




**Rural Electric Cooperative Corporation**

A Touchstone Energy<sup>®</sup> Cooperative 

October 31, 2008

RECEIVED

OCT 31 2008

PUBLIC SERVICE  
COMMISSION

Ms. Stephanie Stumbo  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

Re: Nolin RECC Pass-Through of East Kentucky Power Cooperative, Inc.  
Wholesale Rate Adjustment- PSC Case No. 2008-00420

Dear Ms. Stumbo:

Nolin Rural Electric Cooperative Corporation ("RECC") hereby submits to the Public Service Commission (the "Commission"), its Proposed Tariffs and other information required by 807 KAR 5:007 in regard to the pass-through of any wholesale rate adjustment granted to East Kentucky Power Cooperative, Inc., ("EKPC") in PSC Case No. 2008-00409. This filing includes the following:

1. Nolin RECC's Proposed Tariffs are attached as Exhibit 1.
2. The name and filing address of the filing cooperative is:  
Nolin RECC  
411 Ring Road  
Elizabethtown, KY 42701
3. In accordance with the provisions of KRS 278.455(2), Nolin RECC hereby states that the effects of the increase in rates from its wholesale supplier, EKPC, are being passed through to its retail tariffs on a proportional basis and that the rate design structure proposed for each retail rate schedule does not change the rate design currently in effect.
4. A comparison of the current and proposed rates of Nolin RECC is attached as Exhibit 2.
5. Attached as Exhibit 3 is a billing analysis which shows the existing and proposed rates for each rate class.

Ms. Stephanie Stumbo  
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October 31, 2008

6. Nolin RECC recognizes that this pass-through will only apply to rates effective dated December 1, 2008, and does not apply to any future EKPC rate design changes that may be approved by the Commission.

7. A certification that an original and five (5) copies of this filing have been filed with the Office of Rate Intervention, Office of the Attorney General, is attached as Exhibit 4.

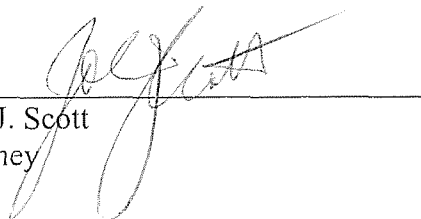
8. Notice of the proposed rate change has been given, not more than thirty (30) days prior to October 31, 2008, by publication in a newspaper of general circulation in the affected area of Nolin RECC. A copy of this notice is attached as Exhibit 5.

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

Respectfully submitted,

Nolin RECC

John J. Scott  
Attorney

A handwritten signature in black ink, appearing to read "John J. Scott", is written over a horizontal line. The signature is stylized and cursive.



FOR ENTIRE SERVICE AREA

Nolin RECC  
411 Ring Road  
Elizabethtown, KY 42701-6767

**PSC KY NO. 10**  
11<sup>th</sup> Revision Sheet No. 20

**CANCELING PSC KY NO. 10**  
10<sup>th</sup> Revision Sheet No. 20

**CLASSIFICATION OF SERVICE**

**SCHEDULE 1 - RESIDENTIAL, FARM, NON-FARM, TRAILERS AND MOBILE HOMES**

APPLICABLE: Entire Service Area

AVAILABILITY OF SERVICE: Available to all residents for uses in the home or on the farm, including trailers, mobile homes, schools, churches, community halls and non-profit community welfare institutions where the required total transformer capacity is 50 KVA or less, single or three phase.

TYPE OF SERVICE: Single phase 120/240 volts and three phase service where available at available voltages.

RATES PER MONTH:

|                 |                   |     |
|-----------------|-------------------|-----|
| Customer Charge | \$8.75            | (I) |
| All KWH Charge  | \$0.07903 per KWH | (I) |

FUEL ADJUSTMENT CLAUSE: The above rate may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM CHARGE: The minimum monthly charge for service shall be \$8.75. (I)

|               |                  |                 |                              |
|---------------|------------------|-----------------|------------------------------|
| DATE OF ISSUE | October 31, 2008 | DATE EFFECTIVE  | December 1, 2008             |
| ISSUED BY     |                  | 411 Ring Road   |                              |
|               |                  | President & CEO | Elizabethtown, KY 42701-6767 |
|               | NAME             | TITLE           | ADDRESS                      |

FOR ENTIRE SERVICE AREA

Nolin RECC  
411 Ring Road  
Elizabethtown, KY 42701-6767

**PSC KY NO. 10**  
11<sup>th</sup> Revision Sheet No. 22

**CANCELING PSC KY NO. 10**  
10<sup>th</sup> Revision Sheet No. 22

**CLASSIFICATION OF SERVICE**

**SCHEDULE 2 - COMMERCIAL, SMALL POWER, SINGLE PHASE AND THREE PHASE SERVICE**

APPLICABLE: Entire Service Area

AVAILABILITY OF SERVICE: Available to commercial members and small power loads requiring transformer capacity of 50 KVA or less, single phase and commercial members requiring three phase service with 50 KVA or less of total transformer capacity all subject to the established rules and regulations of the Cooperative.

TYPE OF SERVICE: Single phase 120/240 volts and three phase service where available at available voltages.

RATES PER MONTH:

|                 |           |     |
|-----------------|-----------|-----|
| Customer Charge | \$16.29   | (I) |
| All KWH Charge  | \$0.08558 | (I) |

FUEL ADJUSTMENT CLAUSE: The above rate may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM CHARGE: The minimum monthly charge for service shall be \$16.29. (I)

|               |                  |                 |                              |
|---------------|------------------|-----------------|------------------------------|
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|               |                  | President & CEO | Elizabethtown, KY 42701-6767 |
|               | NAME             | TITLE           | ADDRESS                      |



FOR ENTIRE SERVICE AREA

PSC KY NO. 10

9<sup>th</sup> Revision Sheet No. 26

Nolin RECC  
411 Ring Road  
Elizabethtown, KY 42701-6767

CANCELING PSC KY NO. 10

8<sup>th</sup> Revision Sheet No. 26

**CLASSIFICATION OF SERVICE**

**SCHEDULE 4 - INDUSTRIAL**

APPLICABLE: Entire Service Area

AVAILABILITY OF SERVICE: Available to Members located on or near Cooperatives three phase lines whose transformer capacity would be less than 1000 KVA and the demand would be 100 kw or more. All subject to the established rules and regulations of the Cooperative.

TYPE OF SERVICE: Three phase 60 cycle at available voltages, as agreed to in the five (5) year contract for service.

RATES PER MONTH:

Demand Charge:

\$4.79 per kilowatt of billing demand per month (I)

Energy Charge:

First 3,500 KWH per month \$0.07564 net per KWH (I)

Next 6,500 KWH per month \$0.06152 net per KWH (I)

Over 10,000 KWH per month \$0.05785 net per KWH (I)

MINIMUM CHARGE: The computed minimum monthly charge shall be as specified in the contract for service.

DETERMINATION OF BILLING DEMAND: The billing demand shall be the maximum kilowatt demand established by the Member 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 follows:

POWER FACTOR ADJUSTMENT: The member 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 his maximum demand is less than 90%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 90% and divided by the percent power factor.

|               |                  |                |                              |
|---------------|------------------|----------------|------------------------------|
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| ISSUED BY     |                  | 411 Ring Road  | Elizabethtown, KY 42701-6767 |
|               | NAME             | TITLE          | ADDRESS                      |

Nolin RECC  
 411 Ring Road  
 Elizabethtown, KY 42701-6767

**PSC KY NO. 10**  
 11<sup>th</sup> Revision Sheet No. 28

**CANCELING PSC KY NO. 10**  
 10<sup>th</sup> Revision Sheet No. 28

**CLASSIFICATION OF SERVICE**

**SCHEDULE 5 - SECURITY LIGHTS**

APPLICABLE: Entire Service Area

AVAILABILITY OF SERVICE: Available to all Members of the Cooperative subject to the established rules and regulations of the Cooperative.

| TYPES OF SERVICES AVAILABLE  | PER MONTH<br>CHARGE<br>PER UNIT |                              |
|--|---------------------------------|------------------------------|
| Mercury vapor 175 watt 120 volt or HPS 100 watt on a twenty-five foot (25') pole or an existing pole   | \$9.42                          | (I)                          |
| Directional floodlight 100 Watt HPS to be mounted on existing pole   | \$8.34                          | (I)                          |
| Directional floodlight 250 Watt HPS to be mounted on existing pole   | \$13.95                         | (I)                          |
| Directional floodlight 400 Watt HPS to be mounted on existing pole   | \$18.88                         | (I)                          |
| Lantern Type 100 Watt HPS with twenty-foot (20') fiberglass colonial post for underground service only   | \$12.47                         | (I)                          |
| Contemporary Type 400 Watt HPS - for underground service only; to be used with the thirty-foot fiberglass pole - (Charge does not include pole.) | \$20.32                         | (I)                          |
| Thirty-foot (30') fiberglass pole; to be used with underground services only   | \$10.70                         | (I)                          |
| Twenty-five foot (25') wood pole for overhead services only - (charge does not include lighting fixture)   | \$2.48                          | (I)                          |
| Thirty-foot (30') wood pole for overhead services only - (charge does not include lighting fixture)  | \$2.86                          | (I)                          |
| Twenty-five foot (25') wood pole for underground services only - (charge does not include lighting fixture)                                      | \$3.47                          | (I)                          |
| Thirty-foot (30') wood pole for underground services only - (charge does not include lighting fixture)   | \$3.85                          | (I)                          |
| DATE OF ISSUE  | October 31, 2008                | DATE EFFECTIVE               |
|  |                                 | December 1, 2008             |
| ISSUED BY  |                                 | 411 Ring Road                |
|  | President & CEO                 | Elizabethtown, KY 42701-6767 |
|  | NAME                            | TITLE                        |
|  |                                 | ADDRESS                      |



FOR ENTIRE SERVICE AREA

Nolin RECC  
 411 Ring Road  
 Elizabethtown, KY 42701-6767

**PSC KY NO. 10**  
 12<sup>th</sup> Revision Sheet No. 31

**CANCELING PSC KY NO. 10**  
 11<sup>th</sup> Revision Sheet No. 31

**CLASSIFICATION OF SERVICE**

**SCHEDULE 6 - STREET LIGHTING (Cont'd.)**

RATE:

Mercury Vapor (M.V.) or High Pressure Sodium (H.P.S.), Series or Multiple

STANDARD OVERHEAD (WOOD POLE):

|                              | <u>Watts/Light</u> |                           |     |
|------------------------------|--------------------|---------------------------|-----|
| 8,500 M.V. initial lumens    | 175                | \$5.78 per light per mth  | (I) |
| 23,000 M.V. initial lumens   | 400                | \$16.84 per light per mth | (I) |
| 9,500 H.P.S. initial lumens  | 100                | \$9.14 per light per mth  | (I) |
| 27,500 H.P.S. initial lumens | 250                | \$13.73 per light per mth | (I) |
| 50,000 H.P.S. initial lumens | 400                | \$17.88 per light per mth | (I) |

ORNAMENTAL SERVICE OVERHEAD (Aluminum Poles)

|                              | <u>Watts/Light</u> |                           |     |
|------------------------------|--------------------|---------------------------|-----|
| 8,500 M.V. initial lumens    | 175                | \$7.45 per light per mth  | (I) |
| 23,000 M.V. initial lumens   | 400                | \$18.60 per light per mth | (I) |
| 9,500 H.P.S. initial lumens  | 100                | \$21.00 per light per mth | (I) |
| 27,500 H.P.S. initial lumens | 250                | \$24.74 per light per mth | (I) |
| 50,000 H.P.S. initial lumens | 400                | \$28.13 per light per mth | (I) |

ORNAMENTAL SERVICE UNDERGROUND (Fiberglass Poles)

|                                       | <u>Watts/Light</u> |                           |     |
|---------------------------------------|--------------------|---------------------------|-----|
| 50,000 H.P.S. initial lumens          | 400                | \$32.85 per light per mth | (I) |
| 15,500 H.P.S. initial lumens          | 150                | \$32.26 per light per mth | (I) |
| Special Colonial with 20' fluted pole |                    |                           |     |

FUEL ADJUSTMENT CLAUSE: The above rate may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

|                                       |   |
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| <u>DATE OF ISSUE</u> October 31, 2008 | <u>DATE EFFECTIVE</u> December 1, 2008        |
| <u>ISSUED BY</u>                      | 411 Ring Road<br>Elizabethtown, KY 42701-6767 |
| <u>NAME</u>                           | <u>TITLE</u> <u>ADDRESS</u>                   |

FOR ENTIRE SERVICE AREA

Nolin RECC  
411 Ring Road  
Elizabethtown, KY 42701-8701

**PSC KY NO. 10**  
9<sup>th</sup> Revision Sheet No. 32

**CANCELING PSC KY NO. 10**  
8<sup>th</sup> Revision Sheet No. 32

**CLASSIFICATION OF SERVICE**

**SCHEDULE 7 - INDUSTRIAL**

APPLICABLE: Entire Service Area - where three phase service is available at available voltages.

AVAILABILITY: Available to all commercial and industrial Members whose kilowatt demand shall exceed 500 kw for lighting and/or heating and/or power, and whose demand charges will track the wholesale power suppliers.

TYPE OF SERVICE: Three phase 60 hertz at 12,470 volts, primary service as agreed to in the special five year Agreement for Service.

RATES PER MONTH:

Demand Charge:

\$8.75 per kilowatt of billing demand per month (I)

Energy Charge:

All KWH at \$0.05279 net per KWH (I)

MINIMUM CHARGE: The computed minimum monthly charge shall be as specified in the Special Contract for service.

DETERMINATION OF BILLING DEMAND: The billing demand shall be the maximum kilowatt demand established by the Member 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 follows:

POWER FACTOR ADJUSTMENT: The member 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 his maximum demand is less than 90%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 90% and divided by the percent power factor.

|               |                  |                              |                  |
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|               |                  | Elizabethtown, KY 42701-6767 |                  |
|               | NAME             | TITLE                        | ADDRESS          |

FOR ENTIRE SERVICE AREA

Nolin RECC  
411 Ring Road  
Elizabethtown, KY 42701-6767

**PSC KY NO. 10**  
8<sup>th</sup> Revision Sheet No. 34

**CANCELING PSC KY NO. 10**  
7<sup>th</sup> Revision Sheet No. 34

**CLASSIFICATION OF SERVICE**

**SCHEDULE 8 - SEASONAL TIME OF DAY**

APPLICABLE: Entire service area where three phase service is available.

AVAILABILITY: Available to all commercial and industrial Members whose kilowatt demand shall exceed 500 kw for lighting and/or heating and/or power, and whose demand charges will track the wholesale power suppliers.

TYPE OF SERVICE: Three phase 60 hertz voltages as agreed to in the five (5) year Contract for Service.

\*RATES PER MONTH:

Demand Charge: \$8.65 per kilowatt of billing demand per month (I)

Energy Charge: All KWH at \$0.05279 net per KWH (I)

MINIMUM MONTHLY CHARGE: The computed minimum monthly charge shall be as specified in the Contract for service.

DETERMINATION OF BILLING DEMAND: The billing demand shall be the maximum kilowatt demand established by the Member for any fifteen (15) minutes interval (adjusted for power factor) in the below listed hours for each month.

| <u>MONTHS</u>      | <u>E.S.T. HOURS APPLICABLE FOR DEMAND BILLING</u>                           |
|--------------------|---|
| October thru April | 7:00 a.m. E.S.T. to 12 Noon E.S.T.<br>5:00 p.m. E.S.T. to 10:00 p.m. E.S.T. |
| May thru September | 10:00 a.m. E.S.T. to 10:00 p.m. E.S.T.                                      |

Demands outside of the above hours will be disregarded for billing purposes.

POWER FACTOR ADJUSTMENT: The member 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 his maximum demand is less than 90%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 90% and divided by the percent power factor.

|               |                  |                              |                  |
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|               |                  | Elizabethtown, KY 42701-6767 |                  |
|               | <u>NAME</u>      | <u>TITLE</u>                 | <u>ADDRESS</u>   |



FOR ENTIRE SERVICE AREA

Nolin RECC  
411 Ring Road  
Elizabethtown, KY 42701-6767

**PSC KY NO. 10**  
9<sup>th</sup> Revision Sheet No. 38

**CANCELING PSC KY NO. 10**  
8<sup>th</sup> Revision Sheet No. 38

**CLASSIFICATION OF SERVICE**

**SCHEDULE 10 - INDUSTRIAL**

APPLICABLE: Entire Service Area - Applicable to contracts with contract demands of 5,000 to 9,999 kW with a monthly energy usage equal to or greater than 425 hours per kW of contract demand.

TYPE OF SERVICE: Three phase 60 hertz at voltages as agreed to in the special five year Agreement for Service.

RATES PER MONTH:

|                         |   |     |
|-------------------------|---|-----|
| <u>Consumer Charge:</u> | \$1,181.08  | (I) |
| <u>Demand Charge:</u>   | \$5.95 per kW of contract demand                                  | (I) |
|                         | \$8.65 per kW for all billing demand in excess of contract demand | (I) |
| <u>Energy Charge:</u>   | \$0.04525 per kWh   | (I) |

DETERMINATION OF BILLING DEMAND: The billing 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. The consumer's 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>         | <u>Hours Applicable For Demand Billing - EST</u>   |
|-----------------------|--|
| October through April | 7:00 A.M. to 12:00 Noon<br>5:00 P.M. to 10:00 P.M. |
| May through September | 10:00 A.M. to 10:00 P.M.                           |

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

- (a) The product of the contract demand multiplied by the demand charge, plus
- (b) The product of the contract demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The consumer charge

|                      |                  |  |                  |
|----------------------|------------------|--|------------------|
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| <u>ISSUED BY</u>     |                  | 411 Ring Road<br>President & CEO<br>Elizabethtown, KY 42701-6767 |                  |
|                      | <u>NAME</u>      | <u>TITLE</u>   | <u>ADDRESS</u>   |

FOR ENTIRE SERVICE AREA

Nolin RECC  
411 Ring Road  
Elizabethtown, KY 42701-6767

**PSC KY NO. 10**  
9<sup>th</sup> Revision Sheet No. 40

**CANCELING PSC KY NO. 10**  
8<sup>th</sup> Revision Sheet No. 40

**CLASSIFICATION OF SERVICE**

**SCHEDULE 11 - INDUSTRIAL**

APPLICABLE: Entire Service Area - Applicable to contracts where the monthly contract demand is equal to or greater than 10,000 kW, with a monthly energy usage equal to or greater than 425 hours per kW of contract demand.

TYPE OF SERVICE: Three phase 60 hertz at voltages as agreed to in the special five year Agreement for Service.

RATES PER MONTH:

|                         |   |     |
|-------------------------|---|-----|
| <u>Consumer Charge:</u> | \$1,181.08  | (I) |
| <u>Demand Charge:</u>   | \$5.95 per kW of contract demand                                  | (I) |
|                         | \$8.65 per kW for all billing demand in excess of contract demand | (I) |
| <u>Energy Charge:</u>   | \$0.04415 per kWh   | (I) |

DETERMINATION OF BILLING DEMAND: The billing 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. The consumer's 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>         | <u>Hours Applicable For Demand Billing - EST</u>   |
|-----------------------|--|
| October through April | 7:00 A.M. to 12:00 Noon<br>5:00 P.M. to 10:00 P.M. |
| May through September | 10:00 A.M. to 10:00 P.M.                           |

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

- (a) The product of the contract demand multiplied by the demand charge, plus
- (b) The product of the contract demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The consumer charge

|               |                  |                 |   |
|---------------|------------------|-----------------|---|
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| ISSUED BY     |                  | President & CEO | 411 Ring Road<br>Elizabethtown, KY 42701-6767 |
|               | <u>NAME</u>      | <u>TITLE</u>    | <u>ADDRESS</u>                                |

FOR ENTIRE SERVICE AREA

Nolin RECC  
411 Ring Road  
Elizabethtown, KY 42701-6767

**PSC KY NO. 10**  
9<sup>th</sup> Revision Sheet No. 42

**CANCELING PSC KY NO. 10**  
8<sup>th</sup> Revision Sheet No. 42

**CLASSIFICATION OF SERVICE**

**SCHEDULE 12 - INDUSTRIAL C**

APPLICABLE: Entire Service Area - Applicable to contracts with contract demands of 1,000 to 4,999 kW with a monthly energy usage equal to or greater than 425 hours per kW of contract demand.

TYPE OF SERVICE: Three phase 60 hertz at voltages as agreed to in the special five year Agreement for Service.

RATES PER MONTH:

Consumer Charge:

\$1,181.08 where the industrial consumer demands and/or location requires construction of a substation. (I)

\$591.09 where the industrial consumer's demand or location permits service from an existing substation. (I)

Demand Charge: \$5.95 per kW of billing demand (I)

Energy Charge: \$0.05077 per kWh (I)

DETERMINATION OF BILLING DEMAND: The billing 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. The consumer's 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>         | <u>Hours Applicable For Demand Billing - EST</u>   |
|-----------------------|--|
| October through April | 7:00 A.M. to 12:00 Noon<br>5:00 P.M. to 10:00 P.M. |
| May through September | 10:00 A.M. to 10:00 P.M.                           |

|                      |                  |                       |   |
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|                      | <u>NAME</u>      | <u>TITLE</u>          | <u>ADDRESS</u>                                |

FOR ENTIRE SERVICE AREA

Nolin RECC  
411 Ring Road  
Elizabethtown, KY 42701-6767

**PSC KY NO. 10**  
9<sup>th</sup> Revision Sheet No. 44

**CANCELING PSC KY NO. 10**  
8<sup>th</sup> Revision Sheet No. 44

**CLASSIFICATION OF SERVICE**

**SCHEDULE 13 - INDUSTRIAL C**

APPLICABLE: Entire Service Area - Applicable to contracts with contract demands of 5,000 to 9,999 kW with a monthly energy usage equal to or greater than 425 hours per kW of contract demand.

TYPE OF SERVICE: Three phase 60 hertz at voltages as agreed to in the special five year Agreement for Service.

RATES PER MONTH:

|                         |                                 |     |
|-------------------------|---------------------------------|-----|
| <u>Consumer Charge:</u> | \$1,181.08                      | (I) |
| <u>Demand Charge:</u>   | \$5.95 per kW of billing demand | (I) |
| <u>Energy Charge:</u>   | \$0.04525 per kWh               | (I) |

DETERMINATION OF BILLING DEMAND: The billing 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. The consumer's 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>         | <u>Hours Applicable For Demand Billing - EST</u>   |
|-----------------------|--|
| October through April | 7:00 A.M. to 12:00 Noon<br>5:00 P.M. to 10:00 P.M. |
| May through September | 10:00 A.M. to 10:00 P.M.                           |

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

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The consumer charge

|               |                  |                 |                              |
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|               |                  | President & CEO | Elizabethtown, KY 42701-6767 |
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FOR ENTIRE SERVICE AREA

Nolin RECC  
411 Ring Road  
Elizabethtown, KY 42701-6767

**PSC KY NO. 10**  
9<sup>th</sup> Revision Sheet No. 46

**CANCELING PSC KY NO. 10**  
8<sup>th</sup> Revision Sheet No. 46

**CLASSIFICATION OF SERVICE**

**SCHEDULE 14 - INDUSTRIAL C**

APPLICABLE: Entire Service Area - Applicable to contracts where the monthly contract demand is equal to or greater than 10,000 kW, with a monthly energy usage equal to or greater than 425 hours per kW of contract demand.

TYPE OF SERVICE: Three phase 60 hertz at voltages as agreed to in the special five year Agreement for Service.

RATES PER MONTH:

|                         |                                 |     |
|-------------------------|---------------------------------|-----|
| <u>Consumer Charge:</u> | \$1,181.08                      | (I) |
| <u>Demand Charge:</u>   | \$5.95 per kW of billing demand | (I) |
| <u>Energy Charge:</u>   | \$0.04415 per kWh               | (I) |

DETERMINATION OF BILLING DEMAND: The billing 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. The consumer's 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>         | <u>Hours Applicable For Demand Billing - EST</u>   |
|-----------------------|--|
| October through April | 7:00 A.M. to 12:00 Noon<br>5:00 P.M. to 10:00 P.M. |
| May through September | 10:00 A.M. to 10:00 P.M.                           |

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

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The consumer charge

|                      |                  |  |                  |
|----------------------|------------------|--|------------------|
| <u>DATE OF ISSUE</u> | October 31, 2008 | <u>DATE EFFECTIVE</u>  | December 1, 2008 |
| <u>ISSUED BY</u>     |                  | 411 Ring Road<br>President & CEO<br>Elizabethtown, KY 42701-6767 |                  |
|                      | <u>NAME</u>      | <u>TITLE</u>   | <u>ADDRESS</u>   |





**EXHIBIT 2**  
**Page 1 of 2**

The present and proposed rates structures of Nolin RECC Corporation are listed below:

| <u>Schedule</u>  | <u>Rate Class</u>   | <u>Present</u>  | <u>Proposed</u> |
|--|---|-----------------|-----------------|
| 1  | Residential, Farm, Non-Farm, Trailers & Mobile Homes        |                 |                 |
|  | Customer Charge per month                                   | \$8.13          | \$8.75          |
|  | Energy Charge per kwh                                       | \$0.07341       | \$0.07903       |
| 2  | Commercial, Small Power, Single Phase & Three Phase Service |                 |                 |
|  | Customer Charge per month                                   | \$15.13         | \$16.29         |
|  | Energy Charge per kwh                                       | \$0.07949       | \$0.08558       |
| 3  | Large Power   |                 |                 |
|  | Demand Charge per KW  | \$4.45          | \$4.79          |
|  | Energy Charge per kwh for First 2,500 kWh                   | \$0.06664       | \$0.07174       |
|  | Energy Charge per kwh for Next 12,500 kWh                   | \$0.06207       | \$0.06682       |
|  | Energy Charge per kwh for Over 15,000 kWh                   | \$0.06070       | \$0.06535       |
|  | Customer Charge   | \$25.63         | \$27.59         |
| 4  | Industrial  |                 |                 |
|  | Demand Charge per KW  | \$4.45          | \$4.79          |
|  | Energy Charge per kwh for First 2,500 kWh                   | \$0.07026       | \$0.07564       |
|  | Energy Charge per kwh for Next 6,500 kWh                    | \$0.05714       | \$0.06152       |
|  | Energy Charge per kwh for Over 10,000 kWh                   | \$0.05373       | \$0.05785       |
| 5  | Security Lights   |                 |                 |
|  | Mercury Vapor 175 Watt per lamp                             | \$8.75          | \$9.42          |
|  | Directional Flood Light 100 Watt HPS                        | \$7.75          | \$8.34          |
|  | Directional Floodlight 250 Watt HPS                         | \$12.96         | \$13.95         |
|  | Directional Floodlight 400 Watt HPS                         | \$17.54         | \$18.88         |
|  | Lantern Type 100 Watt HPS                                   | \$11.58         | \$12.47         |
|  | Contemporary Type 400 Watt HPS                              | \$18.87         | \$20.32         |
|  | Thirty-foot Fiberglass Pole                                 | \$9.94          | \$10.70         |
|  | Twenty-foot Wood Pole for Overhead Service Only             | \$2.30          | \$2.48          |
|  | Thirty-foot Wood Pole for Overhead Service Only             | \$2.66          | \$2.86          |
|  | Twenty-five foot Wood Pole for Underground Service          | \$3.22          | \$3.47          |
|  | Thirty-Foot Wood Pole for Underground Service Only          | \$3.58          | \$3.85          |
|  | 6   | Street Lighting |                 |
| Standard Overhead Lighting (Wood Pole)                                 |   |                 |                 |
| 8,500 MV Initial Lumens per lamp                                       |   | \$5.37          | \$5.78          |
| 23,000 MV Initial Lumens per lamp                                      |   | \$15.64         | \$16.84         |
| 9,500 HPS Initial Lumens per lamp                                      |   | \$8.49          | \$9.14          |
| 27,500 HPS Initial Lumens per lamp                                     |   | \$12.75         | \$13.73         |
| 50,000 HPS Initial Lumens per lamp                                     |   | \$16.61         | \$17.88         |
| Ornamental Service Overhead (Aluminum Pole)                            |   |                 |                 |
| 8,500 MV Initial Lumens per lamp                                       |   | \$6.92          | \$7.45          |
| 23,000 MV Initial Lumens per lamp                                      |   | \$17.28         | \$18.60         |
| 9,500 HPS Initial Lumens per lamp                                      |   | \$19.51         | \$21.00         |
| 27,500 HPS Initial Lumens per lamp                                     |   | \$22.98         | \$24.74         |
| 50,000 HPS Initial Lumens per lamp                                     |   | \$26.13         | \$28.13         |
| Ornamental Service Underground (Fiberglass Poles)                      |   |                 |                 |
| 50,000 HPS Initial Lumens per lamp                                     |   | \$30.51         | \$32.85         |
| 15,500 HPS Initial Lumens per lamp w/ Special Colonial 20' fluted pole | \$29.96   | \$32.26         |                 |

**EXHIBIT 2**  
**Page 2 of 2**

| <u>Schedule</u> | <u>Rate Class</u>                                  | <u>Present</u> | <u>Proposed</u> |
|-----------------|--|----------------|-----------------|
| 7               | Industrial   |                |                 |
|                 | Demand Charge per KW                               | \$8.13         | \$8.75          |
|                 | Energy Charge per kwh                              | \$0.04903      | \$0.05279       |
| 8               | Seasonal Time of Day                               |                |                 |
|                 | Demand Charge per KW                               | \$8.03         | \$8.65          |
|                 | Energy Charge per kwh                              | \$0.04903      | \$0.05279       |
| 9               | Industrial   |                |                 |
|                 | Consumer Charge (Substation Required) per month    | \$1,074.04     | \$1,156.31      |
|                 | Consumer Charge (No Substation Required) per month | \$549.03       | \$591.09        |
|                 | Demand Charge Contract Demand per KW               | \$5.53         | \$5.95          |
|                 | Demand Charge Excess Demand per KW                 | \$8.03         | \$8.65          |
|                 | Energy Charge per kwh                              | \$0.04716      | \$0.05077       |
| 10              | Industrial   |                |                 |
|                 | Consumer Charge per month                          | \$1,097.04     | \$1,181.08      |
|                 | Demand Charge Contract Demand per KW               | \$5.53         | \$5.95          |
|                 | Demand Charge Excess Demand per KW                 | \$8.03         | \$8.65          |
|                 | Energy Charge per kwh                              | \$0.04203      | \$0.04525       |
| 11              | Industrial   |                |                 |
|                 | Consumer Charge per month                          | \$1,097.04     | \$1,181.08      |
|                 | Demand Charge Contract Demand per KW               | \$5.53         | \$5.95          |
|                 | Demand Charge Excess Demand per KW                 | \$8.03         | \$8.65          |
|                 | Energy Charge per kwh                              | \$0.04101      | \$0.04415       |
| 12              | Industrial C                                       |                |                 |
|                 | Consumer Charge (Substation Required)              | \$1,097.04     | \$1,181.08      |
|                 | Consumer Charge (No Substation Required)           | \$549.03       | \$591.09        |
|                 | Demand Charge Contract Demand per KW               | \$5.53         | \$5.95          |
|                 | Energy Charge per kwh                              | \$0.04716      | \$0.05077       |
| 13              | Industrial C                                       |                |                 |
|                 | Consumer Charge per month                          | \$1,097.04     | \$1,181.08      |
|                 | Demand Charge Contract Demand per KW               | \$5.53         | \$5.95          |
|                 | Energy Charge per kwh                              | \$0.04203      | \$0.04525       |
| 14              | Industrial C                                       |                |                 |
|                 | Consumer Charge per month                          | \$1,097.04     | \$1,181.08      |
|                 | Demand Charge Contract Demand per KW               | \$5.53         | \$5.95          |
|                 | Energy Charge per kwh                              | \$0.04101      | \$0.04415       |
| 15              | Interruptible Service                              |                |                 |
|                 | 10 Notice Minutes, 200 Hours Interruption          | \$2.70         | \$2.97          |
|                 | 10 Notice Minutes, 300 Hours Interruption          | \$3.15         | \$3.47          |
|                 | 10 Notice Minutes, 400 Hours Interruption          | \$3.60         | \$3.97          |
|                 | 60 Notice Minutes, 200 Hours Interruption          | \$2.25         | \$2.48          |
|                 | 60 Notice Minutes, 300 Hours Interruption          | \$2.70         | \$2.97          |
|                 | 60 Notice Minutes, 400 Hours Interruption          | \$3.15         | \$3.47          |
|                 | Special Contract                                   |                |                 |
|                 | Consumer Charge per month                          | \$1,069.00     | \$1,150.89      |
|                 | Demand Charge per KW                               | \$6.06         | \$6.52          |
|                 | Energy Charge per kwh                              | \$0.02806      | \$0.03021       |
|                 | Renewable Resource Power Service                   | \$0.0275/kWh   | \$0.0275/kWh    |



Nolin  
Billing Analysis  
for the 12 months ended June 30, 2008

| Title  | Existing<br>Total | % of<br>Total | Proposed<br>Total | % of<br>Total | \$ Increase | % Increase |
|--|-------------------|---------------|-------------------|---------------|-------------|------------|
| Residential, Farm and Non-Farm Service             | \$37,551,418      | 65.93%        | \$40,425,465      | 65.93%        | \$2,874,048 | 7.65%      |
| Commercial, Small Power & Three-Phase Farm Service | \$2,702,615       | 4.74%         | \$2,909,694       | 4.75%         | \$207,079   | 7.66%      |
| Builder  | \$353,029         | 0.62%         | \$380,080         | 0.62%         | \$27,051    | 7.66%      |
| Large Power Service Less than 50 kW                | \$1,422,288       | 2.50%         | \$1,531,123       | 2.50%         | \$108,835   | 7.65%      |
| Industrial: 1,000 kVa, 100 kW or more              | \$5,404,277       | 9.49%         | \$5,818,340       | 9.49%         | \$414,063   | 7.66%      |
| Industrial: 5,000 to 9,999 kW                      | \$2,665,667       | 4.68%         | \$2,869,573       | 4.68%         | \$203,906   | 7.65%      |
| Street Lighting and Security Lights                | \$1,068,879       | 1.88%         | \$1,150,710       | 1.88%         | \$81,831    | 7.66%      |
| Special Contract                                   | \$5,790,590       | 10.17%        | \$6,233,157       | 10.17%        | \$442,566   | 7.64%      |
| <hr/>  |                   |               |                   |               |             |            |
| FAC & ES   | \$56,958,763      | 100.00%       | \$61,318,143      | 100.00%       | \$4,359,380 | 7.65%      |
| <hr/>  |                   |               |                   |               |             |            |
| Total  | \$7,478,936       |               | \$7,478,936       |               | \$4,359,380 | 6.77%      |

Lighting - did not change rates on pole charges

Nolin RECC  
Billing Analysis  
for the 12 months ended June 30, 2008

Schedule 1  
Residential, Farm, Non-Farm, Trailers, and Mobile Homes  
Rate 1

|                         | Existing                    |              |                         |              | Proposed            |            |                      |               | \$ Increase         | % Increase |                     |            |
|-------------------------|-----------------------------|--------------|-------------------------|--------------|---------------------|------------|----------------------|---------------|---------------------|------------|---------------------|------------|
|                         | Actual Billing Determinants | Escalation % | Billing Units Escalated | Current Rate | Annualized Revenues | % of Total | Billing Determinants | Proposed Rate |                     |            | Annualized Revenues | % of Total |
| Customer Charge         | 305,618                     | 2.28%        | 312,586                 | \$8.13       | \$2,541,325         | 6.77%      | 312,586              | \$8.75        | \$2,735,128         | 6.77%      | \$193,803           | 7.63%      |
| Energy charge per kWh   | 462,572,036                 | 3.10%        | 476,911,769             | \$0.07341    | 35,010,093          | 93.23%     | 476,911,769          | \$0.07903     | \$37,690,337        | 93.23%     | \$2,680,244         | 7.66%      |
| Total from base rates   |                             |              |                         |              | <u>37,551,418</u>   | 100.00%    |                      |               | <u>40,425,465</u>   | 100.00%    | \$2,874,048         | 7.65%      |
| Fuel adjustment         |                             |              |                         |              | 2,324,626           |            |                      |               | 2,324,626           |            |                     |            |
| Environmental surcharge |                             |              |                         |              | <u>2,287,693</u>    |            |                      |               | <u>2,287,693</u>    |            |                     |            |
| Total revenues          |                             |              |                         |              | <u>\$42,163,737</u> |            | 1,526                |               | <u>\$45,037,784</u> |            | \$2,874,048         | 6.82%      |
| Average Bill            |                             |              |                         |              | \$134.89            |            |                      |               | \$144.08            |            | \$9.19              | 6.82%      |

Schedule 2  
Commercial, Small Power, Single Phase, and Three Phase (50 KVA or less)  
Rate 2

|                         | Existing                    |              |                         |              | Proposed            |            |                      |               | \$ Increase        | % Increase |                     |            |
|-------------------------|-----------------------------|--------------|-------------------------|--------------|---------------------|------------|----------------------|---------------|--------------------|------------|---------------------|------------|
|                         | Actual Billing Determinants | Escalation % | Billing Units Escalated | Current Rate | Annualized Revenues | % of Total | Billing Determinants | Proposed Rate |                    |            | Annualized Revenues | % of Total |
| Customer Charge         | 26,246                      | 3.90%        | 27,270                  | \$15.13      | \$412,589           | 15.27%     | 27,270               | \$16.29       | \$444,222          | 15.27%     | \$31,633            | 7.67%      |
| Energy charge per kWh   | 27,942,754                  | 3.10%        | 28,808,979              | \$0.07949    | 2,290,026           | 84.73%     | 28,808,979           | \$0.08558     | \$2,465,472        | 84.73%     | \$175,447           | 7.66%      |
| Total from base rates   |                             |              |                         |              | <u>2,702,615</u>    | 100.00%    |                      |               | <u>2,909,694</u>   | 100.00%    | \$207,079           | 7.66%      |
| Fuel adjustment         |                             |              |                         |              | 150,260             |            |                      |               | 150,260            |            |                     |            |
| Environmental surcharge |                             |              |                         |              | <u>151,821</u>      |            |                      |               | <u>151,821</u>     |            |                     |            |
| Total revenues          |                             |              |                         |              | <u>\$3,004,696</u>  |            |                      |               | <u>\$3,211,775</u> |            | \$207,079           | 6.89%      |
| Average Bill            |                             |              |                         |              | \$110.18            |            |                      |               | \$117.78           |            | \$7.59              | 6.89%      |



Nolin RECC  
Billing Analysis  
for the 12 months ended June 30, 2008

Schedule 2a  
Builder  
Rate 2a

|                         | Existing                    |              |                         |              | Proposed            |            |                      |               | \$ Increase | % Increase |                     |            |
|-------------------------|-----------------------------|--------------|-------------------------|--------------|---------------------|------------|----------------------|---------------|-------------|------------|---------------------|------------|
|                         | Actual Billing Determinants | Escalation % | Billing Units Escalated | Current Rate | Annualized Revenues | % of Total | Billing Determinants | Proposed Rate |             |            | Annualized Revenues | % of Total |
| Customer Charge         | 4,813                       | 3.90%        | 5,001                   | \$15.13      | \$75,661            | 21.43%     | 5,001                | \$16.29       | \$81,462    | 21.43%     | \$5,801             | 7.67%      |
| Energy Charge           | 3,384,433                   | 3.10%        | 3,489,350               | \$0.07949    | \$277,368           | 78.57%     | 3,489,350            | \$0.08558     | \$298,619   | 78.57%     | \$21,250            | 7.66%      |
| Total BaseLoad Charges  |                             |              |                         |              | \$353,029           | 100.00%    |                      |               | \$380,080   | 100.00%    | \$27,051            | 7.66%      |
| Fuel Adjustment         |                             |              |                         |              | 15,203              |            |                      |               | 15,203      |            |                     |            |
| Environmental Surcharge |                             |              |                         |              | 19,746              |            |                      |               | 19,746      |            |                     |            |
| Total Revenues          |                             |              |                         |              | \$387,978           |            |                      |               | \$415,029   |            | \$27,051            | 6.97%      |
| Average Bill            |                             |              |                         |              | \$ 77.58            |            |                      |               | \$ 82.99    |            | \$ 5.41             | 6.97%      |

Schedule 3  
Large Power: 99 kW or less  
Rate 3

|                         | Existing                    |              |                         |              | Proposed            |            |                      |               | \$ Increase | % Increase |                     |            |
|-------------------------|-----------------------------|--------------|-------------------------|--------------|---------------------|------------|----------------------|---------------|-------------|------------|---------------------|------------|
|                         | Actual Billing Determinants | Escalation % | Billing Units Escalated | Current Rate | Annualized Revenues | % of Total | Billing Determinants | Proposed Rate |             |            | Annualized Revenues | % of Total |
| Customer Charge         | 1,008                       | 3.90%        | 1,047                   | \$25.63      | \$ 26,843           | 19.47%     | 1,047                | \$27.59       | \$28,895    | 19.47%     | \$2,052             | 7.64%      |
| Demand Charge           | 60,650                      | 2.60%        | 62,227                  | \$4.45       | \$ 276,910          | 19.47%     | 62,227               | \$4.79        | \$298,067   | 19.47%     | \$21,157            | 7.64%      |
| Energy charge per kWh   |                             |              |                         |              |                     |            |                      |               |             |            |                     |            |
| 0-2500 kWh              | 2,803,063                   | 3.10%        | 2,889,958               | \$0.06664    | \$ 192,587          | 13.54%     | 2,889,958            | \$0.07174     | \$207,326   | 13.54%     | \$14,739            | 7.65%      |
| 2501-15000              | 9,279,867                   | 3.10%        | 9,567,543               | \$0.06207    | \$ 593,857          | 41.75%     | 9,567,543            | \$0.06682     | \$639,303   | 41.75%     | \$45,446            | 7.65%      |
| Over 15,000 kWh         | 5,306,529                   | 3.10%        | 5,471,031               | \$0.06070    | \$ 332,092          | 23.35%     | 5,471,031            | \$0.06535     | \$357,532   | 23.35%     | \$25,440            | 7.66%      |
| Total from base rates   |                             |              |                         |              | \$1,422,288         | 98.11%     |                      |               | \$1,531,123 | 98.11%     | \$108,835           | 7.65%      |
| Fuel adjustment         |                             |              |                         |              | 94,696              |            |                      |               | 94,696      |            |                     |            |
| Environmental surcharge |                             |              |                         |              | 88,797              |            |                      |               | 88,797      |            |                     |            |
| Total revenues          |                             |              |                         |              | \$1,605,781         |            |                      |               | \$1,714,616 |            | \$108,835           | 6.78%      |
| Average Bill            |                             |              |                         |              | \$ 1,533.24         |            |                      |               | \$ 1,637.16 |            | \$ 103.92           | 6.78%      |

Nolin RECC  
Billing Analysis  
for the 12 months ended June 30, 2008

Schedule 4  
Industrial: Less than 1,000 kVa, greater than 100 kW  
Rate 4

|                         | Existing                    |              |                         |              | Proposed            |            |                      |               | \$ Increase | % Increase |                     |            |
|-------------------------|-----------------------------|--------------|-------------------------|--------------|---------------------|------------|----------------------|---------------|-------------|------------|---------------------|------------|
|                         | Actual Billing Determinants | Escalation % | Billing Units Escalated | Current Rate | Annualized Revenues | % of Total | Billing Determinants | Proposed Rate |             |            | Annualized Revenues | % of Total |
| Customer Charge         | 1,195                       | 3.90%        | 1,242                   | \$0.00       | \$0                 |            | 1,242                | \$0.00        | \$0         |            | \$80,666            | 7.64%      |
| Demand Charge           | 231,240                     | 2.60%        | 237,252                 | \$4.45       | \$1,055,772         | 19.54%     | 237,252              | \$4.79        | \$1,136,438 | 19.53%     |                     |            |
| Energy charge per kWh   | 4,254,638                   | 3.10%        | 4,386,532               | \$0.07026    | \$308,198           | 5.70%      | 4,386,532            | \$0.07564     | \$331,797   | 5.70%      | \$23,600            | 7.66%      |
| 0-3500 kWh              | 7,465,065                   | 3.10%        | 7,696,482               | \$0.05714    | \$439,777           | 8.14%      | 7,696,482            | \$0.06152     | \$473,488   | 8.14%      | \$33,711            | 7.67%      |
| 3501-10000 kWh          | 64,996,636                  | 3.10%        | 67,011,532              | \$0.05373    | \$3,600,530         | 66.62%     | 67,011,532           | \$0.05785     | \$3,876,617 | 66.63%     | \$276,088           | 7.67%      |
| 10001-999999 kWh        |                             |              |                         |              |                     |            |                      |               |             |            |                     |            |
| Total from base rates   |                             |              |                         |              | 5,404,277           | 100.00%    |                      |               | 5,818,340   | 100.00%    | \$414,063           | 7.66%      |
| Fuel adjustment         |                             |              |                         |              | 425,574             |            |                      |               | 425,574     |            |                     |            |
| Environmental surcharge |                             |              |                         |              | 344,111             |            |                      |               | 344,111     |            |                     |            |
| Total revenues          |                             |              |                         |              | \$6,173,962         |            |                      |               | \$6,588,025 |            | \$414,063           | 6.71%      |
| Average Bill            |                             |              |                         |              | \$ 4,972.57         |            |                      |               | \$ 5,306.06 |            | \$ 333.49           | 6.71%      |

Schedule 10  
Industrial 5,000 - 9,999 kW  
Rate 10

|                         | Existing                    |              |                         |              | Proposed            |            |                      |               | \$ Increase   | % Increase |                     |            |
|-------------------------|-----------------------------|--------------|-------------------------|--------------|---------------------|------------|----------------------|---------------|---------------|------------|---------------------|------------|
|                         | Actual Billing Determinants | Escalation % | Billing Units Escalated | Current Rate | Annualized Revenues | % of Total | Billing Determinants | Proposed Rate |               |            | Annualized Revenues | % of Total |
| Customer Charge         | 12                          | 0.00%        | 12                      | \$1,097.04   | \$13,164            | 0.49%      | 12                   | \$1,181.08    | \$14,173      | 0.49%      | \$1,008             | 7.66%      |
| Demand charge           | 84,122                      | 2.60%        | 86,309                  | \$5.53       | \$477,290           | 17.91%     | 86,309               | \$5.95        | \$513,540     | 17.90%     | \$36,250            | 7.59%      |
| Contract Excess Demand  | 0                           | 2.60%        | 0                       | \$8.03       | \$0                 |            | 0                    | \$8.65        | \$0           |            |                     |            |
| Energy Charge           | 50,197,696                  | 3.10%        | 51,753,825              | \$0.04203    | \$2,175,213         | 81.60%     | 51,753,825           | \$0.04525     | \$2,341,861   | 81.61%     | \$166,647           | 7.66%      |
| Total Baseload Charges  |                             |              |                         |              | \$2,665,667         | 100.00%    |                      |               | \$2,869,573   | 100.00%    | \$203,906           | 7.65%      |
| Fuel adjustment         |                             |              |                         |              | 269,933             |            |                      |               | 269,933       |            |                     |            |
| Environmental surcharge |                             |              |                         |              | 172,878             |            |                      |               | 172,878       |            |                     |            |
| Total Revenues          |                             |              |                         |              | \$3,108,478         |            |                      |               | \$3,312,384   |            | \$203,906           | 6.56%      |
| Average Bill            |                             |              |                         |              | \$ 259,039.87       |            |                      |               | \$ 276,032.01 |            | \$ 16,992.14        | 6.56%      |

Nolin RECC  
Billing Analysis  
for the 12 months ended June 30, 2008  
Special Contract

|                         | Existing                    |              |                         |              | Proposed            |            |                      | \$ Increase | % Increase         |               |                     |            |
|-------------------------|-----------------------------|--------------|-------------------------|--------------|---------------------|------------|----------------------|-------------|--------------------|---------------|---------------------|------------|
|                         | Actual Billing Determinants | Escalation % | Billing Units Escalated | Current Rate | Annualized Revenues | % of Total | Billing Determinants |             |                    | Proposed Rate | Annualized Revenues | % of Total |
| Customer Charge         | 12                          | 0.00%        | 12                      | \$1,069.00   | \$12,828            | 0.22%      | 12                   | \$1,150.89  | \$13,811           | 0.22%         | \$983               | 7.66%      |
| Demand Charge           | 251,676                     | 2.60%        | 258,220                 | \$6.06       | \$1,564,811         | 27.02%     | 258,220              | \$6.52      | \$1,683,592        | 27.01%        | \$118,781           | 7.59%      |
| Energy Charge           | 145,626,404                 | 3.10%        | 150,140,823             | \$0.02806    | \$4,212,951         | 72.76%     | 150,140,823          | \$0.03021   | \$4,535,764        | 72.77%        | \$322,803           | 7.66%      |
| Total Baseload Charges  |                             |              |                         |              | <u>\$5,790,590</u>  | 100.00%    |                      |             | <u>\$6,233,157</u> | 100.00%       | <u>\$442,566</u>    | 7.64%      |
| Fuel adjustment         |                             |              |                         |              | 739,744             |            |                      |             | 739,744            |               |                     |            |
| Environmental surcharge |                             |              |                         |              | 393,854             |            |                      |             | 393,854            |               |                     |            |
| Total Revenues          |                             |              |                         |              | <u>\$6,924,188</u>  |            |                      |             | <u>\$7,366,755</u> |               | <u>\$442,566</u>    | 6.39%      |
| Average Bill            |                             |              |                         |              | \$ 577,016          |            |                      |             | \$ 613,896         |               | <u>\$ 36,880.54</u> | 6.39%      |

Nolin RECC  
Billing Analysis  
for the 12 months ended June 30, 2008

Street Lighting and Security Lights  
Outdoor Lighting

| kWh | Existing             |           |              |                     | Proposed             |           |         |                     | % of Total | \$ Increase | % Increase |
|-----|----------------------|-----------|--------------|---------------------|----------------------|-----------|---------|---------------------|------------|-------------|------------|
|     | Billing Determinants | Total kWh | Current Rate | Annualized Revenues | Billing Determinants | Total kWh | Rate    | Annualized Revenues |            |             |            |
| 75  | 82,687               | 6,201,525 | \$8.75       | \$723,511           | 82,687               | 6,201,525 | \$9.42  | 778,912             | 67.69%     | 55,400      | 7.66%      |
| 145 | 180                  | 26,100    | \$16.61      | \$2,990             | 180                  | 26,100    | \$17.88 | 3,218               | 0.28%      | 229         | 7.65%      |
| 44  | 545                  | 23,980    | \$7.75       | \$4,224             | 545                  | 23,980    | \$8.34  | 4,545               | 0.39%      | 322         | 7.61%      |
| 120 | 1,364                | 163,680   | \$12.96      | \$17,677            | 1,364                | 163,680   | \$13.95 | 19,028              | 1.65%      | 1,350       | 7.64%      |
| 188 | 3,005                | 564,940   | \$17.54      | \$52,708            | 3,005                | 564,940   | \$18.88 | 56,734              | 4.93%      | 4,027       | 7.64%      |
| 188 | 34                   | 6,392     | \$18.87      | \$642               | 34                   | 6,392     | \$20.32 | 691                 | 0.06%      | 49          | 7.68%      |
| 50  | 11,404               | 570,200   | \$8.49       | \$96,820            | 11,404               | 570,200   | \$9.14  | 104,233             | 9.06%      | 7,413       | 7.66%      |
| 75  | 6,960                | 522,000   | \$5.37       | \$37,375            | 6,960                | 522,000   | \$5.78  | 40,229              | 3.50%      | 2,854       | 7.64%      |
| 170 | 552                  | 93,840    | \$15.64      | \$8,633             | 552                  | 93,840    | \$16.84 | 9,296               | 0.81%      | 662         | 7.67%      |
| 105 | 543                  | 57,015    | \$12.75      | \$6,923             | 543                  | 57,015    | \$13.73 | 7,455               | 0.65%      | 532         | 7.69%      |
| 44  | 1,551                | 68,244    | \$11.58      | \$17,961            | 1,551                | 68,244    | \$12.47 | 19,341              | 1.68%      | 1,380       | 7.83%      |
|     | 228                  | 0         | \$2.30       | \$524               | 228                  | 0         | \$2.48  | 565                 | 0.05%      | 41          | 7.52%      |
|     | 895                  | 0         | \$2.66       | \$2,381             | 895                  | 0         | \$2.86  | 2,560               | 0.22%      | 179         | 7.76%      |
|     | 12                   | 0         | \$3.22       | \$39                | 12                   | 0         | \$3.47  | 42                  | 0.00%      | 3           | 7.65%      |
|     | 1,787                | 0         | \$20.00      | \$35,740            | 1,787                | 0         | \$21.53 | 38,474              | 3.34%      | 2,734       | 7.65%      |
|     | 73                   | 0         | \$9.94       | \$726               | 73                   | 0         | \$10.70 | 781                 | 0.07%      | 55          | 7.54%      |
|     | 24                   | 0         | \$3.58       | \$86                | 24                   | 0         | \$3.85  | 92                  | 0.01%      | 6           | 7.66%      |
|     | 416                  | 43,680    | \$22.98      | \$9,560             | 416                  | 43,680    | \$24.74 | 10,292              | 0.89%      | 732         | 7.65%      |
|     | 36                   | 5,220     | \$26.13      | \$941               | 36                   | 5,220     | \$28.13 | 1,013               | 0.09%      | 72          | 7.67%      |
|     | 1,608                | 233,160   | \$30.51      | \$49,060            | 1,608                | 233,160   | \$32.85 | 52,823              | 4.59%      | 3,763       | 7.66%      |
|     | 12                   | 780       | \$29.96      | \$360               | 12                   | 780       | \$32.26 | 387                 | 0.03%      | 28          | 7.66%      |
|     | 113,916              | 8,580,756 |              | \$1,068,879         | 113,916              | 8,580,756 |         | \$1,150,710         | 100.00%    | 81,831      | 7.66%      |
|     |                      |           |              | \$9,388             |                      |           |         |                     |            | \$0.72      | 7.66%      |

>OLONIAL 20'FLUTED POLI



**NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION**

**CASE NO. 2008-00420**

I, Ann F. Wood, hereby certify that an original and five copies of the filing provided to the Kentucky Public Service Commission have been sent to the Office of Rate Intervention, Office of the Attorney General.

*Ann F. Wood*

Ann F. Wood  
East Kentucky Power Cooperative, Inc.

Subscribed and sworn before me on this 31st day of October, 2008.

*Reagy S. Duffin*  
Notary Public

My Commission expires:

*December 8, 2009*



**NOTICE OF PROPOSED RATE CHANGE**

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set forth in 807 KAR 5:007, Section 3, of the Rules and Regulations of the Public Service Commission, notice is hereby given to the member consumers of Nolin RECC Corporation of a proposed rate adjustment. An Application for Approval of Adjustment to Rates will be filed with the Public Service Commission on October 31, 2008, Case No. 2008-00420. The rates are being revised to reflect a change in wholesale rates pursuant to KRS 278.455(2). This adjustment will result in a general rate increase to the member-consumers of Nolin RECC Corporation. The amount and percent of increase by rate class are listed below.

| <u>Schedule</u> | <u>Rate Class</u>   | <u>Increase</u> | <u>Percent</u> |
|-----------------|---|-----------------|----------------|
| 1               | Residential, Farm, Non-Farm, Trailers & Mobile Homes        | \$2,874,048     | 6.82%          |
| 2               | Commercial, Small Power, Single Phase & Three Phase Service | \$207,079       | 6.89%          |
| 2a              | Builder Service   | \$27,051        | 6.97%          |
| 3               | Large Power   | \$108,835       | 6.78%          |
| 4               | Industrial  | \$414,063       | 6.71%          |
| 5&6             | Security & Street Lights                                    | \$81,831        | 7.66%          |
| 10              | Industrial (5,000 to 9,999 KW)                              | \$203,906       | 6.56%          |
| 11a             | Industrial (Special Contract)                               | \$442,566       | 6.39%          |

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

| <u>Schedule</u> | <u>Rate Class</u>   | <u>\$ Increase</u> | <u>Percent Increase</u> |
|-----------------|---|--------------------|-------------------------|
| 1               | Residential, Farm, Non-Farm, Trailers & Mobile Homes        | \$9.19             | 6.82%                   |
| 2               | Commercial, Small Power, Single Phase & Three Phase Service | \$7.59             | 6.89%                   |
| 2a              | Builder Service   | \$5.41             | 6.97%                   |
| 3               | Large Power   | \$103.92           | 6.78%                   |
| 4               | Industrial  | \$333.49           | 6.71%                   |
| 5&6             | Security Lights & Street Lights                             | \$0.72             | 7.66%                   |
| 10              | Industrial (5,000 to 9,999 KW)                              | \$16,992.14        | 6.56%                   |
| 11a             | Industrial (Special Contract)                               | \$36,880.54        | 6.39%                   |

The present and proposed rates structures of Nolin RECC Corporation are listed below:

| <u>Schedule</u> | <u>Rate Class</u>   | <u>Present</u> | <u>Proposed</u> |
|-----------------|---|----------------|-----------------|
| 1               | Residential, Farm, Non-Farm, Trailers & Mobile Homes                  |                |                 |
|                 | Customer Charge per month   | \$8.13         | \$8.75          |
| 2               | Commercial, Small Power, Single Phase & Three Phase Service & Builder |                |                 |
|                 | Customer Charge per month   | \$15.13        | \$16.29         |
| 3               | Energy Charge per kwh   | \$0.07341      | \$0.07903       |
|                 | Large Power   |                |                 |
|                 | Demand Charge per KW  | \$4.45         | \$4.79          |
|                 | Energy Charge per kwh for First 2,500 kWh                             | \$0.06664      | \$0.07174       |
|                 | Energy Charge per kwh for Next 12,500 kWh                             | \$0.06207      | \$0.06682       |
|                 | Energy Charge per kwh for Over 15,000 kWh                             | \$0.06070      | \$0.06535       |
|                 | Customer Charge   | \$25.63        | \$27.59         |



**EXHIBIT 5****Page 2 of 3**

| <u>Schedule</u> | <u>Rate Class</u>                                  | <u>Present</u> | <u>Proposed</u> |
|-----------------|--|----------------|-----------------|
| 4               | Industrial   |                |                 |
|                 | Demand Charge per KW                               | \$4.45         | \$4.79          |
|                 | Energy Charge per kwh for First 2,500 kWh          | \$0.07026      | \$0.07564       |
|                 | Energy Charge per kwh for Next 12,500 kWh          | \$0.05714      | \$0.06152       |
|                 | Energy Charge per kwh for Over 15,000 kWh          | \$0.05373      | \$0.05785       |
| 5               | Security Lights                                    |                |                 |
|                 | Mercury Vapor 175 Watt per lamp                    | \$8.75         | \$9.42          |
|                 | Directional Floodlight 100 Watt HPS                | \$7.75         | \$8.34          |
|                 | Directional Floodlight 250 Watt HPS                | \$12.96        | \$13.95         |
|                 | Directional Floodlight 400 Watt HPS                | \$17.54        | \$18.88         |
|                 | Lantern Type 100 Watt HPS per lamp                 | \$11.58        | \$12.47         |
|                 | Contemporary 400 Watt HPS per lamp                 | \$18.87        | \$20.32         |
|                 | Thirty-Foot Fiberglass Pole                        | \$9.94         | \$10.70         |
|                 | Twenty-foot Wood Pole for Overhead Service         | \$2.30         | \$2.48          |
|                 | Thirty-foot Wood Pole for Overhead Service         | \$2.66         | \$2.86          |
|                 | Twenty-Five Foot Wood Pole for Underground Service | \$3.22         | \$3.47          |
|                 | Thirty Foot Wood Pole for Underground Service      | \$3.58         | \$3.85          |
| 6               | Street Lighting                                    |                |                 |
|                 | Standard Overhead Lighting (Wood Pole)             |                |                 |
|                 | 8,500 MV Initial Lumens per lamp                   | \$5.37         | \$5.78          |
|                 | 23,000 MV Initial Lumens per lamp                  | \$15.64        | \$16.84         |
|                 | 9,500 HPS Initial Lumens per lamp                  | \$8.49         | \$9.14          |
|                 | 27,500 HPS Initial Lumens per lamp                 | \$12.75        | \$13.73         |
|                 | 50,000 HPS Initial Lumens per lamp                 | \$16.61        | \$17.88         |
|                 | Ornamental Service Overhead (Aluminum Pole)        |                |                 |
|                 | 8,500 MV Initial Lumens per lamp                   | \$6.92         | \$7.45          |
|                 | 23,000 MV Initial Lumens per lamp                  | \$17.28        | \$18.60         |
|                 | 9,500 HPS Initial Lumens per lamp                  | \$19.51        | \$21.00         |
|                 | 27,500 HPS Initial Lumens per lamp                 | \$22.98        | \$24.74         |
|                 | 50,000 HPS Initial Lumens per lamp                 | \$26.13        | \$28.13         |
|                 | Ornamental Service Underground (Fiberglass Poles)  |                |                 |
|                 | 50,000 HPS Initial Lumens per lamp                 | \$30.51        | \$32.85         |
|                 | 15,500 HPS Initial Lumens per lamp w/ Special      | \$29.96        | \$32.26         |
|                 | Colonial 20' fluted pole                           |                |                 |
| 7               | Industrial   |                |                 |
|                 | Demand Charge per KW                               | \$8.13         | \$8.75          |
|                 | Energy Charge per kwh                              | \$0.04903      | \$0.05279       |
| 8               | Seasonal Time of Day                               |                |                 |
|                 | Demand Charge per KW                               | \$8.03         | \$8.65          |
|                 | Energy Charge per kwh                              | \$0.04903      | \$0.05279       |
| 9               | Industrial   |                |                 |
|                 | Consumer Charge (Substation Required) per month    | \$1,074.04     | \$1,156.31      |
|                 | Consumer Charge (No Substation Required) month     | \$549.03       | \$591.09        |
|                 | Demand Charge Contract Demand per KW               | \$5.53         | \$5.95          |
|                 | Demand Charge Excess Demand per KW                 | \$8.03         | \$8.65          |
|                 | Energy Charge per kwh                              | \$0.04716      | \$0.05077       |

**EXHIBIT 5**  
**Page 3 of 3**

| <u>Schedule</u> | <u>Rate Class</u>                        | <u>Present</u> | <u>Proposed</u> |
|-----------------|--|----------------|-----------------|
| 10              | Industrial                               |                |                 |
|                 | Consumer Charge per month                | \$1,097.04     | \$1,181.08      |
|                 | Demand Charge Contract Demand per KW     | \$5.53         | \$5.95          |
|                 | Demand Charge Excess Demand per KW       | \$8.03         | \$8.65          |
|                 | Energy Charge per kwh                    | \$0.04203      | \$0.04525       |
| 11              | Industrial                               |                |                 |
|                 | Consumer Charge per month                | \$1,097.04     | \$1,181.08      |
|                 | Demand Charge Contract Demand per KW     | \$5.53         | \$5.95          |
|                 | Demand Charge Excess Demand per KW       | \$8.03         | \$8.65          |
|                 | Energy Charge per kwh                    | \$0.04101      | \$0.04415       |
| 12              | Industrial C                             |                |                 |
|                 | Consumer Charge (Substation Required)    | \$1,097.04     | \$1,181.08      |
|                 | Consumer Charge (No Substation Required) | \$549.03       | \$591.09        |
|                 | Demand Charge Contract Demand per KW     | \$5.53         | \$5.95          |
|                 | Energy Charge per kwh                    | \$0.04716      | \$0.05077       |
| 13              | Industrial C                             |                |                 |
|                 | Consumer Charge per month                | \$1,097.04     | \$1,181.08      |
|                 | Demand Charge Contract Demand per KW     | \$5.53         | \$5.95          |
|                 | Energy Charge per kwh                    | \$0.04203      | \$0.04525       |
| 14              | Industrial C                             |                |                 |
|                 | Consumer Charge per month                | \$1,097.04     | \$1,181.08      |
|                 | Demand Charge Contract Demand per KW     | \$5.53         | \$5.95          |
|                 | Energy Charge per kwh                    | \$0.04101      | \$0.04415       |
| 15              | Interruptible Service                    |                |                 |
|                 | 10-Minute Notice, 200 hours interruption | \$2.70         | \$2.97          |
|                 | 10-Minute Notice, 300 hours interruption | \$3.15         | \$3.47          |
|                 | 10-Minute Notice, 400 hours interruption | \$3.60         | \$3.97          |
|                 | 60-Minute Notice, 200 hours interruption | \$2.25         | \$2.48          |
|                 | 60-Minute Notice, 300 hours interruption | \$2.70         | \$2.97          |
|                 | 60-Minute Notice, 400 hours interruption | \$3.15         | \$3.47          |
|                 | Special Contract                         |                |                 |
|                 | Consumer Charge per month                | \$1,069.00     | \$1,150.89      |
|                 | Demand Charge per KW                     | \$6.06         | \$6.52          |
|                 | Energy Charge per kwh                    | \$0.02806      | \$0.03021       |
|                 | Renewable Resource Power Service per kWh | \$0.02750      | \$0.02750       |

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

Any person may examine the rate application at the main office of Nolin RECC Corporation at the following address:

Nolin RECC Corporation  
411 Ring Road  
Elizabethtown, Kentucky 42701-6767  
(270) 765-6153

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