

MECENED

MAY 27 2010

PUBLIC SERVICE COMMISSION

KENTUCKY OHIO INDIANA TENNESSEE WEST VIRGINIA

Mark David Goss (859) 244-3232 MGOSS@FBTLAW.COM

May 27, 2010

Mr. Jeff Derouen
Executive Director
Public Service Commission
P. O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

HAND DELIVERED

Re: PSC Case No. 2010-00167

Dear Mr. Derouen:

Please find enclosed for filing with the Commission, an original and ten (10) copies of the Statutory Notice and the Application of East Kentucky Power Cooperative, Inc. ("EKPC"), for a general adjustment of its wholesale electric rates.

We respectfully request that the following party representing EKPC be included on the Commission's Service List:

Ann F. Wood East Kentucky Power Cooperative, Inc. P.O. Box 707 Winchester, KY 40392-0707

Very truly yours,

Mark David Goss Counsel

Enclosures

ce: Dennis G. Howard II, Esq.

Michael L. Kurtz, Esq.

LEXLibrary 0000191 0574536 425452v1

RECEIVED

### COMMONWEALTH OF KENTUCKY

MAY 27 2010

BEFORE THE PUBLIC SERVICE COMMISSION

PUBLIC SERVICE
COMMISSION

In the Matter of:

GENERAL ADJUSTMENT OF ELECTRIC RATES	)	PSC CASE NO
OF EAST KENTUCKY POWER	)	2010-00167
COOPERATIVE, INC.	)	

### **STATUTORY NOTICE**

East Kentucky Power Cooperative, Inc. ("EKPC"), pursuant to KRS §278.180(1), hereby gives thirty (30) days notice to the Public Service Commission of its proposal to change its wholesale electric rates to its member distribution cooperatives, as detailed in the attached Application, dated May 27, 2010. Said rate adjustment is proposed to be effective for service rendered by EKPC on and after July 1, 2010.

Respectfully Submitted

Mark David Goss Frost Brown Todd LLC 250 West Main Street

Suite 2800

Lexington, KY 40507-1749

### CERTIFICATE OF SERVICE

This is to certify that an original and 10 copies of the foregoing Statutory Notice and the accompanying Application were delivered to the office of Jeff Derouen, Executive Director of the Public Service Commission, 211 Sower Boulevard, Frankfort, KY 40601, and copies were mailed to Dennis G. Howard II, Esq., Assistant Attorney General, Office of Rate Intervention, P.O. Box 2000, Frankfort, Kentucky 40602-2000, and to Michael L. Kurtz, Esq., Boehm, Kurtz & Lowry, 36 East Seventh Street, Suite 1510, Cincinnati, Ohio 45202, this 27<sup>th</sup> day of May 2010.

Mark David Goss

### COMMONWEALTH OF KENTUCKY

### BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GENERAL ADJUSTMENT OF ELECTRIC RATES	)	PSC CASE NO.
OF EAST KENTUCKY POWER	)	2010-00167
COOPERATIVE, INC.	)	

### APPLICATION

East Kentucky Power Cooperative, Inc. ("Applicant" or "EKPC") hereby informs the Public Service Commission of Kentucky (the "Commission") that it is engaged in the business of the generation and transmission of wholesale electric power and energy to sixteen member distribution cooperatives in the Commonwealth of Kentucky and does hereby propose, pursuant to KRS §278.180, 278.190 and 807 KAR 5:001 Section 10 and related sections, to adjust its wholesale electric rates and charges, effective July 1, 2010. In support of this Application, Applicant states as follows:

- 1. Applicant's business address is 4775 Lexington Road Winchester, Kentucky 40391, and the Applicant's mailing address is Post Office Box 707, Winchester, Kentucky 40392-0707.
- 2. Applicant's proposed adjustments of its wholesale power rates are necessary to build equity, which will both improve Applicant's overall financial condition and enable it to attract private lenders in the capital markets at a reasonable cost. The adjustment will also enable Applicant to meet its current and future loan covenants. Based on its operating forecast, revenue requirements are approximately \$49.4 million more than what the current base rates for Member

Systems would provide in annual revenue. This equates to a wholesale rate increase of approximately 5.27%.

- 3. Applicant's annual reports are on file with the Commission in accordance with 807 KAR 5:006, Section 3(1). A copy of Applicant's most recent FERC Form 1 is attached hereto at Volume 3, Tab 33.
- 4. Applicant is incorporated, and its articles of incorporation and all amendments thereto were filed with the Commission in PSC Case No. 90-197, the Application of East Kentucky Power Cooperative, Inc. for a Certificate of Public Convenience and Necessity to Construct Certain Steam Service Facilities in Mason County, Kentucky.
- 5. A Certificate of Good Standing from the Kentucky Secretary of State is attached hereto at Volume 1, Tab 3.
- 6. Applicant does not conduct business under an assumed name and no certificate of assumed name is needed for this Application.
  - 7. Applicant has attached the proposed tariffs at Volume 1, Tab 6.
- 8. Applicant has attached the present and proposed tariffs in comparative form, and the present tariffs, with proposed changes identified, at Volume 1, Tab 7.
- 9. Applicant states that its member distribution cooperatives have been given notice of the filing of this Application in compliance with 807 KAR 5:001, Section 10(3)(4). A copy of this notice is attached hereto at Volume 1, Tab 10.
- 10. Applicant states that it provided written notice of intent to file a wholesale rate adjustment at least four (4) weeks prior to filing this Application, and that this notice of intent stated that the Application would be supported by a fully forecasted test period. The notice of intent is attached hereto at Volume 1, Tab 9.

11. Applicant has attached as Volume 2, Tab 23, Exhibit 1 to the direct testimony of

Ms. Ann F. Wood, a complete description and quantified explanation for all proposed

adjustments.

12. Applicant has included prepared testimony of each witness. These testimonies are

attached at Volume 2, Tab 23.

13. Applicant states that this proposed wholesale rate adjustment will result in an

increase in revenue of \$49.4 million, or approximately 5.27%.

14. Applicant has attached at Volume 5, Tab 58, a schedule showing the effect upon

the average bill for each wholesale customer classification to which the proposed rate changes

will apply.

15. Applicant has attached additional exhibits, in compliance with the filing

requirements of 807 KAR 5:001; Section 10 for a case utilizing a fully forecasted test year, as

detailed in the attached Table of Contents.

WHEREFORE, Applicant asks that the Commission enter an order authorizing Applicant

to adjust its wholesale electric power tariffs as requested hereinabove.

Respectfully Submitted,

Mark David Goss

Frost Brown Todd, LLC

250 West Main Street

Suite 2800

Lexington, KY 40507-1749

Counsel for East Kentucky Power

Cooperative, Inc.



Volume	Tab	Filing Requirement	Description	Sponsoring Witness(es)
1	1	807 KAR 5:001 Section 10(1)(b)(1)	A statement of the reason the adjustment is required.	Anthony S. Campbell Frank J. Oliva
1	2	807 KAR 5:001 Section 10(1)(b)(2)	A statement that the utility's annual reports, including the annual report for the most recent calendar year, are on file with the commission in accordance with 807 KAR 5:006, Section 3(1).	Ann F. Wood
1	3	807 KAR 5:001 Section 10(1) (b)(3) and (5)	If the utility is incorporated, a certified copy of the utility's articles of incorporation and all amendments thereto or out of state documents of similar import. If the utility's articles of incorporation and amendments have already been filed with the Commission in a prior proceeding, the application may state this fact making reference to the style and case number of the prior proceeding and a certificate of good standing or certificate of authorization dated within sixty (60) days of the date the application is filed.	Ann F. Wood
1	4	807 KAR 5:001 Section 10(1)(b)(4) and (5)	If applicant is a limited partnership, a certified copy of the limited partnership agreement or if the agreement was filed with the PSC in a prior proceeding, a reference to the style and case number of the prior proceeding and a certificate of good standing or certificate of authorization dated within sixty (60) days of the date the application is filed.	Ann F. Wood
1	5	807 KAR 5:001 Section 10(1)(b)(6)	A certified copy of a certificate of assumed name as required by KRS 365.015 or a statement that such a certificate is not necessary.	Ann F. Wood
1	6	807 KAR 5:001 Section 10(1)(b)(7)	The proposed tariff in form complying with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed.	Isaac S. Scott
1	7	807 KAR 5:001 Section 10(1)(b)(8)	Proposed tariff changes shown either by providing present and proposed tariffs in comparative form or indicating additions by italicized inserts or underscoring and striking over deletions in a copy of the current tariff.	Isaac S. Scott
1	8	807 KAR 5:001 Section 10(1)(b)(9)	Statement that notice given, see subsections (3) and (4) of 807 KAR 5:001, Section 10 with copy.	Ann F. Wood
1	9	807 KAR 5:001 Section 10(2)	If gross annual revenues exceed \$1,000,000 written notice of intent filed at least four (4) weeks prior to application. Notice shall state whether the application will be supported by historical or a fully forecasted test period.	Ann F. Wood
1	10	807 KAR 5:001 Section 10 (3)	Form of notice to customers. Every utility filing an application pursuant to this section shall notify all affected customers in the manner prescribed herein. The notice shall include the following information:  (a) Amount of change requested in dollar amounts and percentage for each customer classification to which change will apply.	Ann F. Wood

Volume	Tab	Filing Requirement	Description	Sponsoring Witness(es)
			<ul> <li>(b) Present and proposed rates for each customer class to which change would apply.</li> <li>(c) Electric, gas, water and sewer utilities - the effect upon average bill for each customer class to which change will apply.</li> <li>(d) Local exchange companies - include effect upon average bill for each customer class for change in basic local service.</li> <li>(e) A statement that the rates contained in this notice are the rates proposed by (name of utility); however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice;</li> <li>(f) A Statement that any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene; Intervention may be granted beyond the thirty (30) day period for good cause shown.</li> <li>(g) A statement that any person who has been granted intervention by the commission may obtain copies of the rate application and any other filings made by the utility by contacting the utility through a name and address and phone number stated in this notice;</li> <li>(h) A statement that any person may examine the rate application and any other filings made by the utility at the main office of the utility or at the commission's office indicating the addresses and telephone numbers of both the utility and the commission; and</li> <li>(i) The commission may grant a utility with annual gross revenues greater than \$1,000,000, upon written request, permission to use an abbreviated form of published notice of the proposed rates provided the notice includes a coupon which may be used to obtain all of the information required herein.</li> </ul>	Withess(cs)
1	11	807 KAR 5:001 Section 10(4)(a)	Manner of notification. Sewer utilities shall give the required typewritten notice by mail to all of their customers pursuant to KRS 278.185.	Ann F. Wood
1	12	807 KAR 5:001 Section 10(4)(b)	Manner of notification. Applicant has 20 customers or less, written notice of proposed rate changes and estimated amount of increase per customer class shall be mailed to each customer no later than date of application.	Ann F. Wood
1	13	807 KAR 5:001 Section 10(4)(c)	Except for sewer utilities, applicants with more than twenty (20) customers affected by the proposed general rate adjustment shall give the required notice by one (1) of the following methods: 1. A typewritten notice mailed to all customers no later than the date the application is filed with the commission; 2. Publishing the notice in a	Ann F. Wood

Volume	Tab	Filing Requirement	Description	Sponsoring Witness(es)
			trade publication of newsletter which is mailed to all customers no later than the date	
			on which the application is filed with the commission; or 3. Publishing the notice	
			once a week for three (3) weeks in a prominent manner in a newspaper of general	
	ŀ		circulation in the utility's service area, the first publication to be made within seven	
			(7) days of the filing of the application with the Commission.	
			If the notice is published, an affidavit from the publisher verifying the notice was	
1	14	807 KAR 5:001	published, including the dates of the publication with an attached copy of the	Ann F. Wood
1	14	Section 10(4)(d)	published notice, shall be filed with the commission no later than forty-five (45) days	Alli F. Wood
			of the filed date of the application.	
		807 KAR 5:001	If the notice is mailed, a written statement signed by the utility's chief officer in	
1	15	Section 10(4)(e)	charge of Kentucky operations verifying the notice was mailed shall be filed with the	Ann F. Wood
		3cction 10(+)(c)	commission no later than thirty (30) days of the filed date of the application.	
			All utilities, in addition to the above notification, shall post a sample copy of the	
1	16	807 KAR 5:001 Section 10(4)(f)	required notification at their place of business no later than the date on which the	Ann F. Wood
1   10	Sect		application is filed which shall remain posted until the commission has finally	Ami . wood
			determined the utility's rates.	
1	17	807 KAR 5:001	Compliance with this subsection shall constitute compliance with 807 KAR 5:051,	Ann F. Wood
<u> </u>	- '	Section 10(4)(g)	Section 2.	Zilli I . Wood
	18 807 KAR 5:001 Section 10 (5)	Notice of hearing scheduled by the commission upon application by a utility for a		
1		Section 10 (5)	general adjustment in rates shall be advertised by the utility by newspaper	Ann F. Wood
***************************************			publication in the areas that will be affected in compliance with KRS 424.300	
1			Financial data for forecasted period presented as pro forma adjustments to base	Frank J. Oliva
-		Section 10 (8)(a)	period.	Ann F. Wood
1	20	807 KAR 5:001	Forecasted adjustments shall be limited to the 12 months immediately following the	Ann F. Wood
		Section 10 (8)(b)	suspension period.	111111111111111111111111111111111111111
1	21	807 KAR 5:001	Capitalization and net investment rate base shall be based on a 13 month average for	Ann F. Wood
-		Section 10 (8)(c)	the forecasted period.	
1	22	807 KAR 5:001	The utility shall provide a reconciliation of the rate base and capital used to	Ann F. Wood
		Section 10 (8)(f)	determine its revenue requirements.	
2		005 11 1 5 5 5 5	Prepared testimony of each witness supporting its application including testimony	
	23	807 KAR 5:001	from chief officer in charge of Kentucky operations on the existing programs to	Ann F. Wood
	-	Section 10(9)(a)	achieve improvements in efficiency and productivity, including an explanation of	
		007 17 1 2 001	the purpose of the program.	T 1 D 7 1 1
3	24	807 KAR 5:001	Most recent capital construction budget containing at minimum 3 year forecast of	John R. Twitchell
		Section 10(9)(b)	construction expenditures.	Craig A. Johnson

Volume	Tab	Filing Requirement	Description	Sponsoring Witness(es)
				Ricky L. Drury
3	25	807 KAR 5:001 Section 10(9)(c)	Complete description, which may be in prefiled testimony form, of all factors used to prepare forecast period. All econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported.	Frank J. Oliva
3	26	807 KAR 5:001 Section 10(9)(d)	Annual and monthly budget for the 12 months preceding filing date, base period and forecasted period.	Frank J. Oliva
3	27	807 KAR 5:001 Section 10(9) (e)	Attestation signed by utility's chief officer in charge of Kentucky operations providing:  1. That forecast is reasonable, reliable, made in good faith and that all basic assumptions used have been identified and justified; and  2. That forecast contains same assumptions and methodologies used in forecast prepared for use by management, or an identification and explanation for any differences; and  3. That productivity and efficiency gains are included in the forecast;	Anthony S. Campbell
3	28	807 KAR 5:001 Section 10(9)(f)	For each major construction project constituting 5% or more of annual construction budget within 3 year forecast, following information shall be filed:  1. Date project began or estimated starting date; 2. Estimated completion date; 3. Total estimated cost of construction by year exclusive and inclusive of Allowance for Funds Used During Construction ("AFUDC") or Interest During Construction Credit; and 4. Most recent available total costs incurred exclusive and inclusive of AFUDC or Interest During Construction Credit;	John R. Twitchell
3	29	807 KAR 5:001 Section 10(9)(g)	For all construction projects constituting less than 5% of annual construction budget within 3 year forecast, file aggregate of information requested in paragraph (f) 3 and 4 of this subsection;	John R. Twitchell Craig A. Johnson Ricky L. Drury
3	30	807 KAR 5:001 Section 10(9)(h)	Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:  1. Operating income statement (exclusive of dividends per share or earnings per share);  2. Balance sheet;	John R. Twitchell Frank J. Oliva Ann F. Wood

Volume	Tab	Filing Requirement	Description	Sponsoring
				Witness(es)
			<ol> <li>Statement of cash flows;</li> <li>Revenue requirements necessary to support the forecasted rate of return;</li> <li>Load forecast including energy and demand (electric);</li> <li>Access line forecast (telephone);</li> <li>Mix of generation (electric);</li> <li>Mix of gas supply (gas);</li> <li>Employee level;</li> <li>Labor cost changes;</li> <li>Capital structure requirements;</li> <li>Rate base;</li> <li>Gallons of water projected to be sold (water);</li> <li>Customer forecast (gas, water);</li> <li>MCF sales forecasts (gas);</li> <li>Toll and access forecast of number of calls and number of minutes (telephone);</li> </ol>	
			and	
		007 KAD 5.001	17. A detailed explanation of any other information provided.	
3	31	807 KAR 5:001 Section 10(9)(i)	Most recent FERC or FCC audit reports;	Ann F. Wood
3	32	807 KAR 5:001 Section 10(9)(j)	Prospectuses of most recent stock or bond offerings;	Ann F. Wood
3	33	807 KAR 5:001 Section 10(9)(k)	Most recent FERC Form 1 (electric), FERC Form 2 (gas), or the Automated Reporting Management Information System Report (telephone) and PSC Form T (telephone);	Ann F. Wood
4	34	807 KAR 5:001 Section 10(9)(1)	Annual report to shareholders or members and statistical supplements for the most recent 5 years prior to application filing date;	Ann F. Wood
5	35	807 KAR 5:001 Section 10(9)(m)	Current chart of accounts if more detailed than Uniform System of Accounts chart;	Ann F. Wood
5	36	807 KAR 5:001 Section 10(9)(n)	Latest 12 months of the monthly managerial reports providing financial results of operations in comparison to forecast;	Ann F. Wood
5	37	807 KAR 5:001 Section 10(9)(o)	Complete monthly budget variance reports, with narrative explanations, for the 12 months prior to base period, each month of base period, and subsequent months, as available;	Frank J. Oliva

Volume	Tab	Filing Requirement	Description	Sponsoring Witness(es)
5	38	807 KAR 5:001 Section 10(9)(p)	SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued during prior 2 years and any Form 10-Qs issued during past 6 quarters;	Ann F. Wood
5	39	807 KAR 5:001 Section 10(9)(q)	Independent auditor's annual opinion report, with any written communication which indicates the existence of a material weakness in internal controls;	Ann F. Wood
5	40	807 KAR 5:001 Section 10(9)(r)	Quarterly reports to the stockholders for the most recent 5 quarters;	Ann F. Wood
5	41	807 KAR 5:001 Section 10(9)(s)	Summary of latest depreciation study with schedules itemized by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall identify current and base period depreciation rates used by major plant accounts. If information has been filed in another PSC case, refer to that case's number and style.	Ann F. Wood
5	42	807 KAR 5:001 Section 10(9)(t)	List all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with application. Include each software, program, or model; its use; identify the supplier of each; briefly describe software, program, or model; specifications for computer hardware and operating system required to run program.	Ann F. Wood
5	43	807 KAR 5:001 Section 10(9)(u)	If the utility had any amounts charged or allocated to it by an affiliate or general or home office or paid any monies to an affiliate or general or home office during the base period or during the previous three (3) calendar years, the utility shall file:  1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each allocation or payment;  2. Method and amounts allocated during base period and method and estimated amounts to be allocated during forecasted test period;  3. Explain how allocator for both base and forecasted test period was determined; and  4. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during base period is reasonable.	Ann F. Wood
5	44	807 KAR 5:001 Section 10(9)(v)	If gas, electric or water utility with annual gross revenues greater than \$5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from single time period.	Dennis Eicher

Volume	Tab	Filing Requirement	Description	Sponsoring Witness(es)
5	45	807 KAR 5:001 Section 10(9)(w)	Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file:  1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and  2. Service specific cost studies supporting pricing of services generating annual revenue greater than \$1,000,000 except local exchange access:  a. Based on current and reliable data from single time period; and b. Using generally recognized fully allocated, embedded, or incremental cost principles.	Ann F. Wood
5	46	807 KAR 5:001 Section 10(10)(a)	Jurisdictional financial summary for both base and forecasted periods detailing how utility derived amount of requested revenue increase;	Frank J. Oliva Ann F. Wood
5	47	807 KAR 5:001 Section 10(10)(b)	Jurisdictional rate base summary for both base and forecasted periods with supporting schedules which include detailed analyses of each component of the rate base;	Ann F. Wood
5	48	807 KAR 5:001 Section 10(10)(c)	Jurisdictional operating income summary for both base and forecasted periods with supporting schedules which provide breakdowns by major account group and by individual account;	Ann F. Wood
5	49	807 KAR 5:001 Section 10(10)(d)	Summary of jurisdictional adjustments to operating income by major account with supporting schedules for individual adjustments and jurisdictional factors;	Ann F. Wood
5	50	807 KAR 5:001 Section 10(10)(e)	Jurisdictional federal and state income tax summary for both base and forecasted periods with all supporting schedules of the various components of jurisdictional income taxes;	Ann F. Wood
5	51	807 KAR 5:001 Section 10(10)(f)	Summary schedules for both base and forecasted periods (utility may also provide summary segregating items it proposes to recover in rates) of organization membership dues; initiation fees; expenditures for country club; charitable contributions; marketing, sales, and advertising; professional services; civic and political activities; employee parties and outings; employee gifts; and rate cases;	Ann F. Wood
5	52	807 KAR 5:001 Section 10(10)(g)	Analyses of payroll costs including schedules for wages and salaries, employees benefits, payroll taxes straight time and overtime hours, and executive compensation by title;	Ann F. Wood
5	53	807 KAR 5:001 Section 10(10)(h)	Computation of gross revenue conversion factor for forecasted period;	Ann F. Wood

Volume	Tab	Filing Requirement	Description	Sponsoring Witness(es)
5	54	807 KAR 5:001 Section 10(10)(i)	Comparative income statements (exclusive of dividends per share or earnings per share), revenue statistics and sales statistics for 5 calendar years prior to application filing date, base period, forecasted period, and 2 calendar years beyond forecast period;	Ann F. Wood John R. Twitchell Frank J. Oliva
5	55	807 KAR 5:001 Section 10(10)(j)	Cost of capital summary for both base and forecasted periods with supporting schedules providing details on each component of the capital structure.	Frank J. Oliva
5	56	807 KAR 5:001 Section 10(10)(k)	Comparative financial data and earnings measures for the 10 most recent calendar years, base period, and forecast period;	Ann F. Wood Frank J. Oliva
5	57	807 KAR 5:001 Section 10(10)(1)	Narrative description and explanation of all proposed tariff changes;	Isaac S. Scott
5	58	807 KAR 5:001 Section 10(10)(m)	Revenue summary for both base and forecasted periods with supporting schedules which provide detailed billing analyses for all customer classes; and	Isaac S. Scott
5	59	807 KAR 5:001 Section 10(10)(n)	Typical bill comparison under present and proposed rates for all customer classes.	Isaac S. Scott

Filing Requirement 807 KAR 5:001 Section 10(1)(b)(1) Sponsoring Witnesses: Anthony S. Campbell and Frank J. Oliva

### **Description of Filing Requirement:**

A statement of the reason the adjustment is required.

### **Response:**

EKPC is requesting an increase in base rates that will result in approximately \$49.4 million in additional annual revenues, which is an increase to base rates of 5.27%. The background information contained in the Management Audit Action Plan prepared by the Liberty Consulting Group ("Liberty") states: "EKPC management should immediately evaluate and establish optimal equity level target and credit rating goals. Equity levels should be increased to 20 percent or more to establish the more adequate equity levels maintained by most other G&T companies that provide increased protection and attractiveness to capital markets." Absent this requested rate increase, EKPC's interest and debt coverage ratios will be inadequate to meet the requirements needed to attract private lenders in the capital markets. In addition, EKPC's equity is far below the level needed to attract such capital funding. This rate increase request is a necessary step toward EKPC building equity, which will improve EKPC's ability to attract capital in the future.

Please see the prepared direct testimonies of Anthony S. Campbell, Frank J. Oliva, and Daniel M. Walker included in tab number 23 of the Application and Filing Requirements for additional information concerning the need for EKPC to adjust its base rates.

Filing Requirement 807 KAR 5:001 Section 10(1)(b)(2) Sponsoring Witness: Ann F. Wood

### **Description of Filing Requirement:**

A statement that the utility's annual reports, including the annual report for the most recent calendar year, are on file with the Commission in accordance with 807 KAR 5:006, Section 3(1).

### **Response:**

EKPC confirms that its annual reports, including the annual report for the most recent calendar year, are on file with the Commission.

Filing Requirement 807 KAR 5:001 Section 10(1)(b)(3) and (5) Sponsoring Witness: Ann F. Wood

### **Description of Filing Requirement:**

If the utility is incorporated, a certified copy of the utility's articles of incorporation and all amendments thereto or out of state documents of similar import. If the utility's articles of incorporation and amendments have already been filed with the Commission in a prior proceeding, the application may state this fact making reference to the style and case number of the prior proceeding <u>and</u> a certificate of good standing or certificate of authorization dated within sixty (60) days of the date the application is filed.

### **Response:**

EKPC's articles of incorporation and all amendments thereto were filed with the Commission in PSC Case No. 90-197, the Application of East Kentucky Power Cooperative, Inc. for a Certificate of Public Convenience and Necessity to Construct Certain Steam Service Facilities in Mason County, Kentucky.

EKPC's Certificate of Good Standing is included on page 2 of this response.

### Commonwealth of Kentucky Trey Grayson, Secretary of State

Trey Grayson Secretary of State P. O. Box 718 Frankfort, KY 40602-0718 (502) 564-3490 http://www.sos.ky.gov

### **Certificate of Existence**

Authentication number: 97347

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

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

### EAST KENTUCKY POWER COOPERATIVE, INC.

is a corporation duly incorporated and existing under KRS Chapter 273, whose date of incorporation is July 9, 1941 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 WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 29<sup>th</sup> day of April, 2010, in the 218<sup>th</sup> year of the Commonwealth.



Trey Grayson
Secretary of State
Commonwealth of Kentucky
97347/0015195

Filing Requirement 807 KAR 5:001 Section 10(1)(b)(4) and (5) Sponsoring Witness: Ann F. Wood

### **Description of Filing Requirement:**

If applicant is a limited partnership, a certified copy of the limited partnership agreement <u>or</u> if the agreement was filed with the PSC in a prior proceeding, a reference to the style and case number of the prior proceeding <u>and</u> a certificate of good standing or certificate of authorization dated within sixty (60) days of the date the application is filed.

### Response:

EKPC is not a limited partnership and, therefore, compliance with this filing requirement is not necessary.

Filing Requirement 807 KAR 5:001 Section 10(1)(b)(6) Sponsoring Witness: Ann F. Wood

### **Description of Filing Requirement:**

A certified copy of a certificate of assumed name as required by KRS 365.015 or a statement that such a certificate is not necessary.

### **Response:**

The legal name of EKPC is East Kentucky Power Cooperative, Inc. It has never done business in Kentucky under an assumed name and has never filed a Certificate of Assumed Name as may be required by KRS 365.015.

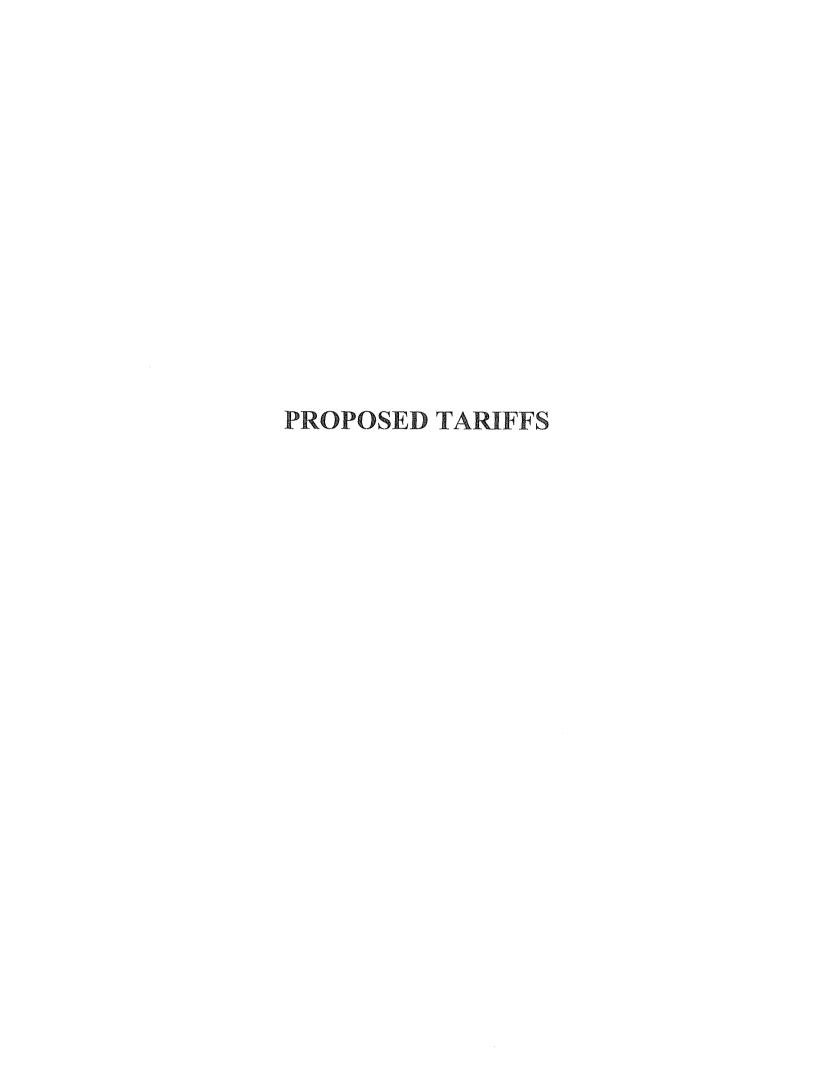
Filing Requirement 807 KAR 5:001 Section 10(1)(b)(7) Sponsoring Witness: Isaac S. Scott

### **Description of Filing Requirement:**

The proposed tariff in form complying with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed.

### **Response:**

The proposed tariff in a form complying with 807 KAR 5:011, with an effective date not less than thirty (30) days from the date the application is filed, is attached.



	P.S.C. KY NO. 34
	CANCELS P.S.C. KY NO. 33
EAST VENITHOVV	POWER COOPERATIVE, INC.
EAST KENTUCKT	
	OF
WINCH	ESTER, KENTUCKY
RATES, RULES, AND I	REGULATIONS FOR FURNISHING
WHOLESA	ALE POWER SERVICE
	AT
VARIO	US LOCATIONS TO
RURAL ELECTRI	IC COOPERATIVE MEMBERS
THROUG	GHOUT KENTUCKY
	UBLIC SERVICE COMMISSION F KENTUCKY
ISSUED <u>MAY 27, 2010</u>	EFFECTIVE FOR SERVICE RENDERED ON AND AFTER JULY 1, 2010
ISSUED BY EAST KE	NTUCKY POWER COOPERATIVE, INC.
	BY
	Anthony S. Campbell President and Chief Executive Officer

### Wholesale Power Rate Schedule

### **Applicability**

Applicable to all sections of this rate schedule and this rate schedule shall apply to each East Kentucky Power Cooperative, Inc. (hereinafter referred to as "EKPC" or the "Cooperative") load center separately.

### **Load Center Charges - Monthly**

- A. Metering Point Charge
  - 1. Applicable to each metering point and to each substation
  - 2. Charge: \$145.00 (I)
- B. Substation Charge
  - 1. Applicable to each substation based on its size:
  - 2. Charges:

1,000 - 2,999 kVa substation	\$1,091.00	(I)
3,000 - 7,499 kVa substation	\$2,744.00	(I)
7,500 - 14,999 kVa substation	\$3,301.00	(I)
15.000 and over kVa substation	\$5,325.00	(I)

### Minimum Monthly Charge

The minimum monthly charge shall be equal to the Load Center Charges plus the minimum monthly charges for Section B and Section C. Load Center Charges cover metering point and substation charge.

DATE OF ISSUE May 27, 2010 DATE EFFEC	TIVE: Service rendered on and after July 1, 2010
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order of the Public Ser Case No. 2010-00167 Dated	vice Commission of Kentucky in

P.S.C. No. 34 Original Sheet No. 2 Canceling P.S.C. No. 33 Original Sheet No. 2

EAST KENTUCKY POWER COOPERATIVE, INC.

### Fuel Adjustment

1. The fuel clause shall provide for periodic adjustment per kWh of sales when the unit cost of fuel [F(m) / S(m)] is above or below the base unit cost of \$.03653 per kWh [F(b) / S(b)]. The current monthly charges shall be increased or decreased by the product of the kWh furnished during the current month and the fuel adjustment rate for the preceding month where the fuel adjustment rate is defined below:

Fuel Adjustment Rate = 
$$\frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$$

Where F is the expense of fossil fuel in the base (b) and current (m) periods; and S is sales in the base (b) and current (m) periods, all defined below:

- 2. Fuel cost (F) shall be the most recent actual monthly cost of:
  - (a) Fossil fuel consumed in the utility's own plants, and the utility's share of fossil and nuclear fuel consumed in jointly owned or leased plants, plus the cost of fuel which would have been used in plants suffering forced generation and/or transmission outages, but less the cost of fuel related to substitute generation, plus
  - (b) The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute the forced outages, plus
  - (c) The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases and the charges as a result of scheduled outages, also such kinds of energy being purchased by the buyer to substitute for its own higher cost energy; and less

DATE OF ISSUE July 24, 2009 DATE EFFECTIVE: Service rendered on and after August 1, 2009

ISSUED BY\_

TITLE President & Chief Executive Officer

P.S.C. No. 34 Original Sheet No. 3 Canceling P.S.C. No. 33 Original Sheet No. 3

### EAST KENTUCKY POWER COOPERATIVE, INC.

### Fuel Adjustment (con't.)

- (d) The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.
- (e) All fuel costs shall be based on weighted average inventory costing.
- 3. Forced outages are all non-scheduled losses of generation or transmission which require (purchase of) substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of public enemy, the utility may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment.
- 4. Sales (S) shall be kWh sold, excluding inter-system sales. Where for any reason, billed system sales cannot be coordinated with fuel costs for the billing period, sales may be equated to the sum of (i) generation, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) inter-system sales referred to in subsection (2)(d) above, less (vi) total system losses. Utility-used energy shall not be excluded in the determination of sales (S).
- 5. The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of the FERC Uniform System of Accounts for Public Utilities and Licenses.

DATE OF ISSUE July 24, 2009 DATE EFFECTIVE: Service rendered on and after August 1, 2009

ISSUED BY TITLE President & Chief Executive Officer

P.S.C. No. 34 Original Sheet No. 4 Canceling P.S.C. No. 33 Original Sheet No. 4

EAST KENTUCKY POWER COOPERATIVE, INC.

### **Power Factor Adjustment**

The member cooperative agrees to maintain a unity power factor as nearly as practicable at each load center at the time of the monthly peak demand for the load center. When the power factor is determined to be less than 90%, the monthly billing demand at the load center will be adjusted by multiplying the actual monthly billing demand by 90% and dividing this product by the actual power factor at the time of the monthly peak demand for the load center. For new load centers, the power factor penalty will not be applicable for the month of energization or the succeeding six (6) months. The demand rate applicable for power factor penalty billing is the lowest firm demand rate in Section A, B, C, E, or G.

### **Energy Curtailment and Outage Restoration Priorities**

These tariffs are subject to the Energy Curtailment and Outage Restoration Priorities provisions of Administrative Case No. 353 of the Kentucky Public Service Commission. East Kentucky Power Cooperative's energy curtailment and restoration procedures are contained in Appendix I to these tariffs title Emergency Electric Procedures, East Kentucky Power Cooperative, Inc.; prepared April 1, 1994; revised February 17, 1995.

East Kentucky Power Cooperative will adhere to the curtailment of service requirements as set forth below and contained in Kentucky Revised Statutes (KRS) Section 278.214.

Curtailment of service by utility or generation and transmission cooperative. When a utility or generation and transmission cooperative engaged in the transmission of electricity experiences on its transmission facilities an emergency or other event that necessitates a curtailment or interruption of service, the utility or generation and transmission cooperative shall not curtail or interrupt retail electric service within its certified territory, or curtail or interrupt wholesale electric energy furnished to a member distribution cooperative for retail electric service within the cooperative's certified territory, except for customers who have agreed to receive interruptible service, until after service has been interrupted to all other customers whose interruption may relieve the emergency or other event.

DATE OF ISSUE July 24, 2009 DATE EFFECTIVE: Service rendered on and after August 1, 2009

ISSUED BY TITLE President & Chief Executive Officer

### Section A

### **Availability**

Available to all cooperative associations which are or shall be members of EKPC. The electric power and energy furnished hereunder shall be separately metered for each point of delivery.

### **Applicability**

Applicable to all power usage at the load center not subject to the provisions of Sections B, C, and E of this tariff.

### Monthly Rate - Per Load Center

Demand Charge per kW of billing demand	\$10.00	(I)
Energy Charge per kWh	\$.049378	(I)

### **Billing Demand**

The billing demand (kilowatt demand) is based on EKPC's system peak demand (coincident peak) which is 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>	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.

Billing demand applicable to this section is equal to the load center's contribution to EKPC's system peak demand minus the actual demands of Section B, Section C, and Section E participants coincident with EKPC's system peak demand.

DATE OF ISSUE M	y 27, 2010 DATE EFFECTIVE: Service rendered on and after July 1, 2010
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of Case No. 2010-0016	an Order of the Public Service Commission of Kentucky in Dated

P.S.C. No. 34
Original Sheet No. 6
Canceling P.S.C. No. 33
Original Sheet No. 6

EAST KENTUCKY POWER COOPERATIVE, INC.

### Section A (con't.)

### **Billing Energy**

Billing energy applicable to this section is equal to the total energy provided at the load center minus the actual energy provided to Section B, Section C, and Section E participants.

DATE OF ISSUE July 24, 2009 DATE EFFECTIVE: Service rendered on and after August 1, 2009

ISSUED BY \_\_\_\_\_\_ TITLE President & Chief Executive Officer

For All Counties Served P.S.C. No. 34 First Revised Sheet No. 7 Canceling P.S.C. No. 34 Original Sheet No. 7

EAST KENTUCKY POWER COOPERATIVE, INC.

### Section B

# **Availability**

Available to all cooperative associations which are or shall be members of EKPC and which execute EKPC approved contracts with the ultimate consumers. The electric power and energy furnished hereunder shall be separately metered for each point of delivery.

### **Applicability**

Applicable to cooperative associations and ultimate consumers willing to contract for demands of 500 kW or greater and a monthly minimum energy usage equal to or greater than 400 hours per kW of contract demand. Wholesale monthly minimum demand shall be agreed between the cooperative association and EKPC.

# **Monthly Rate**

Demand Charge per kW of Minimum Demand	\$7.19	(I)
Demand Charge per kW of Billing Demand		
in Excess of Minimum Demand	\$10.00	(I)
Energy Charge per kWh	\$.049378	(I)

### **Billing Demand**

The billing demand (kilowatt demand) shall be the minimum demand plus any excess demand. Excess demand occurs when the ultimate consumer's highest demand during the current month, coincident with EKPC's system peak (coincident peak), exceeds the minimum demand. EKPC's system peak demand is 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>	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.

DATE OF ISSUE May 27, 2010 DATE EFFECTIVE: 9	Service rendered on and after July 1, 2010
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order of the Public Service Cor Case No. 2010-00167 Dated	mmission of Kentucky in

P.S.C. No. 34
Original Sheet No. 8
Canceling P.S.C. No. 33
Original Sheet No. 8

EAST KENTUCKY POWER COOPERATIVE, INC.

# Section B (con't.)

# **Minimum Monthly Charge**

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

- (a) The product of the minimum demand multiplied by the demand charge, plus
- (b) The product of the minimum demand multiplied by 400 hours and the energy charge per kWh minus the fuel base per kWh.

DATE OF ISSUE July 24, 2009	DATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer
· 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	d Dall Co. 1 C. 1 CW. 4 Lat.

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00519 Dated <u>July 15, 2009</u>

For All Counties Served P.S.C. No. 34 First Revised Sheet No. 9 Canceling P.S.C. No. 34 Original Sheet No. 9

EAST KENTUCKY POWER COOPERATIVE, INC.

# Section C

# **Availability**

Available to all cooperative associations which are or shall be members of EKPC and which execute EKPC approved contracts with the ultimate consumers. The electric power and energy furnished hereunder shall be separately metered for each point of delivery.

# **Applicability**

Applicable to cooperative associations and ultimate consumers willing to contract for demand of 500 kW or greater and a monthly energy usage equal to or greater than 400 hours per kW of billing demand.

# **Monthly Rate**

Demand Charge per kW of Billing Demand	\$7.19	(I)
Energy Charge per kWh	\$.049378	(I)

DATE OF ISSUE May 27, 2010	DATE EFFECTIVE: Service rendered on and after July 1, 2010
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order of Case No. 2010-00167 Dated	f the Public Service Commission of Kentucky in

For All Counties Served P.S.C. No. 34 Original Sheet No. 10 Canceling P.S.C. No. 33 Original Sheet No. 10

EAST KENTUCKY POWER COOPERATIVE, INC.

# Section C (con't.)

### **Billing Demand**

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

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

Months
October through April
October through April
T: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) 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 400 hours and the energy charge per kWh minus the fuel base per kWh.

DATE OF ISSUE July 24, 2009	DATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order of t Case No. 2008-00519 Dated July	he Public Service Commission of Kentucky in 15, 2009

P.S.C. No. 34 Original Sheet No. 11 Canceling P.S.C. No. 33 Original Sheet No. 11

EAST KENTUCKY POWER COOPERATIVE, INC.

# Section D Interruptible Service

# Standard Rider

This Interruptible Rate is a rider to Rate Sections A, B, C, E, and G.

## **Applicable**

In all territory served by EKPC.

### Availability of Service

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

### **Monthly Rate**

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

# Annual Hours of Interruption

Notice Minutes	<u>200</u>	<u>300</u>	<u>400</u>
10	\$4.20	\$4.90	\$5.60
60	\$3.50	\$4.20	\$4.90

DATE OF ISSUE July 24, 2009 DATE EFFECTIVE: Service rendered on and after August 1, 2009

ISSUED BY \_\_\_\_\_\_\_ TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2009-00409 Dated March 31, 2009

For All Counties Served P.S.C. No. 34 Original Sheet No. 12 Canceling P.S.C. No. 33 Original Sheet No. 12

# EAST KENTUCKY POWER COOPERATIVE, INC.

# Section D (con't.)

# **Determination of Measured Load - Billing Demand**

The billing demand (kilowatt demand) is based on EKPC's system peak demand (coincident peak) which is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

Months October through April

May through September

Hours Applicable for Demand Billing – EST 7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m. 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.

# Conditions of Service for Customer Contract

Case No. 2009-00409 Dated March 31, 2009

- 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 Cooperatives "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.

DATE OF ISSUE July 24, 2009 DATE EFFECTIVE:	Service rendered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order of the Public Service C	Commission of Kentucky in

P.S.C. No. 34 Original Sheet No. 13 Canceling P.S.C. No. 33 Original Sheet No. 13

### EAST KENTUCKY POWER COOPERATIVE, INC.

#### Section D (con't.)

- 5. The Customer shall own, operate, and maintain all necessary equipment for receiving electric energy and all telemetering and communications equipment, within the Customer's premises, required for interruptible service.
- 6. The minimum original contract period shall be <u>one year</u> and thereafter until terminated by giving at least six months previous written notice. The Cooperative may require a contract be executed for a longer initial term when deemed necessary by the size of the load and other conditions.
- 7. The Fuel Adjustment Clause, as specified in the General Wholesale Power Rate Schedule, is applicable.

### Calculation of Monthly Bill

The monthly bill is calculated on the following basis:

- A. Sum of metering point charge and substation 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.

DATE OF ISSUE July 24, 2009 DATE	E EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order of the P Case No. 2009-00409 Dated March 3	ublic Service Commission of Kentucky in

P.S.C. No. 34 Original Sheet No. 14 Canceling P.S.C. No. 33 Original Sheet No. 14

EAST KENTUCKY POWER COOPERATIVE, INC.

# Section D (con't.)

# 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.

DATE OF ISSUE	July 24, 2009	DATE EFFECTIVE: Se	ervice rendered on	and after August 1,	2009
ISSUED BY			TITLE President	& Chief Executive (	<u>Officer</u>

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2009-00409 Dated March 31, 2009

# Section E

# **Availability**

Available to all cooperative associations which are or shall be members of EKPC. The electric power and energy furnished hereunder shall be separately metered for each point of delivery.

# **Applicability**

Applicable to all power usage at the load center not subject to the provisions of Section A, Section B, Section C, or Section G of this tariff.

# Monthly Rate - Per Load Center

A cooperative association may select either Option 1 or Option 2 of this section of the tariff to apply to all load centers. The cooperative association must remain on a selected option for at least one (1) year and may change options, no more often than every twelve (12) months, after giving a minimum notice of two (2) months.

	Option 1		Option 2	
Demand Charge per kW of Billing Demand	\$8.01	(I)	\$6.03	(I)
Energy Charge per kWh				
On-Peak kWh	\$.051633	(I)	\$.059797	(I)
Off-Peak kWh	\$.051053	(I)	\$.051053	(I)

DATE OF ISSUE May 27, 2010 DATE EFFECTIV	E: Service rendered on and after July 1, 2010
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order of the Public Service Commission of Kentucky in	

P.S.C. No. 34 Original Sheet No. 16 Canceling P.S.C. No. 33 Original Sheet No. 16

# EAST KENTUCKY POWER COOPERATIVE, INC.

# Section E (con't.)

On-peak and off-peak hours are provided below:

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

### **Billing Demand**

The billing demand (kilowatt demand) is based on EKPC's system peak demand (coincident peak) which is 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 a.m. to 10:00 p.m.

Billing demand applicable to this section is equal to the load center's contribution to EKPC's system peak demand minus the actual demands of Section A, Section B, and Section C participants coincident with EKPC's system peak demand.

# **Billing Energy**

Billing energy applicable to this section is equal to the total energy provided at the load center minus the actual energy provided to Section A, Section B, and Section C participants.

DATE OF ISSUE <u>July 24, 2009</u> DATE EFFECTIVE	: Service rendered on and after August, 1 2009
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order of the Public Service C	Commission of Kentucky in
Case No. 2008-00519 Dated	

#### Section F

# **Voluntary Interruptible Service**

### **Standard Rider**

This Voluntary Interruptible Service is a rider to Rate Sections A, B, C, E, G and special contracts.

# **Applicable**

In all territory served by EKPC.

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

#### **Availability of Service**

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

#### **Conditions of Service**

- 1. Any request for interruption under this Rider shall be made by EKPC through its Member Cooperative.
- 2. Each interruption will be strictly voluntary. The Member Cooperative may accept or decline the terms of the interruption offered by EKPC.
- 3. No responsibility of any kind shall attach to EKPC for, or on account of, any loss or damage caused by, or resulting from, any interruption or curtailment of this service.
- 4. The Customer shall agree by contract to own, operate, and maintain all necessary equipment for receiving electric energy and all telemetering and communications equipment, within the Customer's premises, required for interruptible service.
- 5. It is the Member Cooperative's responsibility to notify the Customer and execute an

DATE OF ISSUE July 24, 2009 DATE EFFECTIVE:	Service rendered on and after August 1, 2009	
ISSUED BY	TITLE President & Chief Executive Officer	
Issued by authority of an Order of the Public Service Commission of Kentucky in		
Case No Dated		

For All Counties Served P.S.C. No. 34 Original Sheet No. 17.1 Canceling P.S.C. No. 33 Original Sheet No. 17.1

### EAST KENTUCKY POWER COOPERATIVE, INC.

interruption request from EKPC. Therefore, EKPC and the Member Cooperative shall mutually agree upon the manner by which EKPC shall notify the Customer of a request for interruption. Such an agreement shall include the means by which EKPC shall communicate the interruption request (e.g. email, phone, pager, etc.) and the Customer's point of contact to receive such a request.

- 6. EKPC will attempt to provide as much advance notice as possible for requests for interruption. However, upon the Customer's acceptance of the Terms of Interruption the Customer's load shall be interrupted with as little as one (1) hour of advance notification.
- 7. EKPC reserves the right to require verification of a Customer's ability to interrupt its load.
- 8. The Member Cooperative is not eligible for the Interruption Credits for any interruption when the Customer's interruptible load is down for other reasons during the period of the requested interruption. Such down time would include any event outside of the Customer's normal operating circumstances such as planned or unplanned outages due to renovation, repair, vacation, refurbishment, renovation, strike, or force majeure.

# Interruptible Customer Data Report

The Member Cooperative shall furnish to EKPC an Interruptible Customer Data Report for each of its eligible Customers. Such a report shall include such information as:

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

### **Demand and Energy Interruption**

The Customer will agree by contract, within an agreed time after receiving notice, to comply to the extent possible with EKPC's request to interrupt load. EKPC is the sole judge of the need for

DATE OF ISSUE July 24, 2009 DATE EFFECTIVE:	Service rendered on and after August 1, 2009	
ISSUED BY	TITLE President & Chief Executive Officer	
Issued by authority of an Order of the Public Service Commission of Kentucky in		
Case No Dated		

For All Counties Served P.S.C. No. 34 Original Sheet No. 17.2 Canceling P.S.C. No. 33 Original Sheet No. 17.2

### EAST KENTUCKY POWER COOPERATIVE, INC.

interruption of load. EKPC is the sole judge of the amount of interruptible demand provided by the Customer, based on the following calculation:

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

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

### **Terms of Interruption**

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

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

DATE OF ISSUE July 24, 2009 DATE EFFECT	FIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order of the Public Serv Case No Dated	vice Commission of Kentucky in

For All Counties Served P.S.C. No. 34 Original Sheet No. 17.3 Canceling P.S.C. No. 33 Original Sheet No. 17.3

### EAST KENTUCKY POWER COOPERATIVE, INC.

b. The maximum firm demand that the Customer will purchase through the Member Cooperative during the interruption.

# **Interruption Credits**

The interruption credit for each interruption period shall be equal to the interrupted energy MWh times an amount equal to 110% by which the quoted price for each interruption exceeds the Customer's regular tariff rate. The sum of the interruption credits for the billing month will be allocated as follows:

- 1. The Member Cooperative's account with EKPC will be credited in the amount of 10% of the credit to the Customer.
- 2. The interruption credit to the Customer shall be equal to the product of the interrupted energy multiplied by the interruption price for each interruption. This amount will be credited to the Member Cooperative's account with EKPC and passed along to the Customer.

# Failure to Interrupt

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

# Term

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

# **Interruption Implementation Procedure**

Voluntary interruptions will be implemented based on data developed from the Interruptible Customer Data Report. EKPC personnel will match the interruption scenario with the interruptible customers' profiles to determine interruption priority and sequence.

interruptible customers promes to de	eternine interruption priority and sequence.	
DATE OF ISSUE July 24, 2009 DATE	E EFFECTIVE: Service rendered on and after August 1, 2009	
ISSUED BY	TITLE President & Chief Executive Officer	
Issued by authority of an Order of the Public Service Commission of Kentucky in Case No.  Dated		
Case No Dated		

# Section G

#### SPECIAL ELECTRIC CONTRACT RATE

### **Character of Service**

Three-phase 60 Hertz alternating current as specified in the Agreement for Purchased Power.

# **Monthly Rate**

Demand Charge per Billing kW \$7.00 (I)

Energy Charge per ALL kWh \$.047338 (I)

# **Determination of Billing Demand**

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

- (a) The contract demand
- (b) The ultimate consumer's highest demand during the current month or preceding eleven months coincident with EKPC's system peak demand. EKPC's system peak demand is 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:

MonthsHours Applicable for Demand Billing - ESTOctober through April7:00 a.m. to 12:00 noon5:00 p.m. to 10:00 p.m.May through September10:00 a.m. to 10:00 p.m.

DATE OF ISSUE May 27, 2010 DATE EFFECTIVE	: Service rendered on and after July 1, 2010
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order of the Public Service C Case No. 2010-00167 Dated	Commission of Kentucky in

P.S.C. No. 34 Original Sheet No. 19 Canceling P.S.C. No. 33 Original Sheet No. 19

EAST KENTUCKY POWER COOPERATIVE, INC.

# Section G (con't.)

# Minimum Monthly Charge

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

- (a) The metering and substation charge, plus
- (b) The product of the billing demand multiplied by the demand charge, plus
- (c) The result of: (Energy Rate minus EKPC's base fuel component in the Energy Rate) times Billing Demand times 400 hours.

# **Power Factor Adjustment**

Refer to EKPC General Wholesale Power Tariffs Power Factor Adjustment, Original Sheet 4.

# Fuel Adjustment Clause

Refer to EKPC General Wholesale Power Tariffs Fuel Adjustment, Original Sheets 2-4.

DATE OF ISSUE July 24, 2090 DATE EFFECTIVE:	Service rendered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order of the Public Service Co	ommission of Kentucky in
Case No. 2009-00519 Dated July 15, 2009	·
Case 110. 2007-00317 Dated 3417 13, 2007	

### Section H

# Wholesale Renewable Resource Power Service

# Standard Rider

This Renewable Resource Power Service is a rider to Rate Sections A, B, C, and E. The purpose of this service is to provide Member Systems with a source of renewable resource generated power for resale to their Customers.

# **Applicable**

In all territory served by EKPC.

# **Availability of Service**

This service is contingent upon the available supply of energy generated from renewable resources which EKPC owns or controls, or such energy which EKPC has purchased from other wholesale suppliers.

This schedule shall be made available at any load center to any member cooperative where a retail "Customer" contracts for renewable resource power service in the following block amounts:

#### 100 kWh

AND where retail "Customer" has contracted with the Member Cooperative Association to do so under a retail contract rider.

# **Eligibility**

Any EKPC Member Cooperative Association that has completed and returned a "Pledge to Purchase Renewable Resource Power Service" application to EKPC will be eligible for this rider. This form will indicate the number of blocks that the Member Cooperative Association intends to purchase monthly as a firm purchase power commitment for a period of one year. All such Member Cooperative Associations will have executed an Agreement for the sale of renewable resource power with a retail consumer.

DATE OF ISSUE Jul	y 24, 2009 DATE EFFECTIVE:	Service rendered on and after August 1, 2009
ISSUED BY		TITLE President & Chief Executive Officer
Issued by authority of	an Order of the Public Service Co	ommission of Kentucky in
Case No.	Dated	

P.S.C. No. 34 Original Sheet No. 21 Canceling P.S.C. No. 33 Original Sheet No. 21

# EAST KENTUCKY POWER COOPERATIVE, INC.

# Section H (con't.)

# **Monthly Rate**

The monthly rate for this service will be a renewable power premium, i.e. added charge, for all rer power purchased by the participating Member Cooperative Association. The renewable rate premium per block is as follows:

100 kWh block

\$2.375

per block (\$0.02375 per kWh)

This power can be purchased only in the blocks and amounts listed above. These rates are in addition to the regular wholesale rate applicable to the Member Cooperative Association.

# Billing and Minimum Charge:

Blocks of power sold under this tariff shall constitute the minimum amount of energy in kWh that the Member Cooperative Association may be billed for during a normal billing period.

#### **Terms of Service and Payment:**

This schedule shall be subject to all other terms of service and payment of the wholesale power tariff.

### Fuel Adjustment Clause:

The fuel adjustment clause is not applicable to renewable resource power.

### **Special Terms:**

When Member Cooperative Associations' contract for this type of power service, said Member Cooperative Associations will pay for all such power at the rates prescribed in this tariff for the complete contract period.

DATE OF ISSUE	July 24, 2009 DA	ATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY		TITLE President & Chief Executive Officer
Issued by authority	y of an Order of th	e Public Service Commission of Kentucky in
Case No.	Dated	

### Section DSM - 1

#### Touchstone Energy Manufactured Home Program

#### **Purpose**

The Touchstone Energy Manufactured Home Program is a conservation program that encourages the sale of more energy-efficient manufactured homes. It is based on the *Energy Star* standards for manufactured homes, a nationally recognized symbol of energy efficiency and quality developed and operated jointly by the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy (DOE).

#### **Availability**

This program is available in all service territory served by EKPC.

CASE NO. 2009-00249 DATED: November 6, 2009

#### **Eligibility**

To qualify as a Touchstone Energy Manufactured Home under EKPC's program, the participating manufactured home must be located in the service territory of a participating Member System and meet the *Energy Star* standards by including additional floor, wall and ceiling insulation, double pane windows and an electric heat pump.

#### Rebate

EKPC will provide an incentive for retail customers of our Member Systems to participate in this program by offering a one-time rebate. EKPC will rebate \$250 per certified manufactured home to the participating Member System. Rebates will be paid to the participating Member Systems upon written certification that the retail participant has met the *Energy Star* standards for newly constructed manufactured homes.

For customers who purchase a manufactured home which only includes a heat pump meeting Energy Star standards, EKPC will rebate \$150. For customers with inefficient electric heating systems, EKPC will rebate \$150 for replacing their existing furnace with a heat pump that meets minimum Energy Star Standards.

#### **Annual Reports**

EKPC will submit annual reports on the Program that contain the number of participants from each Member System, the annual costs, including the costs of the rebates, and the status of the rebate provision. EKPC will file the first report by March 31, 2004, and annually thereafter.

#### Term

The Touchstone Energy Manufactured Home Program will remain in effect through the end of 2011. If EKPC should decide to continue the entire program beyond 2011, an application for approval from the Kentucky Public Service Commission will be filed 6 months prior to the date of continuation.

DATE OF ISSUE	November 16, 2009 DATE EFFECTIVE: Service rendered on and after January 1, 2010	
ISSUED BY	TITLE President & Chief Executive Officer	
Issued by authority of an Order of the Public Service Commission of Kentucky in		

For All Counties Served P.S.C. No. 33 First Revised Sheet No. 23 Canceling PSC No. 33 Original Sheet No. 23

### EAST KENTUCKY POWER COOPERATIVE, INC.

#### Section DSM - 2

#### **Touchstone Energy Home Program**

#### Purpose

The Touchstone Energy Home Program is a conservation program that encourages the sale of more energy-efficient homes. It is based on *Energy Star* standards for homes, a nationally recognized symbol of energy efficiency and quality developed and operated jointly by the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy (DOE).

#### Availability

This program is available in all service territory served by EKPC.

#### **Eligibility**

To qualify as a Touchstone Energy Home under EKPC's program, the participating home must be located in the service territory of a participating Member System and meet the *Energy Star* standards by including additional floor, wall and ceiling insulation, double pane windows and an electric heat pump.

#### Rebate

EKPC and its Member Systems will provide an incentive to retail customers to build or purchase a Touchstone Energy home. Member System Cooperatives may elect to offer a rebate of up to \$250 for each participant. EKPC will match the rebate offered by the member system cooperative up to a maximum of \$250, resulting in a maximum rebate of \$500 for each participant. Rebates will be paid to each participant upon written certification that the newly constructed home has met the *Energy Star* standards.

#### **Annual Reports**

EKPC will submit annual reports on the Program that contain the number of participants from each Member System, the annual costs, including the costs of the rebates, and the status of the rebate provision. EKPC will file the first report by June 30, 2005, and annually thereafter.

#### **Term**

The Touchstone Energy Home Program will remain in effect through 2011. If EKPC should decide to continue the entire program beyond 2011, an application for approval from the Kentucky Public Service Commission will be filed 6 months prior to the date of continuation.

DATE OF ISSUE Novem	ber 16, 2009 DATE EFFECTIVE: Service rendered on and after January 1, 2010
ISSUED BY	TITLE President & Chief Executive Officer
Januard has authority of an Or	don of the Duklic Commission of Kontucky in

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2009-00250 Dated November 6, 2009

### RATE ES -- ENVIRONMENTAL SURCHARGE

### **APPLICABILITY**

Applicable to all sections of this rate schedule and this rate schedule shall apply to each Member System.

### **AVAILABILITY**

This rate schedule shall apply to EKPC rate sections A, B, C, E, and G and all special contracts with rates subject to adjustment upon the approval of the Commission.

#### RATE

The Environmental Surcharge shall provide for monthly adjustments based on a percent of revenues equal to the difference between the environmental compliance costs in the base period and in the current period based on the following formula:

$$CESF = E(m) / R(m)$$

MESF = CESF - BESF

MESF = Monthly Environmental Surcharge Factor

CESF = Current Environmental Surcharge Factor

BESF = Base Environmental Surcharge Factor of 0%

where E(m) is the total of each approved environmental compliance plan revenue requirement of environmental costs for the current expense month and R(m) is the revenue for the current expense month as expressed below.

#### **Definitions**

(1) E(m) = [(RB/12)(RORB) + OE - BAS + (Over)Under Recovery

where:

- (a) RB is the Environmental Compliance Rate Base, defined as electric plant in service for applicable environmental projects adjusted for accumulated depreciation, CWIP, cash working capital, spare parts and limestone inventory, emission allowance inventory;
- (b) RORB is the Rate of Return on the Environmental Compliance Rate Base, designated as the average cost of debt for environmental compliance plan projects approved by the Commission plus application of a times-interest-earned ratio of 1.35;

DATE OF ISSUE F	ebruary 3, 2010	DATE EFFECTIVE: January 28, 2010
ISSUED BY		TITLE President & Chief Executive Officer
Issued by authority of Case No. 2009-00317		lic Service Commission of Kentucky in 2010

For All Counties Served P.S.C. No. 34 First Revised Sheet No. 25 Canceling P.S.C. No. 34 Original Sheet No. 25

# EAST KENTUCKY POWER COOPERATIVE, INC

- (c) OE is the Monthly Pollution Control Operating Expenses, defined as the average of the twelve month operating and maintenance expense; depreciation expense, property taxes, insurance expense, emission allowance expense, and consulting fees.;
- (d) BAS is the net proceeds from By-Products and Emission Allowance Sales, and;
- (e) (Over) or Under recovery amount resulting from the amortization of amounts determined by the Commission during six-month and two-year reviews and the two-month "true-up" adjustment.
- (2) Total E(m) is multiplied by the Member System Allocation Ratio to arrive at Net E(m). The Member System Allocation Ratio is based on the ratio of the 12-month total revenue from sales to Member Systems to which the Surcharge will be applied, ending with the current expense month, divided by the 12-month total revenue from sales to Member Systems and off-system sales.
- (3) The revenue R(m) is the average monthly revenue, including base revenues and automatic adjustment clause revenues less Environmental Cost Recovery Surcharge revenues, for EKPC for the twelve months ending with the current expense month.
- (4) The current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.

DATE OF ISSUE February 3, 2010	DATE EFFECTIVE: January 28, 2010
ISSUED BY	TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. <u>2009-00317</u> Dated <u>January 28, 2010</u>

P.S.C. No. 34
Original Sheet No. 26
Canceling PSC No. 33
Original Sheet No. 26

# EAST KENTUCKY POWER COOPERATIVE, INC.

### Section DSM -3(a)

### Direct Load Control Program - Residential

### Purpose

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling the Company to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

#### **Availability**

The Direct Load Control Program is available to residential customers in the service territories of East Kentucky Power Cooperative, Inc.'s ("EKPC") Member Systems and will include the control of water heaters, air conditioners and heat pumps, and pool pumps.

Availability may be denied where, in the judgment of the Member System, installation of the load control equipment is impractical.

#### Eligibility

To qualify for this Program, the participant must be located in the service territory of a participating Member System and have:

- 40-gallon (minimum) electric water heating units, and/or
- Central air conditioning or heat pump units, and/or
- Pool pumps.

The above appliances may be electrically cycled or interrupted in accordance with the rules of this Tariff.

The participant may either own or rent the residence where the qualifying appliances are located. The residence may be either a single-family structure or a multi-family apartment facility.

The participant is responsible for obtaining the permission of the owner of the rented residence to participate in the load control program. The Member System may require that a rental property agreement be executed between the Member System and the owner of the rented residence.

DATE OF ISSUE June 30, 2009	DATE EFFECTIVE:	Service rendered on and after August 1, 2009
ISSUED BY		TITLE President & Chief Executive Officer
Issued by authority of an Order of	the Public Service Cor	nmission of Kentucky in
Case No Dated		

### **Program Incentives**

EKPC and participating Member Systems will provide an incentive to the participants in this program for the following appliances.

<u>Water Heaters.</u> EKPC will reimburse the participating Member System \$10.00 per water heater annually. The participating Member System, in turn, will credit the residential power bill of the participant \$10.00 per water heater per year. The participant will receive this credit regardless of whether the water heater is actually controlled.

Air Conditioners and Heat Pumps. EKPC and participating Member Systems will provide an incentive to the participants in this program. The participant may select one of two alternatives. The participant will receive one of these incentives regardless of whether the air conditioner or heat pump is actually controlled during any program month.

Alternative One. EKPC will reimburse the participating Member System \$20.00 annually per air conditioner or heat pump (\$5 per summer months, June, July, August, and September). The participating Member System will, in turn, credit the residential power bill of the participant \$20.00 per air conditioner (\$5 per summer months, June, July, August, and September).

<u>Alternative Two</u>. EKPC will provide and install at no cost one or more digital thermostats as needed for control purposes.

After the initial selection of one of the alternatives, the participant may change to the other alternative subject to the following conditions:

- From bill credits to digital thermostats The change in alternative will be permitted in any month except for the summer months of June through September. In addition, the participant will pay 50 percent of the installed cost of each digital thermostat.
- From digital thermostats to bill credits The change in alternative will be permitted in any month except for the summer months of June through September. In addition, the participant will either reimburse EKPC, through the Member System, an amount equal to 50 percent of the original installed cost of each digital thermostat that was initially installed if the participant keeps the thermostat or pay 50 percent of the cost to remove each digital thermostat that was initially installed.
- Only one change in incentive alternatives will be permitted during a 12 month period.

DATE OF ISSUE June 30, 2009 I	DATE EFFECTIVE:	Service rendered on and after August 1, 2009
ISSUED BY		TITLE President & Chief Executive Officer
Issued by authority of an Order of the Case No Dated	he Public Service Cor	mmission of Kentucky in

<u>Pool Pumps.</u> EKPC will reimburse the participating Member System \$10.00 per pool pump annually. The participating Member System, in turn, will credit the residential power bill of the participant \$10.00 per pool pump per year. The participant will receive this credit regardless of whether the pool pump is actually controlled.

When the qualifying appliances are located in rental residences, program incentives will be paid to the participant, regardless of whether the participant owns or rents the residence where the qualifying appliances are located. Nothing contained in this Tariff will prohibit a further disposition of the program incentive between the participant and the owner of a rented residence.

# **Time Periods for Direct Load Control Program**

<u>Water Heaters.</u> A load control switch will be placed on the water heater and may be electrically interrupted for a maximum time period of four hours.

EKPC will cycle the water heaters only during the hours listed below.

Months
October through April

May through September

Months
Hours Applicable for Demand Billing - EST
6:00 a.m. to 12:00 noon
4:00 p.m. to 10:00 p.m.
10:00 a.m. to 10:00 p.m.

<u>Air Conditioners and Heat Pumps.</u> A load control device (switch or thermostat) will be placed on each central air conditioning unit or heat pump that will allow the operating characteristics of the unit to be modified to reduce demand on the system. Communication to the load control device will be accomplished via AMR, AMI, or paging equipment.

EKPC will control the air conditioning units and heat pumps only during its summer on-peak billing hours listed below.

Months Hours Applicable for Demand Billing - EST

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

<u>Pool Pumps.</u> A load control switch will be placed on the pool pump and may be controlled for a four hour curtailment during on peak days May through September. In addition, there may be a 50 percent cycling for the ensuing 2 hour recovery period to prevent creating a new peak.

DATE OF ISSUE June 30, 2009	DATE EFFECTIVE:	Service rendered on and after August 1, 2009
ISSUED BY		TITLE President & Chief Executive Officer
Issued by authority of an Order of	the Public Service Co	nmission of Kentucky in
Case No Dated		

#### **Terms and Conditions**

- 1. Prior to the installation of load control devices, the Member Systems may inspect the participant's electrical equipment to insure good repair and working condition, but the Member Systems shall not be responsible for the repair or maintenance of the electrical equipment.
- 2. EKPC, on behalf of the Member Systems, will install, own, and maintain the load management devices controlling the participant's air conditioner, heat pump, or water heater. The participant must allow the Member System, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of the Member System to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at the Member System's option, result in discontinuance of credits under this tariff until such time as the Member System is able to gain the required access.
- 3. Participants in the Pilot program from Big Sandy RECC and Blue Grass Energy will have the opportunity to participate in this program. Equipment already installed on the premises may be used as part of this program.
- 4. Participants may join the program at any time during the year. Participants with water heaters and/or pool pumps will receive the first annual incentive within 12 months after the installation of the load control device. Participants with air conditioning or heat pump units who join during the months of June through September can select an incentive alternative as described in this Tariff. If the bill credit incentive is selected, bill credits will not begin until after the installation of the load control device and continue for the months remaining in the June to September time period for that year.
- 5. If a participant decides to withdraw from the program or change incentive alternatives, the Member Systems will endeavor to implement the change as soon as possible.
- 6. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of 6 months. Returning participants for air conditioning and heat pump units will be required to initially select the bill credit alternative, but may change alternatives later as described in this Tariff.

DATE OF ISSUE June 30, 2009	DATE EFFECTIVE:	Service rendered on and after August 1, 2009
ISSUED BY		TITLE President & Chief Executive Officer
Issued by authority of an Order of Case No. Dated	the Public Service Cor	nmission of Kentucky in
Case No Dated		

#### Section DSM -3(b)

# <u>Direct Load Control Program - Commercial</u>

#### **Purpose**

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling the Company to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

#### **Availability**

The Direct Load Control Program is available to commercial customers in the service territories of EKPC's Member Systems and will include the control of air conditioners and water heaters.

Availability may be denied where, in the judgment of the Member System, installation of the load control equipment is impractical.

### **Eligibility**

To qualify for this Program, the participant must be located in the service territory of a participating Member System and have a central air conditioning unit and/or a 40-gallon (minimum) electric water heating unit. The appliance may be electrically cycled or interrupted in accordance with the rules of this Tariff.

The participant is responsible for obtaining the permission of the commercial property owner to participate in the load control program. The Member System may require that a rental property agreement be executed between the Member System and the owner of the rented commercial property.

#### **Program Incentives**

EKPC and participating Member Systems will provide an incentive to the participants in this program for the following appliances.

DATE OF ISSUE June 30, 2009	DATE EFFECTIVE:	Service rendered on and after August 1, 2009
ISSUED BY		TITLE President & Chief Executive Officer
Issued by authority of an Order of Case No.  Dated	the Public Service Co	mmission of Kentucky in

<u>Air Conditioners.</u> The incentive will be based on the tonnage of the air conditioning unit. Units up to and including five tons will receive a monthly credit of \$5.00 per unit. Units over five tons will receive an additional monthly credit of \$1.00 per ton per unit. EKPC will reimburse the participating Member System at the applicable incentive credit during the months of June through September. The participating Member System will, in turn, credit the commercial power bill of the participant at the applicable incentive credit during the months of June through September. The participant will receive the incentive regardless of whether the air conditioner is actually controlled during any program month.

<u>Water Heaters.</u> EKPC will reimburse the participating Member System \$10.00 per water heater annually. The participating Member System, in turn, will credit the commercial power bill of the participant \$10.00 per water heater per year. The participant will receive this credit regardless of whether the water heater is actually controlled.

# **Time Period for Direct Load Control Program**

<u>Air Conditioners.</u> A load control device will be placed on each central air conditioning unit that will allow the operating characteristics of the unit to be modified to reduce demand on the system. Communication to the load control device will be accomplished via AMR, AMI, or paging equipment.

EKPC will control the air conditioning units only during its summer on-peak billing hours listed below:

Months
May through September

Hours Applicable for Demand Billing - EST 10:00 a.m. to 10:00 p.m.

<u>Water Heaters.</u> A load control switch will be placed on the water heater and may be electrically interrupted for a maximum time period of four hours.

EKPC will cycle the water heaters only during the hours listed below.

Months
October through April
October through April
Apr

DATE OF ISSUE June 30, 2009 DATE EFFECTIVE	E: Service rendered on and after August 1, 2009
ICCLIED DV	TITIE President & Chief Executive Officer
1920ED D I	TITLE TESIGENT & CITE EXCENTIVE OTHER
	o
Issued by authority of an Order of the Public Service C	Commission of Kentucky in
Case No. Dated	
ISSUED BY  Issued by authority of an Order of the Public Service Cose No	TITLE President & Chief Executive Officer Commission of Kentucky in

#### **Terms and Conditions**

- 1. Prior to the installation of load control devices, the Member Systems may inspect the participant's electrical equipment to insure good repair and working condition, but the Member Systems shall not be responsible for the repair or maintenance of the electrical equipment.
- 2. EKPC, on behalf of the Member Systems, will install, own, and maintain the load management devices controlling the participant's air conditioner unit or water heater. The participant must allow the Member System, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of the Member System to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at the Member System's option, result in discontinuance of credits under this tariff until such time as the Member System is able to gain the required access.
- 3. Participants may join the program at any time during the year. Participants with air conditioning who join during the months of June through September will receive bill credits beginning after the installation of the load control device and continuing for the months remaining in the June to September time period for that year. Participants with water heaters will receive the first annual incentive within 12 months after the installation of the load control device.
- 4. If a participant decides to withdraw from the program, the Member Systems will endeavor to implement the withdrawal as soon as possible. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of 6 months.

DATE OF ISSUE June 30, 2009	DATE EFFECTIVE:	Service rendered on and after August 1, 2009
ISSUED BY		TITLE President & Chief Executive Officer
Issued by authority of an Order of Case No Dated	the Public Service Co	nmission of Kentucky in

For All Counties Served P.S.C. No. 34 Original Sheet No. 27 Canceling PSC No. 33 Original Sheet No. 27

EAST KENTUCKY POWER COOPERATIVE, INC.

[SHEET CANCELLED]
[RESERVED FOR FUTURE USE]

DATE OF ISSUE June 30, 2009	DATE EFFECTIVE:	Service rendered on and after August 1, 2009
ISSUED BY		TITLE President & Chief Executive Officer
Issued by authority of an Order of Case No Dated	The Public Service Con	nmission of Kentucky in

For All Counties Served P.S.C. No. 34 Original Sheet No. 28 Canceling PSC No. 33 Original Sheet No. 28

EAST KENTUCKY POWER COOPERATIVE, INC.

[SHEET CANCELLED]
[RESERVED FOR FUTURE USE]

DATE OF ISSUE June 30, 2009	DATE EFFECTIVE:	Service rendered on and after August 1, 2009
ISSUED BY		TITLE President & Chief Executive Officer
Issued by authority of an Order of Case No. Dated	the Public Service Con	mmission of Kentucky in

PAGE – 1 INVOICE DATE:		ADJUSTMENT SURCHARGE CHARGES				OUE
EAST KENTUCKY POWER COOPERATIVE P.O. BOX 707 WINCHESTER, KENTUCKY 40391 WHOLESALE POWER INVOICE SUBSTATION DETAIL CHARGES MONTH, 20XX	VOICE	SUBSTATION	TOTAL AMOUNT DUE			TOTAL AMOUNT E
	WER INY TAIL CH. I, 20XX	METERING POINT				Ħ.
	BILLING BILLING DEMAND ENERGY DEMAND KWH CHARGE CHARGE				DUE IN USABLE FUNDS BY THE 21 <sup>ST</sup> OF THE MONTH.	
		TES	<del>ć</del>			N USABLE F
		RATE B SUBSTATION SCH 1	CO-OP TOTALS	GREEN POWER		** NORMALLY DUE II
		03				
DATE	OF ISSUE	July 24, 200	9 DATE	EFFECTI	VE:	E: Service rendered on and after August 1, 2009
ISSUE	D BY			Section 1		TITLE President & Chief Executive Officer
Issued Case N		y of an Order Dated	of the Pub	olic Servic	e Co	Commission of Kentucky in

Case No. \_\_\_\_\_ Dated \_\_\_\_\_

PAGE – 2 INVOICE DATE:		ADDER SURCHARGE CHARGES		rdue
PERATIVE IUCKY 40391	/OICE ARGES	CHARGE ADI		CO-OP AMOUNT DUE
EAST KENTUCKY POWER COOPERATIVE P.O. BOX 707 WINCHESTER, KENTUCKY 40391	WHOLESALE POWER INVOICE SUBSTATION DETAIL CHARGES MONTH, 20XX	RATE BILLING BILLING DEMAND ENERGY DUMPENERGY EXCESS ENERGY ENERGY SCH NOTES DEMAND KWH CHARGE CHARGE CREDIT CHARGE ADDER	rs	DUE IN USABLE FUNDS BY THE 21 <sup>ST</sup> OF THE MONTH
DATE OF	z igolie	NOIL 24 2000	CO-OP TOTALS	NORMALLY Sources and after August 1, 2000
ISSUED I			9 DATE EFFECTIVE	Service rendered on and after August 1, 2009  TITLE President & Chief Executive Officer
				ommission of Kentucky in

<i>J1</i> 10 1 11.		<u>UIL I</u>	10,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
PAGE - 3 INVOICE DATE:	EKPC INTERRUPT HOURS: FAC: XXX SURCHARGE: XXX		TOTAL SURCHARGE CHARGES	UNT DUE
4TIVE <y 40391<="" td=""><td></td><td></td><td>FUEL</td><td>CO-OP AMOUNT DUE</td></y>			FUEL	CO-OP AMOUNT DUE
ir cooper 3, kentuck	WHOLESALE POWER INVOICE CO-OP TOTAL CHARGES	0XX	LOAD	
CKY POWE	HOLESALE POWER INVO CO-OP TOTAL CHARGES	MONTH, 20XX	ENERGY	MONTH
EAST KENTUCKY POWER COOPERATIVE P.O. BOX 707 WINCHESTER, KENTUCKY 40391	O-OO CO-O		V Energy KWH XX,XXX,XXX XX,XXX,XXX XX,XXX,XXX	CO-OP TOTALS NORMALLY DUE IN USABLE FUNDS BY THE 21 <sup>ST</sup> OF THE MONTH
			Off-Peak KW XXX,XXX XXX,XXX XX,XXX	LE FUNDS BY
OWEN-GALLATIN (T)			On-Peak KW XXX,XXX XXX,XXX XX,XXX	LS DUE IN USAE
OWEN-GA			M1 – 345 kV M2 – 345 kV M4 – 138 kV	CO-OP TOTALS

DATE OF ISSUE July 24, 2009	DATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Orde Case No Dated	er of the Public Service Commission of Kentucky in

KW-SCH. A \$X.XX EAST KENTUCKY POWER COOPERATIVE, INC. PAGE -4  KW-SCH. B CONTRACT \$X.XX STATISTICS FOR THE MONTH OF KWH-SCH. B&C \$X.XXXXXX KW-SCH. C SX.XX SXXXXX KW-SCH. E SX.XX SXXX KW-SCH. E \$X.XX SXXX KW-SCH. E \$X.XXX SXXX KW-SCH. E \$X.XXXX KW-SCH. E \$X.XXXX KW-SCH. E \$X.XXX SXXXX KW-SCH. E \$X.XXXX KW-SCH. E \$X.XXXXX KW-SCH. E \$X.XXXXX KW-SCH. E \$X.XXXX XXXX KW-SCH. E \$X.XXXXX XXXX KW-SCH. E \$X.XXXXX XXXX KW-SCH. E \$X.XXXX XXXX XXXX XXXX XXXX XXXX XXX	KW	SUBSTATION KVA CONSTANT RATE NON-CP BILLING CP TOD NON-CP CONTRACT BILLLING ACTUAL MINIMUM RATING KW / KWH SCH P.F. DEMAND DEMAND DEMAND DEMAND DEMAND CONTRACT BILLLING ACTUAL MINIMUM CONTRACT BILLING ACTUAL MINIMUM CONTRA	SCHEDULE A STATISTIC TOTALS SCHEDULE B STATISTIC TOTALS SCHEDULE C STATISTIC TOTALS (INCLUDES SCHEDULE G) SCHEDULE E STATISTIC TOTALS ON-PEAK SCHEDULE E STATISTIC TOTALS OFF-PEAK	GRAND TOTALS
				vice rendered on and after August 1, 2009
ISSUED BYTITLE President & Chief Executive Officer  Issued by authority of an Order of the Public Service Commission of Kentucky in				
Case No Dated				

For All Counties Served P.S.C. No. 34 Original Sheet No. 33 Canceling PSC No. 33 Original Sheet No. 33

EAST KENTUCKY POWER COOPERATIVE, INC.

P.O. BOX 707, WINCHESTER, KENTUCKY 40391 EAST KENTUCKY POWER COOPERATIVE

STEAM INVOICE INLAND CONTAINER STATISTICS

BILLING ENERGY/MMBTU DEMAND/MMBTU DATE BILLING DEMAND/MMBTU

AVERAGE HEAT RATE

DATE OF ISSUE July 24, 2009 DATE EFFECT	TVE: Service relidered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order of the Public Service	ce Commission of Kentucky in
Case No Dated	

\$XXX.XXX \$X.XXX \$X.XXX \$XXX.XXX \$.XXXX \$.XXXX		T OTAL CHARGE
DEMAND/MMBTU \$XXX.XXX ENERGY/MMBTU \$X.XXX FUEL ADJ./MMBTU \$X.XXX MINIMUM BILL \$XXX,XXX FUEL ADJ./KWH \$.XXX,XXX SURCHARGE \$.XXXX		SURCHARGE
	3ES	FUEL ADJUSTMENT
OPERATIVE NTUCKY 40;	ICE FAIL CHARG	ENERGY
POWER CO	STEAM INVOICE NTAINER DETAII DATE	DEMAND
EAST KENTUCKY POWER COOPERATIVE P.O. BOX 707, WINCHESTER, KENTUCKY 40391	STEAM INVOICE INLAND CONTAINER DETAIL CHARGES DATE	BILLING ENERGY/MMBTU
		BLLING DEMAND/MMBTU
CC ucky 410		BI DEMAN
ason REo rr 328 ırg, Kent		BILL NOTES
Fleming Mason RECC P.O. Drawer 328 Flemingsburg, Kentucky 41041		STEAM ADJ. BILL FACTOR NOTE

NORMALLY DUE IN USABLE FUNDS BY THE  $21^{\rm ST}$  OF THE MONTH.

DATE OF ISSUE July 24, 2009 DATE EFFECTIVE: Service rendered on and after August 1, 2009

ISSUED BY \_\_\_\_\_\_ TITLE President & Chief Executive Officer

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

P.S.C. No. 34 Original Sheet No. 35 Canceling PSC No. 33 Original Sheet No. 35

#### EAST KENTUCKY POWER COOPERATIVE, INC.

#### **EKPC Emergency Electric Procedures**

EKPC's Emergency Electric Procedures are based on the following NERC Emergency Operations Standards:

- EOP-001 Emergency Operations Planning
- EOP-002 Capacity and Energy Emergencies
- EOP-003 Load Shedding Plans
- EOP-005 System Restoration Plans

#### **Definitions**

Transmission Operator (and Balancing Authority) - EKPC Reliability Coordinator - TVA Regional Reliability Organization - SERC

#### Overview

The Balancing Authority and the Reliability Coordinator have the responsibility and clear decision-making authority to take whatever actions are needed to ensure the reliability of its respective area and to exercise specific authority to alleviate capacity and energy emergencies. The Balancing Authority will implement its capacity and energy emergency plan, when required and as appropriate, to reduce risks to the interconnected system. The Balancing Authority experiencing an operating capacity or energy emergency will communicate its current and future system conditions to the Reliability Coordinator and neighboring Balancing Authorities.

When the Balancing Authority anticipates an operating capacity or energy emergency it will perform all actions necessary including bringing on all available generation, postponing equipment maintenance, scheduling interchange purchases in advance, and being prepared to reduce firm load. If the Balancing Authority is deficient it will only use the assistance provided by the Interconnection's frequency bias for the time needed to implement corrective actions.

The Balancing Authority will not unilaterally adjust generation in an attempt to return Interconnection frequency to normal beyond that supplied through frequency bias action and Interchange Schedule changes. Such unilateral adjustment may overload transmission facilities. If the Balancing Authority cannot comply with the Control Performance and Disturbance Control Standards, then it will immediately implement remedies to do so.

DATE OF ISSUE July 24, 20	09 DATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE: President & Chief Executive Officer
Issued by authority of an Or Case No. Date	der of the Public Service Commission of Kentucky in

For All Counties Served P.S.C. No. 34 Original Sheet No. 36 Canceling PSC No. 33 Original Sheet No. 36

#### EAST KENTUCKY POWER COOPERATIVE, INC.

The Reliability Coordinator will act to mitigate the emergency condition, including a request for emergency assistance if required.

#### Measures

The Transmission Operator (and Balancing Authority) has emergency plans and self-assessments available for review by the Regional Reliability Organization. The Regional Reliability Organization reviews and evaluates emergency plans every three years to ensure that the plans are complete and may elect to request self-certification of the Transmission Operator and Balancing Authority in years that the full review is not done.

Each Reliability Coordinator and Balancing Authority has and provides upon request evidence that includes job descriptions, signed agreements, authority letter signed by an appropriate officer of the company, or other equivalent evidence that confirms that it meets NERC requirements.

If the Reliability Coordinator or Balancing Authority implements its Capacity and Energy Emergency plan, that entity has and provides upon request evidence that includes operator logs, voice recordings or transcripts of voice recordings, electronic communications, computer printouts or other equivalent evidence that will be used to determine if the actions it took to relieve emergency conditions were in conformance with its Capacity and Energy Emergency Plan.

#### **Insufficient Generating Capacity**

The steps for mitigation of operating emergencies for insufficient generating capacity are:

- 1. Load all available generating capacity
- 2. Deploy all available operating reserve
- 3. Interrupt interruptible load and exports
- 4. Request emergency assistance from other Balancing Authorities
- 5. Declare an Energy Emergency through the Reliability Coordinator
- 6. Reduce load through procedures such as public appeals, voltage reductions, or curtailment of interruptible loads and firm loads

DATE OF ISSUE July 24, 2009 DA	TE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE: President & Chief Executive Officer
Issued by authority of an Order of the Case No Dated	e Public Service Commission of Kentucky in

P.S.C. No. 34 Original Sheet No. 37 Canceling PSC No. 33 Original Sheet No. 37

#### EAST KENTUCKY POWER COOPERATIVE, INC.

Once the Balancing Authority has exhausted these steps or if these steps cannot be completed in sufficient time to resolve the emergency condition, the Balancing Authority shall:

- 1. Manually shed firm load without delay to return its ACE to zero
- 2. Request the Reliability Coordinator to declare an Energy Emergency Alert

All Emergency Electric Procedures consider:

- 1. Communication protocol
- 2. Controlling actions
- 3. Coordination with adjacent Transmission Operators and Balancing Authorities
- 4. Staffing levels

Elements addressed in Insufficient Generating Capacity Emergency Electric Procedures are:

- 1. Fuel supply and inventory recognition of reasonable delays or problems in the delivery or production of fuel
- 2. Fuel switching for units for which fuel supply shortages may occur
- 3. Environmental constraints seek removal of environmental constraints for generating units
- 4. System energy use reduction of the system's own energy use
- 5. Public appeals through all media for voluntary load reductions and energy conservation
- 6. Load management implementation of load management and voltage reductions
- 7. Optimize fuel supply operation of generating sources to optimize the availability
- 8. Appeals to customers to use alternate fuels appeals to large industrial and commercial customers to reduce non-essential energy use and maximize the use of customer-owned generation that rely on fuels other than the one in short supply
- 9. Interruptible loads interrupt customer load to reduce capacity requirements or to conserve the fuel in short supply
- 10. Maximizing generator output and availability operation of all generating sources to maximize output and availability
- 11. Notification of IPPs cogeneration and other power producers, to maximize output and availability
- 12. Requests of government to implement programs to achieve energy reductions
- 13. Load curtailment mandatory load curtailment plan to use as a last resort
- 14. Notification of government agencies as the various steps of the emergency plan are implemented

DATE OF ISSUE July 24, 2009 DATE E	EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE: President & Chief Executive Officer
Issued by authority of an Order of the Pub Case No Dated	olic Service Commission of Kentucky in

15. Notifications to operating entities - as steps in emergency plan are implemented

#### **Transmission System Operating Emergencies**

The Transmission Operator (and Balancing Authority) develops, maintains, and implements a set of plans to mitigate operating emergencies. These plans are coordinated with other Transmission Operators, Balancing Authorities, and the Reliability Coordinator. Balancing Authorities have operating agreements with adjacent and remote Balancing Authorities that contain provisions for emergency assistance.

The Transmission Operator has an emergency load reduction plan for all identified Interconnection Reliability Operating Limits (IROLs). The plan includes the details on how the Transmission Operator will implement load reduction in sufficient amount and time to mitigate the IROL violation before system separation or collapse occurs. The Transmission Operator and Balancing Authority emergency plans include:

- 1. Communications protocols to be used during emergencies
- 2. A list of controlling actions to resolve the emergency
- 3. Load reduction, in sufficient quantity and within established timelines
- 4. Tasks to be coordinated with and among adjacent Transmission Operators and Balancing Authorities
- 5. Staffing levels for the emergency

The Transmission Operator (and Balancing Authority) annually reviews and updates each emergency plan and provides a copy of its updated emergency plans to the Reliability Coordinator and to neighboring Transmission Operators and Balancing Authorities.

The Transmission Operator (and Balancing Authority) coordinates its emergency plans with other Transmission Operators and Balancing Authorities as appropriate. This coordination includes the following steps:

- 1. Establish and maintain reliable communications between interconnected systems
- 2. Arrange new interchange agreements to provide for emergency capacity or energy transfers if existing agreements cannot be used
- 3. Coordinate transmission and generator maintenance schedules to maximize capacity or conserve the fuel in short supply
- 4. Arrange deliveries of electrical energy or fuel from remote systems through normal operating channels

DATE OF ISSUE July	24, 2009 DATE EFFECTIVE: Service rendered on and after August 1, 200	19
ISSUED BY	TITLE: President & Chief Executive Officer	
Issued by authority of a Case No.	an Order of the Public Service Commission of Kentucky in Dated	

#### Load shedding

After taking all other remedial steps, the Transmission Operator and Balancing Authority, operating with insufficient generation or transmission capacity, will shed customer load rather than risk an uncontrolled failure of components or cascading outages of the Interconnection. Coordination of load shedding would take place between the Transmission Operator (and Balancing Authority) and other interconnected Transmission Operators and Balancing Authorities. Implementation of manual load shedding takes into consideration frequency, rate of frequency decay, voltage level, rate of voltage decay, and power flow levels. The Transmission Operator (and Balancing Authority) would implement load shedding in steps established to minimize the risk of further uncontrolled separation, loss of generation, or system shutdown.

After the Transmission Operator (and Balancing Authority) separates from the Interconnection, if there is insufficient generating capacity to restore system frequency following automatic underfrequency load shedding, the Transmission Operator (and Balancing Authority) would shed additional load. The Transmission Operator (and Balancing Authority) coordinates automatic load shedding throughout its area with underfrequency isolation of generating units, tripping of shunt capacitors, and other automatic actions that occur under abnormal frequency, voltage, or power flow conditions. Each Transmission Operator and/or Balancing Authority has plans for operator-controlled manual load shedding to respond to real-time emergencies.

#### **System restoration**

The Transmission Operator has a restoration plan to reestablish its electric system in a stable and orderly manner in the event of a partial or total shutdown of its system including necessary operating instructions and procedures to cover emergency conditions and the loss of vital telecommunications channels.

The Transmission Operator reviews and updates its restoration plan annually and whenever it makes changes in the power system network, and corrects deficiencies found during the simulated restoration exercises. The Transmission Operator coordinates its restoration plans with the Generator Owners and Balancing Authorities within its area, its Reliability Coordinator, and neighboring Transmission Operators and Balancing Authorities.

The Transmission Operator (and Balancing Authority) periodically tests its telecommunication facilities needed to implement the restoration plan and trains its

DATE OF ISSUE July 24, 2009	DATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE: President & Chief Executive Officer
Issued by authority of an Order of Case No Dated	of the Public Service Commission of Kentucky in

P.S.C. No. 34 Original Sheet No. 40 Canceling PSC No. 33 Original Sheet No. 40

#### EAST KENTUCKY POWER COOPERATIVE, INC.

operating personnel in the implementation of the restoration plan. This training includes simulated exercises and verification of the restoration procedure by actual testing and simulation

During system restoration, affected Transmission Operators and Balancing Authorities work in conjunction with their Reliability Coordinator(s) to determine the extent and condition of the isolated area(s). The affected Transmission Operators and Balancing Authorities take the necessary actions to restore Bulk Electric System frequency to normal, including adjusting generation, placing additional generators on line, or load shedding.

The affected Balancing Authorities, working with their Reliability Coordinator(s), immediately review the Interchange Schedules between those Balancing Authority Areas or fragments of those Balancing Authority Areas within the separated area and make adjustments as needed to facilitate the restoration. The affected Balancing Authorities make all attempts to maintain the adjusted Interchange Schedules, whether generation control is manual or automatic. The affecte Transmission Operators may resynchronize the isolated area(s) with the surrounding area(s) when the following conditions are met:

- 1. Voltage, frequency, and phase angle permit
- 2. The size of the area being reconnected and the capacity of the transmission lines effectir the reconnection and the number of synchronizing points across the system are considered adequate
- 3. Reliability Coordinator(s) and adjacent areas are notified and Reliability Coordinator approval is given
- 4. If required, load is shed in neighboring areas to permit successful interconnected system restoration

DATE OF ISSUE	July 24, 2009 DA	ATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY		TITLE: President & Chief Executive Officer
Issued by authority	y of an Order of th	ne Public Service Commission of Kentucky in
Case No	Dated	

#### CLASSIFICATION OF SERVICE SCHEDULE RTP-DA

#### WHOLESALE, REAL-TIME PRICING, DAY AHEAD, PILOT PROGRAM

#### **Availability**

Available to all Member Systems of EKPC. The electric power and energy furnished hereunder shall be separately metered for each point of delivery.

The Member System may offer Real Time Pricing (RTP) to existing Commercial and Industrial customers only, subject to the conditions below and possible additional conditions in the Member System's retail RTP tariff. Customers served under the Interruptible Rider are not eligible for this pilot. The eligible customer must have taken service from the Member System for at least one (1) year.

Customers must be able to benefit from hourly price signals and maintain a peak 15-minute demand not less than 1,000 kW each month.

The customer must currently have the MV-90 metering system in place or be willing to allow the Member System to install and maintain such equipment with interrogation ability for downloads. The customer will be responsible for the incremental costs of installing and maintaining such metering equipment. The customer must possess a personal computer with Internet service.

Type of service: Firm, three-phase, 60-hz

#### **Rate Structure and Bill Computation:**

#### Structure:

A Member System with RTP customers will remain on its current tariff for all load excluding the incremental load of the RTP customers. The RTP bill for the Member System will contain three components.

- 1. <u>Standard Bill</u>: The EKPC wholesale tariff schedule that currently serves the Member System will be applied to its "Customer Baseline Load" (CBL), the predetermined hourly load profile covering one full year and the set of twelve monthly billing demands for each individual RTP customer.
- 2. <u>Incremental Energy Charge</u>: The RTP price will be applied to the differences between actual metered load and the CBL positive or negative for all hours in the billing period.
- 3. <u>RTP Administration Fee</u>: This fee will cover the costs of providing RTP service, including billing and communications systems, to implement the tariff and for data management.

DATE OF ISSUE <u>November 30, 2</u>	09 DATE EFFECTIVE: Service Rendered on and after January 1, 2010	<u>)</u>		
ISSUED BY	TITLE	-		
leaved by outhouity of an Order of the Dublic Commission of Ventucky in				

#### **Bill Computation:**

RTP Bill<sub>m</sub> = Standard Bill (Std. Bill<sub>CLBm</sub>) + Incremental Energy Charge (IEC<sub>m</sub>) + RTP  $\Delta$ F

Std. Bill<sub>CLBm</sub> =  $P_d * K_{CBLm} + P_e * \Sigma_{mh} Q_{CBLh}$ IEC<sub>m</sub> =  $\Sigma_{mh} \{P_{RTPh} * (Q_{Ah} - Q_{CBLh})\}$ 

RTP AF = RTP Admin Fee

where:

- Std. Bill<sub>CBLm</sub> is the standard bill calculated using the Member System's underlying schedule of the EKPC wholesale tariff, with the current tariff prices applied to CBL quantities in month *m*, with the equation above being *an example* to cover all eligible schedules of the underlying EKPC standard tariff. The CBL includes any adjustment needed to meet minimum bill requirements.
  - o P<sub>d</sub> is the current demand charge,
  - $\circ$  K<sub>CBL</sub>m is the CBL billing demand for month m,
  - Pe is the current energy charge, and includes volumetric charges such as the Fuel Adjustment Clause (FAC), and application of the Environmental Surcharge which is applied on a percentage basis,
  - $\circ$  Q<sub>CBLh</sub> is the CBL kWh in hour h
- IEC<sub>m</sub> is the Incremental Energy Charge dollar amount in month m.
  - o  $\Sigma_{mh}$  {...} represents the sum across all hours h in month m,
  - $\circ$  P<sub>RTPh</sub> is the hourly RTP price in hour h,
  - O  $Q_{Ah}$  is the actual kWh in hour h.

#### **Bill Components:**

#### Standard Bill:

The Member System's schedule of EKPC's standard tariff prices will be applied to the CBL. These tariff prices include the current demand and energy prices, the FAC, the Environmental Surcharge and other applicable riders found in EKPC's Commission-approved tariff sheets. The standard bill will be computed using these prices and CBL values according to the billing algorithm currently in use to compute actual bills for customers on the applicable schedule of the standard tariff.

DATE OF ISSUE Nove	mber 30, 2009 DATE EFFECT	IVE: Service Rendered	on and after January 1, 2010
ISSUED BY	TITL	E	

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2007-00165 Dated February 1, 2008

#### Incremental Energy Charge:

The sum across all hours of the billing period of the product of the real-time price for each hour and the incremental load for each hour. Incremental load is the difference between actual metered load and the CBL. This difference can be positive or negative. Negative differences, termed "decremental load", create hourly credits. Actual metered usage cannot go below zero for billing purposes.

#### CBL:

Member System agreement on the CBL is a precondition for use of RTP-DA.

The CBL is to be developed by EKPC using one complete calendar year of customerspecific hourly firm historical load data. Upon agreement by all parties, the CBL remains in place permanently and is adjusted to match up day-types (weekdays and weekends) with the respective calendar year. Additional calendar matching modifications will be made, as necessary, for holidays.

Modifications to the CBL can be made by EKPC to reflect permanent removal of major, customer-owned electrical equipment or significant conservation or efficiency enhancements made by one of the Member System's retail customers. Any such modifications must be approved by all parties.

#### RTP Price:

The Day-Ahead RTP Price reflects day-ahead marginal costs on an hourly basis as determined by EKPC. The RTP Price consists of the following components:

- 1. EKPC's day-ahead hourly marginal generation cost, including estimated variable fuel cost, variable O&M cost and the variable emission allowance cost of the marginal generating unit, or purchased power cost, as applicable.
- 2. EKPC's estimated marginal reliability cost, as applicable.
- 3. EKPC's estimated marginal transmission cost, as applicable.
- 4. Losses.
- 5. Risk Adder for wholesale supplier.

The FAC applies to the CBL but not to incremental energy which is charged or credited based on the RTP price.

The Environmental Surcharge applies to the CBL only, with the RTP price reflecting variable environmental costs only.

R	P	Α	dm	ini	st	ra	ti	on	F	ee	3	•

EKPC will charge a monthly RTP Admir	nistration Fee of \$150 per month per retail customer
DATE OF ISSUE November 30, 2009 DATE EF	FFECTIVE: Service Rendered on and after January 1, 2010
ISSUED BY	TITLE

#### **Special Provisions:**

#### Price notification:

The retail customer will be notified in accordance with procedures set forth in the RTP tariff of the Member System.

#### Term of Service:

EKPC shall provide RTP service to the Member System under this pilot program for a period of three years from the effective date of this tariff. No additional retail customers may be added to the pilot program after the completion of the second year of the pilot program. Terms of eligibility for individual customers are outlined in the RTP tariff for the Member System.

#### **General Terms and Conditions:**

Customer service must comply with general rules and regulations of EKPC on file with the Public Service Commission of Kentucky.

DATE OF ISSUE November 30, 2	2009 DATE EFFECTIVE: Servi	ice Rendered on and after January 1, 2010
ISSUED BY	TITLE	



## Summary of Proposed Charges Under Electric Special Contracts (Not Part of EKPC Tariffs)

Large Special Contract	Demand Charge:  Firm Demand  10-Min Interruptible Demand  90-Min Interruptible Demand  Energy Charge  \$7.00 per kW per month  \$5.60 per kW per month  \$4.20 per kW per month				
	On-Peak Off-Peak	\$0.049754 per kWh \$0.046287 per kWh	(I) (I)		
Steam Service	Demand Charge				
	Per MMBTU	\$578.76	(I)		
	Energy Charge Per MMBTU	\$5.206	(I)		

# QUALIFIED COGENERATION AND SMALL POWER PRODUCTION FACILITIES TARIFF

East Kentucky Power Cooperative, Inc. is not proposing any changes to the Cogeneration tariff. Enclosed is a copy of the tariff for informational purposes.

P.S.C. KY NO. 8

CANCELS P.S.C. KY NO. 7

EAST KENTUCKY POWER COOPERATIVE, INC.

OF

WINCHESTER, KENTUCKY

RATES, RULES, AND REGULATIONS FOR PURCHASING ELECTRIC POWER AND ENERGY

AT

VARIOUS LOCATIONS THROUGHOUT KENTUCKY

FROM

QUALIFIED COGENERATION AND

SMALL POWER PRODUCTION FACILITIES

FILED WITH THE PUBLIC SERVICE COMMISSION OF KENTUCKY

ISSUED March 31, 2010

EFFECTIVE June 1, 2010

ISSUED BY EAST KENTUCKY POWER COOPERATIVE TIME OF THE PUBLIC SERVICE COMMISSION

BY

Anthony S. Cambbell

President and Chief Executi

<del>6/1/2</del>010

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

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

#### AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of over 100 kW which have executed a contract with East Kentucky Power Cooperative and one of EKPC's member distribution systems for the purchase of electric power by East Kentucky Power Cooperative.

#### RATES

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

- 1. Capacity
  - a. \$54.65 per kW per year is applicable if cogenerator or small power producer is dispatched by East Kentucky Power Cooperative.

(I)

b. \$0.006990 per kWh is applicable if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative.

(I)

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

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

b. Non-Time Differentiated Rates:

0. 11011-11	ino irinoi oninato d	zucoo.	_		<b>=3</b>
				KENTUCKY	
Year	2010	2011	2012	PURMISSERVICE COMMSSION	
Rate	\$0.04497	\$0.04498	\$0.04858	\$0.05054FR.DE50006XV8*   (R	.) (N)*
					-
DATE OF ISS	UE March 31, 20	<u>)10</u>	DATE EFFE	CTIVE June 1720/10 BRANCH	
ISSUED BY /	Inthony &	7	ident & Chi Bunt Kirtley icer		
	EFFECTIVE EFFECTIVE				
Issued by authority of an Order of the Public Service Commis Case No. 2008-00128 Dated August 20, 2008				sion of Kentuck 6/11/2010  PURSUANT TO 807 KAR 5:011 SECTION 9 (1)	

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

Winter (October - April)

On-Peak

7:00 a.m. - 12:00 noon

5:00 p.m. - 10:00 p.m.

Off-Peak

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

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

Summer (May - September)

On-Peak

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

Off-Peak

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

#### TERMS AND CONDITIONS

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

	KENTUCKY PUBLIC SERVICE COMMISSION
	<b>JEFF R. DEROUEN</b> EXECUTIVE DIRECTOR
	CTIVE June 1 2010
DATE OF ISSUE March 31, 2010 DATE EFFE	CTIVE June 1, 2010
THE PROPERTY OF THE PROPERTY O	ident & Chilley
ISSUED BY Unthong Stanpfell TITLE Pres	EFFECTIVE
Issued by authority of an Order of the Public Service Commis Case No. 2008-00128 Dated August 20, 2008	sion of Kentuck 6/in/2010 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

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

	KENTUCKY PUBLIC SERVICE COMMISSION
	<b>JEFF R. DEROUEN</b> EXECUTIVE DIRECTOR
DATE OF ISSUE March 31, 2010  DATE EFFE	Bunt Kirtley
ISSUED BY Miles of the Public Service Commis	EFFECTIVE
Case No. 2008-00128 Dated August 20, 2008	I BRODANT TO SUPPLIE TO SECTION O(1)

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

#### AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of less than 100 kW which have executed a contract with East Kentucky Power Cooperative and one of EKPC's member distribution systems for the purchase of electric power by East Kentucky Power Cooperative.

#### RATES

- 1. Capacity
  - a. \$54.65 per kW per year is applicable if cogenerator or small power producer is dispatched by East Kentucky Power Cooperative.

(I)

b. \$0.006990 per kWh is applicable if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative.

(I)

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

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

b Non-Time Differentiated Rates:

D. 1NOII-11	me Dinerennated	Raies.	-		
				KENTUCKY	
Year	2010	<u> 2011</u>	<u>2012</u>	PUBLIGSERVICE COMMISSION	
Rate	\$0.04497	\$0.04498	\$0.04858	\$0.05/50F R. DEROUEN78 (R) (DEXECUTIVE DIRECTOR	۷)*
		,		TTIVE June 1 2010	
DATE OF ISSUE March 31, 2010 DATE EFFE			DATE EFFE	CTIVE June 1 2010	
***************************************	1-1-1	2/1/11		Brent Kirtley	
ISSUED BY Anthony Slaughel TITLE President & Chica Effective Licer					
Town of the method its of an Order of the Dublic Corrigina Commit				ion of Ventuck 6/1/2010	
Issued by authority of an Order of the Public Service Commis Case No. 2008-00128 Dated August 20, 2008			PURSUANT TO 807 KAR 5:011 SECTION 9 (1)		
Case No. 2008	-00128 Dated A	ugust 20, 2008			

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

Winter (October - April)

On-Peak

7:00 a.m. - 12:00 noon

5:00 p.m. - 10:00 p.m.

Off-Peak

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

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

Summer (May - September)

On-Peak

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

Off-Peak

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

#### TERMS AND CONDITIONS

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

	KENTUCKY PUBLIC SERVICE COMMISSION
	<b>JEFF R. DEROUEN</b> EXECUTIVE DIRECTOR
	TARIEE BRANCH
DATE OF ISSUE March 31, 2010 DATE EFFE	CTIVE Jun- 1 ^^1^
A STATE OF THE PARTY OF THE PAR	Bunt Kistley
ISSUED BY Unthony Stamptal TITLE Pre	sident & Char represent villeer
Issued by authority of an Order of the Public Service Commi	ssion of Kentherson har 5:011 section 9 (1)
Case No. 2008-00128 Dated August 20, 2008	
	For Area Served

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

	KENTUCKY PUBLIC SERVICE COMMISSION
	JEFF R. DEROUEN  EXECUTIVE DIRECTOR
DATE OF ISSUE March 31, 2010 DATE EFFE	CTIVE June 1 72010 BRANCH
ISSUED BY Anthony Conglett TITLE Pres	ident & Chi Bunt Kirtley icer
Issued by authority of an Order of the Public Service Commis Case No. 2008-00128 Dated August 20, 2008	sion of Kentucky in 6/1/2010  PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

East Kentucky Power Cooperative, Inc.
Case No. 2010-00167
Fully Forecasted Test Period
Volume 1, Tab 7

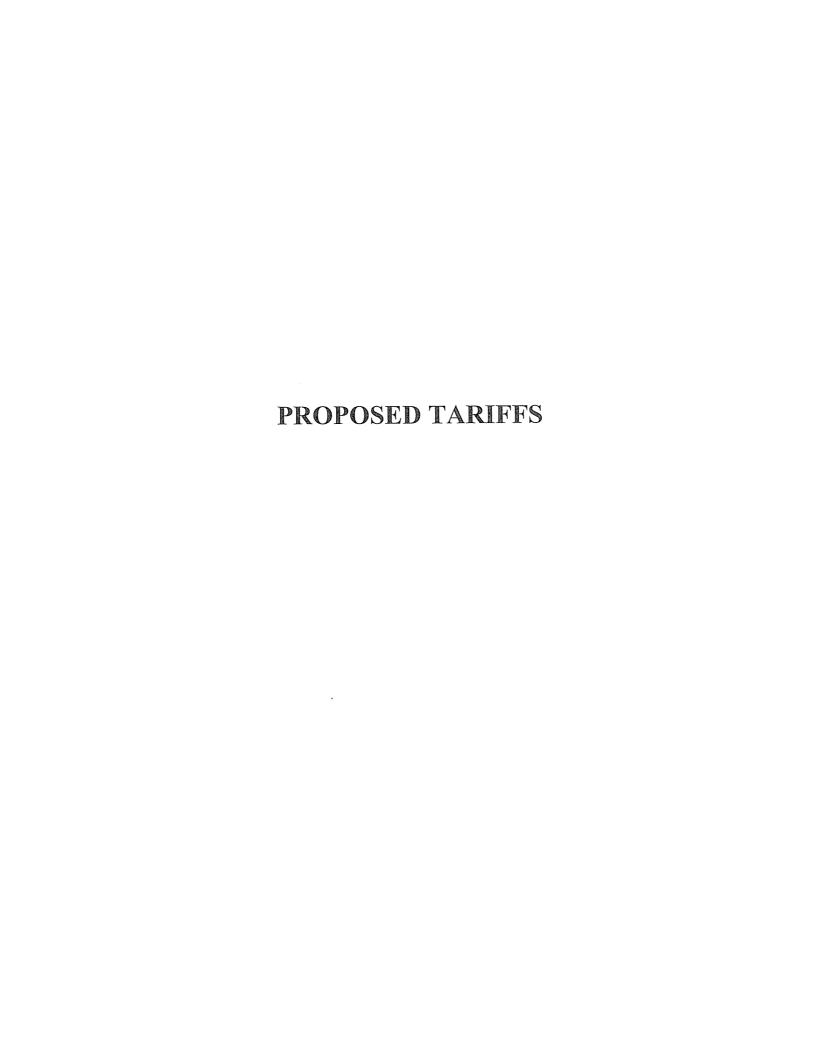
Filing Requirement 807 KAR 5:001 Section 10(1)(b)(8) Sponsoring Witness: Isaac S. Scott

#### **Description of Filing Requirement:**

Proposed tariff changes shown either by providing present and proposed tariffs in comparative form or indicating additions by italicized inserts or underscoring and striking over deletions in a copy of the current tariff.

#### **Response:**

Proposed tariff changes are shown by indicating additions by italicized inserts and striking over deletions in a copy of the current tariff.



	P.S.C. KY NO. 34
	CANCELS P.S.C. KY NO. 33
EAST KENTUC	CKY POWER COOPERATIVE, INC.
	OF
WINI	
WIN	CHESTER, KENTUCKY
RATES, RULES, AN	ND REGULATIONS FOR FURNISHING
WHOL	ESALE POWER SERVICE
	AT
VAR	RIOUS LOCATIONS TO
RURAL ELEC	TRIC COOPERATIVE MEMBERS
THRO	OUGHOUT KENTUCKY
FILED WITH TH	IE PUBLIC SERVICE COMMISSION OF KENTUCKY
ISSUED <del>JULY 24, 2009</del> May 27,	2010 EFFECTIVE FOR SERVICE RENDERED ON AND AFTER <u>AUGUST 1, 2009 JULY 1, 2010</u>
ISSUED BY EAST	KENTUCKY POWER COOPERATIVE, INC.
	ВҮ
	Anthony S. Campbell President and Chief Executive Officer

#### Wholesale Power Rate Schedule

#### **Applicability**

Applicable to all sections of this rate schedule and this rate schedule shall apply to each East Kentucky Power Cooperative, Inc. (hereinafter referred to as "EKPC" or the "Cooperative") load center separately.

#### **Load Center Charges - Monthly**

- A. Metering Point Charge
  - 1. Applicable to each metering point and to each substation
  - 2. Charge: \$137.00 \$145.00
- B. Substation Charge
  - 1. Applicable to each substation based on its size:

Case No. 2008-00409 2010-00167 Dated March 31, 2009

2. Charges:

1,000 - 2,999 kVa substation	\$1,033.00	\$1,091.00
3,000 - 7,499 kVa substation	<del>\$2,598.00</del>	\$2,744.00
7,500 - 14,999 kVa substation	<del>\$3,125.00</del>	\$3,301.00
15,000 and over kVa substation	<del>\$5,041.00</del>	\$5,325.00

#### **Minimum Monthly Charge**

The minimum monthly charge shall be equal to the Load Center Charges plus the minimum monthly charges for Section B and Section C. Load Center Charges cover metering point and substation charge.

P.S.C. No. 34 Original Sheet No. 2 Canceling P.S.C. No. 33 Original Sheet No. 2

#### **Fuel Adjustment**

1. The fuel clause shall provide for periodic adjustment per kWh of sales when the unit cost of fuel [F(m) / S(m)] is above or below the base unit cost of \$.03653 per kWh [F(b) / S(b)]. The current monthly charges shall be increased or decreased by the product of the kWh furnished during the current month and the fuel adjustment rate for the preceding month where the fuel adjustment rate is defined below:

Fuel Adjustment Rate = 
$$\frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$$

Where F is the expense of fossil fuel in the base (b) and current (m) periods; and S is sales in the base (b) and current (m) periods, all defined below:

- 2. Fuel cost (F) shall be the most recent actual monthly cost of:
  - (a) Fossil fuel consumed in the utility's own plants, and the utility's share of fossil and nuclear fuel consumed in jointly owned or leased plants, plus the cost of fuel which would have been used in plants suffering forced generation and/or transmission outages, but less the cost of fuel related to substitute generation, plus
  - (b) The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute the forced outages, plus
  - (c) The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases and the charges as a result of scheduled outages, also such kinds of energy being purchased by the buyer to substitute for its own higher cost energy; and less

DATE OF ISSUE July 24, 2009

DATE EFFECTIVE: Service rendered on and after August 1, 2009

TITLE President & Chief Executive Officer

P.S.C. No. 34 Original Sheet No. 3 Canceling P.S.C. No. 33 Original Sheet No. 3

#### EAST KENTUCKY POWER COOPERATIVE, INC.

#### Fuel Adjustment (con't.)

- (d) The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.
- (e) All fuel costs shall be based on weighted average inventory costing.
- 3. Forced outages are all non-scheduled losses of generation or transmission which require (purchase of) substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of public enemy, the utility may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment.
- 4. Sales (S) shall be kWh sold, excluding inter-system sales. Where for any reason, billed system sales cannot be coordinated with fuel costs for the billing period, sales may be equated to the sum of (i) generation, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) inter-system sales referred to in subsection (2)(d) above, less (vi) total system losses. Utility-used energy shall not be excluded in the determination of sales (S).
- 5. The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of the FERC Uniform System of Accounts for Public Utilities and Licenses.

DATE OF ISSUE July 24, 2009 DATE EFFECTIVE: Service rendered on and after August 1, 2009

ISSUED BY \_\_\_\_\_\_ TITLE President & Chief Executive Officer

For All Counties Served P.S.C. No. 34 Original Sheet No. 4 Canceling P.S.C. No. 33 Original Sheet No. 4

EAST KENTUCKY POWER COOPERATIVE, INC.

#### **Power Factor Adjustment**

The member cooperative agrees to maintain a unity power factor as nearly as practicable at each load center at the time of the monthly peak demand for the load center. When the power factor is determined to be less than 90%, the monthly billing demand at the load center will be adjusted by multiplying the actual monthly billing demand by 90% and dividing this product by the actual power factor at the time of the monthly peak demand for the load center. For new load centers, the power factor penalty will not be applicable for the month of energization or the succeeding six (6) months. The demand rate applicable for power factor penalty billing is the lowest firm demand rate in Section A, B, C, E, or G.

#### **Energy Curtailment and Outage Restoration Priorities**

These tariffs are subject to the Energy Curtailment and Outage Restoration Priorities provisions of Administrative Case No. 353 of the Kentucky Public Service Commission. East Kentucky Power Cooperative's energy curtailment and restoration procedures are contained in Appendix I to these tariffs title Emergency Electric Procedures, East Kentucky Power Cooperative, Inc.; prepared April 1, 1994; revised February 17, 1995.

East Kentucky Power Cooperative will adhere to the curtailment of service requirements as set forth below and contained in Kentucky Revised Statutes (KRS) Section 278.214.

Curtailment of service by utility or generation and transmission cooperative. When a utility or generation and transmission cooperative engaged in the transmission of electricity experiences on its transmission facilities an emergency or other event that necessitates a curtailment or interruption of service, the utility or generation and transmission cooperative shall not curtail or interrupt retail electric service within its certified territory, or curtail or interrupt wholesale electric energy furnished to a member distribution cooperative for retail electric service within the cooperative's certified territory, except for customers who have agreed to receive interruptible service, until after service has been interrupted to all other customers whose interruption may relieve the emergency or other event.

DATE OF ISSUE July 24, 2009	DATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer

For All Counties Served P.S.C. No. 34 Original First Revised Sheet No. 5 Canceling P.S.C. No. 33 34 Original Sheet No. 5

#### EAST KENTUCKY POWER COOPERATIVE, INC.

#### Section A

#### **Availability**

Available to all cooperative associations which are or shall be members of EKPC. The electric power and energy furnished hereunder shall be separately metered for each point of delivery.

#### **Applicability**

Applicable to all power usage at the load center not subject to the provisions of Sections B, C, and E of this tariff.

#### **Monthly Rate - Per Load Center**

Demand Charge per kW of billing dem	and \$9.47	\$10.00

Energy Charge per kWh \$.046772 \$.049378

#### **Billing Demand**

The billing demand (kilowatt demand) is based on EKPC's system peak demand (coincident peak) which is 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>	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.

Billing demand applicable to this section is equal to the load center's contribution to EKPC's system peak demand minus the actual demands of Section B, Section C, and Section E participants coincident with EKPC's system peak demand.

DATE OF ISSUE July 24, 2009 May 27, 2010 DATE EFFECTIVE: Service rendered on and after August 1, 2009 July 1, 2010

ISSUED BY TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00519 2010-00167 Dated July 15, 2009

P.S.C. No. 34
Original Sheet No. 6
Canceling P.S.C. No. 33
Original Sheet No. 6

EAST KENTUCKY POWER COOPERATIVE, INC.

#### Section A (con't.)

#### **Billing Energy**

Billing energy applicable to this section is equal to the total energy provided at the load center minus the actual energy provided to Section B, Section C, and Section E participants.

DATE OF ISSUE July 24, 2009

DATE EFFECTIVE: Service rendered on and after August 1, 2009

TITLE President & Chief Executive Officer

For All Counties Served P.S.C. No. 34 Original First Revised Sheet No. 7 Canceling P.S.C. No. 33 34 Original Sheet No. 7

#### EAST KENTUCKY POWER COOPERATIVE, INC.

#### **Section B**

#### **Availability**

Available to all cooperative associations which are or shall be members of EKPC and which execute EKPC approved contracts with the ultimate consumers. The electric power and energy furnished hereunder shall be separately metered for each point of delivery.

#### **Applicability**

Applicable to cooperative associations and ultimate consumers willing to contract for demands of 500 kW or greater and a monthly minimum energy usage equal to or greater than 400 hours per kW of contract demand. Wholesale monthly minimum demand shall be agreed between the cooperative association and EKPC.

#### **Monthly Rate**

Demand Charge per kW of Minimum Demand	<del>\$6.81</del>	\$7.19
Demand Charge per kW of Billing Demand		
in Excess of Minimum Demand	<del>\$9.47</del>	\$10.00
Energy Charge per kWh	\$.046772	\$.049378

#### **Billing Demand**

The billing demand (kilowatt demand) shall be the minimum demand plus any excess demand. Excess demand occurs when the ultimate consumer's highest demand during the current month, coincident with EKPC's system peak (coincident peak), exceeds the minimum demand. EKPC's system peak demand is 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>	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.

DATE OF ISSUE July 24, 2009 May 27, 2010 DATE EFFECTIVE: Service rendered on and after August 1, 2009 July 1, 2010

ISSUED BY \_\_\_\_\_\_\_ TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00519 2010-00167 Dated July 15, 2009

For All Counties Served P.S.C. No. 34 Original Sheet No. 8 Canceling P.S.C. No. 33 Original Sheet No. 8

EAST KENTUCKY POWER COOPERATIVE, INC.

#### .....

Section B (con't.)

#### **Minimum Monthly Charge**

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

- (a) The product of the minimum demand multiplied by the demand charge, plus
- (b) The product of the minimum demand multiplied by 400 hours and the energy charge per kWh minus the fuel base per kWh.

DATE OF ISSUE July 24, 2009

DATE EFFECTIVE: Service rendered on and after August 1, 2009

TITLE President & Chief Executive Officer

For All Counties Served P.S.C. No. 34 Original First Revised Sheet No. 9 Canceling P.S.C. No. 33 34 Original Sheet No. 9

#### EAST KENTUCKY POWER COOPERATIVE, INC.

#### **Section C**

#### **Availability**

Available to all cooperative associations which are or shall be members of EKPC and which execute EKPC approved contracts with the ultimate consumers. The electric power and energy furnished hereunder shall be separately metered for each point of delivery.

#### **Applicability**

Applicable to cooperative associations and ultimate consumers willing to contract for demand of 500 kW or greater and a monthly energy usage equal to or greater than 400 hours per kW of billing demand.

#### **Monthly Rate**

Demand Charge per kW of Billing Demand \$6.81 \$7.19

Energy Charge per kWh \$.046772 \$.049378

DATE OF ISSUE July 24, 2009 May 27, 2010 DATE EFFECTIVE: Service rendered on and after August 1, 2009 July 1, 2010

ISSUED BY

TITLE President & Chief Executive Officer

P.S.C. No. 34 Original Sheet No. 10 Canceling P.S.C. No. 33 Original Sheet No. 10

#### EAST KENTUCKY POWER COOPERATIVE, INC.

### Section C (con't.)

#### **Billing Demand**

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

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

Months
October through April
October through April
T: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**

Case No. 2008-00519 Dated July 15, 2009

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 400 hours and the energy charge per kWh minus the fuel base per kWh.

DATE OF ISSUE July 24, 2009	DATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order of the	e Public Service Commission of Kentucky in

#### <u>Section D</u> Interruptible Service

#### Standard Rider

This Interruptible Rate is a rider to Rate Sections A, B, C, E, and G.

#### **Applicable**

In all territory served by EKPC.

#### Availability of Service

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

#### **Monthly Rate**

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

#### Annual Hours of Interruption

Notice Minutes	<u>200</u>	<u>300</u>	<u>400</u>
10	\$4.20	\$4.90	\$5.60
60	\$3.50	\$4.20	\$4.90

DATE OF ISSUE July 24, 2009 DATE EFFECTIVE: Service rendered on and after August 1, 2009

ISSUED BY

TITLE President & Chief Executive Officer

P.S.C. No. 34 Original Sheet No. 12 Canceling P.S.C. No. 33 Original Sheet No. 12

# EAST KENTUCKY POWER COOPERATIVE, INC.

# Section D (con't.)

# **Determination of Measured Load - Billing Demand**

The billing demand (kilowatt demand) is based on EKPC's system peak demand (coincident peak) which is 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 interruptible billing demand shall be equal to the amount by which the monthly billing demand exceeds the minimum billing demand as specified in the contract.

### **Conditions of Service for 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 Cooperatives "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.

DATE OF ISSUE	July 24, 2009 DATE EFFECTIVE: Service rendered on and after August 1, 2009	
ISSUED BY	TITLE President & Chief Executive Officer	

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00409 Dated March 31, 2009

### Section D (con't.)

- 5. The Customer shall own, operate, and maintain all necessary equipment for receiving electric energy and all telemetering and communications equipment, within the Customer's premises, required for interruptible service.
- 6. The minimum original contract period shall be <u>one year</u> and thereafter until terminated by giving at least six months previous written notice. The Cooperative may require a contract be executed for a longer initial term when deemed necessary by the size of the load and other conditions.
- 7. The Fuel Adjustment Clause, as specified in the General Wholesale Power Rate Schedule, is applicable.

### **Calculation of Monthly Bill**

The monthly bill is calculated on the following basis:

- A. Sum of metering point charge and substation 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.

DATE OF ISSUE	July 24, 2009	DATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	· · · · · · · · · · · · · · · · · · ·	TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00409 Dated March 31, 2009

P.S.C. No. 34 Original Sheet No. 14 Canceling P.S.C. No. 33 Original Sheet No. 14

EAST KENTUCKY POWER COOPERATIVE, INC.

### Section D (con't.)

# **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.

DATE OF ISSUE July 24, 2009 DATE EFFECTIVE: Service rendered on and after August 1, 2009

ISSUED BY

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00409 Dated March 31, 2009

# Section E

# **Availability**

Available to all cooperative associations which are or shall be members of EKPC. The electric power and energy furnished hereunder shall be separately metered for each point of delivery.

### **Applicability**

Applicable to all power usage at the load center not subject to the provisions of Section A, Section B, Section C, or Section G of this tariff.

### **Monthly Rate - Per Load Center**

A cooperative association may select either Option 1 or Option 2 of this section of the tariff to apply to all load centers. The cooperative association must remain on a selected option for at least one (1) year and may change options, no more often than every twelve (12) months, after giving a minimum notice of two (2) months.

	Option 1		Option 2	
Demand Charge per kW of Billing Demand	<del>\$7.58</del>	\$8.01	\$ <del>5.71</del>	\$ <i>6.03</i>
Energy Charge per kWh				
On-Peak kWh	\$.048908	\$.051633	\$.056641	\$.059797
Off-Peak kWh	\$.048359	\$.051053	\$.048359	\$.051053

DATE OF ISSUE July 24, 2009 May 27, 2010 DATE EFFECTIVE: Service rendered on and after August 1, 2009 July 1, 2010

ISSUED BY TITLE President & Chief Executive Officer

P.S.C. No. 34 Original Sheet No. 16 Canceling P.S.C. No. 33 Original Sheet No. 16

# EAST KENTUCKY POWER COOPERATIVE, INC.

## Section E (con't.)

On-peak and off-peak hours are provided below:

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

# **Billing Demand**

The billing demand (kilowatt demand) is based on EKPC's system peak demand (coincident peak) which is 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 a.m. to 10:00 p.m.

Billing demand applicable to this section is equal to the load center's contribution to EKPC's system peak demand minus the actual demands of Section A, Section B, and Section C participants coincident with EKPC's system peak demand.

### **Billing Energy**

Billing energy applicable to this section is equal to the total energy provided at the load center minus the actual energy provided to Section A, Section B, and Section C participants.

DATE OF ISSUE July 24, 2009	DATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order of the Case No. 2008-00519 Dated July 1	he Public Service Commission of Kentucky in 15, 2009

# Section F

### **Voluntary Interruptible Service**

## Standard Rider

This Voluntary Interruptible Service is a rider to Rate Sections A, B, C, E, G and special contracts.

## **Applicable**

In all territory served by EKPC.

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

# **Availability of Service**

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

# **Conditions of Service**

- 1. Any request for interruption under this Rider shall be made by EKPC through its Member Cooperative.
- 2. Each interruption will be strictly voluntary. The Member Cooperative may accept or decline the terms of the interruption offered by EKPC.
- 3. No responsibility of any kind shall attach to EKPC for, or on account of, any loss or damage caused by, or resulting from, any interruption or curtailment of this service.
- 4. The Customer shall agree by contract to own, operate, and maintain all necessary equipment for receiving electric energy and all telemetering and communications equipment, within the Customer's premises, required for interruptible service.
- 5. It is the Member Cooperative's responsibility to notify the Customer and execute an

DATE OF ISSUE July 24, 2009 DATE EFF	ECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order of the Public Case No.  Dated	Service Commission of Kentucky in

For All Counties Served P.S.C. No. 34 Original Sheet No. 17.1 Canceling P.S.C. No. 33 Original Sheet No. 17.1

## EAST KENTUCKY POWER COOPERATIVE, INC.

interruption request from EKPC. Therefore, EKPC and the Member Cooperative shall mutually agree upon the manner by which EKPC shall notify the Customer of a request for interruption. Such an agreement shall include the means by which EKPC shall communicate the interruption request (e.g. email, phone, pager, etc.) and the Customer's point of contact to receive such a request.

- 6. EKPC will attempt to provide as much advance notice as possible for requests for interruption. However, upon the Customer's acceptance of the Terms of Interruption the Customer's load shall be interrupted with as little as one (1) hour of advance notification.
- 7. EKPC reserves the right to require verification of a Customer's ability to interrupt its load.
- 8. The Member Cooperative is not eligible for the Interruption Credits for any interruption when the Customer's interruptible load is down for other reasons during the period of the requested interruption. Such down time would include any event outside of the Customer's normal operating circumstances such as planned or unplanned outages due to renovation, repair, vacation, refurbishment, renovation, strike, or force majeure.

# Interruptible Customer Data Report

The Member Cooperative shall furnish to EKPC an Interruptible Customer Data Report for each of its eligible Customers. Such a report shall include such information as:

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

### **Demand and Energy Interruption**

The Customer will agree by contract, within an agreed time after receiving notice, to comply to the extent possible with EKPC's request to interrupt load. EKPC is the sole judge of the need for

DATE OF ISSUE	July 24, 2009	DATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY		TITLE President & Chief Executive Officer
Issued by authority	of an Order o	f the Public Service Commission of Kentucky in
Case No.	Dated	

For All Counties Served P.S.C. No. 34 Original Sheet No. 17.2 Canceling P.S.C. No. 33 Original Sheet No. 17.2

### EAST KENTUCKY POWER COOPERATIVE, INC.

interruption of load. EKPC is the sole judge of the amount of interruptible demand provided by the Customer, based on the following calculation:

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

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

# **Terms of Interruption**

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

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

DATE OF ISSUE	July 24, 2009	DATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	·	TITLE President & Chief Executive Officer
Issued by authority	of an Order of	the Public Service Commission of Kentucky in
Case No.	Dated	

For All Counties Served P.S.C. No. 34 Original Sheet No. 17.3 Canceling P.S.C. No. 33 Original Sheet No. 17.3

### EAST KENTUCKY POWER COOPERATIVE, INC.

b. The maximum firm demand that the Customer will purchase through the Member Cooperative during the interruption.

### **Interruption Credits**

The interruption credit for each interruption period shall be equal to the interrupted energy MWh times an amount equal to 110% by which the quoted price for each interruption exceeds the Customer's regular tariff rate. The sum of the interruption credits for the billing month will be allocated as follows:

- 1. The Member Cooperative's account with EKPC will be credited in the amount of 10% of the credit to the Customer.
- 2. The interruption credit to the Customer shall be equal to the product of the interrupted energy multiplied by the interruption price for each interruption. This amount will be credited to the Member Cooperative's account with EKPC and passed along to the Customer.

# Failure to Interrupt

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

### Term

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

### **Interruption Implementation Procedure**

Voluntary interruptions will be implemented based on data developed from the Interruptible Customer Data Report. EKPC personnel will match the interruption scenario with the interruptible customers' profiles to determine interruption priority and sequence.

DATE OF ISSUE July 24, 2009 DATE E	FFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order of the Publ	ic Service Commission of Kentucky in
Case No Dated	

For All Counties Served P.S.C. No. 34 Original First Revised Sheet No. 18 Canceling P.S.C. No. 33 34 Original Sheet No. 18

# EAST KENTUCKY POWER COOPERATIVE, INC.

## Section G

### SPECIAL ELECTRIC CONTRACT RATE

## **Character of Service**

Three-phase 60 Hertz alternating current as specified in the Agreement for Purchased Power.

## **Monthly Rate**

Demand Charge per Billing kW	<del>\$6.63</del>	\$7.00
Energy Charge per ALL kWh	<del>\$.044840</del>	\$.047338

# **Determination of Billing Demand**

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

- (a) The contract demand
- (b) The ultimate consumer's highest demand during the current month or preceding eleven months coincident with EKPC's system peak demand. EKPC's system peak demand is 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>	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.

DATE OF ISSUE	July 24, 2009	May 27, 2010	DATE EFFEC	TIVE: Service	rendered on	and after Au	gust 1, 2009	July 1, 2010
ISSUED BY_			***************************************	TITL	E <u>President</u>	& Chief I	Executive	Officer

P.S.C. No. 34 Original Sheet No. 19 Canceling P.S.C. No. 33 Original Sheet No. 19

### Section G (con't.)

# **Minimum Monthly Charge**

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

- (a) The metering and substation charge, plus
- (b) The product of the billing demand multiplied by the demand charge, plus
- (c) The result of: (Energy Rate minus EKPC's base fuel component in the Energy Rate) times Billing Demand times 400 hours.

### **Power Factor Adjustment**

Refer to EKPC General Wholesale Power Tariffs Power Factor Adjustment, Original Sheet 4.

### **Fuel Adjustment Clause**

Refer to EKPC General Wholesale Power Tariffs Fuel Adjustment, Original Sheets 2-4.

DATE OF ISSUE July 24, 2009 DATE EFFECTIVE: Service rendered on and after August 1, 2009

ISSUED BY

TITLE President & Chief Executive Officer

P.S.C. No. 34 Original Sheet No. 20 Canceling P.S.C. No. 33 Original Sheet No. 20

EAST KENTUCKY POWER COOPERATIVE, INC.

# Section H

### Wholesale Renewable Resource Power Service

### **Standard Rider**

This Renewable Resource Power Service is a rider to Rate Sections A, B, C, and E. The purpose of this service is to provide Member Systems with a source of renewable resource generated power for resale to their Customers.

### **Applicable**

In all territory served by EKPC.

### Availability of Service

This service is contingent upon the available supply of energy generated from renewable resources which EKPC owns or controls, or such energy which EKPC has purchased from other wholesale suppliers.

This schedule shall be made available at any load center to any member cooperative where a retail "Customer" contracts for renewable resource power service in the following block amounts:

### 100 kWh

AND where retail "Customer" has contracted with the Member Cooperative Association to do so under a retail contract rider.

### **Eligibility**

Any EKPC Member Cooperative Association that has completed and returned a "Pledge to Purchase Renewable Resource Power Service" application to EKPC will be eligible for this rider. This form will indicate the number of blocks that the Member Cooperative Association intends to purchase monthly as a firm purchase power commitment for a period of one year. All such Member Cooperative Associations will have executed an Agreement for the sale of renewable resource power with a retail consumer.

DATE OF ISSUE	July 24, 2009 DATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority Case No.	y of an Order of the Public Service Commission of Kentucky in  Dated

P.S.C. No. 34 Original Sheet No. 21 Canceling P.S.C. No. 33 Original Sheet No. 21

### EAST KENTUCKY POWER COOPERATIVE, INC.

# Section H (con't.)

### Monthly Rate

The monthly rate for this service will be a renewable power premium, i.e. added charge, for all rer power purchased by the participating Member Cooperative Association. The renewable rate premium per block is as follows:

100 kWh block

\$2.375

per block (\$0.02375 per kWh)

This power can be purchased only in the blocks and amounts listed above. These rates are in addition to the regular wholesale rate applicable to the Member Cooperative Association.

## Billing and Minimum Charge:

Blocks of power sold under this tariff shall constitute the minimum amount of energy in kWh that the Member Cooperative Association may be billed for during a normal billing period.

### **Terms of Service and Payment:**

This schedule shall be subject to all other terms of service and payment of the wholesale power tariff.

### Fuel Adjustment Clause:

The fuel adjustment clause is not applicable to renewable resource power.

### **Special Terms:**

When Member Cooperative Associations' contract for this type of power service, said Member Cooperative Associations will pay for all such power at the rates prescribed in this tariff for the complete contract period.

DATE OF ISSUE July	y 24, 2009 DATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of Case No.	an Order of the Public Service Commission of Kentucky in  Dated

#### Section DSM - 1

### **Touchstone Energy Manufactured Home Program**

## **Purpose**

The Touchstone Energy Manufactured Home Program is a conservation program that encourages the sale of more energy-efficient manufactured homes. It is based on the *Energy Star* standards for manufactured homes, a nationally recognized symbol of energy efficiency and quality developed and operated jointly by the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy (DOE).

#### **Availability**

This program is available in all service territory served by EKPC.

CASE NO. 2009-00249 DATED: November 6, 2009

### **Eligibility**

To qualify as a Touchstone Energy Manufactured Home under EKPC's program, the participating manufactured home must be located in the service territory of a participating Member System and meet the *Energy Star* standards by including additional floor, wall and ceiling insulation, double pane windows and an electric heat pump.

#### Rebate

EKPC will provide an incentive for retail customers of our Member Systems to participate in this program by offering a one-time rebate. EKPC will rebate \$250 per certified manufactured home to the participating Member System. Rebates will be paid to the participating Member Systems upon written certification that the retail participant has met the *Energy Star* standards for newly constructed manufactured homes.

For customers who purchase a manufactured home which only includes a heat pump meeting Energy Star standards, EKPC will rebate \$150. For customers with inefficient electric heating systems, EKPC will rebate \$150 for replacing their existing furnace with a heat pump that meets minimum Energy Star Standards.

# **Annual Reports**

EKPC will submit annual reports on the Program that contain the number of participants from each Member System, the annual costs, including the costs of the rebates, and the status of the rebate provision. EKPC will file the first report by March 31, 2004, and annually thereafter.

### Term

The Touchstone Energy Manufactured Home Program will remain in effect through the end of 2011. If EKPC should decide to continue the entire program beyond 2011, an application for approval from the Kentucky Public Service Commission will be filed 6 months prior to the date of continuation.

DATE OF ISSUE	November 16, 2009 DATE EFFECTIVE: Service rendered on and after January 1, 2010	-
ISSUED BY	TITLE President & Chief Executive Officer	
Issued by authority	of an Order of the Public Service Commission of Kentucky in	

For All Counties Served P.S.C. No. 33 First Revised Sheet No. 23 Canceling PSC No. 33 Original Sheet No. 23

## EAST KENTUCKY POWER COOPERATIVE, INC.

### Section DSM - 2

## **Touchstone Energy Home Program**

### **Purpose**

The Touchstone Energy Home Program is a conservation program that encourages the sale of more energy-efficient homes. It is based on *Energy Star* standards for homes, a nationally recognized symbol of energy efficiency and quality developed and operated jointly by the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy (DOE).

#### **Availability**

This program is available in all service territory served by EKPC.

Case No. 2009-00250 Dated November 6, 2009

#### Eligibility

To qualify as a Touchstone Energy Home under EKPC's program, the participating home must be located in the service territory of a participating Member System and meet the *Energy Star* standards by including additional floor, wall and ceiling insulation, double pane windows and an electric heat pump.

#### Rebate

EKPC and its Member Systems will provide an incentive to retail customers to build or purchase a Touchstone Energy home. Member System Cooperatives may elect to offer a rebate of up to \$250 for each participant. EKPC will match the rebate offered by the member system cooperative up to a maximum of \$250, resulting in a maximum rebate of \$500 for each participant. Rebates will be paid to each participant upon written certification that the newly constructed home has met the *Energy Star* standards.

### **Annual Reports**

EKPC will submit annual reports on the Program that contain the number of participants from each Member System, the annual costs, including the costs of the rebates, and the status of the rebate provision. EKPC will file the first report by June 30, 2005, and annually thereafter.

### **Term**

The Touchstone Energy Home Program will remain in effect through 2011. If EKPC should decide to continue the entire program beyond 2011, an application for approval from the Kentucky Public Service Commission will be filed 6 months prior to the date of continuation.

DATE OF ISSUE Novem	ber 16, 2009 DATE EFFECTIVE: Service rendered on and after January 1, 2010
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Oi	rder of the Public Service Commission of Kentucky in

### RATE ES – ENVIRONMENTAL SURCHARGE

### **APPLICABILITY**

Applicable to all sections of this rate schedule and this rate schedule shall apply to each Member System.

## **AVAILABILITY**

This rate schedule shall apply to EKPC rate sections A, B, C, E, and G and all special contracts with rates subject to adjustment upon the approval of the Commission.

### **RATE**

The Environmental Surcharge shall provide for monthly adjustments based on a percent of revenues equal to the difference between the environmental compliance costs in the base period and in the current period based on the following formula:

$$CESF = E(m) / R(m)$$

MESF = CESF - BESF

MESF = Monthly Environmental Surcharge Factor

CESF = Current Environmental Surcharge Factor

BESF = Base Environmental Surcharge Factor of 0%

where E(m) is the total of each approved environmental compliance plan revenue requirement of environmental costs for the current expense month and R(m) is the revenue for the current expense month as expressed below.

#### **Definitions**

(1) 
$$E(m) = [(RB/12)(RORB) + OE - BAS + (Over)Under Recovery$$

where:

Case No. 2009-00317 Dated January 28, 2010

- (a) RB is the Environmental Compliance Rate Base, defined as electric plant in service for applicable environmental projects adjusted for accumulated depreciation, CWIP, cash working capital, spare parts and limestone inventory, emission allowance inventory;
- (b) RORB is the Rate of Return on the Environmental Compliance Rate Base, designated as the average cost of debt for environmental compliance plan projects approved by the Commission plus application of a times-interest-earned ratio of 1.35;

DATE OF ISSUE	February 3, 2010	DATE EFFECTIVE: January 28, 2010
ISSUED BY		TITLE President & Chief Executive Officer
Issued by authority	of an Order of the Pub	olic Service Commission of Kentucky in

For All Counties Served P.S.C. No. 34 First Revised Sheet No. 25 Canceling P.S.C. No. 34 Original Sheet No. 25

# EAST KENTUCKY POWER COOPERATIVE, INC

- (c) OE is the Monthly Pollution Control Operating Expenses, defined as the average of the twelve month operating and maintenance expense; depreciation expense, property taxes, insurance expense, emission allowance expense, and consulting fees.;
- (d) BAS is the net proceeds from By-Products and Emission Allowance Sales, and:
- (e) (Over) or Under recovery amount resulting from the amortization of amounts determined by the Commission during six-month and two-year reviews and the two-month "true-up" adjustment.
- (2) Total E(m) is multiplied by the Member System Allocation Ratio to arrive at Net E(m). The Member System Allocation Ratio is based on the ratio of the 12-month total revenue from sales to Member Systems to which the Surcharge will be applied, ending with the current expense month, divided by the 12-month total revenue from sales to Member Systems and off-system sales.
- (3) The revenue R(m) is the average monthly revenue, including base revenues and automatic adjustment clause revenues less Environmental Cost Recovery Surcharge revenues, for EKPC for the twelve months ending with the current expense month.
- (4) The current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.

DATE OF ISSUE February 3, 2010 DATE EFFECTIVE: January 28, 2010

ISSUED BY TITLE President & Chief Executive Officer

P.S.C. No. 34 Original Sheet No. 26 Canceling PSC No. 33 Original Sheet No. 26

## EAST KENTUCKY POWER COOPERATIVE, INC.

## Section DSM -3(a)

### Direct Load Control Program - Residential

### **Purpose**

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling the Company to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

### **Availability**

The Direct Load Control Program is available to residential customers in the service territories of East Kentucky Power Cooperative, Inc.'s ("EKPC") Member Systems and will include the control of water heaters, air conditioners and heat pumps, and pool pumps.

Availability may be denied where, in the judgment of the Member System, installation of the load control equipment is impractical.

#### Eligibility

To qualify for this Program, the participant must be located in the service territory of a participating Member System and have:

- 40-gallon (minimum) electric water heating units, and/or
- Central air conditioning or heat pump units, and/or
- Pool pumps.

The above appliances may be electrically cycled or interrupted in accordance with the rules of this Tariff.

The participant may either own or rent the residence where the qualifying appliances are located. The residence may be either a single-family structure or a multi-family apartment facility.

The participant is responsible for obtaining the permission of the owner of the rented residence to participate in the load control program. The Member System may require that a rental property agreement be executed between the Member System and the owner of the rented residence.

DATE OF ISSUE	June 30, 2009	DATE EFFECTIVE:	Service rendered on and after August 1, 2009
ISSUED BY			TITLE President & Chief Executive Officer
•		the Public Service Con	mmission of Kentucky in
Case No	Dated		

## **Program Incentives**

EKPC and participating Member Systems will provide an incentive to the participants in this program for the following appliances.

<u>Water Heaters.</u> EKPC will reimburse the participating Member System \$10.00 per water heater annually. The participating Member System, in turn, will credit the residential power bill of the participant \$10.00 per water heater per year. The participant will receive this credit regardless of whether the water heater is actually controlled.

<u>Air Conditioners and Heat Pumps.</u> EKPC and participating Member Systems will provide an incentive to the participants in this program. The participant may select one of two alternatives. The participant will receive one of these incentives regardless of whether the air conditioner or heat pump is actually controlled during any program month.

Alternative One. EKPC will reimburse the participating Member System \$20.00 annually per air conditioner or heat pump (\$5 per summer months, June, July, August, and September). The participating Member System will, in turn, credit the residential power bill of the participant \$20.00 per air conditioner (\$5 per summer months, June, July, August, and September).

<u>Alternative Two</u>. EKPC will provide and install at no cost one or more digital thermostats as needed for control purposes.

After the initial selection of one of the alternatives, the participant may change to the other alternative subject to the following conditions:

- From bill credits to digital thermostats The change in alternative will be permitted in any month except for the summer months of June through September. In addition, the participant will pay 50 percent of the installed cost of each digital thermostat.
- From digital thermostats to bill credits The change in alternative will be permitted in any month except for the summer months of June through September. In addition, the participant will either reimburse EKPC, through the Member System, an amount equal to 50 percent of the original installed cost of each digital thermostat that was initially installed if the participant keeps the thermostat or pay 50 percent of the cost to remove each digital thermostat that was initially installed.
- Only one change in incentive alternatives will be permitted during a 12 month period.

DATE OF ISSUE June 30, 2009	DATE EFFECTIVE:	Service rendered on and after August 1, 2009
ISSUED BY		TITLE President & Chief Executive Officer
Issued by authority of an Order of the Case No Dated	ne Public Service Con	mmission of Kentucky in

Pool Pumps. EKPC will reimburse the participating Member System \$10.00 per pool pump annually. The participating Member System, in turn, will credit the residential power bill of the participant \$10.00 per pool pump per year. The participant will receive this credit regardless of whether the pool pump is actually controlled.

When the qualifying appliances are located in rental residences, program incentives will be paid to the participant, regardless of whether the participant owns or rents the residence where the qualifying appliances are located. Nothing contained in this Tariff will prohibit a further disposition of the program incentive between the participant and the owner of a rented residence.

## **Time Periods for Direct Load Control Program**

Water Heaters. A load control switch will be placed on the water heater and may be electrically interrupted for a maximum time period of four hours.

EKPC will cycle the water heaters only during the hours listed below.

Months Hours Applicable for Demand Billing - EST October through April 6:00 a.m. to 12:00 noon 4:00 p.m. to 10:00 p.m. 10:00 a.m. to 10:00 p.m.

May through September

Air Conditioners and Heat Pumps. A load control device (switch or thermostat) will be placed on each central air conditioning unit or heat pump that will allow the operating characteristics of the unit to be modified to reduce demand on the system. Communication to the load control device will be accomplished via AMR, AMI, or paging equipment.

EKPC will control the air conditioning units and heat pumps only during its summer on-peak billing hours listed below.

Hours Applicable for Demand Billing - EST Months May through September 10:00 a.m. to 10:00 p.m.

Pool Pumps. A load control switch will be placed on the pool pump and may be controlled for a four hour curtailment during on peak days May through September. In addition, there may be a 50 percent cycling for the ensuing 2 hour recovery period to prevent creating a new peak.

DATE OF ISSUE June 30, 2009 DATE EF	FECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order of the Public Case No.  Dated	Service Commission of Kentucky in

### **Terms and Conditions**

- 1. Prior to the installation of load control devices, the Member Systems may inspect the participant's electrical equipment to insure good repair and working condition, but the Member Systems shall not be responsible for the repair or maintenance of the electrical equipment.
- 2. EKPC, on behalf of the Member Systems, will install, own, and maintain the load management devices controlling the participant's air conditioner, heat pump, or water heater. The participant must allow the Member System, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of the Member System to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at the Member System's option, result in discontinuance of credits under this tariff until such time as the Member System is able to gain the required access.
- 3. Participants in the Pilot program from Big Sandy RECC and Blue Grass Energy will have the opportunity to participate in this program. Equipment already installed on the premises may be used as part of this program.
- 4. Participants may join the program at any time during the year. Participants with water heaters and/or pool pumps will receive the first annual incentive within 12 months after the installation of the load control device. Participants with air conditioning or heat pump units who join during the months of June through September can select an incentive alternative as described in this Tariff. If the bill credit incentive is selected, bill credits will not begin until after the installation of the load control device and continue for the months remaining in the June to September time period for that year.
- 5. If a participant decides to withdraw from the program or change incentive alternatives, the Member Systems will endeavor to implement the change as soon as possible.
- 6. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of 6 months. Returning participants for air conditioning and heat pump units will be required to initially select the bill credit alternative, but may change alternatives later as described in this Tariff.

DATE OF ISSUE June 30, 2009 DA	E EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order of the Case No Dated	ublic Service Commission of Kentucky in

### Section DSM - 3(b)

### **Direct Load Control Program - Commercial**

### **Purpose**

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling the Company to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

### **Availability**

The Direct Load Control Program is available to commercial customers in the service territories of EKPC's Member Systems and will include the control of air conditioners and water heaters.

Availability may be denied where, in the judgment of the Member System, installation of the load control equipment is impractical.

### **Eligibility**

To qualify for this Program, the participant must be located in the service territory of a participating Member System and have a central air conditioning unit and/or a 40-gallon (minimum) electric water heating unit. The appliance may be electrically cycled or interrupted in accordance with the rules of this Tariff.

The participant is responsible for obtaining the permission of the commercial property owner to participate in the load control program. The Member System may require that a rental property agreement be executed between the Member System and the owner of the rented commercial property.

### **Program Incentives**

EKPC and participating Member Systems will provide an incentive to the participants in this program for the following appliances.

DATE OF ISSUE	June 30, 2009	DATE EFFECTIVE:	Service rendered on	and after August 1, 2009
ISSUED BY			TITLE President &	Chief Executive Officer
Issued by authority	of an Order of	the Public Service Co	nmission of Kentuck	y in
Case No.	Dated			

Air Conditioners. The incentive will be based on the tonnage of the air conditioning unit. Units up to and including five tons will receive a monthly credit of \$5.00 per unit. Units over five tons will receive an additional monthly credit of \$1.00 per ton per unit. EKPC will reimburse the participating Member System at the applicable incentive credit during the months of June through September. The participating Member System will, in turn, credit the commercial power bill of the participant at the applicable incentive credit during the months of June through September. The participant will receive the incentive regardless of whether the air conditioner is actually controlled during any program month.

<u>Water Heaters.</u> EKPC will reimburse the participating Member System \$10.00 per water heater annually. The participating Member System, in turn, will credit the commercial power bill of the participant \$10.00 per water heater per year. The participant will receive this credit regardless of whether the water heater is actually controlled.

# Time Period for Direct Load Control Program

<u>Air Conditioners.</u> A load control device will be placed on each central air conditioning unit that will allow the operating characteristics of the unit to be modified to reduce demand on the system. Communication to the load control device will be accomplished via AMR, AMI, or paging equipment.

EKPC will control the air conditioning units only during its summer on-peak billing hours listed below:

Months
May through September

Hours Applicable for Demand Billing - EST 10:00 a.m. to 10:00 p.m.

<u>Water Heaters</u>. A load control switch will be placed on the water heater and may be electrically interrupted for a maximum time period of four hours.

EKPC will cycle the water heaters only during the hours listed below.

Months
October through April

May through September

Hours Applicable for Demand Billing - EST
6:00 a.m. to 12:00 noon
4:00 p.m. to 10:00 p.m.
10:00 a.m. to 10:00 p.m.

DATE OF ISSUE June 30, 2009 DATE EFFECTIVE	: Service rendered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order of the Public Service Co	ommission of Kentucky in

### **Terms and Conditions**

- 1. Prior to the installation of load control devices, the Member Systems may inspect the participant's electrical equipment to insure good repair and working condition, but the Member Systems shall not be responsible for the repair or maintenance of the electrical equipment.
- 2. EKPC, on behalf of the Member Systems, will install, own, and maintain the load management devices controlling the participant's air conditioner unit or water heater. The participant must allow the Member System, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of the Member System to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at the Member System's option, result in discontinuance of credits under this tariff until such time as the Member System is able to gain the required access.
- 3. Participants may join the program at any time during the year. Participants with air conditioning who join during the months of June through September will receive bill credits beginning after the installation of the load control device and continuing for the months remaining in the June to September time period for that year. Participants with water heaters will receive the first annual incentive within 12 months after the installation of the load control device.
- 4. If a participant decides to withdraw from the program, the Member Systems will endeavor to implement the withdrawal as soon as possible. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of 6 months.

DATE OF ISSUE June 30, 2009	DATE EFFECTIVE:	Service rendered on and after August 1, 2009
ISSUED BY		TITLE President & Chief Executive Officer
Issued by authority of an Order of Case No Dated	the Public Service Cor	nmission of Kentucky in

For All Counties Served P.S.C. No. 34 Original Sheet No. 27 Canceling PSC No. 33 Original Sheet No. 27

EAST KENTUCKY POWER COOPERATIVE, INC.

[SHEET CANCELLED]
[RESERVED FOR FUTURE USE]

DATE OF ISSUE June 30, 2009 DATE EFFECTIVE:	Service rendered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order of the Public Service Con	mmission of Kentucky in
Case No Dated	

For All Counties Served P.S.C. No. 34 Original Sheet No. 28 Canceling PSC No. 33 Original Sheet No. 28

EAST KENTUCKY POWER COOPERATIVE, INC.

[SHEET CANCELLED]
[RESERVED FOR FUTURE USE]

DATE OF ISSUE June 30, 2009 DATE EFFE	ECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order of the Public Se Case No.  Dated	ervice Commission of Kentucky in

EAST KENTUCKY POWER COOPERATIVE P.O. BOX 707 WINCHESTER, KENTUCKY 40391 INVOICE DATE: WHOLESALE POWER INVOICE SUBSTATION DETAIL CHARGES (T) MONTH, 20XX	SUBSTATION SCH NOTES DEMAND KWH CHARGE CHARGE POINT CHARGE ADJUSTMENT SURCHARGE CHARGES  ***  RATE BILLING BILLING DEMAND ENERGY METERING SUBSTATION FUEL TOTAL  TOTAL  TOTAL  TOTAL  ***	CO-OP TOTALS GREEN POWER TOTAL AMOUNT DUE	** NORMALLY DUE IN USABLE FUNDS BY THE 21 <sup>ST</sup> OF THE MONTH.
ISSUED BY			Service rendered on and after August 1, 2009  TITLE President & Chief Executive Officer ommission of Kentucky in

P.S.C. No. 34 Original Sheet No. 30 Canceling PSC No. 33 Original Sheet No. 30

# EAST KENTUCKY POWER COOPERATIVE, INC.

PAGE – 2 INVOICE DATE:		ENERGY TOTAL ADDER SURCHARGE CHARGES		T DUE
EAST KENTUCKY POWER COOPERATIVE P.O. BOX 707 WINCHESTER, KENTUCKY 40391	WHOLESALE POWER INVOICE SUBSTATION DETAIL CHARGES MONTH, 20XX	SUBSTATION SCH NOTES DEMAND KWH CHARGE CHARGE CREDIT CHARGE AI	CO-OP TOTALS	CO-OP AMOUNT DUE NORMALLY DUE IN USABLE FUNDS BY THE 21 <sup>ST</sup> OF THE MONTH
DATE OF	SISSUE	July 24, 2009	DATE EFFECTIVE	: Service rendered on and after August 1, 2009
ISSUED 1	3Y			TITLE President & Chief Executive Officer
Issued by Case No.	authority	of an Order Dated	of the Public Service C	ommission of Kentucky in

OWEN-GALLATIN (T)	LLATIN		EAST P.O. BO	r Kentuc X 707 Wir	KY POWI	EAST KENTUCKY POWER COOPERATIVE P.O. BOX 707 WINCHESTER, KENTUCKY 40391	VTIVE .Y 40391	PA( INI	PAGE - 3 INVOICE DATE:
				WHOLE: CO-OF	SALE POV TOTAL (	WHOLESALE POWER INVOICE CO-OP TOTAL CHARGES		EKPC INTERRUPT HOURS: YEAC: )	HOURS: FAC: XXX
				Z	MONTH, 20XX	0XX		SUKCH	SUKCHAKUE: AAA
M1 – 345 KV M2 – 345 KV M4 – 138 KV	On-Peak KW XXX,XXX XXX,XXX XX,XXX	V Off-Peak KW XXX,XXX XXX,XXX XXX,XXX		Energy KWH XX,XXX,XXX XX,XXX,XXX XX,XXX,XXX		,	į		*
	SCH	DEMAND	KWH	CHARGE	ENERGY	LOAD FOLLOWING	FUEL JUSTMENT	SURCHARGE	CHARGES
CO-OP TOTALS	S								
							CO-OP AM	CO-OP AMOUNT DUE	
NORMALLY	DUE IN USA	NORMALLY DUE IN USABLE FUNDS BY THE 21 <sup>ST</sup> OF THE MONTH	3Y THE 21	IST OF THE IN	fonth				

DATE OF ISSUE <u>July 24, 2009</u>	DATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer
Issued by authority of an Order	of the Public Service Commission of Kentucky in
Case No Dated	

KW-SCH. A       \$X.XX       EAST KENTUCKY POWER COOPERATIVE, INC.       PAGE -4       \$X.XXXXXX         KW-SCH. B CONTRACT       \$X.XX       P.O. BOX 707 WINCHESTER, KENTUCKY 40391       KWH-SCH. B &C       \$X.XXXXXX         KW-SCH. C       \$X.XXX       KWH-SCH. E       ON-PEAK       \$X.XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	KWH KWH	SUBSTATION KVA CONSTANT RATE NON-CP BILLING CP TOD NON-CP CONTRACT BILLLING ACTUAL MINIMUM RATING KW / KWH SCH P.F. DEMAND DEMAND DEMAND DEMAND DEMAND - KWH KWH	SCHEDULE A STATISTIC TOTALS SCHEDULE B STATISTIC TOTALS SCHEDULE C STATISTIC TOTALS (INCLUDES SCHEDULE G) SCHEDULE E STATISTIC TOTALS ON-PEAK SCHEDULE E STATISTIC TOTALS OFF-PEAK	GRAND TOTALS
				TIE President & Chief Executive Officer
Issued by authority of an Order				TLE President & Chief Executive Officer uission of Kentucky in
Case No Dated			Jonnii	

ENERGY/MMBTU

DEMAND/MMBTU

EAST KENTUCKY POWER COOPERATIVE P.O. BOX 707, WINCHESTER, KENTUCKY 40391

INLAND CONTAINER STATISTICS STEAM INVOICE

BILLING DEMAND/MMBTU

AVERAGE HEAT RATE

DATE OF ISSUE July 24, 2009	DATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE President & Chief Executive Officer
5	f the Public Service Commission of Kentucky in
Case No Dated	

\$XXX.XXX \$X.XXX \$X.XXX \$XXX,XXX \$.XXXXX \$.XXXXX	T OTAL CHARGE		
DEMAND/MMBTU ENERGY/MMBTU FUEL ADJ./MMBTU MINIMUM BILL FUEL ADJ./KWH SURCHARGE	FUEL SURCHARGE ADJUSTMENT		
EAST KENTUCKY POWER COOPERATIVE P.O. BOX 707, WINCHESTER, KENTUCKY 40391 STEAM INVOICE INLAND CONTAINER DETAIL CHARGES DATE	ENERGY FL		
Y POWER COOPI CHESTER, KENTL STEAM INVOICE NTAINER DETAII DATE	DEMAND U CHARGE	NTH.	
EAST KENTUCKY POWER COOPERATIVE D. BOX 707, WINCHESTER, KENTUCKY 403 STEAM INVOICE INLAND CONTAINER DETAIL CHARG DATE	BILLING ENERGY/MMBTU	: 21 <sup>st</sup> of the Moi	
	BLLING DEMAND/MMBTU	NORMALLY DUE IN USABLE FUNDS BY THE 21 <sup>ST</sup> OF THE MONTH.	
Fleming Mason RECC P.O. Drawer 328 Flemingsburg, Kentucky 41041	BILL	,Y DUE IN USABI	
	STEAM ADJ.		: Service rendered on and after August 1, 2009
SSUED BY	DATEE	rrective:	TITLE President & Chief Executive Officer

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

Case No. \_\_\_\_\_ Dated \_\_\_\_

P.S.C. No. 34 Original Sheet No. 35 Canceling PSC No. 33 Original Sheet No. 35

# EAST KENTUCKY POWER COOPERATIVE, INC.

### **EKPC Emergency Electric Procedures**

EKPC's Emergency Electric Procedures are based on the following NERC Emergency Operations Standards:

- EOP-001 Emergency Operations Planning
- EOP-002 Capacity and Energy Emergencies
- EOP-003 Load Shedding Plans
- EOP-005 System Restoration Plans

# **Definitions**

Transmission Operator (and Balancing Authority) - EKPC Reliability Coordinator - TVA Regional Reliability Organization – SERC

### Overview

The Balancing Authority and the Reliability Coordinator have the responsibility and clear decision-making authority to take whatever actions are needed to ensure the reliability of its respective area and to exercise specific authority to alleviate capacity and energy emergencies. The Balancing Authority will implement its capacity and energy emergency plan, when required and as appropriate, to reduce risks to the interconnected system. The Balancing Authority experiencing an operating capacity or energy emergency will communicate its current and future system conditions to the Reliability Coordinator and neighboring Balancing Authorities.

When the Balancing Authority anticipates an operating capacity or energy emergency it will perform all actions necessary including bringing on all available generation, postponing equipment maintenance, scheduling interchange purchases in advance, and being prepared to reduce firm load. If the Balancing Authority is deficient it will only use the assistance provided by the Interconnection's frequency bias for the time needed to implement corrective actions.

The Balancing Authority will not unilaterally adjust generation in an attempt to return Interconnection frequency to normal beyond that supplied through frequency bias action and Interchange Schedule changes. Such unilateral adjustment may overload transmission facilities. If the Balancing Authority cannot comply with the Control Performance and Disturbance Control Standards, then it will immediately implement remedies to do so.

DATE OF ISSUE July 24, 2009	DATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE: President & Chief Executive Officer
Issued by authority of an Orde Case No. Dated	r of the Public Service Commission of Kentucky in

P.S.C. No. 34 Original Sheet No. 36 Canceling PSC No. 33 Original Sheet No. 36

## EAST KENTUCKY POWER COOPERATIVE, INC.

The Reliability Coordinator will act to mitigate the emergency condition, including a request for emergency assistance if required.

### Measures

The Transmission Operator (and Balancing Authority) has emergency plans and self-assessments available for review by the Regional Reliability Organization. The Regional Reliability Organization reviews and evaluates emergency plans every three years to ensure that the plans are complete and may elect to request self-certification of the Transmission Operator and Balancing Authority in years that the full review is not done.

Each Reliability Coordinator and Balancing Authority has and provides upon request evidence that includes job descriptions, signed agreements, authority letter signed by an appropriate officer of the company, or other equivalent evidence that confirms that it meets NERC requirements.

If the Reliability Coordinator or Balancing Authority implements its Capacity and Energy Emergency plan, that entity has and provides upon request evidence that includes operator logs, voice recordings or transcripts of voice recordings, electronic communications, computer printouts or other equivalent evidence that will be used to determine if the actions it took to relieve emergency conditions were in conformance with its Capacity and Energy Emergency Plan.

### **Insufficient Generating Capacity**

The steps for mitigation of operating emergencies for insufficient generating capacity are:

- 1. Load all available generating capacity
- 2. Deploy all available operating reserve
- 3. Interrupt interruptible load and exports
- 4. Request emergency assistance from other Balancing Authorities
- 5. Declare an Energy Emergency through the Reliability Coordinator
- 6. Reduce load through procedures such as public appeals, voltage reductions, or curtailment of interruptible loads and firm loads

DATE OF ISSUE July 24, 2009 I	DATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE: President & Chief Executive Officer
Issued by authority of an Order of	the Public Service Commission of Kentucky in

P.S.C. No. 34 Original Sheet No. 37 Canceling PSC No. 33 Original Sheet No. 37

# EAST KENTUCKY POWER COOPERATIVE, INC.

Once the Balancing Authority has exhausted these steps or if these steps cannot be completed in sufficient time to resolve the emergency condition, the Balancing Authority shall:

- 1. Manually shed firm load without delay to return its ACE to zero
- 2. Request the Reliability Coordinator to declare an Energy Emergency Alert

# All Emergency Electric Procedures consider:

- 1. Communication protocol
- 2. Controlling actions
- 3. Coordination with adjacent Transmission Operators and Balancing Authorities
- 4. Staffing levels

Elements addressed in Insufficient Generating Capacity Emergency Electric Procedures are:

- 1. Fuel supply and inventory recognition of reasonable delays or problems in the delivery or production of fuel
- 2. Fuel switching for units for which fuel supply shortages may occur
- 3. Environmental constraints seek removal of environmental constraints for generating units
- 4. System energy use reduction of the system's own energy use
- 5. Public appeals through all media for voluntary load reductions and energy conservation
- 6. Load management implementation of load management and voltage reductions
- 7. Optimize fuel supply operation of generating sources to optimize the availability
- 8. Appeals to customers to use alternate fuels appeals to large industrial and commercial customers to reduce non-essential energy use and maximize the use of customer-owned generation that rely on fuels other than the one in short supply
- 9. Interruptible loads interrupt customer load to reduce capacity requirements or to conserve the fuel in short supply
- 10. Maximizing generator output and availability operation of all generating sources to maximize output and availability
- 11. Notification of IPPs cogeneration and other power producers, to maximize output and availability
- 12. Requests of government to implement programs to achieve energy reductions
- 13. Load curtailment mandatory load curtailment plan to use as a last resort
- 14. Notification of government agencies as the various steps of the emergency plan are implemented

DATE OF ISSUE July 24, 2009	DATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE: President & Chief Executive Officer
Issued by authority of an Order of Case No Dated	the Public Service Commission of Kentucky in

15. Notifications to operating entities - as steps in emergency plan are implemented

## **Transmission System Operating Emergencies**

The Transmission Operator (and Balancing Authority) develops, maintains, and implements a set of plans to mitigate operating emergencies. These plans are coordinated with other Transmission Operators, Balancing Authorities, and the Reliability Coordinator. Balancing Authorities have operating agreements with adjacent and remote Balancing Authorities that contain provisions for emergency assistance.

The Transmission Operator has an emergency load reduction plan for all identified Interconnection Reliability Operating Limits (IROLs). The plan includes the details on how the Transmission Operator will implement load reduction in sufficient amount and time to mitigate the IROL violation before system separation or collapse occurs. The Transmission Operator and Balancing Authority emergency plans include:

- 1. Communications protocols to be used during emergencies
- 2. A list of controlling actions to resolve the emergency
- 3. Load reduction, in sufficient quantity and within established timelines
- 4. Tasks to be coordinated with and among adjacent Transmission Operators and Balancing Authorities
- 5. Staffing levels for the emergency

The Transmission Operator (and Balancing Authority) annually reviews and updates each emergency plan and provides a copy of its updated emergency plans to the Reliability Coordinator and to neighboring Transmission Operators and Balancing Authorities.

The Transmission Operator (and Balancing Authority) coordinates its emergency plans with other Transmission Operators and Balancing Authorities as appropriate. This coordination includes the following steps:

- 1. Establish and maintain reliable communications between interconnected
- 2. Arrange new interchange agreements to provide for emergency capacity or energy transfers if existing agreements cannot be used
- 3. Coordinate transmission and generator maintenance schedules to maximize capacity or conserve the fuel in short supply
- 4. Arrange deliveries of electrical energy or fuel from remote systems

through normal operati	ng channels
DATE OF ISSUE July 24, 2009	DATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE: President & Chief Executive Officer
Issued by authority of an Order of the Public Service Commission of Kentucky in Case No Dated	

#### Load shedding

After taking all other remedial steps, the Transmission Operator and Balancing Authority, operating with insufficient generation or transmission capacity, will shed customer load rather than risk an uncontrolled failure of components or cascading outages of the Interconnection. Coordination of load shedding would take place between the Transmission Operator (and Balancing Authority) and other interconnected Transmission Operators and Balancing Authorities. Implementation of manual load shedding takes into consideration frequency, rate of frequency decay, voltage level, rate of voltage decay, and power flow levels. The Transmission Operator (and Balancing Authority) would implement load shedding in steps established to minimize the risk of further uncontrolled separation, loss of generation, or system shutdown.

After the Transmission Operator (and Balancing Authority) separates from the Interconnection, if there is insufficient generating capacity to restore system frequency following automatic underfrequency load shedding, the Transmission Operator (and Balancing Authority) would shed additional load. The Transmission Operator (and Balancing Authority) coordinates automatic load shedding throughout its area with underfrequency isolation of generating units, tripping of shunt capacitors, and other automatic actions that occur under abnormal frequency, voltage, or power flow conditions. Each Transmission Operator and/or Balancing Authority has plans for operator-controlled manual load shedding to respond to real-time emergencies.

#### **System restoration**

The Transmission Operator has a restoration plan to reestablish its electric system in a stable and orderly manner in the event of a partial or total shutdown of its system including necessary operating instructions and procedures to cover emergency conditions and the loss of vital telecommunications channels.

The Transmission Operator reviews and updates its restoration plan annually and whenever it makes changes in the power system network, and corrects deficiencies found during the simulated restoration exercises. The Transmission Operator coordinates its restoration plans with the Generator Owners and Balancing Authorities within its area, its Reliability Coordinator, and neighboring Transmission Operators and Balancing Authorities.

The Transmission Operator (and Balancing Authority) periodically tests its telecommunication facilities needed to implement the restoration plan and trains its

DATE OF ISSUE July 24, 2009	DATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE: President & Chief Executive Officer
Issued by authority of an Order of Case No Dated	of the Public Service Commission of Kentucky in

P.S.C. No. 34 Original Sheet No. 40 Canceling PSC No. 33 Original Sheet No. 40

#### EAST KENTUCKY POWER COOPERATIVE, INC.

operating personnel in the implementation of the restoration plan. This training includes simulated exercises and verification of the restoration procedure by actual testing and simulation

During system restoration, affected Transmission Operators and Balancing Authorities work in conjunction with their Reliability Coordinator(s) to determine the extent and condition of the isolated area(s). The affected Transmission Operators and Balancing Authorities take the necessary actions to restore Bulk Electric System frequency to normal, including adjusting generation, placing additional generators on line, or load shedding.

The affected Balancing Authorities, working with their Reliability Coordinator(s), immediately review the Interchange Schedules between those Balancing Authority Areas or fragments of those Balancing Authority Areas within the separated area and make adjustments as needed to facilitate the restoration. The affected Balancing Authorities make all attempts to maintain the adjusted Interchange Schedules, whether generation control is manual or automatic. The affecte Transmission Operators may resynchronize the isolated area(s) with the surrounding area(s) when the following conditions are met:

- 1. Voltage, frequency, and phase angle permit
- 2. The size of the area being reconnected and the capacity of the transmission lines effectir the reconnection and the number of synchronizing points across the system are considered adequate
- 3. Reliability Coordinator(s) and adjacent areas are notified and Reliability Coordinator approval is given
- 4. If required, load is shed in neighboring areas to permit successful interconnected system restoration

DATE OF ISSUE July 24, 2009 DATE	EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY	TITLE: President & Chief Executive Officer
Issued by authority of an Order of the Purcase No Dated	blic Service Commission of Kentucky in

#### EAST KENTUCKY POWER COOPERATIVE, INC

## CLASSIFICATION OF SERVICE SCHEDULE RTP-DA WHOLESALE, REAL-TIME PRICING, DAY AHEAD, PILOT PROGRAM

#### **Availability**

Available to all Member Systems of EKPC. The electric power and energy furnished hereunder shall be separately metered for each point of delivery.

The Member System may offer Real Time Pricing (RTP) to existing Commercial and Industrial customers only, subject to the conditions below and possible additional conditions in the Member System's retail RTP tariff. Customers served under the Interruptible Rider are not eligible for this pilot. The eligible customer must have taken service from the Member System for at least one (1) year.

Customers must be able to benefit from hourly price signals and maintain a peak 15-minute demand not less than 1,000 kW each month.

The customer must currently have the MV-90 metering system in place or be willing to allow the Member System to install and maintain such equipment with interrogation ability for downloads. The customer will be responsible for the incremental costs of installing and maintaining such metering equipment. The customer must possess a personal computer with Internet service.

**Type of service:** Firm, three-phase, 60-hz

#### Rate Structure and Bill Computation:

#### Structure:

A Member System with RTP customers will remain on its current tariff for all load excluding the incremental load of the RTP customers. The RTP bill for the Member System will contain three components.

- a. <u>Standard Bill</u>: The EKPC wholesale tariff schedule that currently serves the Member System will be applied to its "Customer Baseline Load" (CBL), the predetermined hourly load profile covering one full year and the set of twelve monthly billing demands for each individual RTP customer.
- b. <u>Incremental Energy Charge</u>: The RTP price will be applied to the differences between actual metered load and the CBL positive or negative for all hours in the billing period.
- c. <u>RTP Administration Fee</u>: This fee will cover the costs of providing RTP service, including billing and communications systems, to implement the tariff and for data management.

DATE OF ISSUE No	ovember 30, 2009	DATE EFFECTIVE	: Service Rendered	on and after	January 1,	2010
ISSUED BY		TITLE _				

#### **Bill Computation:**

RTP Bill<sub>m</sub> = Standard Bill (Std. Bill<sub>CLBm</sub>) + Incremental Energy Charge (IEC<sub>m</sub>) + RTP AF

Std.  $Bill_{CLBm} = P_d * K_{CBLm} + P_e * \Sigma_{mh} Q_{CBLh}$ 

 $IEC_m = \sum_{mh} \{P_{RTPh} * (Q_{Ah} - Q_{CBLh})\}$ 

RTP AF = RTP Admin Fee

where:

- Std. Bill<sub>CBLm</sub> is the standard bill calculated using the Member System's underlying schedule of the EKPC wholesale tariff, with the current tariff prices applied to CBL quantities in month m, with the equation above being an example to cover all eligible schedules of the underlying EKPC standard tariff. The CBL includes any adjustment needed to meet minimum bill requirements.
  - o P<sub>d</sub> is the current demand charge,
  - $\circ$  K<sub>CBL</sub>m is the CBL billing demand for month m,
  - $\circ$  P<sub>e</sub> is the current energy charge, and includes volumetric charges such as the Fuel Adjustment Clause (FAC), and application of the Environmental Surcharge which is applied on a percentage basis,
  - $\circ$  Q<sub>CBL</sub>h is the CBL kWh in hour h
- IEC $_m$  is the Incremental Energy Charge dollar amount in month m.
  - $\Sigma_{mh}$  {...} represents the sum across all hours h in month m,
  - $\circ$  P<sub>RTPh</sub> is the hourly RTP price in hour h,
  - $\circ$  Q<sub>Ah</sub> is the actual kWh in hour h.

#### **Bill Components:**

#### Standard Bill:

The Member System's schedule of EKPC's standard tariff prices will be applied to the CBL. These tariff prices include the current demand and energy prices, the FAC, the Environmental Surcharge and other applicable riders found in EKPC's Commission-approved tariff sheets. The standard bill will be computed using these prices and CBL values according to the billing algorithm currently in use to compute actual bills for customers on the applicable schedule of the standard tariff.

DATE OF ISSUE ]	November 30,	2009 DAT	E EFFECTIV	E: <u>Service</u>	Rendered	on and	after	January	1, 2010
ISSUED BY			TITLE						

#### EAST KENTUCKY POWER COOPERATIVE, INC

#### Incremental Energy Charge:

The sum across all hours of the billing period of the product of the real-time price for each hour and the incremental load for each hour. Incremental load is the difference between actual metered load and the CBL. This difference can be positive or negative. Negative differences, termed "decremental load", create hourly credits. Actual metered usage cannot go below zero for billing purposes.

#### CBL:

Member System agreement on the CBL is a precondition for use of RTP-DA.

The CBL is to be developed by EKPC using one complete calendar year of customerspecific hourly firm historical load data. Upon agreement by all parties, the CBL remains in place permanently and is adjusted to match up day-types (weekdays and weekends) with the respective calendar year. Additional calendar matching modifications will be made, as necessary, for holidays.

Modifications to the CBL can be made by EKPC to reflect permanent removal of major, customer-owned electrical equipment or significant conservation or efficiency enhancements made by one of the Member System's retail customers. Any such modifications must be approved by all parties.

#### RTP Price:

The Day-Ahead RTP Price reflects day-ahead marginal costs on an hourly basis as determined by EKPC. The RTP Price consists of the following components:

- 1. EKPC's day-ahead hourly marginal generation cost, including estimated variable fuel cost, variable O&M cost and the variable emission allowance cost of the marginal generating unit, or purchased power cost, as applicable.
- 2. EKPC's estimated marginal reliability cost, as applicable.
- 3. EKPC's estimated marginal transmission cost, as applicable.
- 4. Losses.
- 5. Risk Adder for wholesale supplier.

The FAC applies to the CBL but not to incremental energy which is charged or credited based on the RTP price.

The Environmental Surcharge applies to the CBL only, with the RTP price reflecting variable environmental costs only.

#### RTP Administration Fee:

EKPC will charge a monthly RTP Administration Fee of \$150 per month per retail customer.

DATE OF ISSUE ]	November 30, 2009 DATE EFFECTIVE: Service Rendered on and after January 1, 2010
ISSUED BY	TITLE

#### EAST KENTUCKY POWER COOPERATIVE, INC

#### **Special Provisions:**

#### Price notification:

The retail customer will be notified in accordance with procedures set forth in the RTP tariff of the Member System.

#### Term of Service:

EKPC shall provide RTP service to the Member System under this pilot program for a period of three years from the effective date of this tariff. No additional retail customers may be added to the pilot program after the completion of the second year of the pilot program. Terms of eligibility for individual customers are outlined in the RTP tariff for the Member System.

#### **General Terms and Conditions:**

Customer service must comply with general rules and regulations of EKPC on file with the Public Service Commission of Kentucky.

DATE OF ISSUE November 30, 2009 I	DATE EFFECTIVE: Ser	ervice Rendered on and after	January 1, 2010
ISSUED BY	TITLE		A-MAN-MA-MAN-MAN-MAN-MAN-MAN-MAN-MAN-MAN



## **Summary of Proposed Charges Under Electric Special Contracts** (Not Part of EKPC Tariffs)

Large Special Contract

Demand Charge:

Firm Demand \$6.63 \$7.00 per kW per month

10-Min Interruptible Demand \$5.60 per kW per month \$0-Min Interruptible Demand \$4.20 per kW per month

Energy Charge

On-Peak \$0.047128 \$.049454 per kWh Off-Peak \$0.043844 \$.046287 per kWh

Steam Service Demand Charge

Per MMBTU \$547.87 \$578.76

Energy Charge

Per MMBTU \$4.931 \$5.206

## QUALIFIED COGENERATION AND SMALL POWER PRODUCTION FACILITIES TARIFF

East Kentucky Power Cooperative, Inc. is not proposing any changes to the Cogeneration tariff. Enclosed is a copy of the tariff for informational purposes.

P.S.C. KY NO. 8 CANCELS P.S.C. KY NO. 7

EAST KENTUCKY POWER COOPERATIVE, INC.

OF

WINCHESTER, KENTUCKY

RATES, RULES, AND REGULATIONS FOR PURCHASING ELECTRIC POWER AND ENERGY

AT

VARIOUS LOCATIONS THROUGHOUT KENTUCKY

**FROM** 

QUALIFIED COGENERATION AND

SMALL POWER PRODUCTION FACILITIES

FILED WITH THE PUBLIC SERVICE COMMISSION OF KENTUCKY

ISSUED March 31, 2010

EFFECTIVE June 1, 2010

ISSUED BY EAST KENTUCKY POWER COOPERATIVE INCKY
PUBLIC SERVICE COMMISSION

BY

Anthony S. Campbell

President and Chief Executi

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

(I)

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

#### AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of over 100 kW which have executed a contract with East Kentucky Power Cooperative and one of EKPC's member distribution systems for the purchase of electric power by East Kentucky Power Cooperative.

#### RATES

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

#### 1. Capacity

- a. \$54.65 per kW per year is applicable if cogenerator or small power producer is dispatched by East Kentucky Power Cooperative.
- b. \$0.006990 per kWh is applicable if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative. (I)
- 2. Energy A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.

#### a. Time Differentiated Rates:

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

b. Non-Time Differentiated Rates:

0. 2.022			_	
				KENTUCKY
Year	2010	2011	<u>2012</u>	PUR OF SERVICE COMMASSION
Rate	\$0.04497	\$0.04498	\$0.04858	\$0.0505FFR.DE\$COOLEW8* (R)(N)*
DATE OF ISS	UE March 31, 20	)10	DATE EFFE	CTIVE June 1 ACTO BRANCH
ISSUED BY /	1 1	) /		ident & Chi Bunt Kirtley icer
100000000000000000000000000000000000000	mound x	- arijera		EFFECTIVE
	ority of an Order -00128 Dated <u>A</u>		vice Commis	sion of Kentuck <b>6/i1/2010</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

#### EAST KENTUCKY POWER COOPERATIVE, INC.

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

Winter (October - April)

On-Peak 7:00 a.m. - 12:00 noon

5:00 p.m. - 10:00 p.m.

Off-Peak 12:00 noon - 5:00 p.m.

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

Summer (May - September)

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

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

#### TERMS AND CONDITIONS

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

	KENTUCKY PUBLIC SERVICE COMMISSION
	<b>JEFF R. DEROUEN</b> EXECUTIVE DIRECTOR
DATE OF ISSUE March 31, 2010 DATE EFFE	CTIVE June 1 TARIFF BRANCH
ISSUED BY anthony Starphell TITLE Pres	ident & Chi Bunt Kirtley
Issued by authority of an Order of the Public Service Commis	sion of Kentuck 6/11/2010
Case No. 2008-00128 Dated August 20, 2008	PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

#### EAST KENTUCKY POWER COOPERATIVE, INC.

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

	KENTUCKY PUBLIC SERVICE COMMISSION
	<b>JEFF R. DEROUEN</b> EXECUTIVE DIRECTOR
DATE OF ISSUE March 31, 2010 DATE EFFE	CTIVE June 1 2011 H
ISSUED BY anthony Slangelell TITLE Pres	ident & Chic. LEFFECTIVE Aicer
Issued by authority of an Order of the Public Service Commis Case No. 2008-00128 Dated August 20, 2008	sion of Kentuck 1/2010 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

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

#### **AVAILABILITY**

Available only to qualified cogeneration or small power production facilities with a design capacity of less than 100 kW which have executed a contract with East Kentucky Power Cooperative and one of EKPC's member distribution systems for the purchase of electric power by East Kentucky Power Cooperative.

#### RATES

- 1. Capacity
  - a. \$54.65 per kW per year is applicable if cogenerator or small power producer is dispatched by East Kentucky Power Cooperative.

(I)

b. \$0.006990 per kWh is applicable if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative.

(I)

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

b. Non-Time Differentiated Rates:

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

φυ.υσυσο | φυ.υποτε | φυ.υσοτι | φυ.υσοτε

 Year
 2010
 2011
 2012
 PUBG SERVICE COMMSSION

 Rate
 \$0.04497
 \$0.04498
 \$0.04858
 \$0.05657 R. DEROUS Y8
 (R) (N)\*

 DATE OF ISSUE March 31, 2010
 DATE EFFECTIVE June 1 2010
 TARIFF BRANCH

ISSUED BY Anthony & Campbell TITLE President & Chic EFFECTIVE Aice

Issued by authority of an Order of the Public Service Commission of Kentuck 6/in/2010
Case No. 2008-00128 Dated August 20, 2008

#### EAST KENTUCKY POWER COOPERATIVE, INC.

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

Winter (October - April)

On-Peak 7:00 a.m. - 12:00 noon

5:00 p.m. - 10:00 p.m.

Off-Peak 12:00 noon - 5:00 p.m.

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

Summer (May - September)

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

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

#### TERMS AND CONDITIONS

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

	KENTUCKY PUBLIC SERVICE COMMISSION
	<b>JEFF R. DEROUEN</b> EXECUTIVE DIRECTOR
	TARIFE BRANCH
DATE OF ISSUE March 31, 2010 DATE EFFE	CTIVE Jun ; ^^1^,
a so la la	Bunt Kirtley
ISSUED BY Untrom Slampled TITLE Pre	sident & Chivi Leppethy Vificer
Issued by authority of an Order of the Public Service Commi	6/1/2010
Issued by authority of an Order of the Public Service Commi	SSION OURSUANTYO OF KAR 5:011 SECTION 9 (1)
Case No. 2008-00128 Dated <u>August 20, 2008</u>	
	For Area Served

#### EAST KENTUCKY POWER COOPERATIVE, INC.

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

	KENTUCKY PUBLIC SERVICE COMMISSION
	JEFF R. DEROUEN  EXECUTIVE DIRECTOR
DATE OF ISSUE March 31, 2010 DATE EFFE	CTIVE June 1, 2010 BRANCH
	ident & Chi Bunt Kirtley icer
Issued by authority of an Order of the Public Service Commis Case No. 2008-00128 Dated August 20, 2008	sion of Kentucky in 6/1/2010  PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Filing Requirement 807 KAR 5:001 Section 10(1)(b)(9) Sponsoring Witness: Ann F. Wood

#### **Description of Filing Requirement:**

Statement that notice given, see subsections (3) and (4) of 807 KAR 5:001, Section 10 with copy.

#### **Response:**

See response to Section 10(4)(e) under Tab 15.

,			

Filing Requirement 807 KAR 5:001 Section 10(2) Sponsoring Witness: Ann F. Wood

#### **Description of Filing Requirement:**

If gross annual revenues exceed \$1,000,000 written notice of intent filed at least four (4) weeks prior to application. Notice shall state whether the application will be supported by historical or a fully forecasted test period.

#### **Response:**

EKPC states that it provided written notice of intent to file a wholesale rate adjustment at least four (4) weeks prior to filing this Application, and that this notice of intent stated that the Application would be supported by a fully forecasted test period.

Please see page 2 of this response.



RECEIVED

APR 26 2010

 $Kentucky \cdot Ohio \cdot Indiana \cdot Tennessee \cdot West virginia$ 

PUBLIC SERVICE COMMISSION

April 26, 2010

Mr. Jeff Derouen Executive Director Public Service Commission 211 Sower Boulevard Frankfort, KY 40602 HAND DELIVERED

Re: Rate Application Notice of Intent

CASE NO. 2010-00167

Dear Mr. Derouen:

East Kentucky Power Cooperative, Inc. ("EKPC") hereby gives notice to the Public Service Commission ("the Commission"), pursuant to 807 KAR 5:001 Section 10 (2), of its intent to file a wholesale rate application on or after May 27, 2010. This rate application will be supported by a fully forecasted test period, as provided in 807 KAR 5:001 Sections 10 (8) - (10).

EKPC also gives notice to the Commission on behalf of its member distribution systems: Big Sandy RECC, Blue Grass Energy Cooperative, Clark Energy Cooperative, Cumberland Valley Electric, Farmers RECC, Fleming-Mason Energy Cooperative, Grayson RECC, Inter-County Energy Cooperative, Jackson Energy Cooperative, Licking Valley RECC, Nolin RECC, Owen Electric Cooperative, Salt River Electric Cooperative, Shelby Energy Cooperative, South Kentucky RECC, and Taylor County RECC, of their intent to file, on or after May 27, 2010, for the pass-through to their retail customers of any wholesale rate increase granted to EKPC through the filing of notices and proposed tariffs pursuant to 807 KAR 5:007 and KRS §278.455.

Very truly yours,

Mark David Goss

Cc: Dennis G. Howard, II Esq. – Office of Attorney General

Filing Requirement 807 KAR 5:001 Section 10(3) Sponsoring Witness: Ann F. Wood

#### **Description of Filing Requirement:**

Form of notice to customers. Every utility filing an application pursuant to this section shall notify all affected customers in the manner prescribed herein. The notice shall include the following information:

- (a) Amount of change requested in dollar amounts and percentage for each customer classification to which the proposed rate change will apply.
- (b) Present and proposed rates for each customer class to which change would apply
- (c) Electric, gas, water and sewer utilities effect upon average bill for each customer class to which change will apply.
- (d) Local exchange companies include effect upon average bill for each customer class for change in basic local service.
- (e) A statement that the rates contained in this notice are the rates proposed by East Kentucky Power Cooperative; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.
- (f) A statement that any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown.
- (g) A statement that any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting the utility through a name and address and phone number stated in this notice.
- (h) A statement that any person may examine the rate application and any other filings made by the utility at the main office of the utility or at the Commission's office indicating the addresses and telephone numbers of both the utility and the Commission.
- (i) The Commission may grant a utility with annual gross revenues greater than \$1,000,000, upon written request, permission to use an abbreviated form of published notice of the proposed rates provided the notice includes a coupon which may be used to obtain all of the information required herein.

#### Response:

The Notice to Customers is included on pages 2 through 5 of this response.

### NOTICE OF PROPOSED ADJUSTMENT TO WHOLESALE POWER TARIFFS

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set forth in 807 KAR 5:001, Section 10 (3), of the Rules and Regulations of the Public Service Commission, notice is hereby given to the member cooperatives of East Kentucky Power Cooperative, Inc. of a proposed wholesale rate adjustment. An Application for an Adjustment to Wholesale Power Tariffs will be filed with the Public Service Commission on May 27, 2010, Case No. 2010-00167.

The rate adjustment, with a requested effective date of July 1, 2010, will result in an increase in wholesale power costs to the member systems and will result in an increase in revenue of \$49,377,447 or 5.27% for East Kentucky Power Cooperative, Inc. The amount and percent of increase by rate class are listed below:

#### **RATES**

RATE SCHEDULE	INCREASE IN  DOLLARS	PERCENTAGE INCREASE
SECTION A	NA	NA
SECTION E	\$40,523,082	5.25%
SECTION B	2,979,952	5.29%
SECTION C	993,619	5.29%
SECTION G	1,006,664	5.30%
INLAND STEAM	752,513	5.35%
LARGE SPECIAL CONTRACT	3,121,617	6.43%
PUMPING STATIONS	0	0%
TOTAL	\$49,377,447	5.27%

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

	INCREASE IN	
	AVERAGE MONTHLY	PERCENTAGE
RATE SCHEDULE	BILL PER CUSTOMER	INCREASE
SECTION A	NA	NA
SECTION E	\$211,058	5.25%
SECTION B	\$ 24,833	5.29%
SECTION C	\$ 16,560	5.29%
SECTION G	\$ 41,944	5.30%
INLAND STEAM	\$ 62,709	5.35%
LARGE SPECIAL CONTRACT	\$260,135	6.43%

Listed below are the present and proposed monthly rates for each rate schedule:

RATE SCHEDULE	<u>PRESENT</u>	PROPOSED
SECTION A  Demand Charge per kW of  Billing Demand  Energy Charge per kWh	\$9.47 0.046772	\$10.00 0.049378
Energy Charge per KWH	0.010772	0.017370
SECTION E1		
Demand Charge per kW of Billing Demand	\$7.58	\$8.01
On-Peak Energy Charge per kWh	0.048908	0.051633
Off-Peak Energy Charge per kWh	0.048359	0.051053
SECTION E2		
Demand Charge per kW of		
Billing Demand	\$5.71	\$6.03
On-Peak Energy Charge per kWh	.056641	.059797
Off-Peak Energy Charge per kWh	.048359	.051053
SECTION B		
Demand Charge per kW of		
Minimum Demand	\$6.81	\$7.19
Demand Charge per kW of Billing		
Demand in Excess of Minimum		
Demand	\$9.47	\$10.00
Energy Charge per kWh	0.046772	0.049378
SECTION C		
Demand Charge per kW of Billing		
Demand	\$6.81	\$7.19
Energy Charge per kWh	0.046772	0.049378
SECTION D—INTERRUPTIBLE D	DEMAND CREDITS H	PER KW
10-Minute Interruptible	Φ 4. <b>2</b> 0	<b># 4.2</b> 0
200 Hours	\$4.20	\$4.20
300 Hours 400 Hours	\$4.90	\$4.90
	\$5.60	\$5.60
60-Minute Interruptible 200 Hours	\$3.50	¢2.50
300 Hours	\$3.30 \$4.20	\$3.50 \$4.20
400 Hours	\$4.20 \$4.90	\$4.20 \$4.90
	ψτ. Σ	₩ <del>1</del> .90
SECTION G		
Demand Charge per Billing kW	\$6.63	\$7.00
Energy Charge per All kWh	0.044840	0.047338

RATE SCHEDULE	<u>PRESENT</u>	PROPOSED
INLAND -STEAM		
Demand Charge per MMBTU	\$547.87	\$578.76
Energy Charge per MMBTU	\$ 4.931	\$ 5.206
LARGE SPECIAL CONTRACT		
Demand Charge (Firm)	\$6.63	\$7.00
Demand Charge for 10-Minute		
Interruptible	(5.60)	(5.60)
Demand Charge for 90-Minute		,
Interruptible	(4.20)	(4.20)
Energy Charge per kWh On-Peak	0.047128	0.049754
Energy Charge per kWh Off-Peak	0.043844	0.046287
LOAD CENTER CHARGES		
Metering Point Charge	\$137	\$145
Substation Charges:		
1,000 – 2,999 kVA Substation	\$1,033	\$1,091
3,000 – 7,499 kVA Substation	\$2,598	\$2,744
7,500 – 14,999 kVA Substation	\$3,125	\$3,301
15,000 and Larger kVA Substation	\$5,041	\$5,325
	*	•

The rates contained in this notice are the rates proposed by East Kentucky Power Cooperative, Inc. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after mailing of this notice of the proposed rate changes, request to intervene. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the request including the status and interest of the party. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and any other filings made by East Kentucky Power Cooperative, Inc. by contacting:

Mark David Goss Frost Brown Todd Attorneys, LLC 250 West Main Street, Suite 2800 Lexington, Kentucky 40507-1749 Phone: (859) 231-0000 Any person may examine the rate application and any other filings made by East Kentucky Power Cooperative, Inc. at the main office at the above address or by contacting the Public Service Commission Office at the following address:

Kentucky Public Service Commission 211 Sower Boulevard P.O. Box 615 Frankfort, Kentucky 40602 Phone: (502) 564-3940

Filing Requirement 807 KAR 5:001 Section 10(4)(a) Sponsoring Witness: Ann F. Wood

#### **Description of Filing Requirement:**

Manner of notification. Sewer utilities shall give the required typewritten notice by mail to all of their customers pursuant to KRS 278.185.

#### **Response:**

This filing requirement is not applicable to EKPC.



Filing Requirement 807 KAR 5:001 Section 10(4)(b) Sponsoring Witness: Ann F. Wood

#### **Description of Filing Requirement:**

Manner of notification. If applicant has 20 customers or less, written notice of proposed rate changes and estimated amount of increase per customer class shall be mailed to each customer no later than date of application.

#### **Response:**

Please see response to Filing Requirement 807 KAR 5:001 Section 10 (3), filed under tab 10.

Filing Requirement 807 KAR 5:001 Section 10(4)(c) Sponsoring Witness: Ann F. Wood

#### **Description of Filing Requirement:**

Except for sewer utilities, applicants with more than twenty (20) customers affected by the proposed general rate adjustment shall give the required notice by one (1) of the following methods: 1. A typewritten notice mailed to all customers no later than the date the application is filed with the Commission; 2. Publishing the notice in a trade publication or newsletter which is mailed to all customers no later than the date on which the application is filed with the Commission; or 3. Publishing the notice once a week for three (3) weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made within seven (7) days of the filing of the application with the Commission.

#### **Response:**

This filing requirement is not applicable to EKPC, as EKPC has fewer than twenty customers affected by the proposed general rate adjustment.



Filing Requirement 807 KAR 5:001 Section 10(4)(d) Sponsoring Witness: Ann F. Wood

#### **Description of Filing Requirement:**

If the notice is published, an affidavit from the publisher verifying the notice was published, including the dates of the publication with an attached copy of the published notice, shall be filed with the Commission no later than forty-five (45) days of the filed date of the application.

#### Response:

This filing requirement is not applicable to EKPC. Please see Filing Requirement 807 KAR 5:001 Section 10(4)(e) under tab 15.

	•	
	·	

Filing Requirement 807 KAR 5:001 Section 10(4)(e) Sponsoring Witness: Ann F. Wood

#### **Description of Filing Requirement:**

If the notice is mailed, a written statement signed by the utility's chief officer in charge of Kentucky operations verifying the notice was mailed shall be filed with the Commission no later than thirty (30) days of the filed date of the application.

#### **Response:**

A written statement signed by EKPC's Chief Executive Officer verifying that notice was mailed is included on page 2 of this response.

# EAST KENTUCKY POWER COOPERATIVE CASE NO. 2010-00167

#### NOTICE TO MEMBER COOPERATIVES

In accordance with 807 KAR 5:001 Section 10(4)(e), EKPC does hereby verify that this notice of a proposed wholesale rate adjustment was mailed to all member cooperatives on May 14, 2010.

Anthony S. Campbell

President and Chief Executive Officer

Filing Requirement 807 KAR 5:001 Section 10(4)(f) Sponsoring Witness: Ann F. Wood

#### **Description of Filing Requirement:**

All utilities, in addition to the above notification, shall post a sample copy of the required notification at their place of business no later than the date on which the application is filed which shall remain posted until the Commission has finally determined the utility's rates.

#### Response:

EKPC has complied with 807 KAR 5:001, Section 10(4)(f) by posting its Notice at its place of business on May 14, 2010, and said Notice will remain posted until the Commission has finally determined the utility's rates. This Notice to Member Cooperatives is included at Tab 10.



Filing Requirement 807 KAR 5:001 Section 10(4)(g) Sponsoring Witness: Ann F. Wood

#### **Description of Filing Requirement:**

Compliance with this subsection shall constitute compliance with 807 KAR 5:051, Section 2.

#### **Response:**

No response is required.

Filing Requirement 807 KAR 5:001 Section 10(5) Sponsoring Witness: Ann F. Wood

#### **Description of Filing Requirement:**

Notice of hearing scheduled by the commission upon application by a utility for a general adjustment in rates shall be advertised by the utility by newspaper publication in the areas that will be affected in compliance with KRS 424.300.

#### **Response:**

EKPC will advertise notice of hearing in compliance with KRS 424.300.

Filing Requirement 807 KAR 5:001 Section 10(8)(a) Sponsoring Witness: Frank J. Oliva and Ann F. Wood

#### **Description of Filing Requirement:**

Financial data for forecasted period presented as pro forma adjustments to base period.

#### **Response:**

Financial data for the forecasted period presented as adjustments to the base period is included on page 2 of this response.

The pro-forma adjustments are included in Exhibit 1 to Ms. Wood's testimony under tab 23.

### EAST KENTUCKY POWER COOPERATIVE, INC. Base Period with Adjustments to Forecast Period

	Financial Data Base Period	Adjustments	Financial Data Forecasted Period
STATEMENT OF OPERATIONS		<b>,</b>	
Energy Revenues			
Power Sales-Member Coops - Basic Rate Power Sales-Member Coops - Fuel Clause Power Sales-Member Coops - Environmental Surcharge Power Sales-Member Coops - Steam Power Sales - Off System Wheeling Revenue Other Operating Revenue - Income Total Operating Revenue & Patronage Capital	\$ 812,175,766 (92,613,945) 80,527,071 12,399,759 7,118,235 1,047,223 (7,262,454) 813,391,655	\$ 58,413,868 44,694,700 21,804,093 115,710 (3,040,362) 1,491,570 9,469,623 132,949,202	\$ 870,589,634 (47,919,245) 102,331,164 12,515,469 4,077,873 2,538,793 2,207,169 946,340,857
Operation Expenses Production Costs Excluding Fuel Fuel Other Power Supply Transmission Distribution	62,912,789 337,952,731 77,269,552 31,419,075 1,093,336	7,869,645 108,000,545 (19,969,561) 3,169,122 374,533	70,782,434 445,953,276 57,299,991 34,588,197 1,467,869
Customer Accounts Customer Service and Information Sales Administrative and General Total Operation Expenses	2,460,435 17,591 29,002,554 542,128,063	899,755 3,411 2,426,639 102,774,089	3,360,190 21,002 31,429,193 644,902,152
Maintenance Expenses Production Transmission Expense Distribution Expense General Plant Total Maintenance Expenses	53,577,467 5,940,112 1,486,233 1,663,907 62,667,719	3,338,540 (253,296) (471,891) 385,235 2,998,588	56,916,007 5,686,816 1,014,342 2,049,142 65,666,307
Fixed Costs Depreciation/Amortization Taxes Interest on Long-Term Debt Interest During Construction	70,863,419 800 118,251,581	8,035,403 - 29,065,216 -	78,898,822 800 147,316,797
Other Interest Expense Other Deductions Total Fixed Costs	40,338 <u>4,301,143</u> 193,457,281	(339) (2,518,558) 34,581,722	39,999 1,782,585 228,039,003
Total Cost of Electric Service	798,253,063	140,354,399	938,607,462
Operating Margins	15,138,592	(7,405,197)	7,733,395
Non-Operating Items Interest Income Allowance for Funds used for Construction Other Non-Operating Income Other Capital Credits/Patronage Dividends Total Non-Operating Items	3,516,216 - 7,680 371,810 3,895,706	(98,337) - (77,168) (221,810) (397,315)	3,417,879 - (69,488) 150,000 3,498,391
Net Patronage Capital & Margins	\$ 19,034,298	\$ (7,802,512)	\$ 11,231,786

Filing Requirement 807 KAR 5:001 Section 10(8)(b) Sponsoring Witness: Ann F. Wood

#### **Description of Filing Requirement:**

Forecasted adjustments shall be limited to the 12 months immediately following the suspension period

#### **Response:**

EKPC notes that forecasted adjustments shall be limited to the 12 months immediately following the suspension period.



Filing Requirement 807 KAR 5:001 Section 10(8)(c) Sponsoring Witness: Ann F. Wood

#### **Description of Filing Requirement:**

Capitalization and net investment rate base shall be based on a 13-month average for the forecasted period.

#### **Response:**

Capitalization and net investment rate base are based on a 13-month average for the forecasted period.

Filing Requirement 807 KAR 5:001 Section 10(8)(f) Sponsoring Witness: Ann F. Wood

#### **Description of Filing Requirement:**

The utility shall provide a reconciliation of the rate base and capital used to determine its revenue requirements.

#### Response:

A reconciliation of the rate base and capital is on page 2 of this response and the capitalization schedule is on page 3 of this response. The calculation of rate base for the forecasted test year is included in Tab 47. It should be noted, however, that a Times Interest Earned Ratio ("TIER") was utilized to determine EKPC's revenue requirement in this proceeding rather than a rate of return on rate base or total capitalization.

## Reconciliation of Capitalization to Rate Base Forecasted Test Year

	Gross Rate Base 13-month average	Environmental Surcharge Impacts	Net Rate Base 13-month average
Capitalization Members' Equity Long-Term Debt	\$ 283,637,462 2,955,052,077		\$ 283,637,462 2,955,052,077
Environmental Surcharge Portion		\$ (770,625,671)	(770,625,671)
Total Capitalization as Filed	\$ 3,238,689,538	\$ (770,625,671)	\$ 2,468,063,868
Assets forecasted not included in rate base:			
Property and Investments Other Assets Cash and Investments Accounts Receivable Other Current Assets Subtotal	\$ (43,246,522) (15,907,386) (274,829,345) (83,897,198) (2,220,334) (420,100,784)		\$ (43,246,522) (15,907,386) (274,829,345) (83,897,198) (2,220,334) (420,100,784)
Liabilities forecasted not included in rate base:			
Current Liabilities Other Liabilities Subtotal	42,743,812 95,622,146 138,365,958		42,743,812 95,622,146 138,365,958
Assets in rate base, not forecasted:			
Cash Working Capital13 month	30,565,412	(3,733,303)	26,832,109
Subtotal	(251,169,414)	(3,733,303)	(254,902,717)
Rounding	(207)		(207)
Total Rate Base	\$ 2,987,519,918	\$ (774,358,974)	\$ 2,213,160,944

#### EAST KENTUCKY POWER COOPERATIVE, INC. 13-Month Average Capitalization

Item	1 December 2010	2 January 2011	3 February 2011	4 March 2011	5 April 2011	6 May 2011	7 June 2011	8 July 2011	9 August 2011	10 September 2011	11 October 2011	12 November 2011	13 December 2011	13-Month Average
Capitalization														
Members' Equity	251,819,000	266,689,000	276,943,000	281,897,000	278,990,000	275,735,000	276,952,000	282,897,000	292,195,000	295,629,000	295,450,000	299,663,000	312,428,000	283,637,462
Long-Term Debt	2,874,192,000	2,916,117,000	2,908,042,000	2,974,967,000	2,990,039,000	2,997,303,000	2,989,228,000	2,981,153,000	2,973,078,000	2,965,002,000	2,956,927,000	2,948,852,000	2,940,777,000	2,955,052,077
Total	3,126,011,000	3,182,806,000	3,184,985,000	3,256,864,000	3,269,029,000	3,273,038,000	3,266,180,000	3,264,050,000	3,265,273,000	3,260,631,000	3,252,377,000	3,248,515,000	3,253,205,000	3,238,689,538
Capital Structure (F	ercentage of Tot	ai)												
Members' Equity	8.06%	8.38%	8.70%	8.66%	8.53%	8.42%	8.48%	8.67%	8.95%	9.07%	9.08%	9.22%	9.60%	8.76%
Long-Term Debt	91.94%	91.62%	91.30%	91.34%	91.47%	91.58%	91.52%	91.33%	91.05%	90.93%	90.92%	90.78%	90.40%	91.24%
Total	100.00%	100.00%	100.00%	100.00%	100,00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Total Capitalization - 13-Month Average

\$3,238,689,538

Less: Environmental Plant

(770,625,671)

\$2,468,063,868