

RULES AND REGULATIONS

will be connected, as required by local or state laws.

(26) DISCONTINUANCE OF SERVICE

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

- a. Non-payment of bills
- b. Fraudulent or illegal use of service
If the meter or other equipment belonging to the Cooperative is tampered or interfered with or the appearance of current-theft devices on the premises of the member, the customer supplied shall pay the amount the Cooperative estimates is due for service rendered but not registered on the Cooperative's meter and for such repairs and replacements as are necessary. In discontinuing the illegal service, actual cost to disconnect will be charged if it is required to be discontinued at the transformer. This estimated cost is \$85.00 based on the following detail. (I)

Labor	<u>\$53.81</u>	(I)(T)
Overhead	<u>\$31.19</u>	(I)
Total	<u>\$85.00</u>	(I)
- c. When dangerous conditions exist, service shall be discontinued.
- d. When applicant or member is indebted to the Cooperative for services furnished until indebtedness is paid.
- e. When applicant or member refuses to provide reasonable access to premises.
- f. Non-compliance with state, local, or other codes, rules and regulations that are applicable to providing service.

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

DATE OF ISSUE: November 18, 2014

DATE EFFECTIVE: December 18, 2014

ISSUED BY: _____

TITLE: Vice President and CFO

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

Issued by authority of an Order of the Public Service
Commission of Kentucky In Case No.: 2014-00339
Dated:

RULES AND REGULATIONS

(30) RELOCATION OF LINES

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

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

(31) VOLTAGE FLUCTUATIONS CAUSED BY THE CONSUMER

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

(32) COLLECTION OF DELINQUENT ACCOUNTS

Should it become necessary for Blue Grass Energy to send a representative to the member's premises for collecting a delinquent account or to disconnect for non-payment, a charge of \$ 30.00 will be applied to the member's account for the extra service rendered, due and payable (I) the time such delinquent account is collected. Only one field collection charge will be applied to a customer's account in any one billing period. If service is discontinued for non-payment, an additional charge of \$30.00 will be added for reconnecting service during (I) regular working hours. If the member requests reconnection after regular working hours, the charge will be \$75.00 in accordance with 807 KAR 5:006, Section 8(3)(c). (I)

In some instances, solely at the discretion of Blue Grass Energy, a remote disconnect switch will be installed. If service is disconnected for non-payment with the switch a fee of \$25.00 (I) will be applied to the member's account for the extra service rendered, due and payable at the time such delinquent account is collected. An additional fee of \$25.00 will be added (I) for reconnecting the service with the remote switch.

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(33) **CONNECT AND RECONNECT CHARGE**

Blue Grass Energy will make no charge for connecting service to the member's premises for the initial installation of service, provided the connection is made during regular working hours.

Blue Grass Energy may make a service charge of \$30.00 for reconnecting the service of a member whose service has been connected one or more times within the preceding twelve (12) months. If a service charge will be \$75.00 if made after regular working hours. Any service charge will be due and payable prior to time of connection. (I)

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

If a check is returned from a member's banking institution due to insufficient funds or any other reason, a charge of \$25.00 will be added to the member's account for processing and handling. If a trip to collect the check has to be made by a cooperative representative, an additional \$30.00 charge will be added. These charges will be due and payable at the time the returned check amount is collected. (I)

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

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

(35) **COLLECTION AGENT PROCESSING**

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

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

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Commission of Kentucky In Case No.: 2014-00339
Dated:

**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

For Entire Territory Served	
P.S.C. KY No.	1
<u>1st Revised</u> SHEET NO	<u>15</u>
CANCELLING P.S.C.NO.	<u>1</u>
<u>Original</u> SHEET NO.	<u>15</u>

RULES AND REGULATIONS

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

(37) **TEMPORARY SERVICE**

A member requesting temporary service will be required to pay a temporary service connection fee of \$35 and may be required to pay all cost of constructing, removing, connecting and disconnecting service. Facilities that are temporary in nature such as construction contractors, sawmills, carnivals, fairs, camp meetings, etc., will be provided to members making application for same, provided they pay an advance fee equal to the reasonable cost of constructing and removing such facilities along with a deposit (amount to be determined by Blue Grass Energy), for estimated kwh usage. Upon termination of temporary service, the payment made on estimated usage will be adjusted to actual usage and either a refund or additional billing will be issued to such temporary member.

(38) **DISTRIBUTION LINE EXTENSIONS**

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

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RULES AND REGULATIONS

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

A. Conditions for Overhead Services

- a. All wiring must be in accordance with Rules and Regulations of the Cooperative and the National Electrical Code.
 - b. All extensions 150 feet from the nearest existing facility will be at no charge. Greater than 150 feet and less than 1,000 feet will be considered advance for construction. The cost of advance for construction will be refunded in four (4) equal payments to the member over a period of four (4) years, provided the service stays connected during that time. The advance payment will be forfeited if the service is disconnected or ownership of service is changed during this refundable period.
 - c. All over 1,000 feet will be considered as PSC Regulation.
- B. Condition for Underground Service. Aid to construction payment shall be estimated by the cooperative before construction is begun. When construction is completed, the member shall be billed for the actual cost of construction and credit shall be given for advance payment. This payment shall be considered as aid to construction.

(42) **OUTDOOR LIGHTS**

- A. The installation of outdoor lights is available to all Blue Grass Energy members under the following conditions.
1. Outdoor light requests requiring a pole or transformer installation will be required (T) to pay the actual cost of construction from existing facilities to new service in advance. This advance payment shall be considered as an aid to construction.
 2. Members are expected to assist in the curtailment of outdoor light vandalism. In the event outdoor light vandalism occurs, the cooperative will bear the cost of repairing or replacing the bulb or fixture the first time. If the outdoor light is damaged again within a year, it will not be repaired or replaced unless the owner bears the cost.
- B. The cooperative reserves the right to discontinue service to any location after a fixture has been vandalized.

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**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

For Entire Territory Served
P.S.C.KY No. 1
1st Revised Sheet No. 35
Cancelling P.S.C. No. 1
Original Sheet No. 35

RULES AND REGULATIONS

(46) METER READING CHARGE:

For those meters that are inaccessible or decline AMR as a result of the member's actions, a trip charge shall be imposed in order to obtain an accurate meter reading. Inaccessibility may be due to the member, locked gate, dogs, etc. If this results in an estimation of the meter usage for 3 consecutive months, an attempt to notify the member will be made to obtain a meter reading and/or accessibility to the property. If this is not successful a trip will be made to obtain an accurate meter reading. A \$30.00 trip charge shall be applied to the member's account. (T) (I)

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 If the meter or other equipment belonging to the Cooperative is tampered or interfered with or the appearance of current-theft devices on the premises of the member, the customer supplied shall pay the amount the Cooperative estimates is due for service rendered but not registered on the Cooperative's meter and for such repairs and replacements as are necessary. In discontinuing the illegal service, actual cost to disconnect will be charged if it is required to be discontinued at the transformer. This estimated cost is ~~\$72.00~~ 85.00 based on the following detail. (I)

Estimated trip time 1 hour	\$36.00	<u>53.81</u>	(D)
2 Man Crew Labor @ \$18.00 avg. X 2	\$36.00	<u>31.19</u>	(I)(T)
Overhead	\$36.00	<u>31.19</u>	(I)
Total	\$72.00	<u>85.00</u>	(I)

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

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

DATE OF ISSUE: ~~February 27, 2012~~ November 18, 2014

DATE EFFECTIVE: ~~January 1, 2002~~ December 18, 2014

ISSUED BY: _____

TITLE: Vice President and CFO

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

Issued by authority of an Order of the Public Service

Commission of Kentucky In Case No.: ~~2010-00185~~ 2014-00339

Dated: ~~February 18, 2011~~

RULES AND REGULATIONS

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In some instances, solely at the discretion of Blue Grass Energy, a remote disconnect switch will be installed. If service is disconnected for non-payment with the switch a fee of ~~\$20.00~~ 25.00 will be applied to the member's account for the extra service rendered, due and payable at the time such delinquent account is collected. An additional fee of ~~\$20.00~~ 25.00 will be added for reconnecting the service with the remote switch. (I)

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 - b. All extensions 150 feet from the nearest existing facility will be at no charge. Greater than 150 feet and less than 1,000 feet will be considered advance for construction. The cost of advance for construction will be refunded in four (4) equal payments to the member over a period of four (4) years, provided the service stays connected during that time. The advance payment will be forfeited if the service is disconnected or ownership of service is changed during this refundable period.
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(42) OUTDOOR LIGHTS (T)

- A. The installation of outdoor lights is available to all Blue Grass Energy members under the following conditions. (T)
 - 1. Outdoor light requests requiring a pole or transformer installation will be required (T) to pay the actual cost of construction from existing facilities to new service in advance. This advance payment shall be considered as an aid to construction.
 - 2. Members are expected to assist in the curtailment of outdoor light vandalism. (T)
In the event outdoor light vandalism occurs, the cooperative will bear the (T)
cost of repairing or replacing the bulb or fixture the first time. If the outdoor (T)
light is damaged again within a year, it will not be repaired or replaced unless
the owner bears the cost.
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Dated: ~~February 18, 2011~~

Supplemental Official Notice

Blue Grass Energy Cooperative Corporation, with its principal office at Nicholasville, Kentucky and with its address at PO Box 990 1201 Lexington Road Nicholasville, Kentucky 40340 has filed with the Kentucky Public Service Commission in Case No. 2014-00339 an application to adjust its retail rates and charges. The need for this adjustment is due to an increase in Blue Grass Energy's expenses in the areas of wholesale power costs, depreciation, and general operating expenses. Blue Grass Energy is proposing to increase its electric rates by \$2,450,474 or 2.17%.

The rates are were filed with the Kentucky Public Service Commission on November 18, 2014 and are effective December 18, 2014. The rates contained in this notice are rates proposed by Blue Grass Energy, Inc., that were inadvertently omitted from the first public notice. The Kentucky Public Service Commission may order rates to be charged that differ from these proposed rates contained in this notice. In addition, the Kentucky Public Service Commission may change the effective date.

A person may examine this application at the office of Blue Grass Energy located at 1201 Lexington Road Nicholasville, Kentucky 40340, Monday through Friday, 7:30 a.m. to 4:30 p.m. or at www.bgenergy.com. A person may also examine this application at the Kentucky Public Service Commission offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the commission's Web site at <http://psc.ky.gov>.

Any comments regarding the application may be submitted to the Public Service Commission through its Web site, <http://psc.ky.gov>, or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. A person may submit a timely written request for intervention to the Public Service Commission Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of initial publication of the notice, the commission may take final action on the application.

Blue Grass Energy Cooperative Corporation
1201 Lexington Road
PO Box 990
Nicholasville, Kentucky 40340
888-546-4243
www.bgenergy.com

The present and proposed rate structure of Blue Grass Energy Cooperative Corporation is listed below:

<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
<u>G-1 - Large Industrial Rate</u>		
Customer charge	\$ 5,454.00	\$ 5,454.00
Energy Rate per kWh	\$ 0.043347	\$ 0.043347
Demand Rate per kW	\$ 6.98	\$ 6.98
<u>Nonrecurring Charges</u>		
Temporary Service	\$ -	\$ 35.00
Meter Reading Charge	\$ 25.00	\$ 30.00

The requested dollar amounts and percentage change for Blue Grass Energy Cooperative Corporation is listed below:

<u>Rate Class</u>	<u>Increase Dollar</u>	<u>Percent</u>
G-1		
Large Industrial Rate (over 15000 KW)	\$ -	0.00%
<u>Nonrecurring Charges</u>		
Temporary Service	\$ -	0.00%
Meter Reading Charge	\$ -	0.00%

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

<u>Rate Class</u>	<u>Average kWh Usage</u>	<u>Current</u>	<u>Proposed</u>		
		<u>Dollar Amount of Average Usage</u>	<u>Dollar Amount of Average Usage</u>	<u>Increase Dollar</u>	<u>Percent</u>
G-1					
Large Industrial Rate (over 1500 KW)	4,671,659	\$ 1,050,446	\$ 1,050,446	\$ -	0.0%
<u>Nonrecurring Charges</u>					
Temporary Service		\$ -	\$ 35.00	\$ 35.00	N/A
Meter Reading Charge		\$ 25.00	\$ 35.00	\$ 5.00	20.0%

Footnote

Overtime disconnect charge was included in error.