

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>APPLICATION OF BLUE GRASS ENERGY</b>	)	
<b>COOPERATIVE CORPORATION FOR AN</b>	)	<b>CASE NO. 2014-00339</b>
<b>ADJUSTMENT OF RATES</b>	)	

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**MOTION FOR LEAVE TO SUPPLEMENT THE RECORD  
WITH ADDITIONAL TESTIMONY IN SUPPORT OF  
STIPULATION, SETTLEMENT AGREEMENT AND RECOMMENDATION**

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Comes now Blue Grass Energy Cooperative Corporation (“Blue Grass Energy”), by and through counsel, and moves the Kentucky Public Service Commission (“Commission”) for leave to supplement the record of this proceeding with additional testimony in support of that certain Stipulation, Settlement Agreement and Recommendation (“Stipulation”) dated April 13, 2015, entered into by and between Blue Grass Energy and the Office of the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention (the “AG”).<sup>1</sup>

In support of this motion, Blue Grass Energy states as follows:

1. The AG has been granted intervention in this case and has thoroughly examined Blue Grass Energy’s Application, testimony, and responses to data requests.
2. As a result of negotiation, Blue Grass Energy and the AG have entered into the Stipulation.

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<sup>1</sup> A copy of the Stipulation is attached to the Joint Motion to Approve Stipulation, Settlement Agreement and Recommendation filed simultaneously herewith.

3. Blue Grass Energy and the AG believe that the Stipulation, viewed in its entirety, represents a fair, just and reasonable resolution of all the issues in this proceeding.

4. So that the record of this case may contain adequate and sufficient evidence to support the Stipulation, Blue Grass Energy desires to file additional sworn testimony. Specifically, Blue Grass Energy hereby tenders: (1) as attached Exhibit A, the sworn testimony of Michael I. Williams, President and Chief Executive Officer of Blue Grass Energy; and (2) as attached Exhibit B, the sworn supplemental testimony of James R. Adkins. Blue Grass Energy requests that the Commission's Order specifically provide that the record be supplemented with the foregoing testimony.

WHEREFORE, Blue Grass Energy respectfully requests that the Commission enter an Order accepting into the record of this proceeding the heretofore-described testimony in support of the Stipulation.

Done this 14<sup>th</sup> day of April, 2015.

Respectfully submitted,



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*Counsel for Blue Grass Energy*

**CERTIFICATE OF SERVICE AND FILING**

The undersigned certifies that the foregoing is a true and accurate copy of the same document being filed in paper medium; that the electronic filing has been transmitted to the Commission on April 14, 2015; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that one paper original of the foregoing will be filed with the Commission within two (2) business days from the electronic filing.

The undersigned further certifies that, in accordance with 807 KAR 5:001, §4(8), the foregoing is being contemporaneously provided via electronic mail to:

Hon. Angela M. Goad  
Hon. Jennifer Black Hans  
Hon. Gregory T. Dutton  
Assistant Attorneys General  
1024 Capital Center Drive, Suite 200  
Frankfort, Kentucky 40601-8204  
Angela.Goad@ky.gov  
Jennifer.Hans@ky.gov  
Gregory.Dutton@ky.gov

This 14<sup>th</sup> day of April, 2015.

  
*Counsel for Blue Grass Energy*

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**APPLICATION OF BLUE GRASS ENERGY )  
COOPERATIVE CORPORATION FOR AN ) CASE NO. 2014-00339  
ADJUSTMENT OF RATES )**

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**TESTIMONY OF  
MICHAEL I. WILLIAMS  
ON BEHALF OF  
BLUE GRASS ENERGY COOPERATIVE CORPORATION**

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Filed: April 14, 2015



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**I. INTRODUCTION**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Michael I. Williams. My business address is 1201 Lexington Road,  
3 Nicholasville, Kentucky 40356.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am employed by Blue Grass Energy Cooperative Corporation (“Blue Grass  
6 Energy” or the “Cooperative”) as its President and Chief Executive Officer.

7 **Q. PLEASE STATE YOUR EDUCATION AND PROFESSIONAL**  
8 **EXPERIENCE.**

9 A. I received a B.S. degree in Electrical Engineering with distinction and a minor in  
10 Mathematics in 1992 and Master of Business Administration in 1999 from the  
11 University of Kentucky. I am a registered Professional Engineer in the state of  
12 Kentucky. I was first employed by Blue Grass Energy as System Engineer in  
13 1992. I have progressed through the organization holding various management  
14 positions and promoted to President/CEO in 2011. I have been employed by Blue  
15 Grass Energy over 22 years. My responsibilities have ranged from system  
16 engineering, operations, Information Technology, Member Service, to overall  
17 responsibility of the organization.

18 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

19 A. The purpose of my testimony is twofold. First, I will generally describe this  
20 proceeding and the Stipulation, Settlement Agreement and Recommendation  
21 entered into on or about April 13, 2015 (the “Stipulation”), by and among Blue  
22 Grass Energy and the Office of the Attorney General of the Commonwealth of

1 Kentucky, by and through the Office of Rate Intervention (the “AG”) (Blue Grass  
2 Energy and the AG may be referred to collectively herein as the “Parties”).  
3 Second, I will explain why the Stipulation represents a fair, just and reasonable  
4 resolution of all the issues in this proceeding. The Stipulation is attached to the  
5 Joint Motion of the Parties requesting that the Kentucky Public Service  
6 Commission (“Commission”) approve the Stipulation, which Joint Motion was  
7 filed simultaneously with this testimony. I have personally reviewed the  
8 Stipulation and affirm that it accurately reflects the agreement that Blue Grass  
9 Energy and the AG have reached.

## II. OVERVIEW OF THE PROCEEDING

10 **Q. PLEASE GENERALLY DESCRIBE THE REASON(S) BLUE GRASS**  
11 **ENERGY INITIATED THIS PROCEEDING.**

12 A. The primary reason Blue Grass Energy initiated this proceeding was to effectuate  
13 a change to the design of its retail rate structure. Specifically, Blue Grass Energy  
14 seeks to place greater emphasis on the “customer charge” aspect of its rates while  
15 simultaneously decreasing the amount most of its Members pay for each kilowatt  
16 of energy. By implementing this rate design adjustment, Blue Grass Energy  
17 believes the interests of the Cooperative and its Members will be better aligned  
18 with respect to energy innovation, efficiency, and demand response efforts.  
19 Additionally, and as supported by a cost of service study filed in the record of this  
20 matter, an increased customer charge is warranted and necessary to improve the  
21 correlation between the Cooperative’s revenues and the costs of providing service  
22 to Members. Blue Grass Energy also seeks to implement a new inclining block

1 rate tariff and a new large power time-of-day rate tariff, as well as to amend  
2 certain of its other tariffs to provide a more reasonable, streamlined approach to  
3 serving its customer base.

4 As this Commission is aware, Blue Grass Energy does not often appear before it  
5 requesting an increase of its retail rates (the Cooperative's last rate case was in  
6 2008). In light of the time and expense associated with requesting rate increases,  
7 Blue Grass Energy strives to minimize how often it must seek to adjust its rates.  
8 To that end, Blue Grass Energy believed it appropriate to request a  
9 "maintenance"-type increase to its retail rates as part of its pursuit of a rate design  
10 adjustment. Thus, as part of this proceeding Blue Grass Energy also seeks a  
11 relatively modest increase to its annual revenue requirements.

12 **Q. HAS THE AG INTERVENED IN THIS PROCEEDING?**

13 A. Yes. On December 3, 2014, the AG moved the Commission to grant him full  
14 intervenor status in this action pursuant to KRS 367.150(8) and 807 KAR 5:001  
15 Section 4(11). The Commission granted the AG's motion and made him a full  
16 party to this proceeding by Order entered December 23, 2014.

### **III. OVERVIEW OF THE STIPULATION**

17 **Q. PLEASE BRIEFLY DESCRIBE HOW THE STIPULATION CAME**  
18 **ABOUT.**

19 A. The Stipulation is the product of much negotiation and compromise by Blue Grass  
20 Energy and the AG. Blue Grass Energy is appreciative of the AG's willingness to  
21 view this case on its own facts and to fashion an agreement accordingly.

22 **Q. PLEASE DESCRIBE THE MAIN POINTS OF THE STIPULATION.**



1 A. Under the terms of the Stipulation, the Parties agree that Blue Grass Energy  
2 should be awarded an increase to its annual revenue requirements in the amount  
3 of \$1,400,000, which is \$1,050,474 less than the amount proposed by Blue Grass  
4 Energy in its Application. The Parties also agree that the rates associated with the  
5 Cooperative's rate class GS-1 (Residential and Farm) should be adjusted in  
6 accordance with the following three-phase approach:

7 a. Immediately upon entry of an Order by the Commission accepting and  
8 approving the Stipulation, the Parties recommend that: (i) the energy rate per  
9 kilowatt hour be set at \$0.08890; and (ii) the customer (or facility) charge be  
10 set at \$12.00, each remaining at the specified amount through December 31,  
11 2015;

12 b. Beginning January 1, 2016, the Parties recommend that: (i) the energy rate  
13 per kilowatt hour be set at \$0.08731; and (ii) the customer (or facility) charge  
14 be set at \$14.00, each remaining at the specified amount through December  
15 31, 2016;

16 c. Beginning January 1, 2017, the Parties recommend that: (i) the energy rate  
17 per kilowatt hour be set at \$0.08531; and (ii) the customer (or facility) charge  
18 be set at \$16.50, each remaining at the specified amount indefinitely.

19 **Q. WHY DOES THE STIPULATION EMBRACE A THREE-PHASE**  
20 **APPROACH WITH RESPECT TO THE PROPOSED RATE**  
21 **ADJUSTMENT ASSOCIATED WITH RATE CLASS GS-1**  
22 **(RESIDENTIAL AND FARM)?**

1 A. As part of the Stipulation, the Parties agree that the difference between the  
2 additional annual revenue requested in Blue Grass Energy’s application and the  
3 amount of the recommended award of additional annual revenue is generally  
4 attributable to a reduction in the proposed interest expense adjustment associated  
5 with Blue Grass Energy’s variable rate loans with the Federal Financing Bank  
6 (“FFB”). Specifically, Blue Grass Energy proposed in its application to calculate  
7 its interest expense adjustment utilizing a higher interest rate than it currently pays  
8 with respect to its FFB variable loans; as part of the Stipulation, Blue Grass  
9 Energy agrees that it shall calculate its interest expense adjustment utilizing the  
10 actual interest rate(s) applicable to its FFB variable loans for purposes of this  
11 proceeding. Blue Grass Energy accepts this result as part of the larger negotiation  
12 with the AG, especially in light of the Commission’s final Order entered January  
13 16, 2015, in Case No. 2014-00159, *In the Matter of: Application of Cumberland*  
14 *Valley Electric, Inc. for an Adjustment of Rates*, which addressed a similar issue.  
15 Blue Grass Energy believes that the proposed \$1.4 million in increased annual  
16 revenue will be sufficient to maintain the financial integrity of the Cooperative.

17 **Q. DOES THE STIPULATION CONTAIN OTHER TERMS AND**  
18 **CONDITIONS COMMON TO DOCUMENTS OF THIS KIND?**

19 A. Yes. Although I have already discussed the main, substantive portions of the  
20 Stipulation, the Parties also agree in the Stipulation to various terms and  
21 conditions commonly found in documents of this nature (e.g., the Parties agree  
22 that the Stipulation shall in no way be deemed to divest the Commission of

1 jurisdiction under Chapter 278 of the Kentucky Revised Statutes; the Parties agree  
2 that the Stipulation may be executed in multiple counterparts; etc.).

3 **Q. DOES BLUE GRASS ENERGY BELIEVE THE STIPULATION IS IN THE**  
4 **BEST INTEREST OF ITS CUSTOMERS?**

5 A. Yes. The Stipulation enables the Cooperative to maintain its financial integrity  
6 while promoting and encouraging energy efficiency and demand-side  
7 management. The Stipulation also allows Blue Grass Energy to better align its  
8 revenues with the costs of its services. Ultimately, the result of the Stipulation is  
9 a more robust, fiscally-sound Cooperative that can continue to provide safe,  
10 reliable, and cost-effective service to its Members.

11 **Q. DOES BLUE GRASS ENERGY BELIEVE THE STIPULATION**  
12 **PROVIDES AND ESTABLISHES RATES THAT ARE FAIR, JUST AND**  
13 **REASONABLE TO ALL RATE CLASSES?**

14 A. Yes. The Parties, who represent diverse interests and divergent viewpoints, agree  
15 that the Stipulation, viewed in its entirety, is a fair, just and reasonable resolution  
16 of all the issues in this proceeding. Significant effort and attention to detail were  
17 employed to ensure that the rates proposed by Blue Grass Energy are consistent  
18 with law and prudent utility practice.

19 **Q. DOES BLUE GRASS ENERGY REQUEST THAT THE COMMISSION**  
20 **APPROVE THE STIPULATION WITHOUT MODIFICATION?**

21 A. Yes.

#### IV. SUMMARY

22 **Q. PLEASE SUMMARIZE YOUR SUPPLEMENTAL TESTIMONY.**

1 A. Blue Grass Energy and the AG entered into the Stipulation on or about April 13,  
2 2015. As part of the Stipulation, the Parties agree and recommend to the  
3 Commission that the Cooperative be awarded additional annual revenues of \$1.4  
4 million and be permitted to establish the rates as described herein and in Blue  
5 Grass Energy's Application. The Stipulation represents a fair, just and reasonable  
6 resolution of all the issues in this proceeding, and the Parties recommend to the  
7 Commission that the Stipulation be accepted and fully incorporated into any  
8 Order approving Blue Grass Energy's Application in this proceeding.

9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

10 A. Yes.

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

APPLICATION OF BLUE GRASS ENERGY	)	
COOPERATIVE CORPORATION FOR AN	)	CASE NO. 2014-00339
ADJUSTMENT OF RATES	)	


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**VERIFICATION OF MICHAEL I. WILLIAMS**


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COMMONWEALTH OF KENTUCKY )  
 )  
 COUNTY OF Jessamine )

Michael I. Williams, President and Chief Executive Officer of Blue Grass Energy Cooperative Corporation, being duly sworn, states that he has read the foregoing prepared testimony and that he would respond in the same manner to the questions if so asked upon taking the stand, and that the matters and things set forth therein are true and correct to the best of his knowledge, information and belief.

  
 Michael I. Williams

The foregoing Verification was signed, acknowledged and sworn to before me this 13<sup>th</sup> day of April, 2015, by Michael I. Williams.

  
 NOTARY PUBLIC, Notary # 489485  
 Commission expiration: June 6, 2017

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of An Adjustment of Rates )**  
**Of Blue Grass Energy Cooperative )**  
**Corporation )**

**Case No. 2014-00339**

**SUPPLEMENTAL TESTIMONY OF JAMES R. ADKINS IN SUPPORT OF THE**  
**SETTLEMENT AGREEMENT**

**Q1. State your name, your business address and your purpose in this testimony.**

R2. I am James R. Adkins and my business address is 2189 Roswell Drive Lexington, KY 40513. I am a utility rate consultant providing consulting services to Blue Grass Energy Cooperative ("BGE") in support of this rate application and the proposed Settlement Agreement.

**Q2. What documents in this Settlement Agreement ("agreement") are you sponsoring in this testimony?**

R2. I am sponsoring the below listed documents that provide the support for the rates filed in this agreement:

- A. BGE's Statement of Operations for the test year which encompasses the agreed to changes in interest rates and the increase amount of \$1,400,000 – Exhibit A – Statement of Operations. This is a revision of page 2 of 5 of Exhibit S in the Application.
- B. BGE's document titled Settlement Stipulations Rate Development which provides the basis for the revised rates that is being proposed in this agreement and is contained in Exhibit B.



- C. Exhibit C provides a proof of revenue that BGE will receive from each class and the amount of increase for each class which includes a revised Exhibit G and Exhibit J of the Application,
- D. Exhibit D is the proposed tariffs for this agreement.

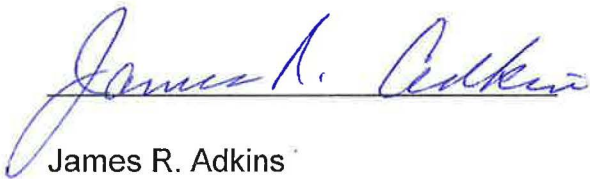
**Q3. Is it true that all rates and tariffs as filed in original application remain the same with the exception of the Schedule GS-1, Residential and Farm?**

R3. All rates and tariffs remain the same as filed in the Application with the exception of Schedule GS-1, Residential and Farm.

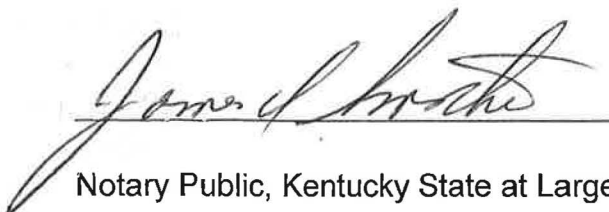
**Q4. Does this conclude your testimony?**

R4. Yes, it concludes my testimony,

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

  
James R. Adkins

Subscribed and sworn to before me by the affiant, James R, Adkins, this  
13 day of April, 2015.

 489485  
Notary Public, Kentucky State at Large.

My Commission Expires June 6, 2017

Blue Grass Energy  
Case No. 2014-00xxx

## Statement of Operations, Adjusted

Witness: Jim Adkins

	Actual Test Year	Normalized Adjustments	Normalized Test Year	Proposed Increase	Proposed Test Year
<b>Operating Revenues:</b>					
Base rates	112,934,101	112,225	113,046,326	1,400,000	114,446,326
Fuel and surcharge	12,071,811	(12,071,811)	-		-
Other electric revenue	3,034,467	181,397	3,215,864		3,215,864
	<u>128,040,379</u>	<u>(11,778,189)</u>	<u>116,262,190</u>	<u>1,400,000</u>	<u>117,662,190</u>
<b>Operating Expenses:</b>					
Cost of power:					
Base rates	84,333,727	(229,194)	84,104,533		84,104,533
Fuel and surcharge	11,736,595	(11,736,595)	-		-
Distribution - operations	2,697,746	38,579	2,736,325		2,736,325
Distribution - maintenance	6,175,084	71,054	6,246,138		6,246,138
Consumer accounts	2,862,998	42,367	2,905,365		2,905,365
Customer service	993,181	31,792	1,024,973		1,024,973
Sales	-	-	-		-
Administrative and general	4,404,713	(323)	4,404,390		4,404,390
Total operating expenses	<u>113,204,044</u>	<u>(11,782,320)</u>	<u>101,421,724</u>	<u>-</u>	<u>101,421,724</u>
Depreciation	8,253,042	131,252	8,384,294		8,384,294
Taxes - other	160	-	160		160
Interest on long-term debt	4,219,323	-	4,219,323		4,219,323
Interest expense - other	2,879	-	2,879		2,879
Other deductions	23,098	(2,987)	20,111		20,111
Total cost of electric svc	<u>125,702,546</u>	<u>(11,654,055)</u>	<u>114,048,491</u>	<u>-</u>	<u>114,048,491</u>
Utility operating margins	<u>2,337,833</u>	<u>(124,134)</u>	<u>2,213,699</u>	<u>1,400,000</u>	<u>3,613,699</u>
Nonoperating margins, inter	260,389	-	260,389		260,389
Nonoperating margins, other	86,005	-	86,005		86,005
G & T capital credits	7,776,965	(7,776,965)	-		-
Other capital credits	171,273	-	171,273		171,273
Net Margins	<u>10,632,465</u>	<u>(7,901,099)</u>	<u>2,731,366</u>	<u>1,400,000</u>	<u>4,131,366</u>
TIER, exclude G&T	1.68		1.65		1.98



BLUE GRASS ENERGY  
CASE NO. 2014-00339

**SETTLEMENT STIPULATIONS RATE DEVELOPMENT**

REDUCTION TO AN INCREASE OF \$1.4 MILLION  
REDUCTION APPLIED TO RESIDENTIAL RATE CLASS

**A. Amount of Reduction**

Revised Increase amount	\$ 2,450,474.45
Proposed Settlement Increase Amount	1,400,000
Amount of Reduction Applied to Schedule GS-1 - Residential & Farm	<u>1,050,474</u>

**B Reduction Applied to Schedule GS-1 - Residential & Farm**

Amount of increased requested	2,006,534
Reduction proposed	<u>1,050,474</u>
Reduced increase amount	<u>956,059</u>

**C. Development of Phase In of Schedule GS-1 - Residential & Farm**

Phase in of Customer Charge	Proposed Phase-in of Customer Charge			
	Current Rates	Rates	Rates	Rates
Customre Charge Settlement	\$ 9.73	\$ 12.00	\$ 14.00	\$ 16.50
Prepay Customer Charge	18.48	\$ 20.75	\$ 22.75	\$ 25.25
Energy Charge per kWh	0.08951	0.08890	0.08731	0.08531

BLUE GRASS ENERGY  
CASE NO. 2014-00339

**SETTLEMENT STIPULATIONS RATE DEVELOPMENT**

REDUCTION TO AN INCREASE OF \$1.4 MILLION  
REDUCTION APPLIED TO RESIDENTIAL RATE CLASS

Increased revenue from new customer charge			
Increase in Customer Charge	\$ 2.27	\$ 4.27	\$ 6.77
Customer Charge Billing Determinants	633,843	633,843	633,844
Increase in Customer Charge Revenue/ Decrease in			
Energy Charge Revenue	1,438,824	2,706,510	4,291,124
Amount of increase for Rate Class	956,059	956,059	956,059
Increase/Decrease in Energy Rate	(482,764)	(1,750,450)	(3,335,065)
Energy kWh for Test Year	793,939,806	793,939,806	793,939,806
Change in Energy Charge	-0.00061	-0.00220	-0.00420

**D. Proof of Increase Amount**

	Billing	Current	Phase 1	Phase 2	Phase 3
<b>Proof of Revenue</b>	Determinants	\$\$	\$\$	\$\$	\$\$
Customer Charges	624,720	6,078,526	7,496,640	8,746,080	10,307,880
Prepay Customer Charges	9,123	168,593	189,302	207,548	230,356
Energy kWh	793,939,806	71,065,552	70,581,249	69,318,884	67,731,005
Total		77,312,671	78,267,191	78,272,513	78,269,241
Increase Amount			954,520	959,842	956,570

Blue Grass Energy Cooperative  
Case No. 2014-~~00339~~  
Revenue Summary  
December 31, 2013

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Rate Schedule	Kwh Useage	Test Year Revenue	Percent of Total	Normalized Case No. 2040-00497	Percent of Total	Proposed Revenue	Percent of Total	Increase Amount	Increase Percent
GS-1, Residential and Farm	793,939,806	\$77,280,277	68%	\$77,312,671	68%	\$78,267,191	68%	\$954,520	1.2%
GS-1, Residential and Farm T-O-D	437,447	37,530	0%	37,530	0%	38,505	0%	974	2.6%
SC-1, General Service (0-100 KW)	70,405,905	7,980,425	7%	7,980,425	7%	8,259,771	7%	279,345	3.5%
SC-2, General Service (0-100 KW T-O-D)	659,159	78,246	0%	78,246	0%	80,984	0%	2,738	3.5%
LP-1, Large Power (under 500KW)	37,501,047	3,052,923	3%	3,052,923	3%	3,052,923	3%	0	0.0%
LP-2, Large Power (over 500KW)	80,741,257	5,579,013	5%	5,579,013	5%	5,579,013	5%	0	0.0%
B-2, Large Industrial Rate	198,304,474	11,705,947	10%	11,705,947	10%	11,707,249	10%	1,302	0.0%
G-1, Large Industrial	92,572,452	5,629,766	5%	5,254,477	5%	5,254,477	5%	0	0.0%
Outdoor Lights	9,008,707	2,045,660	2%	2,045,660	2%	2,205,241	2%	159,581	7.8%
Envirowatts	271,800	7,678	0%	7,678	0%	7,678	0%	0	0.0%
Rounding differences						0		0	
<b>Total from base rates</b>	<b><u>1,283,842,054</u></b>	<b>113,397,466</b>	<b>100%</b>	<b><u>\$113,054,571</u></b>	<b>100%</b>	<b><u>\$114,453,032</u></b>	<b>100%</b>	<b><u>\$1,398,461</u></b>	<b>1.2%</b>
Fuel adjustment billed		(329,117)							
Environmental surcharge billed		<u>12,400,928</u>							
		<u>125,469,277</u>							
Increase (Decrease)				<u>(\$342,895)</u>		<u>\$1,398,461</u>			
Reconciliation to General Ledger:									
Unbilled revenue		(199,841)							
Deferred fuel and surcharge		<u>(263,523)</u>							
Revenue per General Ledger		<u>\$125,005,913</u>							

Blue Grass Energy Cooperative  
Case No. 2014-00339  
Billing Analysis  
December 31, 2013

Settlement Agreement Exhibit C  
2nd Revised Exhibit J  
Page 2 of 14  
Witness: Jim Adkins

GS-1, Residential and Farm

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00497		Proposed-Phase 1		Proposed-Phase 2		Proposed-Phase 3	
			Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues
Customer Charge	624,720	\$6,078,526	\$9.73	\$6,078,526	\$12.00	\$7,496,640	\$ 14.00	8,746,080	\$ 16.50	10,307,880
Customer Charge, Prepay	9,123	168,593	\$18.48	168,593	\$20.75	189,302	\$22.75	207,548	\$ 25.25	230,356
Energy charge per kWh	793,939,806	71,033,158	\$0.08951	71,065,552	\$0.08890	70,581,249	0.08731	69,318,884	\$ 0.08531	67,731,005
Total from base rates		<u>77,280,277</u>		<u>\$77,312,671</u>		<u>\$78,267,191</u>		<u>78,272,513</u>		<u>78,269,241</u>
Fuel adjustment		(142,183)								
Environmental surcharge		<u>8,637,210</u>								
Total revenues		<u>\$85,775,304</u>								
Amount				\$32,394		\$954,520		959,842		956,570
Percent				0.0%		1.23%		1.23%		1.22%
Average monthly bill		\$123.70		\$123.76		\$125.28		\$125.29		\$125.29
Amount				\$0.05		\$1.53		\$1.54		\$1.53
Percent				0.0%		1.2%		1.2%		1.2%

Blue Grass Energy Cooperative  
Case No. 2014-00339  
Billing Analysis  
December 31, 2013

**Settlement Agreement Exhibit C**

2nd Revised Exhibit J

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Witness: Jim Adkins

GS-1, Residential and Farm T-O-D

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00497		Proposed - Phase 1		Proposed - Phase 2	
			Rates	Revenues	Rates	Revenues	Rates	Revenues
			Customer Charge	447	\$6,969	\$15.59	\$6,969	\$20.00
Energy charge per kWh								
On-peak energy	58,291	9,192	\$0.15770	9,192	\$0.14060	8,196	0.10228	<b>5,962</b>
Off-peak energy	379,156	21,369	\$0.05636	21,369	\$0.05636	21,369	\$0.05636	21,369
	<u>437,447</u>							
Total from base rates		37,530		<u>\$37,530</u>		<u>\$38,505</u>		<u>38,506</u>
Fuel adjustment		(56)						
Environmental surcharge		<u>4,099</u>						
Total revenues		<u>\$41,574</u>						
Amount				\$0		\$974		
Percent				0.0%		2.6%		
Average monthly bill		\$83.96		\$83.96		\$86.14		
Amount				\$0.00		\$2.18		
Percent				0.0%		2.6%		

Blue Grass Energy Cooperative  
Case No. 2014-00339  
Billing Analysis  
December 31, 2013

Settlement Agreement Exhibit C  
2nd Revised Exhibit J  
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Witness: Jim Adkins

SC-1, General Service ( 0-100 KW )

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00497		Proposed	
			Rates	Revenues	Rates	Revenues
			Customer Charge	30,758	\$854,765	\$27.79
Demand charge	157,176	1,222,829	\$7.78	1,222,829	\$7.78	1,222,829
Energy charge	70,405,905	5,902,831	\$0.08384	5,902,831	\$0.08575	6,037,306
Total from base rates		7,980,425	<u>\$7,980,425</u>		<u>\$8,259,771</u>	
Fuel adjustment		(16,840)				
Environmental surcharge		<u>886,081</u>				
Total revenues		<u>\$8,849,666</u>				
Amount				\$0		\$279,345
Percent				0.0%		3.5%
Average monthly bill		\$259.46		\$259.46		\$268.54
Amount				\$0.00		\$9.08
Percent				0.0%		3.5%

SC-2, General Service ( 0-100 KW T-O-D )

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00497		Proposed	
			Rates	Revenues	Rates	Revenues
			Customer Charge	323	\$11,305	\$35.00
Energy charge per kWh						
On-peak energy	368,140	46,570	\$0.12650	46,570	\$0.12955	47,693
Off-peak energy	291,019	20,371	\$0.07000	20,371	\$0.07000	20,371
	<u>659,159</u>					
Total from base rates		<u>78,246</u>		<u>\$78,246</u>		<u>\$80,984</u>
Fuel adjustment		(574)				
Environmental surcharge		<u>8,699</u>				
Total revenues		<u>\$86,371</u>				
Amount				\$0		\$2,738
Percent				0.0%		3.5%
Average monthly bill		\$242.25		\$242.25		\$250.72
Amount				\$0.00		\$8.48
Percent				0.0%		3.5%

Blue Grass Energy Cooperative  
Case No. 2014-00339  
Billing Analysis  
December 31, 2013

**Settlement Agreement Exhibit C**  
2nd Revised Exhibit J  
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Witness: Jim Adkins

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

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00497		Proposed	
			Rates	Revenues	Rates	Revenues
			Customer Charge	673	\$37,399	\$55.57
Demand Charge	110,568	922,137	\$8.34	922,137	\$8.34	922,137
Secondary meter charge	34,051,767	1,909,623	\$0.05608	1,909,623	\$0.05608	1,909,623
Primary meter charge per	3,449,280	193,436	\$0.05608	193,436	\$0.05608	193,436
5% primary meter discount		(9,672)		(9,672)		(9,672)
	<u>37,501,047</u>					<u>0</u>
Total from base rates		3,052,923		<u>\$3,052,923</u>		<u>\$3,052,923</u>
Fuel adjustment		(10,609)				
Environmental surcharge		<u>332,669</u>				
Total revenues		<u>\$3,374,983</u>				
Amount				\$0		\$0
Percent				0.0%		0.0%
Average monthly bill		\$4,536.29		\$4,536.29		\$4,536.29
Amount				\$0.00		\$0.00
Percent				0.0%		0.0%



Blue Grass Energy Cooperative  
Case No. 2014-00339  
Billing Analysis  
December 31, 2013

**Settlement Agreement Exhibit C**  
2nd Revised Exhibit J  
Page 7 of 14  
Witness: Jim Adkins

LP-2, Large Power ( over 500 KW )

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00497		Proposed	
			Rates	Revenues	Rates	Revenues
			Customer Charge	276	\$30,675	\$111.14
Customer Charge	5	\$5,996	\$1,199.14	\$5,996	\$1,199.14	\$5,996
Demand Charge	208,910	1,742,310	\$8.34	1,742,310	\$8.34	1,742,310
Energy charge	80,741,257	4,032,218	\$0.04994	4,032,218	\$0.04994	4,032,218
5% primary meter discount		(232,186)		(232,186)		(232,186)
						0
Total from base rates		5,579,013		<u>\$5,579,013</u>		<u>\$5,579,013</u>
Fuel adjustment		(3,948)				-
Environmental surcharge		<u>884,318</u>				
Total revenues		<u>\$6,459,384</u>				
Amount				\$0		\$0
Percent				0.0%		0.0%
Average monthly bill		\$20,213.82		\$20,213.82		\$20,213.82
Amount				\$0.00		\$0.00
Percent				0.0%		0.0%

Blue Grass Energy Cooperative  
Case No. 2014-00339  
Billing Analysis  
December 31, 2013

Settlement Agreement Exhibit C  
2nd Revised Exhibit J  
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Witness: Jim Adkins

B-2, Large Industrial Rate

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00497		Proposed	
			Rates	Revenues	Rates	Revenues
			Customer Charge	60	\$133,371	\$2,222.85
Demand Charge						
Contract demand	363,601	2,512,483	\$6.91	2,512,483	\$7.17	2,607,019
Excess of contract dem.	15,994	153,705	\$9.61	153,705	\$9.98	159,623
Interruptible Credit	24,928	(139,595)	(\$5.60)	(139,595)	(\$5.60)	(139,595)
Energy charge	198,304,474	9,034,752	\$0.04556	9,034,752	\$0.04506	8,935,600
Interruptible Service		11,232		11,232		11,232
<b>Total from base rates</b>		<b>11,705,947</b>		<b>\$11,705,947</b>		<b>\$11,707,249</b>
Fuel adjustment		(65,638)				
Environmental surcharge		<u>1,271,218</u>				
<b>Total revenues</b>		<b><u>\$12,911,527</u></b>				
Amount				\$0		\$1,302
Percent				0.0%		0.0%
Average monthly bill		\$195,099.12		\$195,099.12		\$195,120.82
Amount				\$0.00		\$21.70
Percent				0.0%		0.0%

Blue Grass Energy Cooperative  
Case No. 2014-00339  
Billing Analysis  
December 31, 2013

Settlement Agreement Exhibit C  
2nd Revised Exhibit J  
Page 9 of 14  
Witness: Jim Adkins

G1, Large Industrial Rate

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00497		Proposed	
			Rates	Revenues	Rates	Revenues

**August thru December on Schedule G1**

Customer Charge	5	\$27,270	\$5,454.00		
Demand Charge	75,675	528,211	\$6.98		
Energy charge	43,361,268	1,879,581	\$0.043347		

**January thru July on Schedule B-1**

Customer Charge	7	\$7,780	\$1,111.43		
Demand Charge					
Contract demand	20,200	139,582	\$6.91		
Excess of contract dem.	322	3,095	\$9.61		
Energy charge	12,698,636	641,281	\$0.05050		
5% primary discount		(32,064)			

**January thru July Schedule LP-2**

Customer Charge			\$111.14		
Customer Charge	7	\$8,394	\$1,199.14		
Demand Charge	72,326	\$603,199	\$8.34		
Energy Charge	36,512,548	\$1,823,437	\$0.05		

0  
Blue Grass Energy Cooperative  
Case No. 2014-00339  
Billing Analysis

Settlement Agreement Exhibit C  
2nd Revised Exhibit J  
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Witness: Jim Adkins

G1, Large Industrial Rate

Description	Billing Determinants	Test Year Revenues	Normalized Normalized		Proposed	
			Rates	Revenues	Rates	Revenues

**Schedule G1-Normalized for Test Year**

Customer Charge	12		\$ 5,454.00	65,448	5,454	\$ 65,448
Demand Charge	168,523		\$ 6.98	1,176,291	\$ 6.98	\$ 1,176,291
Energy charge	92,572,452		\$ 0.043347	4,012,738	\$ 0.043347	\$ 4,012,738
Total from base rates		5,629,766		<u>\$5,254,477</u>		<u>\$5,254,477</u>
Fuel adjustment		(88,825)				
Environmental surcharge		<u>331,577</u>				
Total revenues	92,572,452	<u>\$5,872,517</u>				
Amount				(\$375,289)		\$0
Percent				-6.7%		0.0%
Average monthly bill		\$1,125,953		1,050,895		\$1,050,895
Amount				(75,058)		\$0.00
Percent				-6.7%		0.0%

Blue Grass Energy Cooperative  
Billing Analysis  
December 31, 2013

Outdoor Lights - Part One

Description	Billing Determinants	Test Year Revenues	Normalized		Proposed	
			Case No. 2010-00497			
			Rates	Revenues	Rates	Revenues
175 Watt MV	33,173	361,254	\$10.89	361,254		33,173
400 Watt MV	854	15,210	\$17.81	15,210		854
400 Watt Metal Hallide D	5,739	96,587	\$16.83	96,587		5,739
400 Watt HPS Directional	483	8,530	\$17.66	8,530		483
100 Watt HPS - Shoebox f	419	7,894	\$18.84	7,894		419
100 Watt HPS - Acorn Fixt	429	7,829	\$18.25	7,829		429
100 Watt HPS - Colonial F	3,319	51,212	\$15.43	51,212		3,319
400 Watt HPS - Cobra Hea	242	5,658	\$23.38	5,658		242
70 Watt HPS (Ornamenta	8,376	84,681	\$10.11	84,681		8,376
100 Watt HPS (Ornament	6,516	73,435	\$11.27	73,435		6,516
250 Watt HPS (Ornament	2,369	35,961	\$15.18	35,961		2,369
70 Watt HPS Colonial (15'	5,257	49,363	\$9.39	49,363		5,257
200 Watt HPS Cobra (Alur	2,606	40,080	\$15.38	40,080		2,606
100 Watt HPS Cobra (Alur	4,470	50,377	\$11.27	50,377		4,470
100 Watt HPS Open Bottc	104,540	1,123,805	\$10.75	1,123,805		104,540
250 Watt HPS Open Bottc	2,070	33,782	\$16.32	33,782		2,070
	180,862					180,862
kWh	9,008,707					
Total from base rates		2,045,660		\$2,045,660		\$0

Blue Grass Energy Cooperative  
 Case No. 2014-00339  
 Billing Analysis  
 December 31, 2013

**Outdoor Lights - Part Two**

	Billing		
	Determinants	Rates	Revenue
Open Bottom Light Approximate lumens 6000-9500 - <b>replaces 1,15</b>	137,713	\$ 11.60	\$1,597,471
Open Bottom light Approximate Lumens 25,000 – <b>replaces 2,16</b>	2,924	\$ 18.06	\$52,807
Directional Flood Light Approximate Lumens 50,000 - <b>replaces 3,4</b>	6,222	\$ 18.21	\$113,303
Shoebox Fixture (metal pole) Approximate Lumens 6000 -9500 – <b>repl</b>	419	\$ 20.32	\$8,514
Acorn Fixture (fiberglass pole) Approximate Lumens 6000- 9500 - <b>rep</b>	429	\$ 19.68	\$8,443
Colonial Fixture Approximate Lumens 6000-9000 – <b>replaces 7</b>	3,319	\$ 16.64	\$55,228
Cobra Head (aluminum pole) Approximate Lumens 50,000 – <b>replaces</b>	242	\$ 25.21	\$6,101
Ornamental Light Approximate Lumens 6000-9500 – <b>replaces 9,10</b>	14,892	\$ 11.45	\$170,513
Ornamental Light Approximate Lumens 25,000 – <b>replaces 11</b>	2,369	\$ 16.37	\$38,781
Colonial Fixture (15 Ft. mounting height) Approximate Lumens 6000-9	5,257	\$ 10.12	\$53,201
Cobra Head (aluminum pole) Approximate Lumens 25,000 - <b>replaces</b>	2,606	\$ 17.87	\$46,569
Cobra Head (aluminum pole) Approximate Lumens 6000-9500 – <b>repl</b>	4,470	\$ 12.15	\$54,311
			\$2,205,241
Amount			\$159,581
Percent			7.80%
Fuel adjustment	(445)		
Environmental surcharge	<u>45,057</u>		
Total revenues			<u>\$2,090,272</u>
Average Bill	50	\$ 11.31	\$ 12.19
Amount		\$ -	\$ 0.88
Percent		0.00%	7.80%

Blue Grass Energy Cooperative  
Case No. 2014-00339  
Billing Analysis  
December 31, 2013

**Settlement Agreement Exhibit C**  
2nd Revised Exhibit J  
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Witness: Jim Adkins

Envirowatts

<u>Description</u>	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00497		Proposed	
			Rates	Revenues	Rates	Revenues
Envirowatts		7,678	\$0.02825	7,678	\$0.02825	7,678
kWh	<u>271,800</u>					
Billing adjustments				<u>0</u>		<u>0</u>
Total from base rates		7,678		<u>\$7,678</u>		<u>\$7,678</u>
Fuel adjustment Environmental surcharge						
Total revenues		<u>\$7,678</u>				
Amount				\$0		\$0
Percent				0.0%		0.0%

Blue Grass Energy Cooperative  
Case No. 2014-00339  
Billing Analysis  
December 31, 2013  
Summary

**Settlement Agreement Exhibit C**  
2nd Revised Exhibit J  
Page 14 of 14  
Witness: Jim Adkins

Billing Determinants	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00497		Proposed	
			Rates	Revenues	Rates	Revenues
			Total from base rates	1,283,842,054	113,397,466	
Fuel adjustment		(329,117)				
Environmental surcharge		12,400,928				
Total revenues		100,184,275				
Per Form 7	1,283,842,054	113,397,467				
Difference	-	0				
Increase						
Amount				<u>(342,895)</u>		<u>1,398,461</u>
Percent				-0.3%		1.24%
Per billing summary						
Fuel adjustment		(329,117)				
Environmental surcharge		12,400,928				
Difference						
Fuel adjustment		-				
Environmental surcharge		-				



**BLUE GRASS ENERGY  
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED  
P.S.C. KY NO. 2  
FIRST REVISED SHEET NO. 6  
CANCELLING P.S.C.KY NO. 2  
FIRST ORIGINAL SHEET NO. 6

**CLASSIFICATION OF SERVICE**

---

**GS-1 (Residential and Farm)**

**APPLICABLE**

Entire Territory Served

**AVAILABILITY**

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

**TYPE OF SERVICE**

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

**RATES**

	<u>Phase 1</u>	<u>Phase 2</u>	<u>Phase 3</u>	
<u>Facility Charge Monthly per Meter</u>	\$12.00	\$14.00	\$16.50	(T)
<u>Energy Charge per kWh</u>	\$0.08890	\$0.08731	\$0.08531	(T)(I) (T)(R)

**FUEL ADJUSTMENT CLAUSE**

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

**MINIMUM MONTHLY CHARGE**

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

(T)

**DELAY PAYMENT CHARGE**

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

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DATE OF ISSUE: November 26, 2014

DATE EFFECTIVE: January 1, 2015

ISSUED BY: \_\_\_\_\_  
(Name of Officer)

TITLE: VICE President and CFO

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

Dated:



**CLASSIFICATION OF SERVICE**

---

**GS-2 (Residential and Farm Inclining Block)**

(N)

**APPLICABLE**

Entire Territory Served

**AVAILABILITY**

Available to all GS-1 residential and farm consumers. One year minimum commitment required.

**TYPE OF SERVICE**

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

**RATES**

Customer Charge	\$13.85 per meter, per month
Energy Charge per kWh:	
First 200 kWh	\$0.07784
Next 300 kWh	\$0.09284
Over 500 kWh	\$0.10284

**FUEL ADJUSTMENT CLAUSE**

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

**MINIMUM MONTHLY CHARGE**

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

**DELAY PAYMENT CHARGE**

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

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DATE OF ISSUE: November 18, 2014

DATE EFFECTIVE: December 18, 2014

ISSUED BY: \_\_\_\_\_

TITLE: Vice President & CFO

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

Dated: \_\_\_\_\_

CLASSIFICATION OF SERVICE

---

GS-2 (Residential and Farm Inclining Block)

(N)

**BUDGET BILLING**

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

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

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

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DATE OF ISSUE: November 18, 2014

DATE EFFECTIVE: December 18, 2014

ISSUED BY: \_\_\_\_\_

TITLE: Vice President & CFO

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

Dated: \_\_\_\_\_

**BLUE GRASS ENERGY  
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED  
P.S.C. KY NO. 2  
FIRST REVISED SHEET NO. 8  
CANCELING P.S.C. KY NO. 2  
FIRST ORIGINAL SHEET NO. 8

**CLASSIFICATION OF SERVICE**

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

**APPLICABLE**

Entire Territory Served

**AVAILABILITY**

Available to all consumers eligible for the Tariff GS-1, Residential and Farm. The capacity on individual motors served under this schedule may not exceed ten (10) horsepower. Consumers must remain on this rate schedule for one (1) year. This rate is not available for the direct load control credits.

**TYPE OF SERVICE**

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

**RATES:**

	Phase 1	Phase 2	(T)
Facility Charge	\$20.00 per meter, per month	\$25 per meter, per month	(T)(I)
Energy Charge per kWh			
On peak energy	\$0.14060	\$0.10228	(T)(D)
Off peak energy	\$0.05636	\$0.05636	(T)

**On-Peak Hours and Off-Peak Hours**  
**Local Prevailing Time**

On-peak hours are applicable to weekdays only. All weekend hours are off-peak hours.

<u>Months</u>	<u>On-Peak Hours</u>	<u>Off-Peak Hours</u>
May through September	1:00 p.m. to 9:00 p.m.	9:00 p.m. to 1:00 p.m.
October through April	7:00 a.m. to 11:00 a.m. 5:00 p.m. to 9:00 p.m.	11:00 a.m. to 5:00 p.m. 9:00 p.m. to 7:00 a.m.

**FUEL ADJUSTMENT CLAUSE**

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

**MINIMUM MONTHLY CHARGES**

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

(T)

**DELAY PAYMENT CHARGE**

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

DATE OF ISSUE: November 18, 2014

DATE EFFECTIVE: December 18, 2014

ISSUED BY: \_\_\_\_\_  
(Name of Officer)

TITLE: VICE President and CFO

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

**BLUE GRASS ENERGY  
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED  
P.S.C. KY NO. 2  
FIRST REVISED SHEET NO. 9  
CANCELLING P.S.C. KY NO. 2  
FIRST ORIGINAL SHEET NO. 9

**CLASSIFICATION OF SERVICE**

---

**SC-1 General Service (0-100 KW)**

**APPLICABLE**

Entire territory served

**AVAILABILITY**

Available for general service including single phase non-residential or three-phase commercial and three-phase farm service up to 100 kW.

**TYPE OF SERVICE**

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

**RATE**

**Demand Charge**

First 10 KW of Billing Demand

No charge

Over 10 KW of Billing Demand

\$ 7.78

**Energy Charge**

All KWH

\$ 0.08575

(I)

Facility Charge

\$ 32.50

(T) (I)

**FUEL ADJUSTMENT CLAUSE**

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

**DETERMINATION OF BILLING DEMAND**

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

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DATE OF ISSUE: November 18, 2014

DATE EFFECTIVE: December 18, 2014

ISSUED BY: \_\_\_\_\_  
(Name of Officer)

TITLE: VICE President and CFO

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

**BLUE GRASS ENERGY  
COOPERATIVE CORPORATION**

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

**CLASSIFICATION OF SERVICE**

**SC-1 General Service (0-100 KW)**

**POWER FACTOR ADJUSTMENT**

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

**MINIMUM CHARGE**

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

(T)

**DELAYED PAYMENT CHARGE**

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

**SPECIAL RATES**

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

**TEMPORARY SERVICE**

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

DATE OF ISSUE: November 18, 2014

DATE EFFECTIVE: December 18, 2014

ISSUED BY: \_\_\_\_\_  
(Name of Officer)

TITLE: VICE President and CFO

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

BLUE GRASS ENERGY  
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED  
P.S.C. KY NO. 2  
FIRST REVISED SHEET NO. 11  
CANCELLING P.S.C. KY NO. 2  
FIRST ORIGINAL SHEET NO. 11

### CLASSIFICATION OF SERVICE

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#### LP-1 Large Power (101 KW to 600 KW)

#### APPLICABLE

Entire territory served

#### AVAILABILITY

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

#### CONDITIONS

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

#### TYPE OF SERVICE

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

#### RATE

##### Maximum Demand Charge

\$8.34 per month per KW of billing demand

##### Energy Charge (101 KW to 500 kW)

Facility Charge \$55.57

(T)

ALL KWH \$0.05608

#### DETERMINATION OF BILLING DEMAND

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

#### POWER FACTOR ADJUSTMENT

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

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DATE OF ISSUE: November 18, 2014

DATE EFFECTIVE: December 18, 2014

ISSUED BY: \_\_\_\_\_  
(Name of Officer)

TITLE: Vice President and CFO

Issued by authority of an Order of the Public Service  
Commission of Kentucky in Case No.: 2014-00336

Dated:

CLASSIFICATION OF SERVICE

LP-1 (Large Power 101 KW to 500 KW- Time of Day Rate)

(N)

APPLICABLE

Entire Territory Served

AVAILABILITY

Available for all LP-1 Large Power 101 KW-500 KW consumers. They must remain on this rate schedule for one (1) year.

CONDITIONS

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

TYPE OF SERVICE

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

RATES:

Customer Charge	\$55.57 per meter, per month
<u>Energy Charge per kWh</u>	
On-peak energy	<u>\$0.09562</u>
Off-peak energy	<u>\$0.06500</u>

On-Peak Hours and Off-Peak Hours  
Local Prevailing Time

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

DATE OF ISSUE: November 18, 2014

DATE EFFECTIVE: December 18, 2014

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(Name of Officer)

TITLE: Vice President & CFO

Issued by authority of an Order of the Public Service  
Commission of Kentucky in Case No 2014-00339

Dated: \_\_\_\_\_



**CLASSIFICATION OF SERVICE**

**LP-1 (Large Power 101 KW to 500 KW- Time of Day Rate)**

(N)

**FUEL ADJUSTMENT CLAUSE**

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

**MINIMUM CHARGE**

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

**DELAYED PAYMENT CHARGE**

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

**POWER FACTOR ADJUSTMENT**

The consumer agrees to maintain unity power factor as nearly as practicable. Power Factor may be measured at any time. Should such measurements indicate that the power factor at the time of the maximum demand is less than the wholesale power factor, the demand for billing purposes shall be demand as indicated or recorded by the demand meter multiplied by the wholesale power factor and divided by the measured power factor. The additional demand for billing purposes will be billed at the demand rate for Schedule SC-1, General Service Rate of \$7.78 per kW of additional demand kW.

**SPECIAL PROVISIONS**

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

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(Name of Officer)

TITLE: Vice President & CFO

Issued by authority of an Order of the Public Service  
Commission of Kentucky in Case No 2014-00339  
Dated: \_\_\_\_\_

BLUE GRASS ENERGY  
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED  
P.S.C. KY NO. 2  
FIRST REVISED SHEET NO. 13  
CANCELLING P.S.C. KY NO. 2  
FIRST ORIGINAL SHEET NO. 13

**CLASSIFICATION OF SERVICE**

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

**APPLICABLE**

Entire territory served

**AVAILABILITY**

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

**CONDITIONS**

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

**TYPE OF SERVICE**

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

**RATE**

Maximum Demand Charge

\$8.34 per month per kW of billing demand

Energy Charge (over 500 kW)

Facility Charge \$ 111.14

ALL KWH \$0.04994

(T)

Special facilities charge as specified in the contract

**DETERMINATION OF BILLING DEMAND**

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

**POWER FACTOR ADJUSTMENT**

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

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DATE OF ISSUE: November 18, 2014

DATE EFFECTIVE: December 18, 2014

ISSUED BY: \_\_\_\_\_  
(Name of Officer)

TITLE: Vice President and CFO

Issued by authority of an Order of the Public Service  
Commission of Kentucky in Case No.: 2014-00336  
Dated:

BLUE GRASS ENERGY  
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED  
P.S.C. KY NO. 2  
FIRST REVISED SHEET NO. 15  
CANCELLING P.S.C. KY NO. 2  
FIRST ORIGINAL SHEET NO. 15

**CLASSIFICATION OF SERVICE**

**OUTDOOR LIGHTS**

**APPLICABLE**

Entire territory served

**AVAILABILITY**

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

**RATE PER LIGHT PER MONTH**

Open Bottom Light	Approximate Lumens 6000-9500	\$11.60	(I) (T)
Open Bottom light	Approximate Lumens 25,000	\$18.06	(I) (T)
Directional Flood Light	Approximate Lumens 50,000	\$18.21	(I) (T)
Shoebox Fixture (metal pole)	Approximate Lumens 6000 -9500	\$20.32	(I) (T)
Acorn Fixture (fiberglass pole)	Approximate Lumens 6000- 9500	\$19.68	(I) (T)
Colonial Fixture	Approximate Lumens 6000-9000	\$16.64	(I) (T)
Cobra Head (aluminum pole)	Approximate Lumens 50,000	\$25.21	(I) (T)
Ornamental Light	Approximate Lumens 6000-9500	\$11.45	(I) (T)
Ornamental Light	Approximate Lumens 25,000	\$16.37	(I) (T)
Colonial Fixture (15 foot mounting height)	Approximate Lumens 6000-9500	\$10.12	(I) (T)
Cobra Head (aluminum pole)	Approximate Lumens 25,000	\$17.87	(I) (T)
Cobra Head (aluminum pole)	Approximate Lumens 6000-9500	\$12.15	(I) (T)

\* All lights are for a minimum of 12 months service. If customer disconnects prior to the completion of the first 12 months of service, the balance of the 12 months must be paid. (T)  
↓

**ADDITIONAL ORNAMENTAL SERVICE**

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

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DATE EFFECTIVE: December 18, 2014

ISSUED BY: \_\_\_\_\_

TITLE: Vice President & CFO

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

Dated:

CLASSIFICATION OF SERVICE

SC-2 (General Service 0-100 KW Time of Day Rate)

APPLICABLE

Entire Territory Served

AVAILABILITY

Available for general service including single phase non-residential or three-phase commercial and three-phase farm service up to 100 kW. Consumers will not exceed 100 KW for any month to qualify. They must remain on this rate schedule for one (1) year.

TYPE OF SERVICE

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

RATES:

Facility Charge	\$40.00 per meter, per month	(T) (I)
<u>Energy Charge per kWh</u>		
<u>On-peak energy</u>	<u>\$0.12955</u>	(I)
<u>Off-peak energy</u>	<u>\$0.07000</u>	

On-Peak Hours and Off-Peak Hours  
Local Prevailing Time

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

DATE OF ISSUE: November 18, 2014

DATE EFFECTIVE: December 18, 2014

ISSUED BY: \_\_\_\_\_  
(Name of Officer)

TITLE: Vice President & CFO

Issued by authority of an Order of the Public Service  
Commission of Kentucky in Case No: 2014-000339  
Dated:

BLUE GRASS ENERGY  
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVICED  
P.S.C. KY NO. 2  
FIRST REVISED SHEET NO. 18  
CANCELING P.S.C. KY NO. 2  
FIRST ORIGINAL SHEET NO. 18

**CLASSIFICATION OF SERVICE**

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**SC-2 (General Service 0-100 KW Time of Day Rate)**

**FUEL ADJUSTMENT CLAUSE**

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

**MINIMUM CHARGE**

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

(T)

**DELAYED PAYMENT CHARGE**

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

**TEMPORARY SERVICE**

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

**POWER FACTOR ADJUSTMENT**

The consumer agrees to maintain unity power factor as nearly as practicable. Power Factor may be measured at any time. Should such measurements indicate that the power factor at the time of the maximum demand is less than the wholesale power factor, the demand for billing purposes shall be demand as indicated or recorded by the demand meter multiplied by the wholesale power factor and divided by the measured power factor. The additional demand for billing purposes will be billed at the demand rate for Schedule SC-1, General Service Rate.

(T)

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DATE OF ISSUE: November 18, 2014

DATE EFFECTIVE: December 18, 2014

ISSUED BY: \_\_\_\_\_  
(Name of Officer)

TITLE: Vice President & CFO

Issued by authority of an Order of the Public Service  
Commission of Kentucky in Case No: 2014-000339  
Dated:

BLUE GRASS ENERGY  
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED  
P.S.C. KY NO. 2  
2<sup>nd</sup> REVISED SHEET NO. 23  
CANCELLING P.S.C. KY NO. 2  
FIRST REVISED SHEET NO. 23

**CLASSIFICATION OF SERVICE**

**Large Industrial Rate - Schedule B-1**

**AVAILABILITY**

Applicable to contracts with demands of 1,000 KW to 3,999 KW with a minimum contracted monthly energy (kwh) of 425 hours per kw of contract demand. To determine the minimum contracted monthly energy usage (kwh), the 425 hours is multiplied by the contract demand.

**MONTHLY RATE**

Facility Charge	\$1,111.43	(T)
Demand Charge per kW of Contract Demand	\$ 7.17	(I)
Demand Charge per kW for Billing Demand In Excess of Contract Demand	\$ 9.98	(I)
Energy Charge per kWh	\$0 .05050	

**BILLING DEMAND**

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

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

**MINIMUM MONTHLY CHARGE**

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

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

(T)

DATE OF ISSUE: November 18, 2014

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TITLE: Vice President & CFO

Issued by authority of an Order of the Public Service

Commission of Kentucky in Case No.: 2014-00339

Dated:

BLUE GRASS ENERGY  
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED  
P.S.C. KY NO. 2  
2<sup>nd</sup> REVISED SHEET NO. 25  
CANCELLING P.S.C. KY NO. 2  
FIRST REVISED SHEET NO. 25

**CLASSIFICATION OF SERVICE**

**Large Industrial Rate - Schedule B-2**

**AVAILABILITY**

Applicable to contracts with demands of 4,000 kW and greater with a minimum contracted monthly energy usage (kwh) of 425 hours per kw of contract demand. To determine the minimum contracted monthly energy usage (kwh), the 425 hours is multiplied by the contract demand.

**TYPE OF SERVICE**

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

**MONTHLY RATE**

Facility Charge	\$2,222.85	(T)
Demand Charge per kW of Contract Demand	\$7.17	(I)
Demand Charge per kW for Billing Demand In Excess of Contract Demand	\$9.98	(I)
Energy Charge per kWh	\$0.04506	(D)

**BILLING DEMAND**

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

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

**MINIMUM MONTHLY CHARGE**

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

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

DATE OF ISSUE: November 18, 2014

DATE EFFECTIVE: December 18, 2014

ISSUED BY: \_\_\_\_\_

TITLE: Vice President & CFO

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

Dated:

**CLASSIFICATION OF SERVICE**

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**Cable Television Attachment Rate**

**APPLICABILITY**

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

**AVAILABILITY**

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

**RENTAL CHARGE**

The yearly rental charges shall be as follows:

<u>Two-party pole attachment</u>	<u>\$7.00</u>	(1)
<u>Three-party pole attachment</u>	<u>\$5.71</u>	(1)
<u>Two-party anchor attachment</u>	<u>\$11.33</u>	(1)
<u>Three-party anchor attachment</u>	<u>\$7.48</u>	(1)
<u>Two-party grounding attachment</u>	<u>\$0.27</u>	(1)
<u>Three-party grounding attachment</u>	<u>\$0.17</u>	(1)

Pedestal attachment = Same as respective pole charges.

**BILLING**

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

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

**SPECIFICATIONS**

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

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(Name of Officer)

TITLE: Vice President & CFO

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



**BLUE GRASS ENERGY  
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED  
P.S.C. NO 2  
3<sup>rd</sup> REVISED SHEET NO. 36  
CANCELLING P.S.C. KY NO. 2  
SECOND REVISED SHHET NO 36

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**CLASSIFICATION OF SERVICE**

**Large Industrial Rate --Schedule G1**

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**AVAILABILITY**

Applicable to contracts with demand of 15,000 kW and greater with a monthly energy usage equal to or greater than 438 kWh per kW of contract demand.

**TYPE OF SERVICE**

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

**MONTHLY RATES**

Facility Charge	\$5,454.00	(T)
Demand Charge per Billing kW	\$6.98	
Energy Charge per kWh for all kWh	\$0.043347	

**BILLING DEMAND**

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

- (a) The contract demand
- (b) The consumer's highest demand during the current month or preceding eleven (11) months. 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 use.

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

**MINIMUM MONTHLY BILL**

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

- (a) Customer Charge, plus
- (b) The product of the billing demand multiplied by the demand charge, plus
- (c) The product of the billing demand multiplied by 438 kWh multiplied by the energy rate.

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TITLE: Vice President & CFO

Issued by authority of an Order of the Public Service

Commission of Kentucky in Case No. 2014-00339

Dated: \_\_\_\_\_