cost incurred by the CATV operator for the physical repair of facilities damaged by the negligence of the Cooperative.

INSPECTIONS

- A. Periodic Inspections - Any unauthorized or unreported attachment by CATV operator will be billed at a rate of two times the amount equal to the rate that would have been due, had the installation been made the day after the last previously required inspection.
- B. Made-Ready Inspection - Any "make-ready" inspection of "walk-through" inspection required of the Cooperative will be paid for by the CATV operator at a rate equal to the Cooperative's actual expenses, plus appropriate overhead charges.

DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____
(Name of Officer)

TITLE: President/CEO

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

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate - Continued

INSURANCE OR BOND

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

Protection for its employees to the extent required by Workmen's Compensation Law of Kentucky.

Public liability coverage with separate coverage for each town or city in which the CATV operator operates under this contract to a minimum amount of \$100,000.00 for each person and \$300,000.00 for each accident or personal injury or death, and \$25,000.00 as to the property of any one person, and \$100,000.00 as to any once accident or property damage.

Before beginning operations under this tariff, the CATV operator shall cause to be furnished to the Cooperative a certificate for such coverage, evidencing the existence of such coverage. Each policy required hereunder shall contain a contractual endorsement written as follows:

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

CHANGE OF USE PROVISION

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

DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

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

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate - Continued

ABANDONMENT

- A. If the Cooperative desires at any time to abandon any pole to which the CATV operator has attachments, it shall give the CATV operator notice in writing to that effect at least thirty (30) days prior to the date on which it intends to abandon such pole. If, at the expiration of said period, the Cooperative shall have no attachments on such pole, but the CATV operator shall not have removed all of its attachments there from, such pole shall thereupon become the property of the CATV operator, and the CATV operator shall save harmless the Cooperative from all obligation, liability, damages, cost, expenses, or charges incurred thereafter; and shall pay the Cooperative for such pole an amount equal to the Cooperative's depreciated cost thereof.
- B. The Cooperative shall further evidence transfer to the CATV operator of title to the pole by means of a bill of sale.
- C. The CATV operator may at any time abandon the use of the attached pole by giving due notice thereof in writing to the Cooperative and by removing there from any and all attachments it may have thereon. The CATV operator shall in such case pay to the Cooperative the full rental for said pole for the then current billing period.

RIGHTS OF OTHERS

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

PAYMENT OF TAXES

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

DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

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

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate - Continued

BOND OR DEPOSITOR PERFORMANCE

- A. The CATV operator shall furnish bond or satisfactory evidence of contractual insurance coverage from the purposes hereinafter specified in the amount of twenty-five thousand dollars (\$25,000), until such time as the CATV operator shall occupy twenty-five hundred (2,500) poles of the Cooperative and thereafter the amount thereof shall be increased to increments of one-thousand dollars (\$1,000), for each one-hundred (100) poles (or fraction thereof) occupied by the CATV operator, evidence of which shall be presented to the Cooperative fifteen (15) days prior to beginning construction. Such bond or insurance shall contain the provision that it shall not be terminated prior to six (6) months after receipt by the Cooperative of written notice of the desire of the Bonding or Insurance Company to terminate such bond or insurance. Upon receipt of such notice, the Cooperative shall request the CATV operator to immediately remove its cables, wires, and all other facilities from all poles of the Cooperative. If the CATV operator should fail to complete the removal of all its facilities from the poles of the Cooperative within thirty (30) days after receipt of such request from the Cooperative, then the Cooperative shall have the right to remove them at the cost and expense of the CATV operator and without being liable for any damage to the CATV operator's wires, cables, fixtures, or appurtenances. Such bond or insurance shall guarantee the payment of any sums which may become due to the Cooperative for rentals, inspections or work performed for the benefit of the CATV operator under this tariff, including the removal of attachments upon termination of service by any of its provisions.
- B. After the CATV operator has been a customer of the Cooperative and not in default for a period of two years, the Cooperative shall reduce the bond by 50%, or, at the Cooperative's option, require a deposit in keeping with 807 KAR 5:006, Section 7.

USE OF ANCHORS

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

DISCONTINUANCE OF SERVICE

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

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

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

CLASSIFICATION OF SERVICE

Interruptible Service

STANDARD RIDER

This Interruptible Rate is a rider to the ~~Nicholasville/Madison District Rate Schedule LP-1 Large Power, LP-2 Large Power, C-1 Large Industrial Rate, C-2 Large Industrial Rate, C-3 Large Industrial Rate, B-1 Large Industrial Rate, and B-2 Large Industrial Rate, and Large Industrial Rate~~ ^{and} ~~Fox Creek District Rate Schedule M- Commercial & Industrial Power Service, N- Industrial & Large Commercial Power Service, B-1 Large Industrial Rate, C-1 Large Industrial Rate, C-2 Large Industrial Rate, and C-3 Large Industrial Rate, Harrison District Rate Schedule LPR1 Large Power Service and LPR2 Large Power Service.~~

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APPLICABLE

In all territory served by the Cooperative.

AVAILABILITY OF SERVICE

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

(T)

MONTHLY RATES

A monthly demand credit per ~~kW~~^{kW} is to be based on the following matrix:

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

DETERMINATION OF MEASURED LOAD - BILLING DEMAND

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

Months
October through April

Hours Applicable for Demand Billing - EST
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.

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

DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

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

CLASSIFICATION OF SERVICE

Interruptible Service - Continued

CONDITIONS OF SERVICE FOR CUSTOMER CONTRACT

1. The customer will, upon notification by the Cooperative, reduce his load being supplied by the Cooperative to the contract capacity level specified by the contract.
2. The Cooperative will endeavor to provide the Customer as much advance notice as possible of the interruption of service. However, the Customer shall interrupt service within the notice period as contracted.
3. Service will be furnished under the Cooperative's General Rules and Regulations or Terms and Conditions except as set out herein and/or provisions agreed to by written contract.
4. No responsibility of any kind shall attach to the Cooperative for, or on account of, any loss or damage caused by, or resulting from, any interruption or curtailment of this service.
5. The minimum original contract period shall be one year and thereafter until terminated be giving at least six months previous written notice. The Cooperative may require a contract be executed for a longer initial term when deemed necessary by the size of the load and other conditions.
6. The Fuel Adjustment Clause, as specified in the governing rate schedule, is applicable.
7. The Customer shall arrange his wiring so that interruptible service supplied under this rider shall be separately metered and segregated from firm service.
8. A Customer's plant is considered as one or more buildings which are served by a single electrical distribution system provided and operated by the Customer. When the size of the Customer's load necessitates the delivery of energy to the Customer's plant over more than one circuit, the company may elect to connect its circuits to different points on the customer's system.
9. Any transformers required in excess of those used for regular firm power shall be owned and maintained by the Customer.

CALCULATION OF MONTHLY BILL

The monthly bill is calculated on the following basis:

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

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NUMBER AND DURATION OF INTERRUPTIONS

- A. Winter Season: There shall be no more than two (2) interruptions during any 24-hour calendar day. No interruption shall last more than six hours.
- B. Summer Season: There shall be no more than one (1) interruption during any 24-hour calendar day. No interruption shall last more than twelve hours.
- C. The maximum number of annual hours of interruption shall be in accordance with the customer-contracted level of interruptible service.

CHARGE FOR FAILURE TO INTERRUPT

If Customer fails to interrupt load as requested by the Cooperative, the Cooperative shall bill the uninterrupted load at a rate equal to five (5) times the applicable firm power demand charge for that billing month. Uninterrupted load is equal to actual load during requested interruption minus firm load.

Failure to interrupt penalty shall apply for each interruption and shall be billed accordingly (T)

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

P.S.C. KY NO. 1
ORIGINAL SHEET NO. 35

CLASSIFICATION OF SERVICE

Schedule R - Residential
GS-1 (Residential and Farm)

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AVAILABILITY OF SERVICE

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

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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.

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APPLICABLE

Entire Territory Served

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AVAILABILITY

Available to all residential and farm consumers. The capacity on individual motors served under this schedule may not exceed ten (10) horsepower.

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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.

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TYPE OF SERVICE

Single phase, 60 cycles, at available secondary voltage.

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MONTHLY RATE RATES

	<u>Present</u>	<u>Proposed</u>
Minimum bill first 30 kWh per month Customer Charge	\$5.53 per month.	12.00
All over 30 kWh per month Energy Charge per KWH	\$0.07286	0.07462

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MINIMUM MONTHLY

The minimum monthly charge under the above rate shall be \$.90 per KVA of transformer capacity but in no case less than \$5.53.

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MINIMUM MONTHLY CHARGE

The minimum monthly charge under this tariff shall be the customer charge.

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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.

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DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 5% (7.5%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

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DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

FUEL ADJUSTMENT CLAUSE

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

(T)

BUDGET BILLING

The Cooperative has a levelized billing plan that is available to all residential consumers. Qualified consumers may be placed on or removed from this plan in any month of the year. This is a continuous plan and there is no account settlement (catch-up) month. Monthly payments are based on average kilowatt-hour usage for the past twelve months. Bills may fluctuate each month, according to how the current monthly bill affects the average. Failure to pay the exact amount by the due date each month will result in removal of this account from the levelized billing program.

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During the month when the usage is the lowest, monthly payments will be larger than the actual usage and a credit will accumulate. During the months of higher usages, payments will be smaller than actual usage and debits will accumulate. At the time of disconnect or removal of the account from this plan, all accumulated debts shall be refunded and credited to the account.

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The Cooperative may cancel a consumer's levelized account of delinquency (untimely payment), or non-payment (returned checks or no payment), or failure to pay the exact amount of the bill.

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DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____
(Name of Officer)

TITLE: President/CEO

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Fox Creek District
For Entire Territory Served
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 36

(T)
(T)

CLASSIFICATION OF SERVICE

Schedule C—Commercial and Small Power
SC-1 Commercial and Industrial (0-100 KW)

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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.

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APPLICABLE

Entire territory served

(T)
(T)

AVAILABILITY

Available for single phase or three-phase commercial and industrial; and three-phase farm service up to 100 KW.

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(T)

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.

Single-phase and three-phase, 60 cycles, at available secondary voltages. Motors with a rated capacity in excess of 10 horsepower must be three-phase unless specifically approved by the Cooperative.

Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

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MONTHLY RATES

Demand Charge

	<u>Present</u>	<u>Proposed</u>
First 10 kWKWh of billing demand	No Charge	
Over 10 kWKWh of billing demand -	\$3.26 per kWKWh	7.00 (T)

(T)
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(T)

Energy Charge

Minimum Bill - First 30 kWh per month Customer Charge	\$5.53 per month	25.00 (T)
All Over 30 kWh per month All KWH	\$0.07729 per kWKWh	0.0704# (D) (T)

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MINIMUM MONTHLY

The minimum monthly charge under the above rate shall be \$.90 per kva of transformer capacity but in no case less than \$5.53.

MINIMUM MONTHLY CHARGE

The minimum monthly charge under the above rate shall be the customer charge.

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DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

FUEL ADJUSTMENT CLAUSE

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

(T)

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.

POWER FACTOR ADJUSTMENT

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

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

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.~~

DELAYED PAYMENT CHARGE

The above rates are net, the gross rates being 5% (7.5%) higher. In the event the current monthly bill is not paid 15 days from the date of the bill, the gross rates shall apply.

SPECIAL RATES

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

TEMPORARY SERVICE

Temporary service shall be supplied in accordance with the foregoing rate except that the consumer shall pay in addition to the foregoing charges the total cost of connecting and disconnecting service. A deposit in advance may be required for the full amount of the estimated bill for service, including the cost of connection and disconnection.

DATE OF ISSUE: _____ DATE EFFECTIVE: _____
ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Fox Creek District
For Entire Territory Served
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 37

(T)
(T)

CLASSIFICATION OF SERVICE

Schedule L— Large Power Service (50 to 200 kWh)
LP-1 Large Power (101 KW to 500 KW)

(T)
(T)

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.

(T)
(T)

APPLICABILITY

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

(T)
(T)

APPLICABLE

Entire territory served.

(T)
(T)

AVAILABILITY

Available to all consumers whose contracted kilowatt demand shall exceed 100 KW for all usage subject to the established rules and regulations.

(T)
(T)

CONDITIONS

An "Agreement for Electric Service" shall be executed by the consumer for service under this schedule.

(T)
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TYPE OF SERVICE

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

Single phase and three phase, 60 cycles, at available primary or secondary voltages. Motors with a rated capacity in excess of 10 horsepower must be three phase unless specifically approved by the Cooperative. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

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(T)

MONTHLY RATE

Maximum Demand Charge

<i>Present</i>	<i>Proposed</i>
	7.50

Demand Charge per kWh of billing demand— \$3.26 per month per KW of billing demand

(T)
(T)

Energy Charge (101 KW to 500 KW)

Customer Charge

First 50 kWh per kw of billing demand

0	50.00
\$0.08038 per kWh	All kWh 0.04650
\$0.07628 per kWh	0.04650
\$0.06611 per kWh	0.04650

Next 100 kWh per kw of billing demand

Over 150 kWh per kw of billing demand

~~First 75,000 kWh \$0.00000 per kWh~~

~~All Over 75,000 kWh \$0.00000 per kWh~~

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DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

MONTHLY MINIMUM CHARGE

- (1) Contract minimum
- (2) ~~\$0.90 per kva of transformer capacity~~
- (3) ~~\$30.00~~

The minimum monthly charge shall be as specified in the contract.

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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.~~ as indicated or recorded by a demand meter and adjusted for power factor as provided below.

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POWER FACTOR ADJUSTMENT

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

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

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ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Fox Creek District
For Entire Territory Served
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 38

(T)
(T)

CLASSIFICATION OF SERVICE

Schedule L—Large Power Service (50 to 200 kWh)—Continued
LP-1 Large Power (101 KW to 500 KW) – Continued

(T)
(T)

~~MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE~~

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

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~~CONDITIONS OF SERVICES~~

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

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SPECIAL PROVISIONS

Delivery Point – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.

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All wiring, pole lines, and other electrical equipment beyond the meter point shall be considered the distribution system of the consumer and shall be furnished and maintained by the consumer.

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(T)

If service is furnished at primary distribution voltage, a discount of 5% shall apply to the energy charge.

(T)

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.

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DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 5% (7.5%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply

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FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

per ~~k~~W~~K~~W~~H~~h equal to the fuel adjustment amount per ~~k~~W~~K~~W~~H~~h as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line loss will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all applicable provisions as set out in 807 KAR 5.056.

(T)

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Entire Territory Served (T)
For Fox Creek District (T)
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 39

CLASSIFICATION OF SERVICE

Schedule R2—Residential Marketing Rate
GS-2 Off-Peak Retail Marketing Rate (ETS)

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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.~~

AVAILABILITY

Available to consumers eligible for Tariff GS-1, Residential and 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 and Farm Schedule.

SCHEDULE OF HOURS

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

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	12:00 noon to 5:00 p.m. 10:00 p.m. to 4:00 a.m.
May through September	10:00 p.m. to 10:00 a.m.

RATES

The energy rate for this program is as listed below:

All kWh All KWH/Month:

Present
\$0.04372

Proposed
0.04477

(I) (T)

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.~~

DELAYED PAYMENT CHARGE

The above rates are net, the gross rates being 5% (7.5%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

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DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

FUEL ADJUSTMENT CLAUSE

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

TERMS AND CONDITIONS

This Tariff is subject to the same terms and conditions as described in Tariff GS-1, Residential and Farm. This rate applies to only 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. Effective January 1, 2009 all consumers under this rate will be switched to the GS-3 Residential and Farm Time-of-Day Rate or the GS-1 Residential and Farm Rate. This tariff is no longer available for new installations. (T)
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ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
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Delete

**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

For Fox Creek District
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 40

CLASSIFICATION OF SERVICE

Schedule C1 – Large Industrial Rate (1,000 to 4,999 kw)

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 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	\$549.22 per month
Demand Charge (per kw of billing demand)	\$5.53 per kw
Energy Charge	\$0.04278 per kwh

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:

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

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.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practical. The Cooperative reserves the right to measure such power factor at any time. Should such measurements indicated that the power factor at the time of the consumer's maximum demand is less than .90 (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by .90 (90%) and divided by the percent power factor.

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

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BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Fox Creek District
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 41

CLASSIFICATION OF SERVICE

Schedule C1 – Large Industrial Rate (1,000 to 4,999 kw) – Continued

FUEL ADJUSTMENT CLAUSE

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

SPECIAL PROVISIONS

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

TERMS OF PAYMENT

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

TEMPORARY SERVICE

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

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(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
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BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Fox Creek District
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 42

CLASSIFICATION OF SERVICE

Schedule C2 – Large Industrial (5,000 to 9,999 kw)

AVAILABILITY

Applicable to contracts with demand of 5,000 to 9,999 kw with a monthly energy usage equal to 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	\$1,097.42 per month
Demand Charge per kw of billing demand	\$5.53 per kw
Energy Charge	\$0.03765

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.

<u>Months</u>	<u>Hours Applicable 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.
May through September	10:00 p.m. to 10:00 a.m.

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.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practical. The Cooperative reserves the right to measure such power factor at any time. Should such measurements indicated that the power factor at the time of the consumer's maximum demand is less than .90 (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by .90 (90%) and divided by the percent power factor.

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ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
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CLASSIFICATION OF SERVICE

Schedule C2 – Large Industrial (5,000 to 9,999 kw) - Continued

FUEL ADJUSTMENT CLAUSE

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

SPECIAL PROVISIONS

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

TERMS OF PAYMENT

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

TEMPORARY SERVICE

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

DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

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in Case No.: 2006-0512 Dated: July 25, 2007

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**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

For Fox Creek District
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 44

CLASSIFICATION OF SERVICE

Schedule C3 – Large Industrial (Over 10,000 kw)

AVAILABILITY

Applicable to contracts with demand 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 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	\$1,097.42 per month
Demand Charge (per kw of billing demand)	\$5.53 per kw
Energy Charge	\$0.03662 per kwh

BILLING DEMAND

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

- a. The contract demand
- b. The ultimate consumer's peak demand during the current month of 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.

<u>Months</u>	<u>Hours Applicable 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.
May through September	10:00 p.m. to 10:00 a.m.

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.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practical. The Cooperative reserves the right to measure such power factor at any time. Should such measurements indicated that the power factor at the time of the consumer's maximum demand is less than .90 (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by .90 (90%) and divided by the percent power factor.

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

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in Case No.: 2006-0512 Dated: July 25, 2007

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CLASSIFICATION OF SERVICE

Schedule C3 – Large Industrial (Over 10,000 kw) - Continued

FUEL ADJUSTMENT CLAUSE

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

SPECIAL PROVISIONS

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

TERMS OF PAYMENT

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

TEMPORARY SERVICE

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

DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Fox Creek District
For Entire Territory Served

P.S.C. KY NO. 1

ORIGINAL SHEET NO. 46

(T)
(T)

CLASSIFICATION OF SERVICE

~~Schedule M—Commercial & Industrial Power Service (201—500)~~
LP-1 Large Power (101 KW to 500 KW)

(T)
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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.

APPLICABLE

Entire territory served.

AVAILABILITY

Available to all consumers whose contracted kilowatt demand shall exceed 100 KW for all usage subject to the established rules and regulations.

TYPE OF SERVICE

Multi-phase, 60 hertz, at standard voltage.

Single-phase and three-phase, 60 cycles, at available primary or secondary voltages. Motors with a rated capacity in excess of 10 horsepower must be three-phase unless specifically approved by the Cooperative. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

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MONTHLY-RATE

	<i>Present</i>	<i>Proposed</i>
Customer Consummer Charge	\$138.59	50.00 (D)
Maximum Demand Charge		
Demand Charge	\$4.46 per month per KW of billing demand	7.50 (I)
Energy Charge		
First 425 kWh per kw of billing demand	\$0.05447 per kWKWh	0.04650 (W)
All Over 425 kWh per kw of billing demand	\$0.04637 per kWKWh	0.04650 (E)

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MONTHLY MINIMUM CHARGE

- (1) Contract minimum
- (2) \$0.90 per kva of transformer capacity plus \$138.59

The minimum monthly charge shall be as specified in the contract.

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

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:~~ as indicated or recorded by a demand meter and adjusted for power factor as provided below.

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POWER FACTOR ADJUSTMENT

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

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

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SPECIAL PROVISIONS

1. Delivery Point – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.
2. All wiring, pole lines, and other electrical equipment beyond the meter point shall be considered the distribution system of the consumer and shall be furnished and maintained by the consumer.
3. If service is furnished at primary distribution voltage, a discount of 5% shall apply to the energy charge.

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DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Fox-Creek District
For Entire Territory Served
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 47

(T)
(T)

CLASSIFICATION OF SERVICE

~~Schedule M - Commercial & Industrial Power Service (201 - 500) - Continued~~
~~LP-1 Large Power (101 KW to 500 KW) - Continued~~

(T)
(T)

~~MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE~~

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

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~~CONDITIONS OF SERVICE~~

~~1. Motors having a rated capacity in excess of 10 horsepower must be a three-phase.
2. All wiring, pole lines, and other electrical equipment beyond the metering point shall be considered the distribution system of the consumer and shall be furnished and maintained by the consumer.
An "Agreement for Electric Service" shall be executed by the consumer for service under this schedule.~~

(T)
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~~TERMS OF PAYMENT~~

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

~~DELAY PAYMENT CHARGE~~

~~The above rates are net, the gross rates being 5% (7.5%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply~~

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~~FUEL ADJUSTMENT CLAUSE~~

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

(T)

DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Fox Creek District
For Entire Territory Served
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 48

CLASSIFICATION OF SERVICE

Schedule N—Industrial & Large Commercial Power Service (Over 500 kw)
LP-2 Large Power (over 500 KW)

(T)
(T)

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.

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APPLICABILITY

Applicable to all electric service where the load requirements make necessary transformers having a capacity in excess of 500 kva.

APPLICABLE

Entire territory served

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AVAILABILITY

Available to all commercial and industrial consumers whose contracted kilowatt demand shall exceed 500 KW for all usage subject to the established rules and regulations.

(T)
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CONDITIONS

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

(T)
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TYPE OF SERVICE

Multi-phase, 60 hertz, at standard voltage.

Three-phase, 60 cycles, at available primary or secondary voltages. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

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MONTHLY RATES

Maximum Demand Charge

\$4.46 ~~(per month)~~ per month per KW of billing demand

Present

Proposed

7.50

(T)

(T)
(T)
(T)

Energy Charge

Consumer Charge

\$277.18

100.00

(T)

(T)

Demand Charge

\$4.46 per kwKW of billing demand

Energy Charge

DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

Present

Proposed

First 425 kWh of billing demand	\$0.05037 per kWh <i>All kWh</i>	0.04980	(D) (T)
All Over 425 kWh of billing demand	\$0.04227 per kWh	0.04980	(D) (T)
First 180,000 kWh	\$0.00000 per kWh		
Next 540,000 kWh	\$0.00000 per kWh		
All Over 720,000 kWh	\$0.00000 per kWh		
Special facilities charge as specified in the contract			(T)

MONTHLY MINIMUM MINIMUM MONTHLY CHARGE

- (1) Contract minimum
 - (2) ~~\$0.90 per kva of transformer capacity plus \$277.18.~~
- The minimum monthly charge shall be as specified in the contract.

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DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen (15) consecutive minutes during the month for which the bill is rendered by a demand meter and adjusted for power factor in the below listed hours:

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

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.

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DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Fox-Creek-District
For Entire Territory Served
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 49

(T)
(T)

CLASSIFICATION OF SERVICE

~~Schedule N—Industrial & Large Commercial Power Service (Over 500 kw)—Continued~~
~~LP-2 Large Power (over 500)- Continued~~

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(T)

POWER FACTOR ADJUSTMENT

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

~~The consumer agrees to maintain unity power factor as nearly as practical. 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 the minimum required wholesale power factor, the demand for billing purposes shall be demand as indicated or recorded by the demand meter multiplied by the minimum required wholesale power factor and divided by the measured power factor.~~

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MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE

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

~~The consumer agrees to maintain unity power factor as nearly as practical. 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 the minimum required wholesale power factor, the demand for billing purposes shall be demand as indicated or recorded by the demand meter multiplied by the minimum required wholesale power factor and divided by the measured power factor.~~

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CONDITIONS OF SERVICE

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

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TERMS OF PAYMENT

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

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 5% (7.5%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

(T) (T)
(T)

FUEL ADJUSTMENT CLAUSE

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

(T)

SPECIAL PROVISIONS

1. Delivery Point – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.
2. All wiring, pole lines, and other electrical equipment beyond the meter point shall be considered the distribution system of the consumer and shall be furnished and maintained by the consumer.
3. If service is furnished at primary distribution voltage, a discount of 5% shall apply to the energy charge.

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DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

~~For Fox Creek District~~ (T)
For Entire Territory Served (T)
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 50

CLASSIFICATION OF SERVICE

~~Schedule B1 - Large Industrial Rate~~ (T)
Large Industrial Rate - Schedule B-1 (T)

AVAILABILITY

Applicable to contracts with demand of 1,000 to 34,999 kwKW with a monthly energy usage equal to or greater than 425 hours per kwKW of ~~contract demand~~ billing demand (T)
(T)

TYPE OF SERVICE

Three-phase, 60 cycles, at available primary or secondary voltages. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers. (T)
(T)
(T)

MONTHLY RATE

	<u>Present</u>	<u>Proposed</u>	
Customer Consumer Charge	\$580.22	1,000.00	(T) (I)
Demand Charge per kwKW of contract demand	\$5.53	6.22	(T) (I)
Demand Charge per kwKW of billing demand in excess of contract demand	\$8.03	8.65	(T) (I)
Energy Charge per kwKWHh	\$0.04278	.04148	(T) (D)

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
October through April

Hours Applicable for Demand Billing - EST

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

May through September

10:00 p.m. to 10:00 a.m.

MINIMUM MONTHLY CHARGE

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

- ~~Customer~~ Consumer charge
- The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the in excess of contract demand charge.
- The product of the contract demand multiplied by 425 hours and the energy charge per

DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

(T)

kWkWh.

- d. Contract provisions that reflect special facilities requirements.

POWER FACTOR ADJUSTMENT

~~The consumer agrees to maintain unity power factor as nearly as practical. The Cooperative reserves the right to measure such power factor at any time. Should such measurements indicated that the power factor at the time of the consumer's maximum demand is less than .90 (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by .90 (90)% and divided by the percent power factor.~~

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 the minimum required wholesale power factor, the demand for billing purposes shall be demand as indicated or recorded, multiplied by the minimum required wholesale power factor and divided by the measured power factor.

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DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Fox Creek District (T)
For Entire Territory Served (T)
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 51

CLASSIFICATION OF SERVICE

Schedule B1 - Large Industrial Rate
Large Industrial Rate - Schedule B-1 - Continued

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FUEL ADJUSTMENT CLAUSE

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

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SPECIAL PROVISIONS

1. Delivery Point – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.
2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to Consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the Consumer.
3. If service is furnished at primary distribution voltage, a discount of 5% shall apply to the energy charge.

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TERMS OF PAYMENT

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

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DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 5% (7.5%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

(I)

TEMPORARY SERVICE

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

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

CLASSIFICATION OF SERVICE

Farm and Home Service — Schedule A (Rate-1)
GS-1 (Residential and Farm)

(T)
(T)

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).

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APPLICABLE

Entire Territory Served

(T)
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AVAILABILITY

Available to all residential and farm consumers. The capacity on individual motors served under this schedule may not exceed ten (10) horsepower.

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TYPE OF SERVICE

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

Present Proposed

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(T)

RATES

Customer Consumer Charge (No usage) \$9.10 per month per meter, per month 12.00
All kWh Used Energy charge Per KWH \$0.07451 per kWh 0.07462

(T) (T)
(T) (T)

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWKWH equal to the fuel adjustment amount per kWKWH 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.

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MINIMUM MONTHLY CHARGE

The minimum monthly charge under this tariff shall be the customer charge.

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(T)

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.

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DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 5% (7.5%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

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(T)

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

BUDGET BILLING

The Cooperative has a levelized billing plan that is available to all residential consumers. Qualified consumers may be placed on or removed from this plan in any month of the year. This is a continuous plan and there is no account settlement (catch-up) month. Monthly payments are based on average kilowatt-hour usage for the past twelve months. Bills may fluctuate each month, according to how the current monthly bill affects the average. Failure to pay the exact amount by the due date each month will result in removal of this account from the levelized billing program.

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During the month when the usage is the lowest, monthly payments will be larger than the actual usage and a credit will accumulate. During the months of higher usages, payments will be smaller than actual usage and debits will accumulate. At the time of disconnect or removal of the account from this plan, all accumulated debts shall be refunded and credited to the account.

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The Cooperative may cancel a consumer's levelized account of delinquency (untimely payment), or non-payment (returned checks or no payment), or failure to pay the exact amount of the bill.

(T)
(T)

DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

For Entire Territory Served (T)
For Harrison District (T)
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 53

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

CLASSIFICATION OF SERVICE

~~Farm and Home Service—Off-Peak Retail Marketing Rate (Rate 1-ETS)~~
GS-2 Off-Peak Retail Marketing Rate (ETS)

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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.~~

AVAILABILITY

Available to consumers eligible for Tariff GS-1, Residential and 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 and Farm Schedule.

RATES

All kWh Used All KWH/Month

Present
\$0.04471 per kWh—KWH

Proposed
0.04477

(T)(I)

SCHEDULE OF HOURS

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

Months
October through April

May through September

Off-Peak Hours (Eastern Standard Time)
12:00 noon to 5:00 p.m.
10:00 p.m. to 7:00 a.m.

10:00 p.m. to 10:00 a.m.

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWKWHh equal to the fuel adjustment amount per kWKWHh 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.

(T)

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.~~

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DELAYED PAYMENT CHARGE

The above rates are net, the gross rates being 5% (7.5%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

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DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

TERMS AND CONDITIONS

This Tariff is subject to the same terms and conditions as described in Tariff GS-1, Residential and Farm. This rate applies to only 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. Effective January 1, 2009 all consumers under this rate will be switched to the GS-3 Residential and Farm Time-of-Day Rate or the GS-1 Residential and Farm Rate. This tariff is no longer available for new installations.

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DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Harrison District
For Entire Territory Served

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P.S.C. KY NO. 1
ORIGINAL SHEET NO. 54

CLASSIFICATION OF SERVICE

Commercial & Small Power Service - 0 to 50 KW Demand (Rate 2)
SC-1 Commercial and Industrial (0-100 KW)

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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.

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

(T)
(T)

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.

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APPLICABLE

Entire territory served

(T)
(T)

AVAILABILITY

Available for single phase commercial and industrial; and three-phase farm service up to 100 KW.

(T)
(T)

TYPE OF SERVICE

Single phase and three phase are available at available voltage.

(T)
(T)

TYPE OF SERVICE

Single-phase and three-phase, 60 cycles, at available secondary voltages. Motors with a rated capacity in excess of 10 horsepower must be three-phase unless specifically approved by the Cooperative.

Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers

(T)
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(T)

MONTHLY RATES

Demand Charge

First 10 KW of billing demand Present No Charge
Over 10 KW of billing demand Present Per KW

Proposed

7.00

(T)
(T)
(T)
(T)
(T)

Energy Charge

Consumer Charge (No Usage)
All kW/KWH Used

\$24.50 per month
\$0.07617 per kW/KWH

25.00
0.07617

(T) (T)
(T) (T)

DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWkWh equal to the fuel adjustment amount per kWkWh 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. (T)

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. (T)

MINIMUM MONTHLY CHARGE

The minimum monthly charge under the above rate shall be the customer charge. (T)

SPECIAL RATES

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

TEMPORARY SERVICE

Temporary service shall be supplied in accordance with the foregoing rate except that the consumer shall pay in addition to the foregoing charges the total cost of connecting and disconnecting service. A deposit in advance may be required for the full amount of the estimated bill for service, including the cost of connection and disconnection. (T)

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Harrison District
For Entire Territory Served

(T)
(T)

P.S.C. KY NO. 1
ORIGINAL SHEET NO. 55

CLASSIFICATION OF SERVICE

**Commercial & Small Power Service - 0 to 50 KW Demand (Rate 2)
SC-1 Commercial and Industrial (0-100 KW)-Continued**

(T)

CONDITIONS OF SERVICE

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.

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(T)
(T)

The minimum monthly charge for three phase service shall be \$0.75 per KVA of installed transformer capacity or the minimum monthly charge as stated in the contract for service.

(T)

In those cases where it is necessary to extend or reinforce distribution lines, service will be furnished only under the following conditions:

(T)

1. The consumer shall give satisfactory assurance supported by a written agreement as to the character, amount and duration of the business offered.
2. All wiring, pole lines, and other electrical equipment beyond the metering point, shall be considered the distribution system of the consumer and shall be furnished and maintained by the consumer.

(T)
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(T)
(T)

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practical. Demand charges will be adjusted for consumers with 50 kWh 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 by 1% by which the power factor is less than 85% lagging.

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

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.

(T)

DELAYED PAYMENT CHARGE

The above rates are net, the gross rates being 5% (7.5%) higher. In the event the current monthly bill is not paid 15 days from the date of the bill, the gross rates shall apply

(T)
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(T)

(T)
(I)
(T)

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Harrison District
For Entire Territory Served

(T)
(T)

P.S.C. KY NO. 1
ORIGINAL SHEET NO. 56

CLASSIFICATION OF SERVICE

Large Power Service — 50 to 500 KW Demand (Rate 8)
LP-1 Large Power (101 KW to 500 KW)

(T)
(T)

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.

(T)
(T)

APPLICABLE

Entire territory served

(T)
(T)

AVAILABILITY

Available to all consumers whose contracted kilowatt demand shall exceed 100 KW for all usage subject to the established rules and regulations

(T)
(T)

Monthly RATES

Present

Proposed

Consumer Charge (No Usage) \$29.44 per month

50.00

Energy Charge

All kWh Used ~~First 75,000 kWh~~ All kWh Used \$0.05091 per kWh

0.04650

~~And over 75,000 kWh \$0.00000~~

Maximum Demand Charge

All KW Demand Used \$8.03 per KW per month per KW of billing demand

7.50

(T)
(T)
(T)

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.

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

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(T)

DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

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:~~

(T)
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(T)
(T)
(T)

<u>Months</u>	<u>Off-Peak Hours (Eastern Standard Time)</u>
July through September	10:00 a.m. to 10:00 p.m.
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.

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.

(T)

DATE OF ISSUE: _____ DATE EFFECTIVE: _____
ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

—For Harrison District
For Entire Territory Served

(T)
(T)

P.S.C. KY NO. 1
ORIGINAL SHEET NO. 57

CLASSIFICATION OF SERVICE

Large Power Service— 50 to 500 KW Demand (Rate 8) – Continued
LP-1 Large Power (101 KW to 500 KW) – Continued

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(T)
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(T)

MINIMUM Monthly CHARGE

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

- a) The minimum monthly charge as specified in the contract for service.
- b) A charge of \$0.75 per kva per month of contract capacity.

The minimum monthly charge shall be as specified in the contract.

TYPE OF SERVICE

Single phase and three phase are available at available voltage.

Single phase and three phase, 60 cycles, at available primary or secondary voltages. Motors having a rated capacity in excess of 10 horsepower must be three phase unless specifically approved by the Cooperative. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

(T)
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(T)

CONDITIONS OF SERVICE

1. Motors having a rated capacity in excess of ten horsepower must be three phase.
2. Both power and lighting shall be billed at the foregoing rate. If a separate meter is required for the lighting circuit, the registration of the two watt hour meters shall be added to obtain total kilowatt hours used and the registration of the two demand meters shall be added to obtain the total kilowatt demand for billing purposes.
3. All wiring, pole lines, and other electrical equipment beyond the meter point shall be considered the distribution system of the consumer and shall be furnished and maintained by the consumer.
4. If service is furnished at primary distribution voltage, a discount of 5% shall apply to the demand and energy charges, and if the minimum charge is based on transformer capacity, a discount of 5% shall also apply to the minimum charge. However, the Seller shall have the option of metering at secondary voltage and adding the estimated transformer losses to the metered kilowatt hours and kilowatt demand.

An "Agreement for Electric Service" shall be executed by the consumer for service under this schedule.

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(T)

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.

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 5% (7.5%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

(T)
(T)
(T)
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(I)
(T)

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

SPECIAL PROVISIONS

1. Delivery Point – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.

(T)
(T)
(T)
(T)

2. All wiring, pole lines, and other electrical equipment beyond the meter point shall be considered the distribution system of the consumer and shall be furnished and maintained by the consumer.

(T)
(T)

3. If service is furnished at primary distribution voltage, a discount of 5% shall apply to the energy charge.

(T)

DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

BLUE GRASS ENERGY
COOPERATIVE CORPORATION _____

For Harrison District
For Entire Territory Served

(T)
(T)

P.S.C. KY NO. 1
ORIGINAL SHEET NO. 58

CLASSIFICATION OF SERVICE

Large Power Service—Over 500 KW Demand (LPR-1, Rate-8)
LP-2 Large Power (over 500 KW)

AVAILABILITY

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

APPLICABLE

Entire territory served

AVAILABILITY

Available to all commercial and industrial consumers whose contracted kilowatt demand shall exceed 500 KW for all usage subject to the established rules and regulations.

(T)
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(T)

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.

TYPE OF SERVICE

Three-phase, 60 cycles, at available primary or secondary voltages. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

(T)
(T)
(T)
(T)
(T)
(T)
(T)

MONTHLY RATES

	<u>Present</u>	<u>Proposed</u>		
<u>Customer Consumer Charge (No Usage)</u>	\$41.23 per month	100.00	(I)	(T)
<u>All kWh Used</u>	\$0.04832 per kWh	0.04098	(D)	
<u>All KW Demand Used</u>	\$8.03 per KW	7.50	(D)	
<i>Special Facilities charge as specified in the contract</i>				(T)

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

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:~~ and adjusted for power factor as provided below.

(T)
(P)

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.~~

(T)
(P)
(P)
(P)
(P)
(P)
(P)
(P)
(P)
(P)

The consumer agrees to maintain unity power factor as nearly as practical. 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 the minimum required wholesale power factor, the demand for billing purposes shall be demand as indicated or recorded by the demand meter multiplied by the minimum required wholesale power factor and divided by the measured power factor.

MINIMUM MONTHLY CHARGE

~~The minimum monthly charge under the above rate shall be the highest one of the following charges as determined for the consumer in question:~~

- ~~a) The minimum monthly charge as specified in the contract for service.~~
- ~~b) A charge of \$0.75 per kva per month of contract capacity.~~

The minimum monthly charge shall be as specified in the contract.

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.~~

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 5% (7.5%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

(T)
(P)
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(P)
(P)
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(I)

DATE OF ISSUE: _____ DATE EFFECTIVE: _____
ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

(T)
(T)

CLASSIFICATION OF SERVICE

~~Large Power Service—Over 500 KW Demand (LPR-1, Rate 8) - Continued~~
LP-2 Large Power (over 500 KW)- Continued

(T)
(T)

~~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:~~

(T)
(P)
(P)
(T)

<u>Months</u>	<u>Off Peak Hours (Eastern Standard Time)</u>
July through September	10:00 a.m. to 10:00 p.m.
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.

(T)
(T)
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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.

(T)

SPECIAL PROVISIONS

~~1. Delivery Point—If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.~~

(P)
(P)
(P)

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

(P)
(P)
(P)
(P)

~~2. Lighting—Both power and lighting shall be billed at foregoing rate.~~

(T)

~~3. Primary Service—If service is furnished at 7,200/12,470 volts or above, a discount of 5% shall apply to the demand and energy charges. The Seller shall have the option of metering at secondary voltage.~~

(T)
(T)

1. Delivery Point – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.

(T)
(T)
(T)

2. All wiring, pole lines, and other electrical equipment beyond the meter point shall be considered the distribution system of the consumer and shall be furnished and maintained by the consumer.

(T)
(T)

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

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(Name of Officer)

3. If service is furnished at primary distribution voltage, a discount of 5% shall apply to the energy charge.

(T)
(T)

BLUE GRASS ENERGY

—For Harrison District

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

Delete

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

<u>Consumer Charge (No Usage)</u>	<u>\$41.23 per month</u>
<u>All kWh Used</u>	<u>\$0.04745 per kWh</u>
<u>All KW Demand Used</u>	<u>\$5.53 per KW</u>

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:

<u>Months</u>	<u>Off-Peak Hours (Eastern Standard Time)</u>
<u>May through September</u>	<u>10:00 a.m. to 10:00 p.m.</u>
<u>October through April</u>	<u>7:00 a.m. to 12:00 noon</u> <u>5:00 p.m. to 10:00 p.m.</u>

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.

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 90%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 90% and divided by the percent power factor.

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ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Delete

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Harrison District
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 61

CLASSIFICATION OF SERVICE

Large Power Service – 1,000 to 4,999 KW Demand (LPR 2, Rate 8) - Continued

FUEL ADJUSTMENT CLAUSE

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

SPECIAL PROVISIONS

If service is furnished at secondary voltage, the delivery point shall be the metering points unless otherwise specified in the contract for service. All wiring, poles, lines, and other electrical equipment on the load side of the delivery point shall be owned and maintained by the consumer.

If service is furnished at the Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, lines and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer. A 5% discount shall apply.

TEMPORARY SERVICE

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

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: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Entire Territory Served (T)
For Harrison District (T)
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 62

CLASSIFICATION OF SERVICE

Large Power Service—5,000 to 9,999 KW Demand (LPR 2, Rate 8)
Large Industrial Rate – Schedule B-2

AVAILABILITY

Available to contracts with demands of 45,000 to 9,999 KW/KW and greater with a monthly energy usage equal to or greater than 425 hours per KW/KW of contract 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.

TYPE OF SERVICE

Three-phase, 60 cycles, at available primary voltages. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

MONTHLY RATES

	<u>Present</u>	<u>Proposed</u>
Customer Consumer Charge (No Usage)	\$2,436.09 per month	2,000.00 (D) (T)
Energy Charge	\$0.04481 for the first 425 kWh per KW of billing demand \$0.03709 for all remaining kWh	
Demand Charge	\$5.53 per KW/KW <u>of Contract Demand</u>	0.03703 (D) (T)
Demand Charge	0	6.22 (T) (T)
	<u>EXCESS OF CONTRACT DEMAND</u>	8.65 (T) (T)

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. 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:

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:

<u>Months</u>	<u>Off-Peak Hours (Eastern Standard Time)</u>
May through September	10:00 a.m. to 10:00 p.m.
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2006-0512 Dated: July 25, 2007

MINIMUM MONTHLY CHARGE

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

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

(R)
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(R)
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(R)
(R)
(R)

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 90%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 90% and divided by the percent power factor.~~

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 the minimum required wholesale power factor, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by the minimum required wholesale power factor and divided by the measured power factor.

(T)
(R)
(R)
(R)
(R)
(R)
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FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per ~~kWKWHh~~ equal to the fuel adjustment amount per ~~kWKWHh~~ 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.

(T)

DATE OF ISSUE: _____

DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

For Harrison District (T)
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 63

CLASSIFICATION OF SERVICE

~~Large Power Service — 5,000 to 9,999 KW Demand (LPR 2, Rate 8) — Continued~~
Large Industrial Rate — Schedule B-2 - Continued

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SPECIAL PROVISIONS

If service is furnished at secondary voltage, the delivery point shall be the metering points unless otherwise specified in the contract for service. All wiring, poles, lines, and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

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~~If service is furnished at the Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, lines and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer. A 5% discount shall apply.~~

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TEMPORARY SERVICE

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

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.~~

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DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 5% (7.5%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

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DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

OTHER THAN OUR CURRENT RATE PER LIGHT PER MONTH LISTING

Should the member require, either initially or upon replacement, a type of system or equipment other than that as described in our current rates, the Member shall make a non-refundable contribution to the Cooperative equal to the difference in the installed cost between the system or equipment so required and the cost of the type as described in our current rates. In a similar manner the member will pay the difference in the cost or operation and maintaining such a system or equipment and the cost of operation and maintaining a type in our current rates. Any facilities that are required in excess of the standard light installation shall be paid by the member. Any installation costs which are to be borne by the Member shall be paid prior to installation.

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STORAGE PROVISION FOR SPECIAL LIGHTS AND POLES

If the cooperative provides storage for fixture, poles or other equipment requested by the Member not included in our current rates an adder of 12.50% will apply to the monthly rate per light.

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FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kW/KWh equal to the fuel adjustment amount per kW/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.

(T)

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.~~

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DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 7.5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

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(T)

DATE OF ISSUE: _____ DATE EFFECTIVE: _____

ISSUED BY: _____ TITLE: President/CEO
(Name of Officer)

Official Notice

Blue Grass Energy Cooperative, with its principle office at Nicholasville, Kentucky and with its address at 1201 Lexington Road, Nicholasville, KY 40356, intends to file with the Kentucky Public Service Commission in Case No. 2008-00011 an application to adjust its retail rates and charges. This adjustment will result in a general rate increase to the membership of Blue Grass Energy Cooperative. The increase amount is an increase in annual revenue of approximately \$7.84 million and results in an average increase in base electric energy rates of 9%.

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

Any corporation, association, body politic or person may by motion within thirty (30) days after publication or mailing of notice of the proposed rate changes request leave to intervene. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, KY 40602 and shall set forth the grounds for the request including the status and interest of the party. A copy of the application and testimony shall be available for public inspection at Blue Grass Energy's offices.

The amount and percent of increase are listed below:

<u>Rate Class</u>	<u>Increase</u>	
	<u>Amount</u>	<u>Percent</u>
Schedule GS-1		
Residential, Farm and Non-Farm	\$ 4,722,998	15.1%
Schedule R		
Residential	\$ 1,548,287	11.4%
Schedule A		
Farm and Home Service	\$ 517,912	3.3%
Schedule GS-2		
Residential Marketing (ETS)	\$ 2,570	9.2%
Schedule R2		
Residential Marketing (ETS)	\$ 183	2.4%
Schedule Rate 1		
Residential Marketing (ETS)	\$ 118	0.1%
Schedule C-1		
Commercial and Industrial Lighting	\$ 343,298	11.4%
Schedule C-1		
Small Commercial	\$ 64,275	8.2%

Schedule Rate 2		
Commercial and Small Power	\$ 30,796	5.3%
Schedule LP-1		
Large Power	\$ 50,680	1.6%
Schedule L		
Large Power	\$ (59,644)	-23.9%
Schedule Rate 8		
Large Power Service	\$ (40,204)	-7.1%
Schedule LP-2		
Large Power	\$ 60,380	1.7%
Schedule N		
Industrial & Large Power (Over 500 kW)	\$ (35,745)	-4.7%
Schedule LPR1		
Large Power Service (Over 500 kW)	\$ (51,901)	12.6%
Schedule B-1		
Large Industrial Rate	\$ (20)	0.0%
Schedule B-2		
Large Industrial Rate	\$ 110,755	1.4%
Schedule LPR2		
Large Power (5,000 to 9,999 kW)	\$ (111,680)	-4.1%
Street Lighting	\$ 56,239	33.6%
Outdoor Lighting	\$ 416,074	34.2%

The effect of the proposed rates on the average monthly bill by rate class is provided below:

<u>Rate Class</u>	<u>Increase</u>	
	<u>Amount</u>	<u>Percent</u>
Schedule GS-1		
Residential, Farm and Non-Farm	\$ 15.50	15.1%
Schedule R		
Residential	\$ 10.80	11.4%
Schedule A		
Farm and Home Service	\$ 3.03	3.3%
Schedule C-1		
Commercial and Industrial Lighting	\$ 22.27	11.4%
Schedule C-1		
Small Commercial	\$ 12.60	8.2%
Schedule Rate 2		
Commercial and Small Power	\$ 7.58	5.3%
Schedule LP-1		
Large Power	\$ 47.28	1.6%
Schedule L		
Large Power	\$ 505.46	-23.9%
Schedule Rate 8		
Large Power Service	\$ (174.04)	-7.1%
Schedule LP-2		
Large Power	\$ 387.05	1.7%
Schedule N		
Industrial & Large Power (Over 500 kW)	\$ (717.49)	-4.7%
Schedule LPR1		
Large Power Service (Over 500 kW)	\$ (2,162.66)	-12.6%
Schedule B-1		
Large Industrial Rate	\$ (1.65)	0.0%
Schedule B-2		
Large Industrial Rate	\$ 1,845.92	1.4%
Schedule LPR2		
Large Power (5,000 to 9,999 kW)	\$ (9,306.69)	-4.1%
Street Lighting	\$ 2.41	33.6%
Outdoor Lighting	\$ 2.48	34.2%

The present and proposed rate structure of Blue Grass Energy Cooperative are listed below

Rate Class	Increase	
	Present	Proposed
Schedule GS-1, Residential, Farm and Non-Farm		
Customer Charge	\$ 5.44	\$ 12.00
Energy Charge	\$ 0.06835	\$ 0.07462
Schedule R, Residential		
Customer Charge	\$ 5.53	\$ 12.00
Energy Charge	\$ 0.07286	\$ 0.07462
Schedule A, Farm and Home Service		
Customer Charge	\$ 9.10	\$ 12.00
Energy Charge	\$ 0.07451	\$ 0.07462
Schedule GS-2, Residential Marketing (ETS)		
Energy Charge	\$ 0.04101	\$ 0.04477
Schedule R2, Residential Marketing (ETS)		
Energy Charge	\$ 0.04372	\$ 0.04477
Schedule Rate 1, Residential Marketing (ETS)		
Energy Charge	\$ 0.04471	\$ 0.04477
Schedule C-1, Commercial and Industrial Lighting		
Customer Charge	\$ 7.13	\$ 25.00
Demand Charge - First 10 kW	\$ -	\$ -
Demand Charge - Over 10 kW	\$ 6.40	\$ 7.00
Energy Charge - First 3,000 kWh	\$ 0.07272	\$ 0.07551
Energy Charge - Over 3,000 kWh	\$ 0.06779	\$ 0.07551
Schedule C, Small Commercial		
Customer Charge	\$ 5.53	\$ 25.00
Demand Charge - First 10 kW	\$ -	\$ -
Demand Charge - Over 10 kW	\$ 6.40	\$ 7.00
Energy Charge	\$ 0.07729	\$ 0.07551
Schedule Rate 2, Commercial and Small Power		
Customer Charge	\$ 24.50	\$ 25.00
Demand Charge - First 10 kW	\$ -	\$ -
Demand Charge - Over 10 kW	\$ -	\$ 7.00
Energy Charge	\$ 0.07617	\$ 0.07551

<u>Rate Class</u>	<u>Increase</u>	
	<u>Present</u>	<u>Proposed</u>
Schedule LP-2, Large Power		
Customer Charge	\$ 24.64	\$ 50.00
Demand Charge	\$ 6.40	\$ 7.50
Energy Charge		
First 10,000 kHz	\$ 0.05723	\$ 0.04650
Next 15,000 kHz	\$ 0.05036	\$ 0.04650
Next 50,000 kHz	\$ 0.04461	\$ 0.04650
Next 75,000 kHz	\$ 0.04225	\$ 0.04650
All over 150,000 kHz	\$ 0.04050	\$ 0.04650
Schedule L, Large Power Service		
Customer Charge	\$ 30.00	\$ 50.00
Demand Charge	\$ 3.26	\$ 7.50
Energy Charge		
First 50 kHz of billing demand	\$ 0.08038	\$ 0.04650
Next 100 kHz of billing demand	\$ 0.07628	\$ 0.04650
Over 150 kHz of billing demand	\$ 0.06611	\$ 0.04650
Schedule Rate 8, Large Power Service		
Customer Charge	\$29.44	\$ 50.00
Demand Charge	\$8.03	\$ 7.50
Energy Charge	\$0.05091	\$ 0.04650
Schedule LP-2, Large Power		
Customer Charge	\$ 24.64	\$ 100.00
Demand Charge	\$ 6.40	\$ 7.50
Energy Charge		
First 3,500 kHz	\$ 0.05809	\$0.04098
Next 6,500 kHz	\$ 0.04960	\$0.04098
Next 140,000 kHz	\$ 0.04433	\$0.04098
Next 200,000 kHz	\$ 0.04274	\$0.04098
Next 400,000 kHz	\$ 0.04179	\$0.04098
Next 550,000 kHz	\$ 0.04085	\$0.04098
All over 1,300,000 kHz	\$ 0.03544	\$0.04098
Schedule N, Industrial and Large Power		
Customer Charge	\$ 277.18	\$ 100.00
Demand Charge	\$ 4.46	\$ 7.50
Energy Charge		
First 425 kHz of billing demand	\$0.05037	\$0.04098
Over 425 kHz of billing demand	\$0.04227	\$0.04098

<u>Rate Class</u>	<u>Increase</u>	
	<u>Present</u>	<u>Proposed</u>
Schedule LPR1, Large Power Service		
Customer Charge	\$ 41.23	\$ 100.00
Demand Charge	\$ 8.03	\$ 7.50
Energy Charge	\$0.04832	\$0.04098
Schedule B1, Large Industrial Rate		
Customer Charge	580.22	\$1,000.00
Demand Charge		
Contract demand	\$5.53	\$6.22
Excess demand	\$8.03	\$8.65
Energy charge	\$0.04278	\$0.04148
Schedule B-2, Large Industrial Late		
Customer Charge	\$1,097.42	\$2,000.00
Demand Charge		
Contract demand	\$5.53	\$6.22
Excess demand	\$8.03	\$8.65
Energy charge	\$0.03806	\$0.03703
Schedule LPR-2, Large Power		
Customer Charge	\$2,436.09	\$2,000.00
Demand Charge		
Contract demand	\$5.53	\$6.22
Excess demand		\$8.65
Energy charge		
First 425 kHz billing demand	\$0.04481	\$0.03703
All over 425 kHz billing demand	\$0.03709	\$0.03703
Schedule Street Lighting		
<u>High Pressure Sodium</u>		
70 W Ornamental	\$5.50	\$9.00
100 W Ornamental	\$7.16	\$10.00
250 W Ornamental	\$10.16	\$13.25
70 W Colonial		
(15 foot mounting height)	\$8.35	\$8.35
200 W Cobra Head		
(Aluminum pole)	\$12.21	\$13.50
100 W Cobra Head		
(Aluminum pole)	\$8.94	\$10.00
100 W Shoebox Fixture	\$16.81	\$16.81
100 W Acorn Fixture		
(Fiberglass pole)	\$16.28	\$16.28
100 W Colonial Fixture	\$13.75	\$13.75
400 W Cobra head		
(Aluminum pole)	\$20.40	\$20.40

<u>Rate Class</u>	<u>Increase</u>	
	<u>Present</u>	<u>Proposed</u>
Schedule Outdoor Lighting Service		
<u>Mercury Vapor</u>		
175 W	\$5.64	\$9.51
400 W	\$8.92	\$15.39
<u>High Pressure Sodium</u>		
100 W	\$5.51	\$9.53
250 W	\$8.37	\$14.28
400 W Halide Directional Flood	\$12.74	\$14.50
400 W Directional Flood	\$13.80	\$15.25
100 W Shoebox Fixture	\$16.81	\$16.81
100 W Acorn Fixture (Fiberglass Pole)	\$16.28	\$16.28
100 W Colonial Fixture	\$13.75	\$13.75
400 W Cobra Head (Aluminum pole)	\$20.40	\$20.40
<u>High Pressure Sodium</u>		
175 W	\$9.51	\$9.51
400 W	\$15.39	\$15.39
200 W Cobra Head (Aluminum Pole)	\$12.21	\$13.50
100 W Cobra Head (Aluminum Pole)	\$8.94	\$10.00
100 W Shoebox Fixture	\$16.81	\$16.81
100 W Acorn Fixture (Fiberglass Pole)	\$16.28	\$16.81
100 W Colonial	\$13.75	\$13.75
400 W Cobra Head (Aluminum Pole)	\$20.40	\$20.40
400 W Metal Halide Directional	\$12.74	\$14.50
400 W Directional Flood	\$13.80	\$15.25
100 W Open Bottom	\$9.53	\$9.53
250 W Open Bottom	\$14.28	\$14.28
Lights Requiring Separate Transformer	\$1.00	\$0.00

Blue Grass Energy
Case No. 2008-00011
Revenue Analysis
December 31, 2007

Exhibit G
page 1 of 1
Witness: Jim Adkins

Rate Schedule	Kwh Useage	Test Year Revenue	Percent of Total	Normalized Case No. 2006-0512	Percent of Total	Proposed Revenue	Percent of Total	Increase Amount	Increase Percent
GS-1, Residential, Farm and Non R, Residentail	434,562,009	\$29,425,507	36%	\$31,359,435	36%	\$36,082,433	38%	\$4,722,998	15.1%
A, Farm and Home Service	174,838,533	12,751,166	16%	13,531,599	16%	15,079,887	16%	1,548,287	11.4%
GS-2, Residential Marketing (ETS R2, Residential Marketing (ETS)	191,828,392	14,966,214	18%	15,852,091	18%	16,370,003	17%	517,912	3.3%
Rate 1, Residential Marketing (E	683,506	25,517	0%	28,031	0%	30,601	0%	2,570	9.2%
C-1, Commercial and Industrial I	173,940	7,003	0%	7,605	0%	7,787	0%	183	2.4%
C, Small Commercial	1,965,309	80,487	0%	87,869	0%	87,987	0%	118	0.1%
Rate 2, Commercial and Small P	35,732,767	2,899,461	4%	3,002,036	3%	3,490,766	4%	488,730	16.3%
LP-1, Large Power	9,104,595	724,985	1%	788,156	1%	889,487	1%	101,331	12.9%
L, Large Power Service (50 to 20	6,314,722	552,810	1%	580,585	1%	637,082	1%	56,497	9.7%
Rate 8, Large Power Service (50	44,482,000	2,823,306	3%	3,073,385	4%	3,124,066	3%	50,680	1.6%
LP-2, Large Power	2,822,338	209,721	0%	250,010	0%	190,366	0%	(59,644)	-23.9%
N, Industrial & Large Power (Ove	7,516,501	535,719	1%	568,326	1%	528,122	1%	(40,204)	-7.1%
LPR1, Large Power Service (Ove	62,053,980	3,374,081	4%	3,618,310	4%	3,678,690	4%	60,380	1.7%
B1, Large Industrial Rate	12,690,531	724,312	1%	759,277	1%	723,403	1%	(35,874)	-4.7%
B-2, Large Industrial Rate	6,295,920	386,897	0%	412,778	0%	360,877	0%	(51,901)	-12.6%
LPR2, Large Power (5,000 to 9,9	23,328,000	1,075,989	1%	1,212,640	1%	1,212,621	1%	(20)	0.0%
Street Lighting	155,679,600	7,264,082	9%	7,770,800	9%	7,881,555	8%	110,755	1.4%
Outdoor Lighting Service	52,984,800	2,491,709	3%	2,707,106	3%	2,595,425	3%	(111,680)	-4.1%
Rounding differences	822,482	162,860	0%	167,348	0%	223,588	0%	56,239	33.6%
Total from base rates	9,287,615	1,150,592	1%	1,214,223	1%	1,630,077	2%	415,854	34.2%
Fuel adjustment billed		9,380,614						0	
Environmental surcharge billed		7,099,448							
Increase		\$98,112,480		\$5,359,192		\$7,833,211			
Unbilled fuel adjustment		(598,268)							
Unbilled environmental surcharge		(835,117)							
Revenue per general ledger		\$96,679,095							

Commonwealth of Kentucky
Before the Public Service Commission

IN THE MATTER OF:

APPLICATION OF BLUE GRASS ENERGY)
COOPERATIVE CORPORATION TO ADJUST) CASE NO. 2008-00011
ITS ELECTRIC RATES)

PREPARED TESTIMONY OF DANIEL W. BREWER, P. E.

- Question 1** State your name and business position.
- Answer 1** My name is Daniel W. Brewer. I am the President and Chief Executive Officer of Blue Grass Energy Cooperative Corporation in Nicholasville, KY.
- Question 2** What is your education and work experience?
- Answer 2** I graduated from the University of Illinois in 1971 with a Bachelor of Science degree in electrical engineering. I have worked in the electric utility industry for over 35 years in the operations, engineering, consulting and management areas. I am a registered professional engineer in the Commonwealth of Kentucky and State of Indiana.
- Question 3** How long have you worked for Blue Grass Energy?
- Answer 3** I began working for Blue Grass RECC in 1992. I have been the President and Chief Executive Officer of Blue Grass RECC and the successor companies since that time.
- Question 4** What is the purpose of your testimony?
- Answer 4** The purpose of my testimony is to provide support to the fact that Blue Grass Energy needs the requested rate relief that is being sought in this rate application. Blue Grass Energy has filed this application due to its need to meet certain financial ratios as required by its mortgage agreements with its lenders: the Rural Utilities Service ("RUS") and the National Rural Utilities Cooperative Finance Corporation ("CFC"). According to those mortgage agreements, Blue Grass Energy is required

to maintain a Net Times Interest Earned Ratio ("TIER") of 1.25 and an Operating TIER of 1.1. During the selected test year for this application of January 2007 through December 2007, Blue Grass Energy's Net TIER was .03 and Operating TIER was .29. Both these TIER ratios are significantly less than the requirements contained in Blue Grass Energy's mortgage agreements.

Question 5 Have either of the mortgage holders expressed any concern with the failure to achieve these financial ratios?

Answer 5 Blue Grass Energy has received two letters from RUS regarding this matter. One of those letters describes limitations on our ability to borrow long term funds until we provide them with "evidence of an approved retail rate schedule designed to generate sufficient revenues to meet its mortgage coverage ratios requirements have been met." Both letters are attached and included as part of my testimony.

Question 6 What has been the rate history of Blue Grass?

Answer 6 Blue Grass is the result of two consolidations of cooperatives, one in 1998 with the former Fox Creek RECC and in 2002 with Harrison RECC. The last rate increase for Blue Grass and Fox Creek was in the mid 1980's and for Harrison RECC was in 1993. Blue Grass has passed through all increases and decreases resulting from wholesale power adjustments since our last general rate case.

Question 7 What was the financial impact of the consolidations?

Answer 7 The consolidations have resulted in considerable savings for all the members of the cooperatives. Economies of scale have been recognized in many areas including data processing, number of employees, purchasing, technology implementation, right of way maintenance and others. Each of the three original cooperatives would have been forced to seek rate relief much earlier had the consolidations not been achieved.

Question 8 How did the consolidations impact the number of employees?

Answer 8 Prior to the 1998 consolidation Blue Grass RECC had 58 employees serving 18,353 meters and Fox Creek RECC had 33 employees serving 9,409 meters. That was an average of 305 meters per employee. When the consolidation with Harrison RECC took place in 2002, Blue Grass Energy had 82 employees serving 34,491 meters and Harrison RECC had 40 employees serving 13,441 meters. That was an average of 392 meters per employee. Currently, Blue Grass Energy has 115 employees serving 56,840 meters or 494 meters per employee. That is well above the average prior to consolidation.

Question 9 Do the rates proposed contain any energy efficiency components?

Answer 9 Yes! The proposed residential rates are one step rates. The commercial and industrial rates have a load factor component in them. There is also a time of use rate which encourages consumers to switch necessary consumption to off peak times.

Question 10 Is Blue Grass seeking to consolidate rate classes in this filing?

Answer 10 Yes. Blue Grass has 20 different rate classes as a result of the consolidations completed in 1998 and 2002. This filing reduces those 20 rate classes to 9 and brings all members in each class to the same rate level.

Question 11 Has the cooperative refunded capital credits to members?

Answer 11 The cooperative has refunded capital credits to members when our financial position would allow it. The financial position of the cooperative would not allow general refunds in the last few years. It is our intention to resume payment of capital credits when our financial position will allow it.



Donald

United States Department of Agriculture
Rural Development

MAR 27 2008

Mr. Daniel W. Brewer
President and CEO
Blue Grass Energy Cooperative
Corporation
P.O. Box 990
Nicholasville, Kentucky 40340-0990

W.C. ...
.../08

Dear Mr. Brewer:

This is in response to the letter dated March 19, 2008, from Mr. J. Donald Smothers regarding the factors that contributed to Blue Grass Energy Cooperative Corporation's (Blue Grass) Times Interest Earned Ratio (TIER), Operating TIER (OTIER), Debt Service Coverage (DSC) and Operating DSC (ODSC) falling below the minimum required levels in 2007. We note that Blue Grass has filed an application for a rate increase with the Kentucky Public Service Commission (KPSC) in January 2008 in order to remedy this situation. The decision to request a rate increase is never an easy one and we commend the board of directors and management of Blue Grass for recognizing the need and taking this necessary action.

Please forward copies of the KPSC's final order approving the change in rates to your General Field Representative, Mr. Mike Norman, and to this office when available.

Sincerely,

BRIAN D. JENKINS
Chief, Operations Branch
Northern Regional Division
Electric Programs



United States Department of Agriculture
Rural Development

Mr. Jody Hughes
Chairman
Blue Grass Energy Cooperative
Corporation
P.O. Box 990
Nicholasville, Kentucky 40340-0990

SEP 27 2007

SEP 13 2007

Dear Mr. Hughes:

We are pleased to advise you that a Treasury Rate Loan in the amount of \$42,824,000, and designated "E44," has been approved for Blue Grass Energy Cooperative Corporation (Blue Grass) by the Government. The interest rate on this Treasury Rate Loan will be the rate established daily by the United States Department of Treasury that is in effect at the time of each advance.

The loan agreement and related documents (loan documents) will be forwarded in the near future for execution. This loan is approved with the understanding that the loan documents will be authorized and executed by Blue Grass and returned to us in accordance with the instructions.

It should be noted that advances on the "E44" loan can be made only after the conditions set forth in the Loan Contract to be entered into between Blue Grass and the Government providing for the "E44" loan, including the special condition regarding Blue Grass providing this office with evidence of an approved retail rate schedule designed to generate sufficient revenues to meet its mortgage coverage ratios requirements, have been met.

We are sending a copy of this letter to your President and CEO, Mr. Daniel W. Brewer, and to the National Rural Utilities Cooperative Finance Corporation.

Sincerely,

FOR

JAMES M. ANDREW
Administrator
Utilities Programs

cc: Mr. Daniel W. Brewer, President and CEO


1400 Independence Ave., S.W. • Washington, DC 20250-0700
Web: <http://www.rurdev.usda.gov>

Committed to the future of rural communities.

USDA is an equal opportunity provider, employer and lender.
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800) 795-3272 (Voice) or (202) 720-6882 (TDD).



Blue Grass Energy

A Touchstone Energy Cooperative 

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

March 19, 2008

Brian D. Jenkins
Chief, Operations Branch
Northern Regional Division
1400 Independence Ave, S.W.
Washington, DC 20250-0700

Dear Brian,

We did not meet our minimum financial ratios for 2007 due to the following:

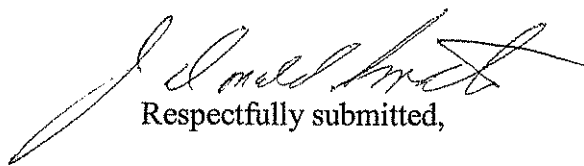
1. An increase in the Fuel Adjustment and Environmental surcharge from our Wholesale supplier,
2. A substantial increase in the use of short term funding due to the E44 loan not being available,
3. A charge to extraordinary items of \$1,916,999 due to the removal from service and from the plant accounts all mechanical meters. We installed an automated meter reading system (AMR),
4. A charge of \$285,000 for a settlement with EPA over transformer disposal issues from the 1960's, and
5. An increase in right of way maintenance to try to maintain a 5 year trim program

We are in the process of filing a rate case with the Kentucky Public Service Commission using 2007 as our test year. We previously filed "an intend to file" January 7, 2008 which was acknowledged by the Commission (attached). We have been assigned Case No. 2008-00011 and hope to file the application on or about March 31, 2008. We will forward a copy of the application at that time. This measure will correct our inadequate ratios.

Our projected ratios for 2008 based on the timely approval of our rate filing by the Kentucky Public Service Commission are as follows:

1.	TIER	1.25
2.	OTIER	1.17
3.	DSC	1.25
4.	ODSC	1.17

Thank you,



Respectfully submitted,

J. Donald Smothers
Vice President, Financial Services & CFO

CC: Dan Brewer, President & CEO



**Blue Grass Energy
Cooperative Corporation**

Exhibit H-1
Page 8 of 9

Nicholasville District Office
PO Box 990
1201 Lexington Road
Nicholasville, Kentucky 40340-0990
Phone: (859) 885-4191
Fax: (859) 885-2854

January 3, 2008

Beth A. O'Donnell, Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602

Dear Ms. O'Donnell:

This is to advise, in accordance with the Commission's Administrative Regulation 807 KAR 5:001, Section 11(2), that on or about April 1, 2008, Blue Grass Energy Cooperative Corporation intends to file an application for an increase in its retail rates based on a historical test year ending December 31, 2007.

If there are any questions concerning this matter, please contact me at your convenience.

Respectfully submitted,


A handwritten signature in black ink, appearing to read "Dan Brewer".

Dan Brewer, President & CEO

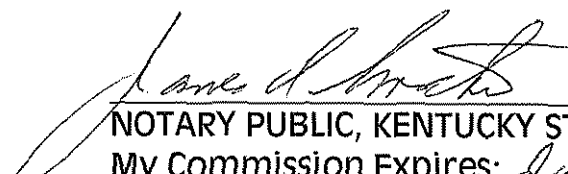
copy to:

Attorney General
Utility Intervention and Rate Division
1024 Capital Center Drive
Frankfort, Kentucky 40601

I, Daniel W. Brewer, state that the statements contained in the foregoing testimony are true to the best of my information and belief.


Daniel W. Brewer

Subscribed and sworn to and before me by Daniel W. Brewer on this the 11th day of April, 2008.


NOTARY PUBLIC, KENTUCKY STATE AT LARGE
My Commission Expires: June 6 2009

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF BLUE GRASS ENERGY)
COOPERATIVE CORPORATION FOR AN) CASE NO. 2008-00011
ADJUSTMENT OF RATES)

PREPARED TESTIMONY OF J. DONALD SMOTHERS

- Q1. Would you please state your name and your business title?
- A1. J. Donald Smothers, Vice President of Financial Services and CFO for Blue Grass Energy.
- Q2. How long have you been employed by Blue Grass Energy and what is your education?
- A2. I have been employed by Blue Grass Energy for approximately twenty eight years. I have a BBA degree in Accounting.
- Q3. Have you ever appeared as a witness before this Commission?
- A3. Yes, I have.
- Q4. What has been your role in the development of this rate application?
- A4. My role in the development of this rate application is to supervise the work of our rate advisor and to insure that our rate advisor receives the necessary data information to complete the work for which he was hired.
- Q5. How would you characterize the financial condition of Blue Grass Energy?
- A6. The financial condition of Blue Grass Energy has been deteriorating over the past few years. This is attributable to many factors including interest rates, slower growth, steady rise in operating cost and a need to maintain a 5 year right of way maintenance cycle. ~~Additionally, Blue Grass has not been able to pay capital credits to its members other than estates since 2004.~~

Q6. What has been the more recent financial history as measured by margins, TIER, and equity asset ratio?

A6. Blue Grass Energy's more recent financial history measured by margins, TIER and equity asset ratio for the past several years is provided below

<u>Year</u>	<u>Margins</u>	<u>TIER</u>	<u>Equity/Asset Ratio</u>
2002	\$ 4,489,228	2.49	33.25%
2003	\$ 3,645,010	2.26	33.07%
2004	\$ 830,572	1.30	30.86%
2005	\$ 1,220,206	1.35	28.76%
2006	\$ 1,113,500	1.25	27.26%
Test Year	(\$4,628,148)	0.03	24.06%

The test year included a write off of \$1,916,999 due to converting to an Automatic Meter Reading system. Blue Grass Energy's financial condition has continued to decline. Years 2002 and 2003 included allocations from our wholesale supplier.

Q7. What is your opinion on the amount of increase that is being requested by Blue Grass Energy in this rate application?

A7. It is my opinion that such a request is necessary in order for Blue Grass Energy to meet the requirements mandated by its lenders and to remain financially sound for its member/owners. It is also my opinion that we should provide common rate by rate class for all districts.


Q8. Does this conclude your testimony?

A8. This concludes my testimony.

I, J. Donald Smothers, state that the statements contained in the foregoing testimony are true to the best of my information and belief.


J. Donald Smothers

Subscribed and sworn to and before me by J. Donald Smothers on this the 11th day of April, 2008.


NOTARY PUBLIC, KENTUCKY STATE AT LARGE
My Commission Expires: May 5, 2008

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

BLUE GRASS ENERGY COOPERATIVE
CASE NO. 2008-00011

DIRECT TESTIMONY OF JAMES R. ADKINS

1 1 Q. Please state your name, your business address and job position?

2

3 A. My name is James R. Adkins. My business address is 1041 Chasewood
4 Way, Lexington, KY 40513-1731. I am self-employed providing services
5 to electric cooperatives in the areas of rates, rate design, cost of service
6 studies, regulatory affairs, financial forecasting and other services.

7

8 2 Q. What is your education background and business experience?

9

10 A I am a graduate of the University of Kentucky with a Bachelors Degree in
11 Commerce with a major in banking and finance granted in 1971 and a Masters
12 of Science Degree in Accounting granted in 1976. My business experience for
13 the last thirty years has been with the electric utility industry and primarily
14 with the rural electric cooperatives. I spent almost twenty-five years with East
15 Kentucky Power Cooperative, Inc. ("EKPC") dealing with rates, regulatory affairs,
16 cost of service studies, and helping its member distribution systems with their
17 rate matters. I took an early retirement from EKPC in early 2002 due to health
18 reasons. Since then I spent time providing consulting services to electric
19 cooperatives and others. I was member of the Prime Group from early 2002
20 through the first quarter of 2003 providing assistance in the rate area to
21 cooperatives in this area of the country. I have been self-employed since
22 the first quarter of 2003.

23

24 3 Q. Have you ever provided testimony before the Kentucky Public Service
25 Commission ("Commission")?

26

27 A. I have provided testimony many times before this Commission for EKPC and
28 its member distribution cooperatives in rate application proceedings for revenue
29 requirement purposes, cost of service studies, rate design, and other special
30 types of rates including cogeneration rates, economic development rates, etc.
31 I have also provided testimony in fuel adjustment cases and administrative cases.
32 I have also assisted this Commission through presentations to the Republic of Armenia
33 Energy Commission in Yerevan, Armenia, in Frankfort, KY and in Winchester, KY
34 distribution cost of service studies, concepts and results.

35

36 4 Q. What has been your role in this rate application ?

37

38 A. My role in this rate application has been to provide assistance to Blue Grass Energy
39 Cooperative ("Blue Grass") in its preparation and filing with this Commission. I have
40 provided assistance in all areas of its preparation. I am responsible for the Statement of
41 Operations, the Costs of Service Study and the revenue requirements that have been
42 prepared specifically for this filing. I am also responsible for all other exhibits that
43 may contain financial calculations and analyses and prepared specifically for
44 this rate application. My statement on responsibility means that these documents
45 have been developed by me or at my request and under my direct supervision.
46 I am also responsible for testimony on those exhibits and documents.

47

48 5 Q Why does Blue Grass need an increase in rates?

49

50 A. Blue Grass has filed for an increase in rates because its margins have
51 deteriorated to the point that Blue Grass's Times Interest Earned Ratio ("TIER")
52 for the test period is below the TIER level specified in its mortgage agreements.
53 Its mortgage requirements specify a TIER of 1.25x and OTIER of 1.10x. Blue Grass
54 Energy is requesting a TIER of 2.0x in this application as the basis for the overall
55 increase amount.

56

57

58 6 Q. Several base rate changes has occurred in the test year selected. One change has
59 been the flow through of the wholesale power supplier's increase in rates and the other
60 change has been increase in the fuel base in Blue Grass's base Rates. How has
61 these base rate changes been accommodated in this rate application?

62

63 A. The complete rate application has been based on the actual costs and rates in effect
64 for wholesale power and retail power at of the end of the test year. This approach provides
65 an increase amount based on test year conditions. Since all base rate changes
66 implemented by Blue Grass have equal increase in purchased power costs, the
67 amount increase based on test year end rates and costs could be added to the normalized
68 revenue from current based rates to determine the appropriate rate design.

69

70 7 Q What expense adjustments is Blue Grass proposing?

71

72 A. Blue Grass is proposing several expense adjustments in this rate application.
73 These expense adjustments include the following where the adjustment is an
74 expense increase: depreciation expenses, interest expense, wages and salaries,
75 postretirement benefits, payroll taxes, rate case expenses, and property taxes.
76 Several of the expense adjustments result in a decrease and these adjustments
77 include donations, professional fees, directors' expenses, and non-operating margins.

78

79 8 Q Are you responsible for the Cost of Service Study filed in this rate application?

80

81 A I am responsible for the Cost of Service Study ("COSS") in this application.
82 This COSS is consistent with the 1993 NARUC Electric Utility Cost Allocation
83 Manual and is based on a methodology generally accepted within the industry.
84 The results of this study indicate that several of Blue Grass's rate schedules
85 are not providing revenue sufficient to meet the revenue requirements for those rate
86 classes. The COSS also indicates that the rates for some of the other rate classes
87 are providing revenues in excess of their revenue requirements.

88

89 9 Q Has Blue Grass followed the results of the COSS in the development of its
90 proposed rate design?

91

92 A. The results from the COSS have been utilized in the developed of the proposed rate
design in this application as well as the determination of revenue requirements for
93 each rate class. Additionally, Blue Grass is proposing that several of its rate
94 classes be combined in this rate application. Listed below are the rate classes that are
95 combined along with the new rate class.

96

97 1 Current Rate Schedules GS-1, R, and A are being combined into the new
Schedule GS-1 for residential service

98 2 Rate Schedules GS-2, Re and Rate 1 are being combined into the new
Schedule GS-2 for ETS.

99 3 Rate Schedules LP-1, L and Rate 8 are being combined into the new
Schedule LP-1 for large power.

100 4 Rate Schedules LP-2, N, and LPR1 are being combined into a new
Schedule LP-2 for large power (500 kW and over).

5 Rate Schedules B-2 and LPR2 are being combined into a new Schedule B-2.
All lighting schedules are now combined into Schedule Outdoor Lighting.

101

102 This reduces Blue Grass's number of rate schedules by twelve schedules and it
103 should make their billing process and recordkeeping easier and more manageable.
104 Additionally, Blue Grass is changing its Schedule SC to include loads from 0 to 100 kW.
This Schedule has only included loads from 0-50 kW in the past. This causes about
approximately sixty-five consumers to be reclassified from Schedule LP-1 to Schedule
SC. This movement of customers has had a revenue impact that is a part of this
application.

105 10 Q. What has been the proposed basis for the rate design proposed in this rate
106 application?

107

108 A. The rate design proposed in this application has been based on the COSS. For
109 those rate classes receiving rate increases, the following philosophy has used to
110 design rates. For those rate classes with a customer charge and an energy charge
111 component, the customer charge component has been increased to move it closer to the
112 cost to serve and the remaining increase placed on the energy charge. For those rate
113 classes with a demand charge, an energy charge and a customer charge. The increase
114 has been placed on the customer charge component and the demand charge
115 components to move them closer to the cost to serve and any remaining increase has
116 assigned to the energy component.

117

118 New Rate Schedules B-1 and B-2 are slightly different than what is described above for a
119 couple of reasons. These two rate classes are based upon two special wholesale rates
120 where the original intent was for the wholesale demand rate(s) and retail demand
121 rates(s) to be the same. The additional markup needed to cover the distribution costs and
122 margin contributions are to come from the energy rate. However, in the flow through of
123 EKPC's wholesale rate increase, this match has not been accomplished. In the design
124 proposed, the demand charge has been set at an amount that is equal to EKPC's
125 wholesale rate. The special wholesale rate for Schedule B-1 and B-2 is EKPC's
126 Rate C. The concept behind this approach is to match the revenue requirements
127 and the rate design with the wholesale power costs and rate design attributable to
128 these retail rate classes.

129

130 9 Q Has Blue Grass made any changes in its definition in its rate classes as to size of loads
131 that are to be included in a rate class?

132

133 A. Blue Grass has changed the size of loads that are to be included in two rate classes.
134 These rate classes, using the new titles for the combined rate classes, are Schedules
135 C-1 (Commercial and Small Power) and LP-1 (Large Power). The basic change is
136 provided below:

137

138

<u>Rate Class</u>	<u>New Size</u>	<u>Old Size</u>
-------------------	-----------------	-----------------

139

Schedule C-1	0 to 50 kW	0 - 100 kW
--------------	------------	------------

140

Schedule LP-1	Over 50 to 500 kW	Over 100 to 500 kW
---------------	-------------------	--------------------

141

142

This change causes approximately sixty-five customers to be reclassified to Schedule

143

SC from Schedule LP-1. This impact has created the need for some additional billing

144

analyses and adjustment to the rate design for Schedule SC.

145

146

10 Q How has the consolidating of rate schedules and change in the size of loads in Schedule

147

SC and LP-1 impacted this process?

148

149

A. The consolidation of rate classes and the increase in customers has impacted the

150

normal process for the preparation of a rate application. Exhibit J has been changed

151

significantly. Four billing analyses are presented as a result. The first billing analysis

152

present the current twenty rate schedules with current rates and proposed rates to

153

determine the amount of increase. This analyses compares the normalized revenue

154

from current rates with the revenue from the proposed rates. The second billing analysis

155

consists of the combined rate classes and the proposed rates to see if these rates

156

provide the same revenue as the proposed rates in the first billing analysis. The revenue

157

from the proposed rates in both analyses is almost the same. These first two billing

158

analyses does not include the movement of load from Schedule LP-1 to Schedule SC.

159

160

The third billing analysis provides the revenue from the proposed rates and the changed

161

in customers from Schedule LP-2 to Schedule SC 2. Moving customers to this new rate

162

class causes the revenue from the proposed rates to be above the total revenue

163

requirements of Blue Grass. Therefore, the energy rate for Schedule SC 2 has been

164

reduced to lower the revenue from the proposed rates to an amount consistent with

165

the original amount.

166

167

The third section of Exhibit J contains a summary of the revenues for the second, third

168

and fourth billing analysis. This same section also provides the rate design utilized in

169

the determination of revenues for the last three analyses.

170

171 11 Q. What is the end result of changes requested in this application?

172

173 A. The end result in this application is the following in a sequence with the more important
174 listed first.

175

176 Blue Grass as reduced its number of electric rate classes from twenty (20) to
177 eight (8)

178 Blue Grass Energy rate classes now provide for a better matching of revenue
179 requirements with costs

180 Blue Grass's proposed rate design is a better match of costs with rate design
181 than with the current rate design

182 The new definition of the size of loads included in Schedule SC better matches
183 the definition for similar rate schedules for adjacent utilities

184

185 Finally, Blue Grass has rate parity for all residential loads, small commercial loads,
186 large power loads and for outdoor lighting. A significant step has been made and
187 accomplished by Blue Grass in this application.

188

189 12 Q. Does this conclude your testimony?

190

191 A. This concludes my testimony.

192

193

194

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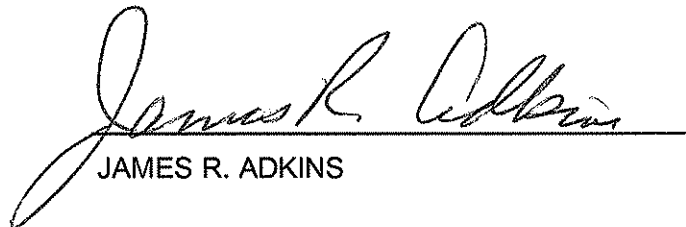
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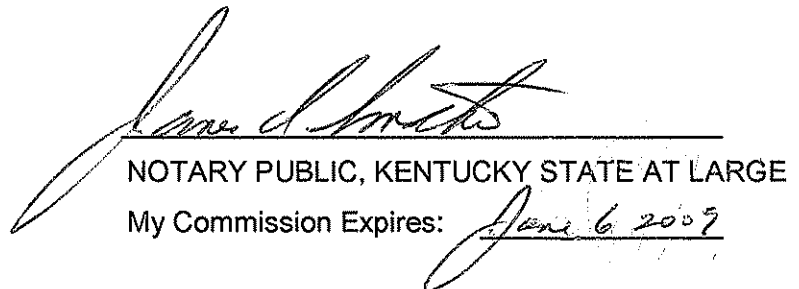
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202

I, James R. Adkins, state that the statements contained in the foregoing testimony are true to the best of my information and belief.


JAMES R. ADKINS

Subscribed and sworn to and before me by James R. Adkins on this the 11th day of April, 2008.


NOTARY PUBLIC, KENTUCKY STATE AT LARGE
My Commission Expires: June 6 2009

Blue Grass Energy
Case No. 2008-00011
Revenue Analysis
December 31, 2007

Exhibit I
page 1 of 2
Witness: Jim Adkins

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Rate Schedule	Kwh Useage	Test Year Revenue	Percent of Total	Normalized Case No. 2006-0512	Percent of Total	Proposed Revenue	Percent of Total	<u>Increase</u> Amount Percent	
GS-1, Residential, Farm and Non R, Residential	434,562,009	\$29,425,507	36%	\$31,359,435	36%	\$36,082,433	38%	\$4,722,998	15.1%
A, Farm and Home Service	174,838,533	12,751,166	16%	13,531,599	16%	15,079,887	16%	1,548,287	11.4%
GS-2, Residential Marketing (ETS)	191,828,392	14,966,214	18%	15,852,091	18%	16,370,003	17%	517,912	3.3%
R2, Residential Marketing (ETS)	683,506	25,517	0%	28,031	0%	30,601	0%	2,570	9.2%
Rate 1, Residential Marketing (E	173,940	7,003	0%	7,605	0%	7,787	0%	183	2.4%
C-1, Commercial and Industrial I	1,965,309	80,487	0%	87,869	0%	87,987	0%	118	0.1%
C, Small Commercial	35,732,767	2,899,461	4%	3,002,036	3%	3,490,766	4%	488,730	16.3%
Rate 2, Commercial and Small P	9,104,595	724,985	1%	788,156	1%	889,487	1%	101,331	12.9%
LP-1, Large Power	6,314,722	552,810	1%	580,585	1%	637,082	1%	56,497	9.7%
L, Large Power Service (50 to 20	44,482,000	2,823,306	3%	3,073,385	4%	3,124,066	3%	50,680	1.6%
Rate 8, Large Power Service (50	2,822,338	209,721	0%	250,010	0%	190,366	0%	(59,644)	-23.9%
LP-2, Large Power	7,516,501	535,719	1%	568,326	1%	528,122	1%	(40,204)	-7.1%
N, Industrial & Large Power (Ove	62,053,980	3,374,081	4%	3,618,310	4%	3,678,690	4%	60,380	1.7%
LPR1, Large Power Service (Ove	12,690,531	724,312	1%	759,277	1%	723,403	1%	(35,874)	-4.7%
B1, Large Industrial Rate	6,295,920	386,897	0%	412,778	0%	360,877	0%	(51,901)	-12.6%
B-2, Large Industrial Rate	23,328,000	1,075,989	1%	1,212,640	1%	1,212,621	1%	(20)	0.0%
LPR2, Large Power (5,000 to 9,9	155,679,600	7,264,082	9%	7,770,800	9%	7,881,555	8%	110,755	1.4%
Street Lighting	52,984,800	2,491,709	3%	2,707,106	3%	2,595,425	3%	(111,680)	-4.1%
Outdoor Lighting Service	822,482	162,860	0%	167,348	0%	223,588	0%	56,239	33.6%
Rounding differences	9,287,615	1,150,592	1%	1,214,223	1%	1,630,077	2%	415,854	34.2%
								0	
Total from base rates	<u>1,233,167,540</u>	<u>81,632,418</u>	<u>100%</u>	<u>\$86,991,610</u>	<u>100%</u>	<u>\$94,824,821</u>	<u>100%</u>	<u>\$7,833,211</u>	<u>9.00%</u>
Fuel adjustment billed		9,380,614							
Environmental surcharge billed		7,099,448							
		<u>\$98,112,480</u>							
Increase				<u>\$5,359,192</u>		<u>\$7,833,211</u>			
Unbilled fuel adjustment		(598,268)							
Unbilled environmental surcharge		(835,117)							
Revenue per general ledger		<u>\$96,679,095</u>							

BLUE GRASS ENERGY COOPERATIVE
CASE NO. 2008-00011

Revenue Summary for Combined Rate Classes

	Revenue Combined <u>Rate Classes</u>	Revenue Combined Rate Classes Change in Customers <u>SC1 & LP-1</u>	Revenue Combined Rate Classes Change in Rates for <u>SC1</u>
<u>Revenue Summary</u>			
GS-1, Residential, Farm and Non-Farm	\$67,532,322	\$67,532,322	\$67,532,322
GS-2, Off-Peak Marketing (ETS)	\$126,375	\$126,375	\$126,375
SC-1, Small Commercial	\$5,017,335	\$6,155,242	\$5,900,828
LP-1, Large Power	\$3,842,554	\$2,960,844	\$2,960,844
LP-2, Large Power	\$4,762,969	\$4,762,969	\$4,762,969
Schedule B1, Large Industrial Rate	\$1,212,621	\$1,212,621	\$1,212,621
Schedule B-2, Large Industrial Rate	\$10,476,980	\$10,476,980	\$10,476,980
Outdoor Lights	\$1,853,665	\$1,853,665	\$1,853,665
	<u>\$94,824,821</u>	<u>\$95,081,018</u>	<u>\$94,826,604</u>

INDEX OF EXHIBIT J

- A. Effect of Increase upon Average Consumer
- B. Billing Analysis for Current Rates and Proposed Rates
- C. Summary of Billing Analyses listed in Items C, D, and E below
- D. Billing Analysis for Combined Rate Classes
- E. Billing Analysis for Combined Rate Classes with Movement of Customers to Schedule SC
- f. Billing Analysis for Combined Rate Classes With Movement of Customers to Schedule SC with Change in Rates for Schedule SC

Blue Grass Energy
Case No. 2008-00011
Average Bill for Residential Rate Class
GS-1, Residential, Farm and Non-Farm

	<u>Present</u>	<u>Proposed</u>			
Customer charge	\$5.44	\$12.00			
Energy charge	\$0.06835	\$0.07462			
<u>kwh Useage</u>	<u>Existing Rate</u>	<u>Proposed Rate</u>	<u>Increase Amount</u>	<u>Percent</u>	
0	\$5.44	\$12.00	\$6.56	120.6%	
25	7.15	13.87	6.72	94.0%	
50	8.86	15.73	6.87	77.6%	
100	12.28	19.46	7.19	58.5%	
150	15.69	23.19	7.50	47.8%	
200	19.11	26.92	7.81	40.9%	
250	22.53	30.66	8.13	36.1%	
300	25.95	34.39	8.44	32.5%	
350	29.36	38.12	8.75	29.8%	
400	32.78	41.85	9.07	27.7%	
450	36.20	45.58	9.38	25.9%	
500	39.62	49.31	9.70	24.5%	
550	43.03	53.04	10.01	23.3%	
600	46.45	56.77	10.32	22.2%	
650	49.87	60.50	10.64	21.3%	
700	53.29	64.23	10.95	20.5%	
750	56.70	67.97	11.26	19.9%	
800	60.12	71.70	11.58	19.3%	
850	63.54	75.43	11.89	18.7%	
900	66.96	79.16	12.20	18.2%	
950	70.37	82.89	12.52	17.8%	
1,000	73.79	86.62	12.83	17.4%	
1,050	77.21	90.35	13.14	17.0%	
1,100	80.63	94.08	13.46	16.7%	
1,150	84.04	97.81	13.77	16.4%	
1,200	87.46	101.54	14.08	16.1%	
1,250	90.88	105.28	14.40	15.8%	
1,300	94.30	109.01	14.71	15.6%	
1,350	97.71	112.74	15.02	15.4%	
1,400	101.13	116.47	15.34	15.2%	
1,450	104.55	120.20	15.65	15.0%	
The average monthly useage					
1,427	102.95	118.45	15.50	15.1%	

Blue Grass Energy
Case No. 2008-00011
Average Bill for Residential Rate Class
Schedule R, Residential

	<u>Present</u>	<u>Proposed</u>
Customer charge	\$5.53	\$12.00
Energy charge	\$0.07286	\$0.07462

<u>kwh Useage</u>	<u>Existing Rate</u>	<u>Proposed Rate</u>	<u>Increase Amount</u>	<u>Percent</u>	
0	\$5.53	\$12.00	\$6.47	117.0%	
25	\$7.35	\$13.87	6.51	88.6%	
50	\$9.17	\$15.73	6.56	71.5%	
100	\$12.82	\$19.46	6.65	51.9%	
150	\$16.46	\$23.19	6.73	40.9%	
200	\$20.10	\$26.92	6.82	33.9%	
250	\$23.75	\$30.66	6.91	29.1%	
300	\$27.39	\$34.39	7.00	25.6%	
350	\$31.03	\$38.12	7.09	22.8%	
400	\$34.67	\$41.85	7.17	20.7%	
450	\$38.32	\$45.58	7.26	19.0%	
500	\$41.96	\$49.31	7.35	17.5%	
550	\$45.60	\$53.04	7.44	16.3%	
600	\$49.25	\$56.77	7.53	15.3%	
650	\$52.89	\$60.50	7.61	14.4%	
700	\$56.53	\$64.23	7.70	13.6%	
750	\$60.18	\$67.97	7.79	12.9%	
800	\$63.82	\$71.70	7.88	12.3%	
850	\$67.46	\$75.43	7.97	11.8%	
900	\$71.10	\$79.16	8.05	11.3%	
950	\$74.75	\$82.89	8.14	10.9%	
1,000	\$78.39	\$86.62	8.23	10.5%	
1,050	\$82.03	\$90.35	8.32	10.1%	
1,100	\$85.68	\$94.08	8.41	9.8%	
1,150	\$89.32	\$97.81	8.49	9.5%	
1,200	\$92.96	\$101.54	8.58	9.2%	
1,250	\$96.61	\$105.28	8.67	9.0%	
1,300	\$100.25	\$109.01	8.76	8.7%	
1,350	\$103.89	\$112.74	8.85	8.5%	
1,400	\$107.53	\$116.47	8.93	8.3%	
1,450	\$111.18	\$120.20	9.02	8.1%	
The average monthly useage	1,249	\$96.51	\$105.18	8.67	9.0%

Blue Grass Energy
Case No. 2008-00011
Average Bill for Residential Rate Class
Schedule A, Farm and Home

	<u>Present</u>	<u>Proposed</u>
Customer charge	\$9.10	\$12.00
Energy charge	\$0.07451	\$0.07462

<u>kwh Useage</u>	<u>Existing Rate</u>	<u>Proposed Rate</u>	<u>Increase Amount</u>	<u>Percent</u>
0	\$9.10	\$12.00	\$2.90	31.9%
25	\$10.96	\$13.87	2.90	26.5%
50	\$12.83	\$15.73	2.91	22.7%
100	\$16.55	\$19.46	2.91	17.6%
150	\$20.28	\$23.19	2.92	14.4%
200	\$24.00	\$26.92	2.92	12.2%
250	\$27.73	\$30.66	2.93	10.6%
300	\$31.45	\$34.39	2.93	9.3%
350	\$35.18	\$38.12	2.94	8.4%
400	\$38.90	\$41.85	2.94	7.6%
450	\$42.63	\$45.58	2.95	6.9%
500	\$46.36	\$49.31	2.96	6.4%
550	\$50.08	\$53.04	2.96	5.9%
600	\$53.81	\$56.77	2.97	5.5%
650	\$57.53	\$60.50	2.97	5.2%
700	\$61.26	\$64.23	2.98	4.9%
750	\$64.98	\$67.97	2.98	4.6%
800	\$68.71	\$71.70	2.99	4.3%
850	\$72.43	\$75.43	2.99	4.1%
900	\$76.16	\$79.16	3.00	3.9%
950	\$79.88	\$82.89	3.00	3.8%
1,000	\$83.61	\$86.62	3.01	3.6%
1,050	\$87.34	\$90.35	3.02	3.5%
1,100	\$91.06	\$94.08	3.02	3.3%
1,150	\$94.79	\$97.81	3.03	3.2%
1,200	\$98.51	\$101.54	3.03	3.1%
1,250	\$102.24	\$105.28	3.04	3.0%
1,300	\$105.96	\$109.01	3.04	2.9%
1,350	\$109.69	\$112.74	3.05	2.8%
1,400	\$113.41	\$116.47	3.05	2.7%
1,450	\$117.14	\$120.20	3.06	2.6%
The average monthly usage				
1,120	\$92.53	\$95.56	3.02	3.3%

Blue Grass Energy

Exhibit

Case No. 2008-00011

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Revenue Analysis

Witness: Jim Adkins

December 31, 2007

Rate Schedule	Kwh Useage	Test Year Revenue	Percent of Total	Normalized Case No. 2006-0512	Percent of Total	Proposed Revenue	Percent of Total	Increase Amount	Increase Percent
GS-1, Residential, Farm and Non-F	434,562,009	\$29,425,507	36%	\$31,359,435	36%	\$36,082,433	38%	\$4,722,998	15.1%
R, Residentail	174,838,533	12,751,166	16%	13,531,599	16%	15,079,887	16%	1,548,287	11.4%
A, Farm and Home Service	191,828,392	14,966,214	18%	15,852,091	18%	16,370,003	17%	517,912	3.3%
GS-2, Residential Marketing (ETS)	683,506	25,517	0%	28,031	0%	30,601	0%	2,570	9.2%
R2, Residential Marketing (ETS)	173,940	7,003	0%	7,605	0%	7,787	0%	183	2.4%
Rate 1, Residential Marketing (ETS)	1,965,309	80,487	0%	87,869	0%	87,987	0%	118	0.1%
C-1, Commercial and Industrial Li	35,732,767	2,899,461	4%	3,002,036	3%	3,490,766	4%	488,730	16.3%
C, Small Commercial	9,104,595	724,985	1%	788,156	1%	889,487	1%	101,331	12.9%
Rate 2, Commercial and Small Po	6,314,722	552,810	1%	580,585	1%	637,082	1%	56,497	9.7%
LP-1, Large Power	44,482,000	2,823,306	3%	3,073,385	4%	3,124,066	3%	50,680	1.6%
L, Large Power Service (50 to 200	2,822,338	209,721	0%	250,010	0%	190,366	0%	(59,644)	-23.9%
Rate 8, Large Power Service (50 to	7,516,501	535,719	1%	568,326	1%	528,122	1%	(40,204)	-7.1%
LP-2, Large Power	62,053,980	3,374,081	4%	3,618,310	4%	3,678,690	4%	60,380	1.7%
N, Industrial & Large Power (Over	12,690,531	724,312	1%	759,277	1%	723,403	1%	(35,874)	-4.7%
LPR1, Large Power Service (Over 5	6,295,920	386,897	0%	412,778	0%	360,877	0%	(51,901)	-12.6%
B1, Large Industrial Rate	23,328,000	1,075,989	1%	1,212,640	1%	1,212,621	1%	(20)	0.0%
B-2, Large Industrial Rate	155,679,600	7,264,082	9%	7,770,800	9%	7,881,555	8%	110,755	1.4%
LPR2, Large Power (5,000 to 9,999	52,984,800	2,491,709	3%	2,707,106	3%	2,595,425	3%	(111,680)	-4.1%
Street Lighting	822,482	162,860	0%	167,348	0%	223,588	0%	56,239	33.6%
Outdoor Lighting Service	9,287,615	1,150,592	1%	1,214,223	1%	1,630,077	2%	415,854	34.2%
Rounding differences								0	
Total from base rates	1,233,167,540	81,632,418	100%	\$86,991,610	100%	\$94,824,821	100%	\$7,833,211	9.00%
Fuel adjustment billed		9,380,614							
Environmental surcharge billed		7,099,448							
		\$98,112,480							
Increase				\$5,359,192		\$7,833,211			
Unbilled fuel adjustment		(598,268)							

Blue Grass Energy
Case No. 2008-00011
Billing Analysis
December 31, 2007

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Witness: Jim Adkins

GS-1, Residential, Farm and Non-Farm

Rate 11 (N M)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-0512		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	304,618	\$1,635,799	\$5.44	\$1,657,122	\$12.00	\$3,655,416
Energy charge per kWh	434,562,009	27,789,708	\$0.06835	29,702,313	\$0.07462	32,427,017
Billing adjustments				0		0
Total from base rates		29,425,507		<u>\$31,359,435</u>		<u>\$36,082,433</u>
Fuel adjustment		3,291,503				
Environmental surcharge		<u>2,567,357</u>				
Total revenues		<u>\$35,284,367</u>				
Amount				\$1,933,928		\$4,722,998
Percent				6.57%		15.06%
Average monthly bill		\$96.60		\$102.95		\$118.45
Amount				\$6.35		\$15.50
Percent				6.6%		15.1%

Blue Grass Energy
Case No. 2008-00011
Billing Analysis
December 31, 2007

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Witness: Jim Adkins

Schedule R, Residential

Rate 12 (FC)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-0512		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge, first 30 kwh	143,375	\$782,828	\$5.53	\$792,864		
Customer Charge					\$12.00	\$1,720,500
Energy charge						
First 30 kwh	4,193,719					
All over 30 kwh	174,838,533	11,968,338	\$0.07286	12,738,736		
	<u>179,032,252</u>				\$0.07462	13,359,387
Billing adjustments				0		0
Total from base rates		12,751,166		<u>\$13,531,599</u>		<u>\$15,079,887</u>
Fuel adjustment		1,343,716				
Environmental surcharge		<u>1,109,376</u>				
Total revenues		<u>\$15,204,258</u>				
Amount				\$780,433		\$1,548,287
Percent				6.12%		11.44%
Average monthly bill		\$88.94		\$94.38		\$105.18
Amount				\$5.44		\$10.80
Percent				6.1%		11.4%

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Witness: Jim Adkins

Schedule A, Farm and Home

Rate 13 (H)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-0512		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	171,314	\$1,539,256	\$9.10	\$1,558,957	\$12.00	\$2,055,768
Energy charge	191,828,392	13,426,958	\$0.07451	14,293,133	\$0.07462	14,314,235
Billing adjustments				0		0
Total from base rates		14,966,214		<u>\$15,852,091</u>		<u>\$16,370,003</u>
Fuel adjustment		1,444,652				
Environmental surcharge		<u>1,307,437</u>				
Total revenues		<u>\$17,718,303</u>				
Amount				\$885,877		\$517,912
Percent				5.92%		3.27%
Average monthly bill		\$87.36		\$92.53		\$95.56
Amount				\$5.17		\$3.02
Percent				5.9%		3.3%

Blue Grass Energy
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Witness: Jim Adkins

GS-2, Off-Peak Marketing (ETS)

Rate 16 (N M)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-0512		Proposed	
			Rates	Revenues	Rates	Revenues
Energy charge	683,506	25,517	\$0.04101	28,031	\$0.04477	30,601
Billing adjustments				0		0
Total from base rates		25,517		<u>\$28,031</u>		<u>\$30,601</u>
Fuel adjustment		4,010				
Environmental surcharge		<u>2,211</u>				
Total revenues		<u>\$31,738</u>				
Amount				\$2,514		\$2,570
Percent				9.85%		9.17%

Blue Grass Energy
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Witness: Jim Adkins

Schedule R2, Residential Marketing Rate

Rate 17 (FC)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-0512		Proposed	
			Rates	Revenues	Rates	Revenues
Energy charge	173,940	7,003	\$0.04372	7,605	\$0.04477	7,787
Billing adjustments				0		0
Total from base rates		7,003		<u>\$7,605</u>		<u>\$7,787</u>
Fuel adjustment		1,041				
Environmental surcharge		602				
Total revenues		<u>\$8,646</u>				
Amount				\$602		\$183
Percent				8.59%		2.40%

Blue Grass Energy
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Witness: Jim Adkins

Rate 1 ETS, Off-Peak Marketing Rate

Rate 18 (H)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-0512		Proposed	
			Rates	Revenues	Rates	Revenues
Energy charge	1,965,309	80,487	\$0.04471	87,869	\$0.04477	87,987
Billing adjustments				<u>0</u>		<u>0</u>
Total from base rates		80,487		<u>\$87,869</u>		<u>\$87,987</u>
Fuel adjustment		11,238				
Environmental surcharge		<u>6,815</u>				
Total revenues		<u>\$98,540</u>				
Amount				\$7,382		\$118
Percent				9.17%		0.13%

C-1, Commercial and Industrial Lighting & Power

Rate 21 and 22 (N M)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-0512		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	15,413	\$108,507	\$7.13	\$109,895	\$25.00	\$385,325
Demand Charge						
First 10 kW of billing demand	57,818					
Over 10 kW of billing demand	58,180	363,043	\$6.40	372,352	\$7.00	407,260
Energy charge						
First 3,000 kwh	19,769,738	1,369,055	\$0.07272	1,437,655		
All over 3,000 kwh	15,963,029	1,058,856	\$0.06779	1,082,134		
	<u>35,732,767</u>				\$0.07551	2,698,181
Billing adjustments				0		0
Total from base rates		2,899,461		<u>\$3,002,036</u>		<u>\$3,490,766</u>
Fuel adjustment		283,328				
Environmental surcharge		253,435				
Total revenues		<u>\$3,436,224</u>				
Amount				\$102,575		\$488,730
Percent				3.54%		16.28%
Average monthly bill		\$49.84		\$51.60		\$60.00
Amount				\$1.76		\$8.40
Percent				3.5%		16.3%

Schedule C, Commercial and Small Power

Rate 23 and 24 (FC)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-0512		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge, first 30 kwh	5,103	25,962	\$5.53	\$28,220		
Customer Charge					\$25.00	\$127,575
Demand Charge						
First 10 kW of billing demand	11,860					
Over 10 kW of billing demand	10,632	62,601	\$6.40	68,045	\$7.00	74,424
Energy charge						
First 30 kwh	152,701					
All over 30 kwh	8,951,894	636,422	\$0.07729	691,892	\$0.07551	687,488
	<u>9,104,595</u>					
Billing adjustments				0		0
Total from base rates		724,985		<u>\$788,156</u>		<u>\$889,487</u>
Fuel adjustment		70,891				
Environmental surcharge		<u>63,602</u>				
Total revenues		<u>\$859,478</u>				
Amount				\$63,171		\$101,331
Percent				8.71%		12.86%
Average monthly bill		\$68.19		\$74.13		\$83.66
Amount				\$5.94		\$9.53
Percent				8.7%		12.9%

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Rate 2, Commercial and Small Power

Rate 25 and 26 (H)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-0512		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	4,065	\$98,347	\$24.50	\$99,593	\$25.00	\$101,625
Demand Charge	8,376	0	\$0.00	0	\$7.00	58,632
Energy charge	6,314,722	454,463	\$0.07617	480,992	\$0.07551	476,825
Billing adjustments				0		0
Total from base rates		552,810		<u>\$580,585</u>		<u>\$637,082</u>
Fuel adjustment		49,350				
Environmental surcharge		<u>48,108</u>				
Total revenues		<u>\$650,268</u>				
Amount				\$27,775		\$56,497
Percent				5.02%		9.73%
Average monthly bill		\$135.99		\$142.83		\$156.72
Amount				\$6.83		\$13.90
Percent				5.0%		9.7%

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LP-1, Large Power

Rate 31 (N M)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-0512		Proposed	
			Rates	Revenues	Rates	Revenues
			Customer Charge	1,072	\$25,862	\$24.64
Demand Charge	133,607	844,396	\$6.40	855,085	\$7.50	1,002,053
Energy charge						
First 10,000 kwh	14,360,683	739,676	\$0.05723	821,862		
Next 15,000 kwh	8,857,298	401,448	\$0.05036	446,054		
Next 50,000 kwh	11,886,914	477,248	\$0.04461	530,275		
Next 75,000 kwh	7,955,840	302,521	\$0.04225	336,134		
All over 150,000 kwh	1,421,265	32,156	\$0.04050	57,561		
	<u>44,482,000</u>					
First 25,000 kwh	23,217,981				\$0.00000	0
Next 50,000 kwh	11,886,914				\$0.00000	0
All over 75,000 kwh	9,377,105				\$0.00000	0
	<u>44,482,000</u>				\$0.04650	2,068,413
Billing adjustments				0		0
Total from base rates		2,823,306		<u>\$3,073,385</u>		<u>\$3,124,066</u>
Fuel adjustment		351,183				
Environmental surcharge		250,024				
Total revenues		<u>\$3,424,513</u>				
Amount				\$250,079		\$50,680
Percent				8.86%		1.65%
Average monthly bill		\$2,633.68		\$2,866.96		\$2,914.24
Amount				\$233.28		\$47.28
Percent				8.9%		1.6%

Blue Grass Energy
Case No. 2008-00011
Billing Analysis
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Witness: Jim Adkins

Schedule L, Large Power Service (50 to 499 kw)

Rate 33 (FC)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-0512		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	118	3,363	\$30.00	\$3,540	\$50.00	\$5,900
Demand Charge	7,097	21,979	\$3.26	23,136	\$7.50	53,228
Energy charge						
First 50 kwh of billing demand	2,280,660	151,367	\$0.08038	183,319		
Next 100 kwh of billing demand	413,382	26,015	\$0.07628	31,533		
Over 150 kwh of billing demand	128,296	6,997	\$0.06611	8,482		
	<u>2,822,338</u>					
First 10,000 kwh	952,350				\$0.04650	44,284
All over 10,000 kwh	1,869,988				\$0.04650	86,954
	<u>2,822,338</u>					
Billing adjustments				0		0
Total from base rates		209,721		<u>\$250,010</u>		<u>\$190,366</u>
Fuel adjustment		21,315				
Environmental surcharge		18,020				
Total revenues		<u>\$249,056</u>				
Amount				\$40,289		(\$59,644)
Percent				19.21%		-23.86%
Average monthly bill		\$1,777.30		\$2,118.73		\$1,613.27
Amount				\$341.43		(\$505.46)
Percent				19.2%		-23.9%

Blue Grass Energy
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Billing Analysis
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Witness: Jim Adkins

LP-2, Large Power

Rate 32 & 38 (N M)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-0512		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	156	3,767	\$24.64	\$3,844	\$100.00	\$15,600
Demand Charge	149,349	943,886	\$6.40	955,834	\$7.50	1,120,118
Energy charge						
First 3,500 kwh	519,600	29,278	\$0.05809	30,184		
Next 6,500 kwh	1,614,000	76,852	\$0.04960	80,054		
Next 140,000 kwh	19,604,300	814,438	\$0.04433	869,059		
Next 200,000 kwh	18,784,912	730,609	\$0.04274	802,867		
Next 400,000 kwh	14,519,488	546,092	\$0.04179	606,769		
Next 550,000 kwh	3,919,680	139,303	\$0.04085	160,119		
All over 1,300,000 kwh	3,092,000	89,856	\$0.03544	109,580		
	<u>62,053,980</u>					
First 200,000 kwh	40,522,812				\$0.00000	0
All over 200,000 kwh	<u>21,531,168</u>				\$0.00000	0
	<u>62,053,980</u>				\$0.04098	2,542,972
Billing adjustments				<u>0</u>		<u>0</u>
Total from base rates		3,374,081		<u>\$3,618,310</u>		<u>\$3,678,690</u>
Fuel adjustment		479,199				
Environmental surcharge		<u>302,530</u>				
Total revenues		<u>\$4,155,810</u>				
Amount				\$244,229		\$60,380
Percent				7.24%		1.67%
Average monthly bill		\$21,628.72		\$23,194.29		\$23,581.34
Amount				\$1,565.57		\$387.05
Percent				7.2%		1.7%

Blue Grass Energy
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Witness: Jim Adkins

Schedule N, Industrial & Large Commercial (Over 500KW)

Rate 35, 36 (FC)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-0512		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	50	13,582	\$277.18	\$13,859	\$100.00	\$5,000
Demand Charge	26,446	115,590	\$4.46	117,949	\$7.50	198,345
Energy charge						
First 425 kwh of billing demand	11,239,550	554,813	\$0.05037	566,136		
Over 425 kwh of billing demand	1,450,981	40,327	\$0.04227	61,333		
	<u>12,690,531</u>					
First 200,000 kwh	6,249,236				\$0.04098	256,094
All over 200,000 kwh	6,441,295				\$0.04098	263,964
	<u>12,690,531</u>					
Billing adjustments				<u>0</u>		<u>0</u>
Total from base rates		724,312		<u>\$759,277</u>		<u>\$723,403</u>
Fuel adjustment		102,858				
Environmental surcharge		63,119				
Total revenues		<u>\$890,289</u>				
Amount				\$34,965		(\$35,874)
Percent				4.83%		-4.72%
Average monthly bill		\$14,486.24		\$15,185.55		\$14,468.06
Amount				\$699.31		(\$717.49)
Percent				4.8%		-4.7%

Blue Grass Energy
Case No. 2008-00011
Billing Analysis
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Witness: Jim Adkins

Rate 8, Large Power Service (50 to 500KW)

Rate 39,52 (H)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-0512		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	231	6,665	\$29.44	\$6,801	\$50.00	\$11,550
Demand Charge	22,274	175,283	\$8.03	178,860	\$7.50	167,055
Energy charge	7,516,501	354,235	\$0.05091	382,665	\$0.04650	349,517
Primary discount		(464)				
Billing adjustments				0		0
Total from base rates		535,719		<u>\$568,326</u>		<u>\$528,122</u>
Fuel adjustment		56,717				
Environmental surcharge		46,919				
Total revenues		<u>\$639,355</u>				
Amount				\$32,607		(\$40,204)
Percent				6.09%		-7.07%
Average monthly bill		\$2,319.13		\$2,460.29		\$2,286.24
Amount				\$141.16		(\$174.04)
Percent				6.1%		-7.1%

Blue Grass Energy
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Witness: Jim Adkins

LPR 1, Rate 8, Large Power Service (Over 500KW)

Rate 40 (H)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-0512		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	24	970	\$41.23	\$990	\$100.00	\$2,400
Demand Charge	13,396	105,418	\$8.03	107,570	\$7.50	100,470
Energy charge	6,295,920	280,509	\$0.04832	304,219	\$0.04098	258,007
Billing adjustments				0		0
Total from base rates		386,897		<u>\$412,778</u>		<u>\$360,877</u>
Fuel adjustment		48,841				
Environmental surcharge		34,343				
Total revenues		<u>\$470,081</u>				
Amount				\$25,881		(\$51,901)
Percent				6.69%		-12.57%
Average monthly bill		\$16,120.71		\$17,199.09		\$15,036.53
Amount				\$1,078.39		(\$2,162.56)
Percent				6.7%		-12.6%

Blue Grass Energy
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Schedule B1, Large Industrial Rate

Rate 46 (FC)

Description	Billing Determinants	Test Year Revenues	Normalized 5.53		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	12	6,823	\$580.22	\$6,963	\$1,000.00	\$12,000
Demand Charge						
Contract demand	35,100	190,221	\$5.53	194,103	\$6.22	218,322
Excess demand	1,694	13,331	\$8.03	13,603	\$8.65	14,653
Energy charge	23,328,000	865,614	\$0.04278	997,972	\$0.04148	967,645
Billing adjustments				0		0
Total from base rates		1,075,989		<u>\$1,212,640</u>		<u>\$1,212,621</u>
Fuel adjustment		173,416				
Environmental surcharge		<u>98,128</u>				
Total revenues		<u>\$1,347,533</u>				
Amount				\$136,651		(\$20)
Percent				12.70%		0.00%
Average monthly bill		\$89,665.75		\$101,053.36		\$101,051.71
Amount				\$11,387.61		(\$1.65)
Percent				12.7%		0.0%

Schedule B-2, Large Industrial Rate

Rate 44, 45, 47, 48, 49 (N M)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-0512		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	60	64,528	\$1,097.42	\$65,845	\$2,000.00	\$120,000
Demand Charge						
Contract demand	302,373	1,638,680	\$5.53	1,672,123	\$6.22	1,880,760
Excess demand	13,408	105,513	\$8.03	107,666	\$8.65	115,979
Energy charge	155,679,600	5,455,361	\$0.03806	5,925,166	\$0.03703	5,764,816
Billing adjustments				0		0
Total from base rates		7,264,082		<u>\$7,770,800</u>		<u>\$7,881,555</u>
Fuel adjustment		1,218,401				
Environmental surcharge		<u>666,674</u>				
Total revenues		<u>\$9,149,157</u>				
Amount				\$506,718		\$110,755
Percent				6.98%		1.43%
Average monthly bill		\$121,068.03		\$129,513.33		\$131,359.25
Amount				\$8,445.30		\$1,845.92
Percent				7.0%		1.4%

Blue Grass Energy
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LPR2, Rate 8, Large Power Service (1,000 to 4,999KW)

Rate 50 (H)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-0512		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	12	28,648	\$2,436.09	\$29,233	\$2,000.00	\$24,000
Demand Charge	97,974	530,960	\$5.53	541,796	\$6.22	609,398
Energy charge						
First 425 kwh billing demand	41,946,650	1,729,259	\$0.04481	1,879,629	\$0.03703	1,553,284
All over 425 kwh billing demand	11,038,150	355,799	\$0.03709	409,405	\$0.03703	408,743
	<u>52,984,800</u>					
Primary discount		(152,958)		(152,958)		0
Billing adjustments				0		0
Total from base rates		2,491,709		<u>\$2,707,106</u>		<u>\$2,595,425</u>
Fuel adjustment		418,100				
Environmental surcharge		<u>240,626</u>				
Total revenues		<u>\$3,150,435</u>				
Amount				\$215,397		(\$111,680)
Percent				8.64%		-4.13%
Average monthly bill		\$207,642.39		\$225,592.14		\$216,285.45
Amount				\$17,949.75		(\$9,306.69)
Percent				8.6%		-4.1%

Street Lighting

Ratte 51

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2006-0512		Proposed	
			Rates	Revenues	Rates	Revenues
High Pressure Sodium						
70 W Ornamental	8,376	44,945	\$5.50	46,068	\$9.00	75,384
100 W Ornamental	6,871	47,860	\$7.16	49,196	\$10.00	68,710
250 W Ornamental	2,398	23,213	\$10.16	24,364	\$13.25	31,774
70 W Colonial (15 foot mounting height)	5,715	46,842	\$8.35	47,720	\$8.35	47,720
200 W Cobra Head (Aluminum pole)		0	\$12.21	0	\$13.50	0
100 W Cobra Head (Aluminum pole)		0	\$8.94	0	\$10.00	0
100 W Shoebox Fixture		0	\$16.81	0	\$16.81	0
100 W Acorn Fixture (Fiberglass pole)		0	\$16.28	0	\$16.28	0
100 W Colonial Fixture		0	\$13.75	0	\$13.75	0
400 W Cobra head (Aluminum pole)		0	\$20.40	0	\$20.40	0
kWh	<u>822,482</u>					
	23,360					
Billing adjustments				<u>0</u>		<u>0</u>
Total from base rates		162,860		<u>\$167,348</u>		<u>\$223,588</u>
Fuel adjustment		7,828				
Environmental surcharge		<u>16,904</u>				
Total revenues		<u>\$187,592</u>				
Amount				\$4,488		\$56,239
Percent				2.76%		33.61%

Blue Grass Energy
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Outdoor Lighting Service

Rate 15

Description

Billing Determinants	Test Year Revenues	Normalized Case No. 2006-0512		Proposed		
		Rates	Revenues	Rates	Revenues	
<u>Mercury Vapor</u>						
175 W	2,256	1,143	\$0.00	0	\$0.00	0
175 W	4,316	23,783	\$5.64	24,342	\$9.51	41,045
400 W	689	5,656	\$8.92	6,146	\$15.39	10,604
<u>High Pressure Sodium</u>						
100 W	92,062	485,264	\$5.51	507,262	\$9.53	877,351
250 W	2,008	15,778	\$8.37	16,807	\$14.28	28,674
400 W Halide Directional Flood	4,189	50,405	\$12.74	53,368	\$14.50	60,741
400 W Directional Flood	582	7,429	\$13.80	8,032	\$15.25	8,876
100 W Shoebox Fixture	132	2,185	\$16.81	2,219	\$16.81	2,219
100 W Acorn Fixture (Fiberglass Pole)	123	1,824	\$16.28	2,002	\$16.28	2,002
100 W Colonial Fixture	1,468	19,696	\$13.75	20,185	\$13.75	20,185
400 W Cobra Head (Aluminum pole)	28	556	\$20.40	571	\$20.40	571

Outdoor Lighting Service

High Pressure Sodium

175 W	54,085	483,245	\$9.51	514,348	\$9.51	514,348
400 W	990	11,146	\$15.39	15,236	\$15.39	15,236
200 W Cobra Head (Aluminum Pole)	1,455	17,160	\$12.21	17,766	\$13.50	19,643
100 W Cobra Head (Aluminum Pole)	2,701	23,549	\$8.94	24,147	\$10.00	27,010
100 W Shoebox Fixture		0	\$16.81	0	\$16.81	0
100 W Acorn Fixture (Fiberglass Pole)		0	\$16.28	0	\$16.81	0
100 W Colonial		0	\$13.75	0	\$13.75	0
400 W Cobra Head (Aluminum Pole)		0	\$20.40	0	\$20.40	0
400 W Metal Halide Directional		0	\$12.74	0	\$14.50	0
400 W Directional Flood		0	\$13.80	0	\$15.25	0
100 W Open Bottom	165	1,553	\$9.53	1,572	\$9.53	1,572
250 W Open Bottom		0	\$14.28	0	\$14.28	0
Lights Requiring Separate Transformer	220	220	\$1.00	220	\$0.00	0
kWh	<u>9,287,615</u>					
	167,469					
Billing adjustments				<u>0</u>		<u>0</u>
Total from base rates		1,150,592		<u>\$1,214,223</u>		<u>\$1,630,077</u>
Fuel adjustment		3,027				
Environmental surcharge		<u>3,218</u>				
Total revenues		<u>\$1,156,837</u>				
Amount				\$63,631		\$415,854
Percent				5.53%		34.25%

Blue Grass Energy
Billing Analysis
December 31, 2007

Summary:

Billing Determinants	Test Year Revenues	Normalized Case No. 2006-0512		Proposed	
		Rates	Revenues	Rates	Revenues
Total from base rates	1,237,361,259	81,632,418	86,991,610	94,824,821	
Fuel adjustment		9,380,614			
Environmental surcharge		7,099,448			
Total revenues		98,112,480			
Per Form 7	1,237,361,259	98,115,561			
Increase Amount	0	3,081	5,359,192	7,833,211	
Percent			6.57%	9.00%	

Billing Analysis for Current Rates and Proposed Rates

**Blue Grass Energy Cooperative
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SUMMARY ANALYSIS OF COMBINED RATE CLASSES - REVENUE AND RATES

	<u>Revenue Combined Rate Classes</u>	<u>Revenue Combined Rate Classes Change in Customers SC1 & LP-1</u>	<u>Revenue Combined Rate Classes Change in Rates for SC1</u>
<u>Revenue Summary</u>			
GS-1, Residential, Farm and Non-Farm	\$67,532,322	\$67,532,322	\$67,532,322
GS-2, Off-Peak Marketing (ETS)	\$126,375	\$126,375	\$126,375
SC-1, Small Commercial	\$5,017,335	\$6,155,242	\$5,900,828
LP-1, Large Power	\$3,842,554	\$2,960,844	\$2,960,844
LP-2, Large Power	\$4,762,969	\$4,762,969	\$4,762,969
Schedule B1, Large Industrial Rate	\$1,212,621	\$1,212,621	\$1,212,621
Schedule B-2, Large Industrial Rate	\$10,476,980	\$10,476,980	\$10,476,980
Outdoor Lights	\$1,853,665	\$1,853,665	\$1,853,665
	<u>\$94,824,821</u>	<u>\$95,081,018</u>	<u>\$94,826,604</u>

Blue Grass Energy Cooperative
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SUMMARY ANALYSIS OF COMBINED RATE CLASSES - REVENUE AND RATES

	Revenue Combined Rate Classes	Combined Rate Classes Change in Customers SCI & LP-1	Revenue Combined Rate Classes Change in Rates for SC1
Rate Design			
GS-1, Residential, Farm and Non-Farm			
Customer Charge	\$12.00	\$12.00	\$12.00
Energy Charge	0.07462	\$0.07462	\$0.07462
GS-2, Off-Peak Marketing (ETS)			
Energy Charge	0.04477	\$0.04477	\$0.04477
SC-1, Small Commercial			
Customer Charge	\$25.00	\$25.00	\$25.00
Demand Charge	\$7.00	\$7.00	\$7.00
Energy Charge	0.07551	\$0.07551	\$0.07148
LP-1, Large Power			
Customer Charge	\$50.00	\$50.00	\$50.00
Demand Charge	\$7.50	\$7.50	\$7.50
Energy Charge	0.0465	\$0.05	\$0.05
LP-2, Large Power			
Customer Charge	\$100.00	\$100.00	\$100.00
Demand Charge	\$7.50	\$7.50	\$7.50
Energy Charge	0.04098	\$0.04098	\$0.04098
Schedule B1, Large Industrial Rate			
Customer Charge	\$1,000.00	\$1,000.00	\$1,000.00
Demand Charge - Contract	\$6.22	\$6.22	\$6.22
Demand Charge - Excess	\$8.65	\$8.65	\$8.65
Energy Charge	0.04148	\$0.04148	\$0.04148

Blue Grass Energy Cooperative
Case No. 2008-00011

SUMMARY ANALYSIS OF COMBINED RATE CLASSES - REVENUE AND RATES

	Revenue Combined Rate Classes	Revenue Change in Customers SCI & LP-1	Revenue Combined Rate Classes Change in Rates for SC1
Schedule B-2, Large Industrial Rate			
Customer Charge	\$2,000.00	\$2,000.00	\$2,000.00
Demand Charge - Contract	\$6.22	\$6.22	\$6.22
Demand Charge - Excess	\$8.65	\$8.65	\$8.65
Energy Charge	0.03703	\$0.03703	\$0.03703
Outdoor Lights			
175 Watt Mercury Vapor	\$9.51	\$9.51	\$9.51
400 Watt Mercury Vapor	\$15.39	\$15.39	\$15.39
400 Watt Metal Halide Directional Flood	\$14.50	\$14.50	\$14.50
400 Watt High Pressure Sodium Directional Flood	\$15.25	\$15.25	\$15.25
100 Watt High Pressure Sodium - Shoebox Fixture (Metal Pole)	\$16.81	\$16.81	\$16.81
100 Watt High Pressure Sodium - Acorn Fixture (Fiberglass Pole)	\$16.28	\$16.28	\$16.28
100 Watt High Pressure Sodium - Colonial Fixture	\$13.75	\$13.75	\$13.75
400 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	\$20.40	\$20.40	\$20.40
70 Watt High Pressure Sodium (Ornamental)	\$9.00	\$9.00	\$9.00
100 Watt High Pressure Sodium (Ornamental)	\$10.00	\$10.00	\$10.00
250 Watt High Pressure Sodium (Ornamental)	\$13.25	\$13.25	\$13.25
70 Watt High Pressure (Colonial) (15-foot mounting height)	\$8.35	\$8.35	\$8.35
200 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	\$13.50	\$13.50	\$13.50
100 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	\$10.00	\$10.00	\$10.00
100 Watt High Pressure Sodium Open Bottom	\$9.53	\$9.53	\$9.53
250 Watt High Pressure Sodium Open Bottom	\$14.28	\$14.28	\$14.28

Billing Analysis for Combined Rate Classes

Blue Grass Energy
Case No. 2008-00011
Billing Analysis - Combined Rate Classes
December 31, 2007

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Witness: Jim Adkins

GS-1, Residential, Farm and Non-Farm

Rate 11 (N M)

<u>Description</u>	Billing Determinants	Proposed	
		Rates	Revenues
Customer Charge	619,307	\$12.00	\$7,431,684
Energy charge per kWh	805,422,653	\$0.07462	60,100,638
Billing adjustments			<u>0</u>
Total from base rates			<u><u>\$67,532,322</u></u>

Blue Grass Energy
Case No. 2008-00011
Billing Analysis - Combined Rate Classes
December 31, 2007

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Witness: Jim Adkins

GS-2, Off-Peak Marketing (ETS)

Rate 16 (N M)

Description	Billing Determinants	Proposed	
		Rates	Revenues
Energy charge	2,822,755	\$0.04477	126,375
Billing adjustments			<u>0</u>
Total from base rates			<u><u>\$126,375</u></u>

SC-1, Small Commercial

Rate 21 and 22 (N M)

Description	Billing Determinants	Proposed	
		Rates	Revenues
Customer Charge	24,581	\$25.00	\$614,525
Demand Charge			
First 10 kW of billing demand	57,818		
Over 10 kW of billing demand	77,188	\$7.00	540,316
Energy charge	51,152,084	\$0.07551	3,862,494
Billing adjustments			0
Total from base rates			\$5,017,335

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Billing Analysis - Combined Rate Classes
December 31, 2007

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LP-1, Large Power

Rate 31 (N M)

<u>Description</u>	Billing Determinants	Proposed	
		Rates	Revenues
Customer Charge	1,421	\$50.00	71,050
Demand Charge	162,978	\$7.50	1,222,335
Energy charge	54,820,839	\$0.04650	2,549,169
Billing adjustments			<u>0</u>
Total from base rates			<u><u>\$3,842,554</u></u>

Blue Grass Energy
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Billing Analysis - Combined Rate Classes
December 31, 2007

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LP-2, Large Power

Rate 32 & 38 (N M)

Description	Billing Determinants	Proposed	
		Rates	Revenues
Customer Charge	230	\$100.00	\$23,000
Demand Charge	189,191	\$7.50	1,418,933
Energy charge	<u>81,040,431</u>	\$0.04098	3,321,037
Billing adjustments			<u>0</u>
Total from base rates			<u><u>\$4,762,969</u></u>

Schedule B1, Large Industrial Rate

Rate 46 (FC)

Description	Billing Determinants	Proposed	
		Rates	Revenues
Customer Charge	12	\$1,000.00	\$12,000
Demand Charge			
Contract demand	35,100	\$6.22	218,322
Excess demand	1,694	\$8.65	14,653
Energy charge	23,328,000	\$0.04148	967,645
Billing adjustments			0
Total from base rates			\$1,212,621

Blue Grass Energy
Case No. 2008-00011
Billing Analysis - Combined Rate Classes
December 31, 2007

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Witness: Jim Adkins

Schedule B-2, Large Industrial Rate

Rate 44, 45, 47, 48, 49 (N M)

Description	Billing Determinants	Proposed	
		Rates	Revenues
Customer Charge	72	\$2,000.00	\$144,000
Demand Charge			
Contract demand	400,347	\$6.22	2,490,158
Excess demand	13,408	\$8.65	115,979
Energy charge	208,664,400	\$0.03703	7,726,843
Billing adjustments			0
Total from base rates			\$10,476,980

Outdoor Lights

Ratte 51

Description

Billing Determinants	Proposed	
	Rates	Revenues

Outdoor Lights

			0
175 Watt Mercury Vapor	58401	\$9.51	555,394
400 Watt Mercury Vapor	1679	\$15.39	25,840
400 Watt Metal Halide Directional Flood	4189	\$14.50	60,741
400 Watt High Pressure Sodium Directional Flood	582	\$15.25	8,876
100 Watt High Pressure Sodium - Shoebox Fixture (Metal Pole)	132	\$16.81	2,219
100 Watt High Pressure Sodium - Acorn Fixture (Fiberglass Pole)	123	\$16.28	2,002
100 Watt High Pressure Sodium - Colonial Fixture	1468	\$13.75	20,185
400 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	28	\$20.40	571
70 Watt High Pressure Sodium (Ornamental)	8376	\$9.00	75,384
100 Watt High Pressure Sodium (Ornamental)	6871	\$10.00	68,710
250 Watt High Pressure Sodium (Ornamental)	2398	\$13.25	31,774
70 Watt High Pressure (Colonial) (15-foot mounting height)	5715	\$8.35	47,720
200 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	1455	\$13.50	19,643
100 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	2701	\$10.00	27,010
100 Watt High Pressure Sodium Open Bottom	92227	\$9.53	878,923
250 Watt High Pressure Sodium Open Bottom	2008	\$14.28	28,674

kWh	10,110,097		
Total from base rates			<u>\$1,853,665</u>

Fuel adjustment
Environmental surcharge

Total revenues

Amount
Percent

Summary:

Billing
Determinants

Billing Determinants	Proposed	
	Rates	Revenues

Total from base rates

1,237,361,259

94,824,821

Billing Analysis for Combined Rate Classes with Movement of Customers

Blue Grass Energy
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Billing Analysis - Combined Rate Classes & Movement of Customers to Shed. SC
December 31, 2007

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Witness: Jim Adkins

GS-1, Residential, Farm and Non-Farm

Rate 11 (N M)

<u>Description</u>	Billing Determinants	Proposed	
		Rates	Revenues
Customer Charge	619,307	\$12.00	\$7,431,684
Energy charge per kWh	805,422,653	\$0.07462	60,100,638
Billing adjustments			<u>0</u>
Total from base rates			<u><u>\$67,532,322</u></u>

Blue Grass Energy
Case No. 2008-00011
Billing Analysis - Combined Rate Classes & Movement of Customers to Shed. SC
December 31, 2007

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GS-2, Off-Peak Marketing (ETS)

Rate 16 (N M)

<u>Description</u>	Billing Determinants	Proposed	
		Rates	Revenues
Energy charge	2,822,755	\$0.04477	126,375
Billing adjustments			0
Total from base rates			\$126,375
Fuel adjustment			
Environmental surcharge			
Total revenues			
Amount			
Percent			

Blue Grass Energy
Case No. 2008-00011
Billing Analysis
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Witness: Jim Adkins

SC-1, Small Commercial

Rate 21 and 22 (N M)

<u>Description</u>	Billing Determinants	Proposed	
		Rates	Revenues
Customer Charge	25,333	\$25.00	\$633,325
Demand Charge			
First 10 kW of billing demand	57,818		
Over 10 kW of billing demand	107,854	\$7.00	754,975
Energy charge	63,129,939	\$0.07551	4,766,942
Billing adjustments			0
Total from base rates			\$6,155,242

Blue Grass Energy
Case No. 2008-00011
Billing Analysis - Combined Rate Classes & Movement of Customers to Shed. SC
December 31, 2007

Exhibit J
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Witness: Jim Adkins

LP-1, Large Power

Rate 31 (N M)

<u>Description</u>	Billing	Proposed	
	Determinants	Rates	Revenues
Customer Charge	669	\$50.00	33,450
Demand Charge	124,693	\$7.50	935,195
Energy charge	<u>42,842,984</u>	\$0.04650	1,992,199
Billing adjustments			<u>0</u>
Total from base rates			<u><u>\$2,960,844</u></u>

Blue Grass Energy
Case No. 2008-00011
Billing Analysis - Combined Rate Classes & Movement of Customers to Shed. SC
December 31, 2007

Exhibit J
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Witness: Jim Adkins

LP-2, Large Power

Rate 32 & 38 (N M)

<u>Description</u>	Billing Determinants	Proposed	
		Rates	Revenues
Customer Charge	230	\$100.00	\$23,000
Demand Charge	189,191	\$7.50	1,418,933
Energy charge	<u>81,040,431</u>	\$0.04098	3,321,037
Billing adjustments			<u>0</u>
Total from base rates			<u><u>\$4,762,969</u></u>

Blue Grass Energy
Case No. 2008-00011
Billing Analysis - Combined Rate Classes & Movement of Customers to Shed. SC
December 31, 2007

Exhibit J
page 4 of 6
Witness: Jim Adkins

Schedule B1, Large Industrial Rate

Rate 46 (FC)

<u>Description</u>	Billing Determinants	Proposed	
		Rates	Revenues
Customer Charge	12	\$1,000.00	\$12,000
Demand Charge			
Contract demand	35,100	\$6.22	218,322
Excess demand	1,694	\$8.65	14,653
Energy charge	23,328,000	\$0.04148	967,645
Billing adjustments			<u>0</u>
Total from base rates			<u><u>\$1,212,621</u></u>

Blue Grass Energy
Case No. 2008-00011
Billing Analysis - Combined Rate Classes & Movement of Customers to Shed. SC
December 31, 2007

Exhibit J
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Witness: Jim Adkins

Schedule B-2, Large Industrial Rate

Rate 44, 45, 47, 48, 49 (N M)

<u>Description</u>	Billing Determinants	Proposed	
		Rates	Revenues
Customer Charge	72	\$2,000.00	\$144,000
Demand Charge			
Contract demand	400,347	\$6.22	2,490,158
Excess demand	13,408	\$8.65	115,979
Energy charge	208,664,400	\$0.03703	7,726,843
Billing adjustments			<u>0</u>
Total from base rates			<u><u>\$10,476,980</u></u>

Blue Grass Energy
Billing Analysis - Combined Rate Classes & Movement of Customers to Shed. SC
December 31, 2007

Exhibit J
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Witness: Jim Adkins

Summary:

Billing Determinants	Proposed	
	Rates	Revenues
Total from base rates	1,237,361,259	95,081,018

GS-1, Residential, Farm and Non-Farm

Rate 11 (N M)

<u>Description</u>	Billing Determinants	Proposed	
		Rates	Revenues
Customer Charge	619,307	\$12.00	\$7,431,684
Energy charge per kWh	805,422,653	\$0.07462	60,100,638
Billing adjustments			0
Total from base rates			\$67,532,322

**Billing Analysis for Combined Rate Classes With Movement of Customers
to Schedule SC with Change in Rates for Schedule SC**

Outdoor Lights

Ratte 51

Description	Billing Determinants	Proposed	
		Rates	Revenues
Outdoor Lights			0
175 Watt Mercury Vapor	58401	\$9.51	555,394
400 Watt Mercury Vapor	1679	\$15.39	25,840
400 Watt Metal Halide Directional Flood	4189	\$14.50	60,741
400 Watt High Pressure Sodium Directional Flood	582	\$15.25	8,876
100 Watt High Pressure Sodium - Shoebox Fixture (Metal Pole)	132	\$16.81	2,219
100 Watt High Pressure Sodium - Acorn Fixture (Fiberglass Pole)	123	\$16.28	2,002
100 Watt High Pressure Sodium - Colonial Fixture	1468	\$13.75	20,185
400 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	28	\$20.40	571
70 Watt High Pressure Sodium (Ornamental)	8376	\$9.00	75,384
100 Watt High Pressure Sodium (Ornamental)	6871	\$10.00	68,710
250 Watt High Pressure Sodium (Ornamental)	2398	\$13.25	31,774
70 Watt High Pressure (Colonial) (15-foot mounting height)	5715	\$8.35	47,720
200 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	1455	\$13.50	19,643
100 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	2701	\$10.00	27,010
100 Watt High Pressure Sodium Open Bottom	92227	\$9.53	878,923
250 Watt High Pressure Sodium Open Bottom	2008	\$14.28	28,674
kWh	10,110,097		
Total from base rates			\$1,853,665

Blue Grass Energy
Case No. 2008-00011
Billing Analysis-Combined Rate Classes with Rate Change Sched. SC
December 31, 2007

Exhibit J
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Witness: Jim Adkins

GS-2, Off-Peak Marketing (ETS)

Rate 16 (N M)

Description	Billing Determinants	Proposed	
		Rates	Revenues
Energy charge	2,822,755	\$0.04477	126,375
Billing adjustments			<u>0</u>
Total from base rates			<u><u>\$126,375</u></u>

Energy charge

2,822,755

\$0.04477

126,375

Billing adjustments

0

Total from base rates

\$126,375

SC-1, Small Commercial

Rate 21 and 22 (N M)

Description	Billing Determinants	Proposed	
		Rates	Revenues
Customer Charge	25,333	\$25.00	\$633,325
Demand Charge			
First 10 kW of billing demand	57,818		
Over 10 kW of billing demand	107,854	\$7.00	754,975
Energy charge	63,129,939	\$0.07148	4,512,528
Billing adjustments			0
Total from base rates			\$5,900,828

Customer Charge

Demand Charge

 First 10 kW of billing demand
 Over 10 kW of billing demand

Energy charge

Billing adjustments

Total from base rates

Blue Grass Energy
Case No. 2008-00011
Billing Analysis-Combined Rate Classes with Rate Change Sched. SC
December 31, 2007

Exhibit J
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Witness: Jim Adkins

LP-1, Large Power

Rate 31 (N M)

Description	Billing Determinants	Proposed	
		Rates	Revenues
Customer Charge	669	\$50.00	33,450
Demand Charge	124,693	\$7.50	935,195
Energy charge	<u>42,842,984</u>	\$0.04650	1,992,199
Billing adjustments			<u>0</u>
Total from base rates			<u>\$2,960,844</u>

Blue Grass Energy
Case No. 2008-00011
Billing Analysis-Combined Rate Classes with Rate Change Sched. SC
December 31, 2007

Exhibit J
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Witness: Jim Adkins

LP-2, Large Power

Rate 32 & 38 (N M)

Description	Billing Determinants	Proposed	
		Rates	Revenues
Customer Charge	230	\$100.00	\$23,000
Demand Charge	189,191	\$7.50	1,418,933
Energy charge	<u>81,040,431</u>	\$0.04098	3,321,037
Billing adjustments			<u>0</u>
Total from base rates			<u>\$4,762,969</u>

Blue Grass Energy
Case No. 2008-00011
Billing Analysis-Combined Rate Classes with Rate Change Sched. SC
December 31, 2007

Exhibit J
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Witness: Jim Adkins

Schedule B1, Large Industrial Rate

Rate 46 (FC)

<u>Description</u>	Billing Determinants	Proposed	
		Rates	Revenues
Customer Charge	12	\$1,000.00	\$12,000
Demand Charge			
Contract demand	35,100	\$6.22	218,322
Excess demand	1,694	\$8.65	14,653
Energy charge	23,328,000	\$0.04148	967,645
Billing adjustments			0
Total from base rates			\$1,212,621

Blue Grass Energy
Case No. 2008-00011
Billing Analysis-Combined Rate Classes with Rate Change Sched. SC
December 31, 2007

Exhibit J
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Witness: Jim Adkins

Schedule B-2, Large Industrial Rate

Rate 44, 45, 47, 48, 49 (N M)

Description	Billing Determinants	Proposed	
		Rates	Revenues
Customer Charge	72	\$2,000.00	\$144,000
Demand Charge			
Contract demand	400,347	\$6.22	2,490,158
Excess demand	13,408	\$8.65	115,979
Energy charge	208,664,400	\$0.03703	7,726,843
Billing adjustments			0
Total from base rates			\$10,476,980

Outdoor Lights

Rate 51

Billing Determinants	Proposed	
	Rates	Revenues

Description

Outdoor Lights

			0
175 Watt Mercury Vapor	58401	\$9.51	555,394
400 Watt Mercury Vapor	1679	\$15.39	25,840
400 Watt Metal Halide Directional Flood	4189	\$14.50	60,741
400 Watt High Pressure Sodium Directional Flood	582	\$15.25	8,876
100 Watt High Pressure Sodium - Shoebox Fixture (Metal Pole)	132	\$16.81	2,219
100 Watt High Pressure Sodium - Acorn Fixture (Fiberglass Pole)	123	\$16.28	2,002
100 Watt High Pressure Sodium - Colonial Fixture	1468	\$13.75	20,185
400 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	28	\$20.40	571
70 Watt High Pressure Sodium (Ornamental)	8376	\$9.00	75,384
100 Watt High Pressure Sodium (Ornamental)	6871	\$10.00	68,710
250 Watt High Pressure Sodium (Ornamental)	2398	\$13.25	31,774
70 Watt High Pressure (Colonial) (15-foot mounting height)	5715	\$8.35	47,720
200 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	1455	\$13.50	19,643
100 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	2701	\$10.00	27,010
100 Watt High Pressure Sodium Open Bottom	92227	\$9.53	878,923
250 Watt High Pressure Sodium Open Bottom	2008	\$14.28	28,674

kWh 10,110,097

Total from base rates \$1,853,665

Summary:

Billing
Determinants

Billing Determinants	Proposed	
	Rates	Revenues

Total from base rates

1,237,361,259

94,826,604

Blue Grass Energy Cooperative
Case No. 2008-00011
Computation of Rate of Return
December 31, 2007

	<u>Actual</u> <u>Test Year</u>	<u>Adjusted</u> <u>Test Year</u>
Net margins	(\$4,628,148)	\$4,764,362
Non-cash patronage dividends	0	0
Interest on long-term debt	<u>4,793,634</u>	<u>4,764,362</u>
Total	<u><u>165,486</u></u>	<u><u>9,528,724</u></u>
Net rate base	<u><u>145,253,150</u></u>	<u><u>145,879,175</u></u>
Rate of return	<u>0.11%</u>	<u>6.53%</u>
Equity Capitalization	<u><u>123,914,374</u></u>	<u><u>133,306,884</u></u>
Rate of return	<u>0.13%</u>	<u>7.15%</u>

Blue Grass Energy Cooperative
Case No. 2008-00011
Determination of Rate Base
December 31, 2007

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	<u>Actual Test Year</u>	<u>Adjusted Test Year</u>
Gross rate base:		
Total electric plant	\$180,467,247	\$180,467,247
Material and supplies (13 months average for test year)	1,396,773	1,396,773
Prepayments (13 months average for test year)	596,352	596,352
Working capital: 12.5% of operating expense less cost of power	<u>1,842,338</u>	<u>1,843,244</u>
	184,302,710	184,303,616
Deductions from rate base:		
Accumulated depreciation	39,049,560	38,424,441
Consumer advances	<u>-</u>	<u>-</u>
Net rate base	<u><u>\$145,253,150</u></u>	<u><u>\$145,879,175</u></u>

	<u>Material</u>	<u>Prepayments</u>
December 2006	1,257,476	605,149
January 2007	1,253,611	1,011,184
February	1,408,288	860,097
March	1,638,639	722,264
April	1,323,640	587,007
May	1,291,615	443,193
June	1,362,992	292,074
July	1,366,831	705,464
August	1,446,190	566,617
September	1,499,519	552,077
October	1,561,045	420,118
November	1,495,879	490,683
December	1,252,330	496,644
Average	1,396,773	596,352

Blue Grass Energy Cooperative
Case No. 2008-00011
Computation of Rate of Return
December 31, 2007

Test Year 2007	Calendar Year					
	1st 2006	2nd 2005	3rd 2004	4th 2003	5th 2002	
Net margins	(\$4,628,148)	\$1,113,500	\$1,220,206	\$830,572	\$3,645,010	\$4,489,228
Interest on long-term debt	4,793,634	4,420,976	3,488,700	2,744,950	2,900,592	3,007,137
Total	165,486	5,534,476	4,708,906	3,575,522	6,545,602	7,496,365
Net rate base	144,578,503	138,143,431	124,220,807	113,696,221	106,069,426	101,525,509
Rate of return	<u>0.11%</u>	<u>4.01%</u>	<u>3.79%</u>	<u>3.14%</u>	<u>6.17%</u>	<u>7.38%</u>

Test Year 2007	Calendar Year					
	1st 2006	2nd 2005	3rd 2004	4th 2003	5th 2002	
Return excluding G & T patronage dividends:						
Net margins	(\$4,628,148)	\$1,113,500	\$1,220,206	\$830,572	\$3,645,010	\$4,489,228
G & T patronage dividends	-	-	-	-	3,205,316	4,005,858
Interest on long-term debt	4,793,634	4,420,976	3,488,700	2,744,950	2,900,592	3,007,137
Total	165,486	5,534,476	4,708,906	3,575,522	3,340,286	3,490,507
Net rate base	144,578,503	138,143,431	124,220,807	113,696,221	106,069,426	101,525,509
Rate of return, excluding G & T	<u>0.11%</u>	<u>4.01%</u>	<u>3.79%</u>	<u>3.14%</u>	<u>3.15%</u>	<u>3.44%</u>

Blue Grass Energy Cooperative
Case No. 2008-00011
Determination of Rate Base
December 31, 2007

Test Year 2007	Calendar Year					
	1st 2006	2nd 2005	3rd 2004	4th 2003	5th 2002	
Gross rate base:						
Total electric plant	\$180,467,247	\$172,232,060	\$156,633,309	\$144,292,823	\$135,033,326	\$128,182,696
Material and supplies (13 mo. ave tes	1,396,773	1,257,476	1,128,301	929,951	1,120,609	1,275,645
Prepayments (13 mo. ave test year)	596,352	605,149	536,749	517,207	111,183	105,072
Working capital:						
12.5% of operating expense						
less cost of power	1,842,338	1,648,250	1,591,022	1,581,569	1,567,532	1,444,326
	<u>184,302,710</u>	<u>175,742,935</u>	<u>159,889,381</u>	<u>147,321,550</u>	<u>137,832,650</u>	<u>131,007,739</u>
Deductions from rate base:						
Accumulated depreciation	39,049,560	36,886,666	34,926,137	32,838,985	31,064,500	28,756,422
Consumer advances	674,647	712,838	742,437	786,344	698,724	725,808
	<u>39,724,207</u>	<u>37,599,504</u>	<u>35,668,574</u>	<u>33,625,329</u>	<u>31,763,224</u>	<u>29,482,230</u>
Net rate base	<u>\$144,578,503</u>	<u>\$138,143,431</u>	<u>\$124,220,807</u>	<u>\$113,696,221</u>	<u>\$106,069,426</u>	<u>\$101,525,509</u>

Blue Grass Energy Cooperative
Case No. 2008-00011
TIER and DSC Calculations
December 31, 2007

	<u>Actual</u> <u>Test Year</u>	<u>Adjusted</u> <u>Test Year</u>
TIER:		
Margins, excluding G&T capital credits and extraordinary ite	(\$4,628,148)	\$4,764,362
Interest on long term debt	4,793,634	4,764,362
TIER	0.03	2.00

DSC:		
Margins, excluding G&T capital credits	(\$4,628,148)	\$4,764,362
Depreciation expense	5,651,239	6,641,779
Interest on long term debt	4,793,634	4,764,362
Principal payment on long term debt	3,712,293	3,712,293
DSC	0.68	1.91

DSC = (Margins + depreciation + interest
/ interest + principal payments)

Blue Grass Energy Cooperative
Case No. 2008-00011
TIER and DSC Calculations
December 31, 2007

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Test Year 2007	Calendar Year					
	1st 2006	2nd 2005	3rd 2004	4th 2003	5th 2002	
<u>TIER calculations:</u>						
Margins, excluding G&T capital credits	(\$4,628,148)	\$1,113,500	\$1,220,206	\$830,572	\$439,694	\$483,370
Interest on long term debt	4,793,634	4,420,976	3,488,700	2,744,950	2,900,592	3,007,137
Modified TIER	0.03	1.25	1.35	1.30	1.15	1.16
Margins, including G&T capital credits	(\$4,628,148)	\$1,113,500	\$1,220,206	\$830,572	\$3,645,010	\$4,489,228
Interest on long term debt	4,793,634	4,420,976	3,488,700	2,744,950	2,900,592	3,007,137
TIER	0.03	1.25	1.35	1.30	2.26	2.49
<u>DSC calculations:</u>						
DSC = ((Margins + depreciation + interest) / (interest + principal payments))						
Margins, excluding G&T capital credits	(\$4,628,148)	\$1,113,500	\$1,220,206	\$830,572	\$439,694	\$483,370
Depreciation expense	5,651,239	5,055,679	4,694,946	4,330,680	4,061,407	3,872,227
Interest on long term debt	4,793,634	4,420,976	3,488,700	2,744,950	2,900,592	3,007,137
Principal payment on long term debt	3,712,293	2,679,366	2,728,807	3,395,392	2,414,041	1,960,219
Modified DSC	<u>0.68</u>	<u>1.49</u>	<u>1.51</u>	<u>1.29</u>	<u>1.39</u>	<u>1.48</u>
Margins, including G&T capital credits	(\$4,628,148)	\$1,113,500	\$1,220,206	\$830,572	\$3,645,010	\$4,489,228
Depreciation expense	5,651,239	5,055,679	4,694,946	4,330,680	4,061,407	3,872,227
Interest on long term debt	4,793,634	4,420,976	3,488,700	2,744,950	2,900,592	3,007,137
Principal payment on long term debt	3,712,293	2,679,366	2,728,807	3,395,392	2,414,041	1,960,219
DSC	<u>0.68</u>	<u>1.49</u>	<u>1.51</u>	<u>1.29</u>	<u>2.00</u>	<u>2.29</u>

Blue Grass Energy Cooperative
Case No. 2008-00011
Equity Capitalization
December 31, 2007

	Proposed	Test Year 2007	Calendar Year				
			2006	2005	2004	2003	2002
Equity Capitalization: without G&T patronage capital							
Total margins and equities	\$50,660,498	\$41,267,988	\$45,934,900	\$44,854,306	\$43,662,726	\$43,631,781	\$40,929,260
Less G&T Patronage capital	17,503,691	17,503,691	17,503,691	17,503,691	17,503,691	14,298,375	10,292,517
	33,156,807	23,764,297	28,431,209	27,350,615	26,159,035	29,333,406	30,636,743
Long-term debt	100,150,077	100,150,077	98,606,412	93,198,778	76,927,586	72,434,979	69,740,128
Total	\$133,306,884	\$123,914,374	\$127,037,621	\$120,549,393	\$103,086,621	\$101,768,385	\$100,376,871
Equity capitalization ratio	<u>25%</u>	<u>19%</u>	<u>22%</u>	<u>23%</u>	<u>25%</u>	<u>29%</u>	<u>31%</u>
Equity Capitalization: with G&T patronage capital							
Total margins and equities	\$50,660,498	\$41,267,988	\$45,934,900	\$44,854,306	\$43,662,726	\$43,631,781	\$40,929,260
Long-term debt	100,150,077	100,150,077	98,606,412	93,198,778	76,927,586	72,434,979	69,740,128
Total	\$150,810,575	\$141,418,065	\$144,541,312	\$138,053,084	\$120,590,312	\$116,066,760	\$110,669,388
Equity capitalization ratio	<u>34%</u>	<u>29%</u>	<u>32%</u>	<u>32%</u>	<u>36%</u>	<u>38%</u>	<u>37%</u>
Equity to Total Assets: with G&T patronage capital							
Total margins and debt	\$150,810,575	\$141,418,065	\$144,541,312	\$138,053,084	\$120,590,312	\$116,066,760	\$110,669,388
Total assets	180,946,592	171,519,640	168,487,784	156,199,126	141,498,271	131,924,670	123,084,677
Total	\$331,757,167	\$312,937,705	\$313,029,096	\$294,252,210	\$262,088,583	\$247,991,430	\$233,754,065
Equity to total asset ratio	<u>45%</u>	<u>45%</u>	<u>46%</u>	<u>47%</u>	<u>46%</u>	<u>47%</u>	<u>47%</u>

Blue Grass Energy Cooperative
Case No. 2008-00011
Reconciliation of Rate Base and Capital
December 31, 2007

Reconciliation of Rate Base and Capital used to determine revenue requirements
are as follows:

Equity Capitalization, with G&T capital credits	141,418,065
G&T capital credits	<u>(17,503,691)</u>
	123,914,374
Reconciling items:	
Capital credits from associated organizations (Allocated but unpaid)	(3,928,042)
Working capital requirements	1,842,338
Material and supplies, 13 month average	1,396,773
Prepayments, 13 month average	596,352
Cash and temporary investments	(1,840,369)
Accounts receivable	(3,746,596)
Other receivables	(1,047,524)
Material and supplies	(1,252,330)
Prepayments	(496,644)
Other deferred debits	(286,757)
Accumulated operating provisions	5,440,539
Notes payable	13,200,000
Accounts payable	8,255,474
Consumer deposits	1,413,702
Accrued expenses	1,117,213
Deferred credits	<u>0</u>

Net Rate Base 144,578,503

Rate base above 144,578,503

Difference

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
107.00	CONST-WIP-SPREAD	2.00		2.00		107.00			
107.01	CONST-WIP-CLEARING	2.00		2.00		107.01			
107.20	CONSTRUCTION-WORK IN PROGRESS	2.00		2.00		107.20			
107.30	CONSTRUCTION-WIP-SPECIAL EQUIP	2.00		2.00		107.30			
107.31	SPECIAL EQUIP-CONDUCTORS A/C 365	2.00		2.00		107.31			
107.32	SPEC EQUIP-TRANSFORMERS-A/C 368	2.00		2.00		107.32			
107.33	SPEC EQUIP-PADMOUNT TRSF-A/C3681	2.00		2.00		107.33			
107.34	SPEC EQUIP-METERS-A/C 370	2.00		2.00		107.34			
107.35	AUTOMATED METER READING DEVICES	2.00		2.00		107.35			
108.00	RETIREMENT-WIP-SPREAD	4.00		4.00		108.00			
108.54	Acc Depr-AMR meters-a/c 370.01	4.00		4.00		108.54			
108.55	ACCUM DEPR-STORES EQUIP	4.00		4.00		108.55			
108.56	ACC DEPR-STATION EQUIPMENT	4.00		4.00		108.56			
108.57	ACC DEPR-SCADA-R T U	4.00		4.00		108.57			
108.58	ACC DEPR-SCADA-SYSTEM EQUIP	4.00		4.00		108.58			
108.59	ACC DEPR-OFFICE EQUIPMENT	4.00		4.00		108.59			
108.60	ACC DEPR-POLES, TOWERS, FIXTURES	4.00		4.00		108.60			
108.61	ACC DEPR-OVERHEAD LINES	4.00		4.00		108.61			
108.62	ACC DEPR-UNDERGROUND CONDUCTORS	4.00		4.00		108.62			
108.63	ACC DEPR-LINE TRANSFORMERS	4.00		4.00		108.63			
108.64	ACC DEPR-PADMOUNT TRANSFORMERS	4.00		4.00		108.64			
108.65	ACC DEPR-OVERHEAD SERVICES	4.00		4.00		108.65			
108.66	ACC DEPR-UNDERGROUND SERVICES	4.00		4.00		108.66			
108.67	ACC DEPR-METERS	4.00		4.00		108.67			
108.68	ACC DEPR-INST ON CONS PREMISES	4.00		4.00		108.68			
108.69	ACC DEPR-STREET LIGHTING	4.00		4.00		108.69			

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		E/S LINE	INC LINE	E/S LINE	INC LINE				
108.70	ACC DEPR-STRUCTURES AND EQUIP	4.00		4.00		108.70			
108.71	ACC DEPR-OFFICE FURNITURE	4.00		4.00		108.71			
108.72	ACC DEPR-LIGHT VEHICLES	4.00		4.00		108.72			
108.73	ACC DEPR-HEAVY VEHICLES	4.00		4.00		108.73			
108.74	ACC DEPR-TOOLS	4.00		4.00		108.74			
108.75	ACC DEPR-LABORATORY EQUIP	4.00		4.00		108.75			
108.76	ACC DEPR-POWER OPERATED EQUIP	4.00		4.00		108.76			
108.77	ACC DEPR-COMMUNICATION EQUIP	4.00		4.00		108.77			
108.78	ACC DEPR-MISCELLANEOUS EQUIP	4.00		4.00		108.78			
108.79	ACC DEPR-OTHER TRANS EQUIPMENT	4.00		4.00		108.79			
108.80	RETIREMENT-WORK IN PROGRESS	4.00		4.00		108.80			
123.00	INVESTMENTS IN ASSOC ORGANIZATIO	10.00		10.00		123.00			
123.01	DELETE/RECLASS	8.00		8.00		123.01			
123.02	DELETE/RECLASS	8.00		8.00		123.02			
123.03	DELETE/RECLASS	8.00		8.00		123.03			
123.10	PATRONAGE CAPITAL-EKP	8.00		8.00		123.10			
123.11	PATRONAGE CAPITAL-KAEC	8.00		8.00		123.11			
123.12	PATRONAGE CAPITAL-CFC	8.00		8.00		123.12			
123.13	PATRONAGE CAPITAL-UUS	8.00		8.00		123.13			
123.14	PATRONAGE CAPITAL-CADP	8.00		8.00		123.14			
123.15	PATRONAGE CAPITAL-SEDC	8.00		8.00		123.15			
123.16	PATRONAGE CAPITAL-KTI	8.00		8.00		123.16			
123.17	VOID	8.00		8.00		123.17			
123.18	PATRONAGE CAPITAL-NRTC	8.00		8.00		123.18			
123.21	Inv-Hunt Technologies L.P.	10.00		10.00		123.21			
123.22	INV IN CAPITAL TERM CERT-CFC	10.00		10.00		123.22			

ACCOUNT	DESCRIPTION	---RUS---		---TVA---		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
123.23	OTHER INV IN ASSOC ORGANIZATIONS	10.00		10.00		123.23			
123.24	INVESTMENT-KTI STOCK	10.00		10.00		123.24			
123.25	PATRONAGE CAPITAL-FEDERATED INS	10.00		10.00		123.25			
123.26	INVESTMENT-KTI LOAN	10.00		10.00		123.26			
123.27	INVESTMENT-ENVISION ENERGY SVC	10.00		10.00		123.27			
124.00	OTHER INVESTMENTS	12.00		12.00		124.00			
131.00	13101	15.00		15.00		131.00	Y	042101789	FIRST NATIONAL BANK
131.01	KENTUCKY BANK-PAYROLL	15.00		15.00		131.01		30041735	KENTUCKY BANK
131.02	CASH-KENTUCKY BANK	15.00		15.00		131.02		042101174	KENTUCKY BANK
131.03	CASH-KY BANK-BILLING REFUND	15.00		15.00		131.03		2300249	KY BANK
131.04	KY BANK-PAYROLL ACCT	15.00		15.00		131.04		042101174	KENTUCKY BANK
131.05	KY BANK-HARRISON DISTRICT	15.00		15.00		131.05		0040185	KENTUCKY BANK
131.06	1ST NATL BANK-BROOKSVILLE	15.00		15.00		131.06		042101174	1ST NATL BANK-BROOKSVILLE
131.10	Void-Do not use	15.00		15.00		131.10		0040193	1ST NATL BANK
131.15	CASH-FARMERS BANK-HARRISON CO	15.00		15.00		131.15		042101174	FARMERS BANK-HARRISON CO
131.20	CASH-FARMERS BANK-JESSAMINE CO	15.00		15.00		131.20		2300249	FARMERS BANK
131.30	Void-Do not use	15.00		15.00		131.30		1	FIRST NATIONAL-CAP CR REFUN
131.31	CASH-KY BANK-CAPITAL CREDIT REF	15.00		15.00		131.31		0591912	KY BANK-CAPITAL CREDIT REF
131.40	CASH-PEOPLES BANK	15.00		15.00		131.40		042103826	PEOPLES BANK
131.50	CASH-CENTRAL BANK	15.00		15.00		131.50		0365015	CENTRAL BANK
131.60	CASH-CITIZENS NATIONAL BANK	15.00		15.00		131.60		042101789	CITIZENS NATIONAL BANK
131.70	CASH-ANDERSON NATL BANK	15.00		15.00		131.70		30084671	ANDERSON NATIONAL BANK
131.80	CASH-LAWRENCEBURG NATL BANK	15.00		15.00		131.80		1	LAWRENCEBURG NATIONAL BANK
131.85	CASH-FARMERS BANK (FRANKLIN CO)	15.00		15.00		131.85		083902235	FARMERS BANK & CAPITAL TRUS
131.90	CASH-UNITED BANK	15.00		15.00		131.90		1001582	UNITED BANK AND TRUST
131.95	Cash-Town Square Bank	15.00		15.00		131.95		083902248	Town Square Bank
								1000705	
								083900619	
								2665980	
								042102018	
								3932970	
								042108274	
								7009216	

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
132.10	CASH-RUS CONST FUND--NATL CITY	15.00		15.00		132.10			
132.11	CASH-RUS CONST FUND--KY BANK	15.00		15.00		132.11			
133.00	TRANSFER OF CASH	15.00		15.00		133.00			
135.00	WORKING FUNDS	15.00		15.00		135.00			
136.00	TEMPORARY CASH INVESTMENTS	18.00		18.00		136.00			
136.01	MONEY MKT-ANDERSON BANK	15.00		15.00		136.01			
136.02	CASH-LBURG MONEY MKT ACCT	15.00		15.00		136.02			
142.00	ACCOUNTS RECEIVABLE-CONSUMER	20.00		20.00		142.00			
142.01	A/R-EKP Fuel Adj Recievable	20.00		20.00		142.01			
142.02	A/R-EKP Environmental Surcharge	20.00		20.00		142.02			
142.05	A/R-LONG TERM ARRANGEMENTS	20.00		20.00		142.05			
142.10	RETURNED CHECKS-1ST NATIONAL BNK	21.00		21.00		142.10			
142.11	RETURNED CHECKS-KENTUCKY BANK	21.00		21.00		142.11			
142.12	RETD CHECKS-KY BANK-HARRISON	21.00		21.00		142.12			
142.20	ACCTS REC-EKP ECONOMIC DEV LOAN	21.00		21.00		142.20			
142.50	RETURNED CHECKS-PEOPLES BANK	21.00		21.00		142.50			
142.55	RETD CHECKS-LAWRENCEBURG NATL	21.00		21.00		142.55			
142.60	LOANS TO MEMBERS-ENERGY CONS.	21.00		21.00		142.60			
142.61	LOAN-WATER HEATER/ELEC FIREPLACE	21.00		21.00		142.61			
142.70	A/R-COMMUNITY ACTION-JESSAMINE	21.00		21.00		142.70			
142.71	A/R-COMMUNITY ACTION-MADISON CO	21.00		21.00		142.71			
142.72	A/R-COMMUNITY ACTION-FOX CREEK	21.00		21.00		142.72			
142.73	A/R-COMMUNITY ACTION-HARRISON	21.00		21.00		142.73			
143.00	ACCOUNTS RECEIVABLE-OTHER	21.00		21.00		143.00			
143.01	FEMA RECEIVABLE	21.00		21.00		143.01			
143.02	OTHER ACC REC-FOX CREEK	21.00		21.00		143.02			

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
143.03	A/R-EKP-INDUSTRIAL DEV LOAN	21.00		21.00		143.03			
143.10	A/R-MAJOR MEDICAL AND RET	21.00		21.00		143.10			
143.20	ACCOUNTS RECEIVABLE-OTHER	21.00		21.00		143.20			
143.30	A/R-BGAD	24.00		24.00		143.30			
144.20	UNCOLLECTABLE ACCOUNTS	20.00		20.00		144.20			
144.30	UNCOLLECTABLE ACCTS-OTHER	21.00		21.00		144.30			
154.00	MATERIALS	22.00		22.00		154.00			
154.01	CONSIGNED POLES	22.00		22.00		154.01			
154.10	GASOLINE-STOCK ACCT	22.00		22.00		154.10			
154.60	DTV INVENTORY	22.00		22.00		154.60			
155.00	MATERIAL-RESALE	22.00		22.00		155.00			
155.01	OTHER SUPPLIES	22.00		22.00		155.01			
163.00	STORES EXPENSE-CLEARING	22.00		22.00		163.00			
165.10	PREPAYMENTS	23.00		23.00		165.10			
165.11	PREPAYMENTS-FEDERATED INSURANCE	23.00		23.00		165.11			
165.12	PREPAYMENTS-EMP INS CONTRIBUTION	23.00		23.00		165.12			
165.13	PREPAYMENT-BILLING SUPPLIES	23.00		23.00		165.13			
165.14	PREPAYMENT-WORKMANS COMP INS	23.00		23.00		165.14			
165.15	Long Term Care Insurance	23.00		23.00		165.15			
165.20	PREPAYMENTS-OTHER	23.00		23.00		165.20			
165.21	PREPAYMENT-QEI MAINTENANCE CONT.	23.00		23.00		165.21			
165.22	PREPAYMENT-PORCHE MAINTENANCE	23.00		23.00		165.22			
165.23	PREPAYMENT-E&H-PHONE MAINTENANCE	23.00		23.00		165.23			
165.24	Prepayment-ESRI maint. contract	23.00		23.00		165.24			
165.25	Prepayment-UAI software maint	23.00		23.00		165.25			
171.00	ACCRUED INTEREST AND DIVIDENDS	24.00		24.00		171.00			

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
176.20	REA CONSTRUCTION NOTES	36.00		36.00		176.20			
176.21	RUS-FFB NOTES	38.00		38.00		176.21			
176.30	CFC CONSTRUCTION NOTES	40.00		40.00		176.30			
181.00	UNAMORTIZED LOAN EXPENSE	27.00		27.00		181.00			
183.00	PREL SURVEY AND INVESTIGATION	27.00		27.00		183.00			
184.00	TRANSPORTATION-OVERHEAD	27.00		27.00		184.00			
184.10	TRANSPORTATION EXPENSE-CLEARING	27.00		27.00		184.10			
186.00	MISC DEFERRED DEBITS	27.00		27.00		186.00			
186.01	MISC DEFERRED DEBITS-LABOR	27.00		27.00		186.01			
186.02	DEF DEBIT-EARLY RETIRE INCENTIVE	27.00		27.00		186.02			
186.03	FIELD INSPECTION-MAPPING SYSTEM	27.00		27.00		186.03			
186.07	DEF CHG/PAST SERVICE COST	27.00		27.00		186.07			
186.20	DEF DEBITS-LABOR AND WAGES	27.00		27.00		186.20			
200.10	MEMBERSHIPS	29.00		29.00		200.10			
200.20	INACTIVE MEMBERSHIPS	29.00		29.00		200.20			
201.00	PATRONAGE CAPITAL CREDITS	30.00		30.00		201.00			
201.10	PAT CAPITAL CREDITS-ASSIGNED	30.00		30.00		201.10			
201.20	PAT CAPITAL CREDITS-ASSIGNABLE	30.00		30.00		201.20			
201.30	PRIOR YEARS DEFICITS	30.00		30.00		201.30			
208.00	DONATED CAPITAL	34.00		34.00		208.00			
217.00	RETIRED CAPITAL CREDITS-GAIN	34.00		34.00		217.00			
218.00	CAPITAL GAINS AND LOSSES	34.00		34.00		218.00			
219.10	OPERATING MARGINS	31.00		31.00		219.10			
219.11	OTHER MARGINS-EKP CAPITAL CREDIT	34.00		34.00		219.11			
219.12	OTHER MARGINS-KAEC CAP CREDITS	34.00		34.00		219.12			
219.13	OTHER MARGINS	34.00		34.00		219.13			

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
219.20	NON OPERATING MARGINS	33.00		33.00		219.20			
219.30	PRIOR YEARS DEFICITS	33.00		33.00		219.30			
224.15	LT DEBT-NRECA-PENSION UPGRADE-FC	40.00		40.00		224.15			
224.20	RUS LONG TERM DEBT	36.00		36.00		224.20			
224.21	RUS-FFB DEBT	38.00		38.00		224.21			
224.60	ADVANCE PAYMENT UNAPPLIED-LTD	36.00		36.00		224.60			
228.20	CFC LONG TERM DEBT	40.00		40.00		228.20			
228.21	CFC DEBT-LINE OF CREDIT	45.00		45.00		228.21			
228.22	EKP DEBT-MARKETING LOANS	45.00		45.00		228.22			
228.30	ACCRUED POSTRETIREMENT BENEFIT	43.00		43.00		228.30			
231.00	NOTES PAYABLE-HARRISON/EKP	45.00		45.00		231.00			
232.01	HARRISON-ACCRUED PAYROLL	46.00		46.00		232.01			
232.10	ACCOUNTS PAYABLE	46.00		46.00		232.10			
232.12	ACCOUNTS PAYABLE WINTERCARE	46.00		46.00		232.12			
232.13	CFC-ZTC PAYABLE	46.00		46.00		232.13			
232.30	ACCOUNTS PAYABLE-OTHER	46.00		46.00		232.30			
232.31	DEFERRED COMPENSATION	46.00		46.00		232.31			
232.32	WAGE GARNISHMENT	46.00		46.00		232.32			
232.33	PUBLIC RELATIONS-BASS TOURNAMENT	46.00		46.00		232.33			
232.40	ACCOUNTS PAYABLE-CREDIT UNION	46.00		46.00		232.40			
232.50	BOONES TRACE SEWER SYST. PAYABLE	46.00		46.00		232.50			
235.10	CONSUMER DEPOSITS	47.00		47.00		235.10			
236.10	ACCRUED PROPERTY TAX	51.00		51.00		236.10			
236.20	ACCRUED FED UNEMP TAX	51.00		51.00		236.20			
236.30	ACCRUED F.I.C.A.	51.00		51.00		236.30			
236.40	ACCRUED STATE UNEMP TAX	51.00		51.00		236.40			

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
236.50	ACCRUED KY SALES TAX	51.00		51.00		236.50			
236.60	ACCRUED SCHOOL TAX	51.00		51.00		236.60			
236.70	MADISON CO OCCUPATIONAL TAX	51.00		51.00		236.70			
236.71	LOCAL OCCUPATIONAL TAX PAYABLE	51.00		51.00		236.71			
236.72	RICHMOND CITY OCCUPATIONAL TAX	51.00		51.00		236.72			
236.73	ELECTRICAL INSPECT.FEE PAYABLE	51.00		51.00		236.73			
236.80	ACCRUED FRANCHISE FEE-NICHOLASVI	51.00		51.00		236.80			
236.81	ACCRUED FRANCHISE FEE-L'BURG	51.00		51.00		236.81			
236.82	ACCRUED FRANCHISE FEE-FAYETTE CO	51.00		51.00		236.82			
236.83	Accrued Fran Fee-Harrodsburg	51.00		51.00		236.83			
236.90	ACCRUED FRANCHISE FEE-BEREA	51.00		51.00		236.90			
237.10	ACCRUED INTEREST-REA DEBT	51.00		51.00		237.10			
237.11	ACCRUED INTEREST-RUS FFB LOAN	51.00		51.00		237.11			
237.20	ACCRUED INTEREST-CFC	51.00		51.00		237.20			
237.30	INT PAYABLE-CFC LINE OF CREDIT	51.00		51.00		237.30			
238.10	PATRONAGE CAPITAL PAYABLE	46.00		46.00		238.10			
240.10	ACCRUED INTEREST-CONS DEPOSITS	51.00		51.00		240.10			
241.00	TAX PAYABLE-FEDERAL WITHOLDING	51.00		51.00		241.00			
241.10	TAX PAYABLE-STATE WITHOLDING	51.00		51.00		241.10			
242.05	NRECA/401K LOAN	51.00		51.00		242.05			
242.10	ACCRUED PAYROLL	51.00		51.00		242.10			
242.40	ACCRUED VACATION	51.00		51.00		242.40			
242.50	OTHER CURRENT & ACCRUED LIABILIT	51.00		51.00		242.50			
242.51	ACC LIAB-CTC INV FROM CFC	51.00		51.00		242.51			
242.52	ACC LIAB-CONVERSION FEE CFC LOAN	54.00		54.00		242.52			
242.53	LIABILITY-EARLY RETIRE INCENTIVE	54.00		54.00		242.53			

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
242.54	ACC LIABILITY-BENCHMARKING	51.00		51.00		242.54			
242.60	ACCRUED SICK LEAVE	54.00		54.00		242.60			
242.70	ACCRUED POSTRETIREMENT BENEFIT	54.00		54.00		242.70			
252.00	MEMBER ADVANCES FOR CONSTRUCTION	54.00		54.00		252.00			
253.00	DEFERRED CREDITS	54.00		54.00		253.00			
253.20	DEF CREDIT-PREPAID SECURITY LGT	54.00		54.00		253.20			
253.50	UNITED WAY PAYROLL DEDUCTION	51.00		51.00		253.50			
253.60	401 K EMPLOYEE PAY DEDUCTION	51.00		51.00		253.60			
253.70	ACRE PAYROLL DEDUCTION	51.00		51.00		253.70			
254.00	DEF CREDIT-ANNUAL MEETING	51.00		51.00		254.00			
254.01	ANNUAL MEETING-ELECTION	51.00		51.00		254.01			
254.02	ANNUAL MEETING-SCHOLARSHIP	51.00		51.00		254.02			
362.00	STATION EQUIPMENT	1.00		1.00		362.00			
362.10	SCADA-REMOTE TERMINAL UNITS	1.00		1.00		362.10			
364.00	POLES, TOWERS, FIXTURES	1.00		1.00		364.00			
365.00	OVERHEAD CONDUCTORS & DEVICES	1.00		1.00		365.00			
367.00	UNDERGROUND CONDUCTORS & DEVICES	1.00		1.00		367.00			
368.00	LINE TRANSFORMERS	1.00		1.00		368.00			
368.10	LINE TRANSFORMERS-PADMOUNT	1.00		1.00		368.10			
369.00	OVERHEAD SERVICES	1.00		1.00		369.00			
369.10	UNDERGROUND SERVICES	1.00		1.00		369.10			
370.00	METERS	1.00		1.00		370.00			
370.01	AUTO MTR READING DEVICES-TURTLE	1.00		1.00		370.01			
371.00	INSTALLATION-CONSUMER PREMISES	1.00		1.00		371.00			
373.00	STREET LIGHTING	1.00		1.00		373.00			
389.00	LAND AND LAND RIGHTS	1.00		1.00		389.00			

ACCOUNT	DESCRIPTION	---RUS---		---TVA---		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
390.00	STRUCTURES AND IMPROVEMENTS	1.00		1.00		390.00			
390.50	OFFICE BLDG-PROGRESS BILLINGS	1.00		1.00		390.50			
391.00	OFFICE FURNITURE	1.00		1.00		391.00			
391.10	OFFICE EQUIPMENT	1.00		1.00		391.10			
392.00	TRANS EQUIP-LIGHT VEHICLES	1.00		1.00		392.00			
392.10	TRANS EQUIPMENT-HEAVY VEHICLES	1.00		1.00		392.10			
392.20	TRANS EQUIPMENT-OTHER	1.00		1.00		392.20			
393.00	STORES EQUIPMENT	1.00		1.00		393.00			
394.00	TOOLS	1.00		1.00		394.00			
395.00	LABORATORY EQUIPMENT	1.00		1.00		395.00			
396.00	POWER OPERATED EQUIPMENT	1.00		1.00		396.00			
397.00	COMMUNICATION EQUIPMENT	1.00		1.00		397.00			
398.00	MISCELLANEOUS EQUIPMENT	1.00		1.00		398.00			
403.60	DEPR EXPENSE-DISTRIBUTION PLANT	32.00	12.00	32.00	12.00	219.10			
403.70	DEPR EXPENSE-GENERAL PLANT	32.00	12.00	32.00	12.00	219.10			
408.10	TAXES-PROPERTY	32.00	13.00	32.00	13.00	219.10			
408.20	TAXES-FED UNEMPLOYMENT	32.00	14.00	32.00	14.00	219.10			
408.30	TAXES-FICA	32.00	14.00	32.00	14.00	219.10			
408.40	TAXES-STATE UNEMPLOYMENT	32.00	14.00	32.00	14.00	219.10			
408.50	SALES TAX COMPENSATION	32.00	14.00	32.00	14.00	219.10			
408.70	TAXES-OTHER	32.00	14.00	32.00	14.00	219.10			
415.00	REVENUE FROM MERCHANDISING	32.00	24.00	32.00	24.00	219.20			
415.10	REVENUE-ETS	32.00	24.00	32.00	24.00	219.20			
416.00	COST & EXP OF MERCHANDISING	32.00	24.00	32.00	24.00	219.20			
416.10	COST-ETS	32.00	24.00	32.00	24.00	219.20			
417.10	EXPENSE-KTI-RURAL TV	32.00	24.00	32.00	24.00	219.20			

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
417.20	PAYABLE-KTI-RURAL TV	32.00	24.00	32.00	24.00	219.20			
417.21	DELETE	32.00	24.00	32.00	24.00	219.10			
417.25	KTI-REVENUE-RTV	32.00	24.00	32.00	24.00	219.20			
417.30	EXPENSE-DIRECT TV	32.00	24.00	32.00	24.00	219.20			
417.40	PAYABLE-KTI-DIRECT TV	32.00	24.00	32.00	24.00	219.20			
417.41	DELETE	32.00	24.00	32.00	24.00	219.20			
417.45	REVENUE KTI-DTV	32.00	24.00	32.00	24.00	219.20			
417.61	REVENUE-DTV BASIC PACKAGE	32.00	24.00	32.00	24.00	219.20			
417.62	REVENUE-DTV DELUXE PACKAGE	32.00	24.00	32.00	24.00	219.20			
417.63	REVENUE-DTV RECEIVER	32.00	24.00	32.00	24.00	219.20			
417.64	REVENUE-DTV ACCESSORIES	32.00	24.00	32.00	24.00	219.20			
417.65	REVENUE-DTV INSTALLATION	32.00	24.00	32.00	24.00	219.20			
417.69	DTV COST OF GOODS SOLD	32.00	24.00	32.00	24.00	219.20			
417.70	SURGE PROTECTION	32.00	24.00	32.00	24.00	219.20			
417.75	CREDIT CARD BUSINESS	32.00	24.00	32.00	24.00	219.20			
417.80	I-CARE-REVENUE	32.00	24.00	32.00	24.00	219.20			
417.81	I-CARE-EXPENSE	32.00	24.00	32.00	24.00	219.20			
417.85	INTERNET BUSINESS	32.00	24.00	32.00	24.00	219.20			
417.90	BOONES TRACE SEWER SYSTEM	32.00	24.00	32.00	24.00	219.20			
417.91	BATTLEFIELD SEWER SYSTEM	32.00	24.00	32.00	24.00	219.20			
417.92	CYNTHIANA HOUS. AUTH.-EMERGENCY	32.00	24.00	32.00	24.00	219.20			
417.93	CYN HOUSING AUTH-NON EMERGENCY	32.00	24.00	32.00	24.00	219.20			
417.94	BGAD-UESC Project	32.00	24.00	32.00	24.00	219.20			
418.10	EQUITY IN EARNINGS OF SUBSIDIARY	32.00	23.00	32.00	23.00	219.20			
419.00	INTEREST & DIVIDEND INCOME	32.00	21.00	32.00	21.00	219.20			
419.20	INTEREST & DIVIDEND INCOME-KTI	32.00	24.00	32.00	24.00	219.20			

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
419.60	INTEREST-ENERGY CONSERV. LOANS	32.00	21.00	32.00	21.00	219.20			
421.00	MISCELLANEOUS NONOPERATING INCOME	32.00	24.00	32.00	24.00	219.20			
421.10	GAIN ON DISPOSITION OF PROPERTY	32.00	24.00	32.00	24.00	219.20			
421.20	LOSS ON DISPOSITION OF PROPERTY	32.00	24.00	32.00	24.00	219.20			
423.00	G & T CAPITAL CREDITS	32.00	25.00	32.00	25.00	219.10			
424.00	OTHER CAP CREDITS & PATRONAGE AL	32.00	26.00	32.00	26.00	219.10			
426.10	DONATIONS	32.00	18.00	32.00	18.00	219.10			
426.30	PENALTIES	32.00	18.00	32.00	18.00	219.10			
426.40	EXPENDITURE FOR CIVIC,POLITICAL	32.00	18.00	32.00	18.00	219.10			
426.50	OTHER DEDUCTIONS	32.00	18.00	32.00	18.00	219.10			
426.51	OTHER DEDUCTIONS-NON ELECTRIC	32.00	24.00	32.00	24.00	219.20			
427.10	INTEREST-REA LONG TERM DEBT	32.00	15.00	32.00	15.00	219.10			
427.11	INTEREST-RUS FFB LOAN	32.00	15.00	32.00	15.00	219.10			
427.20	INTEREST-CFC LONG TERM DEBT	32.00	15.00	32.00	15.00	219.10			
428.00	AMORTIZATION OF LOAN EXPENSE	32.00	18.00	32.00	18.00	219.10			
431.00	OTHER INTEREST EXPENSE	32.00	17.00	32.00	17.00	219.10			
434.00	EXTRAORDINARY INCOME	32.00	27.00	32.00	27.00	219.20			
440.10	RESIDENTIAL SALES	32.00	1.00	32.00	1.00	219.10			
442.10	COMMERCIAL SALES < 50 KVA	32.00	1.00	32.00	1.00	219.10			
442.20	COMMERCIAL SALES > 50 KVA	32.00	1.00	32.00	1.00	219.10			
444.00	PUBLIC STREET & HIGHWAY LIGHTING	32.00	1.00	32.00	1.00	219.10			
450.00	FORFEITED DISCOUNTS	32.00	1.00	32.00	1.00	219.10			
451.00	MISC SERVICE REVENUES	32.00	1.00	32.00	1.00	219.10			
454.00	RENT FROM ELECTRIC PROPERTY	32.00	1.00	32.00	1.00	219.10			
456.00	OTHER ELECTRIC REVENUE	32.00	1.00	32.00	1.00	219.10			
555.00	PURCHASED POWER	32.00	3.00	32.00	3.00	219.10			

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
580.00	OPERATION-SUPERVISION & ENGINEER	32.00	5.00	32.00	5.00	219.10			
581.00	LOAD DISPATCHING	32.00	5.00	32.00	5.00	219.10			
582.00	STATION EXPENSE	32.00	5.00	32.00	5.00	219.10			
583.00	OVERHEAD LINE EXPENSE	32.00	5.00	32.00	5.00	219.10			
584.00	UNDERGROUND LINE EXPENSES	32.00	5.00	32.00	5.00	219.10			
585.00	STREET LIGHT EXPENSE	32.00	5.00	32.00	5.00	219.10			
586.00	METER EXPENSE	32.00	5.00	32.00	5.00	219.10			
587.00	CONSUMER INSTALLATION EXPENSE	32.00	5.00	32.00	5.00	219.10			
588.00	MISCELLANEOUS DISTRIBUTION EXP	32.00	5.00	32.00	5.00	219.10			
590.00	MAINTENANCE-SUPERVISOR & ENGINEER	32.00	6.00	32.00	6.00	219.10			
590.10	MAINTENANCE-24 HR DISPATCHING	32.00	6.00	32.00	6.00	219.10			
591.00	MAINTENANCE-STRUCTURES	32.00	6.00	32.00	6.00	219.10			
592.00	MAINTENANCE-STATION EQUIPMENT	32.00	6.00	32.00	6.00	219.10			
593.00	MAINTENANCE-OVERHEAD LINES	32.00	6.00	32.00	6.00	219.10			
593.10	MAINTENANCE-RIGHT OF WAY	32.00	6.00	32.00	6.00	219.10			
594.00	MAINTENANCE-UNDERGROUND LINES	32.00	6.00	32.00	6.00	219.10			
595.00	MAINTENANCE-LINE TRANSFORMERS	32.00	6.00	32.00	6.00	219.10			
596.00	MAINTENANCE-STREET LIGHTING	32.00	6.00	32.00	6.00	219.10			
597.00	MAINTENANCE-METERS	32.00	6.00	32.00	6.00	219.10			
598.00	MAINTENANCE-SECURITY LIGHTS	32.00	6.00	32.00	6.00	219.10			
599.99	DUMMY ACCT	.01	.01	.01	.01	599.99			
901.00	SUPERVISION	32.00	7.00	32.00	7.00	219.10			
902.00	METER READING EXPENSE	32.00	7.00	32.00	7.00	219.10			
903.00	CUSTOMER RECORDS & COLLECTING EX	32.00	7.00	32.00	7.00	219.10			
903.10	CASH OVER/SHORT	32.00	7.00	32.00	7.00	219.10			
904.00	UNCOLLECTABLE ACCOUNTS	32.00	7.00	32.00	7.00	219.10			

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
908.00	CUSTOMER ASSISTANCE EXPENSE	32.00	8.00	32.00	8.00	219.10			
909.00	INFORMATIONAL ADVERTISING	32.00	8.00	32.00	8.00	219.10			
910.00	MISCELLANEOUS SERVICE EXPENSE	32.00	8.00	32.00	8.00	219.10			
912.00	DEMONSTRATION & SELLING EXPENSE	32.00	8.00	32.00	8.00	219.10			
912.10	SCHOOL APPLIANCES	32.00	8.00	32.00	8.00	219.10			
912.30	MEMBER SERVICES-PUBLIC RELATIONS	32.00	8.00	32.00	8.00	219.10			
912.40	MARKETING	32.00	8.00	32.00	8.00	219.10			
913.00	ADVERTISING EXPENSES	32.00	8.00	32.00	8.00	219.10			
916.00	MISCELLANEOUS SALES EXPENSE	32.00	8.00	32.00	8.00	219.10			
920.00	ADMINISTRATIVE & GEN SALARIES	32.00	10.00	32.00	10.00	219.10			
920.10	ADMIN & GENERAL-CONSOLIDATION	32.00	10.00	32.00	10.00	219.10			
920.11	BENCHMARKING	32.00	10.00	32.00	10.00	219.10			
920.12	KEY ACCOUNTS EXPENSE	32.00	10.00	32.00	10.00	219.10			
920.20	Y2K	32.00	10.00	32.00	10.00	219.10			
921.00	OFFICE SUPPLIES AND EXPENSES	32.00	10.00	32.00	10.00	219.10			
923.00	OUTSIDE SERVICES EMPLOYED	32.00	10.00	32.00	10.00	219.10			
925.00	INJURIES AND DAMAGES	32.00	10.00	32.00	10.00	219.10			
926.00	EMPLOYEE PENSIONS & BENEFITS	32.00	10.00	32.00	10.00	219.10			
928.00	REGULATORY COMMISSION EXPENSE	32.00	10.00	32.00	10.00	219.10			
929.00	DUPLICATE CHARGE CREDITS	32.00	10.00	32.00	10.00	219.10			
930.10	GENERAL ADVERTISING EXPENSE	32.00	10.00	32.00	10.00	219.10			
930.20	MISCELLANEOUS GENERAL EXPENSE	32.00	10.00	32.00	10.00	219.10			
930.30	BOARD OF DIRECTORS EXPENSE	32.00	10.00	32.00	10.00	219.10			
930.40	DUES PD ASSOCIATED ORGANIZATIONS	32.00	10.00	32.00	10.00	219.10			
930.50	TRAVEL EXPENSE	32.00	10.00	32.00	10.00	219.10			
930.60	ANNUAL MEETING EXPENSE	32.00	10.00	32.00	10.00	219.10			

ACCOUNT	DESCRIPTION	----	RUS----	----	TVA----	MARGIN	INACTIVE	BANK TRANSIT	BANK NAME
		LINE	LINE	LINE	LINE	ACCOUNT		ACCOUNT	
		B/S	INC	B/S	INC				
932.00	MAINTENANCE OF GENERAL PLANT	32.00	10.00	32.00	10.00	219.10			
999.99	DUMMY ACCT	.01	.01	.01	.01	999.99			
TOTAL ACCOUNTS 366									
INCOME 119									
BAL./SHEET 247									