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**PUBLIC SERVICE  
COMMISSION**

KENTUCKY · OHIO · INDIANA · TENNESSEE · WEST VIRGINIA

Roger R. Cowden  
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[RCOWDEN@FBTLAW.COM](mailto:RCOWDEN@FBTLAW.COM)

April 17, 2009


Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

HAND DELIVERED

Re: PSC Case No. 2008-00519

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case an original and three copies of the responses of East Kentucky Power Cooperative, Inc. ("EKPC"), to the Supplemental Data Request of Commission Staff dated April 9, 2009.

Very truly yours,  
  
Roger R. Cowden

Enclosures

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

AN EXAMINATION OF THE APPLICATION )
OF THE FUEL ADJUSTMENT CLAUSE )
OF EAST KENTUCKY POWER )
COOPERATIVE, INC. FROM NOVEMBER 1, ) CASE NO. 2008-00519
2006 THROUGH OCTOBER 31, 2008 )

CERTIFICATE

STATE OF KENTUCKY )
)
COUNTY OF CLARK )

Ann F. Wood, being duly sworn, states that she has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff Supplemental Data Request in the above-referenced case dated April 9, 2009, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Ann F. Wood

Subscribed and sworn before me on this 15th day of April, 2009.

Rogay S. Duffin
Notary Public

My Commission expires:

December 8, 2009

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

**In the Matter of:**

**AN EXAMINATION OF THE APPLICATION )  
OF THE FUEL ADJUSTMENT CLAUSE )  
OF EAST KENTUCKY POWER ) CASE NO. 2008-00519  
COOPERATIVE, INC. FROM NOVEMBER 1, )  
2006 THROUGH OCTOBER 31, 2008 )**

**RESPONSES TO COMMISSION STAFF'S SUPPLEMENTAL DATA REQUEST  
TO EAST KENTUCKY POWER COOPERATIVE, INC.  
DATED APRIL 9, 2009**



**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2008-00519**

**FUEL ADJUSTMENT CLAUSE**

**RESPONSE TO SUPPLEMENTAL DATA REQUEST**

**COMMISSION STAFF'S SUPPLEMENTAL DATA REQUEST DATED 04/09/09  
REQUEST 1**

**RESPONSIBLE PARTY: Ann F. Wood**

**Request 1.** Based upon the rates approved by the Commission in Case No. 2008-00409<sup>1</sup> and reflecting East Kentucky's proposed \$.01015 per kWh fuel adjustment clause ("FAC") roll-in, provide:

- a. A schedule of the present rates and revised rates reflecting the FAC roll in, shown in a comparative form.
- b. Revised tariffs which cross-out present rates and insert the revised rates which include the proposed FAC roll-in.

**Response 1.**

- a. Please see page 2 of this response.
- b. Please see pages 3 through 47 of this response. Please note that East Kentucky is not re-submitting its Cogeneration and Small Power Production tariffs.

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<sup>1</sup> Case No. 2008-00409, General Adjustment of Electric Rates of East Kentucky Power Cooperative, Inc. (Ky. PSC Mar. 31, 2009).

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(\$ per kWh)

|                   | Rates Approved<br>in Case No.<br>2008-00409 | Revised Rates<br>Reflecting FAC<br>Roll-In |
|-------------------|---|--|
| Energy Charge     |   |  |
| Rate Schedule:    |   |  |
| Section A         | 0.036622                                    | 0.046772                                   |
| Section B         | 0.036622                                    | 0.046772                                   |
| Section C         | 0.036622                                    | 0.046772                                   |
| Section E         |   |  |
| Option 1 On-Peak  | 0.038758                                    | 0.048908                                   |
| Option 1 Off-Peak | 0.038209                                    | 0.048359                                   |
| Option 2 On-Peak  | 0.046491                                    | 0.056641                                   |
| Option 2 Off-Peak | 0.038209                                    | 0.048359                                   |
| Section G         | 0.034690                                    | 0.044840                                   |

P.S.C. KY NO. 33

CANCELS P.S.C. KY NO. 32

EAST KENTUCKY POWER COOPERATIVE, INC.

OF

WINCHESTER, KENTUCKY

RATES, RULES, AND REGULATIONS FOR FURNISHING

WHOLESALE POWER SERVICE

AT

VARIOUS LOCATIONS TO

RURAL ELECTRIC COOPERATIVE MEMBERS

THROUGHOUT KENTUCKY

FILED WITH THE PUBLIC SERVICE COMMISSION  
OF KENTUCKY

ISSUED APRIL 14, 2009

EFFECTIVE FOR SERVICE RENDERED  
ON AND AFTER APRIL 1, 2009

ISSUED BY EAST KENTUCKY POWER COOPERATIVE, INC.

BY \_\_\_\_\_

Robert M. Marshall  
President and Chief Executive Officer

For All Counties Served  
P.S.C. No. 33  
Original Sheet No. 1  
Canceling P.S.C. No. 32  
Original Sheet No. 1

EAST KENTUCKY POWER COOPERATIVE, INC.

Wholesale Power Rate Schedule

**Applicability**

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

**Load Center Charges - Monthly**

A. Metering Point Charge

1. Applicable to each metering point and to each substation
2. Charge: \$137.00

B. Substation Charge

1. Applicable to each substation based on its size:
2. Charges:

|                                |            |
|--------------------------------|------------|
| 1,000 - 2,999 kVa substation   | \$1,033.00 |
| 3,000 - 7,499 kVa substation   | \$2,598.00 |
| 7,500 - 14,999 kVa substation  | \$3,125.00 |
| 15,000 and over kVa substation | \$5,041.00 |

**Minimum Monthly Charge**

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

DATE OF ISSUE April 14, 2009 DATE EFFECTIVE: Service rendered on and after April 1, 2009

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

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



For All Counties Served

P.S.C. No. 33

Original Sheet No. 2

Canceling P.S.C. No. 32

Original Sheet No. 2

EAST KENTUCKY POWER COOPERATIVE, INC.

**Fuel Adjustment**

1. The fuel clause shall provide for periodic adjustment per kWh of sales when the unit cost of fuel [F(m) / S(m)] is above or below the base unit cost of ~~\$0.02638~~ \$.03653 per kWh [F(b) / S(b)]. The current monthly charges shall be increased or decreased by the product of the kWh furnished during the current month and the fuel adjustment rate for the preceding month where the fuel adjustment rate is defined below:

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

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

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

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Case No. 2008-00409 Dated March 31, 2009

EAST KENTUCKY POWER COOPERATIVE, INC.

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

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

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DATE OF ISSUE April 14, 2009 DATE EFFECTIVE: Service rendered on and after April 1, 2009

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

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

For All Counties Served  
 P.S.C. No. 33  
 Original Sheet No. 4  
 Canceling P.S.C. No. 32  
 Original Sheet No. 4

EAST KENTUCKY POWER COOPERATIVE, INC.

### **Power Factor Adjustment**

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

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

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

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

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

DATE OF ISSUE April 14, 2009 DATE EFFECTIVE: Service rendered on and after April 1, 2009

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

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

For All Counties Served  
P.S.C. No. 33  
Original Sheet No. 5  
Canceling P.S.C. No. 32  
Original Sheet No. 5

EAST KENTUCKY POWER COOPERATIVE, INC.

**Section A**

**Availability**

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

**Applicability**

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

**Monthly Rate - Per Load Center**

|  |            |           |
|--|------------|-----------|
| Demand Charge per kW of billing demand | \$9.47     |           |
| Energy Charge per kWh                  | \$0.036622 | \$.046772 |

**Billing Demand**

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

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

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

DATE OF ISSUE April 14, 2009 DATE EFFECTIVE: Service rendered on and after April 1, 2009

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

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

For All Counties Served

P.S.C. No. 33

Original Sheet No. 6

Canceling P.S.C. No. 32

Original Sheet No. 6

EAST KENTUCKY POWER COOPERATIVE, INC.

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

**Billing Energy**

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

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DATE OF ISSUE April 14, 2009 DATE EFFECTIVE: Service rendered on and after April 1, 2009

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

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

EAST KENTUCKY POWER COOPERATIVE, INC.

**Section B**

**Availability**

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

**Applicability**

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

**Monthly Rate**

|   |                       |           |
|---|-----------------------|-----------|
| Demand Charge per kW of Minimum Demand                                | \$6.81                |           |
| Demand Charge per kW of Billing Demand<br>in Excess of Minimum Demand | \$9.47                |           |
| Energy Charge per kWh   | <del>\$0.036622</del> | \$.046772 |

**Billing Demand**

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

| <u>Months</u>         | <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.                           |

DATE OF ISSUE April 14, 2009 DATE EFFECTIVE: Service rendered on and after April 1, 2009

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

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

For All Counties Served  
P.S.C. No. 33  
Original Sheet No. 8  
Canceling P.S.C. No. 32  
Original Sheet No. 8

EAST KENTUCKY POWER COOPERATIVE, INC.

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**Section B (con't.)**

**Minimum Monthly Charge**

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

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

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DATE OF ISSUE April 14, 2009 DATE EFFECTIVE: Service rendered on and after April 1, 2009

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

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

For All Counties Served

P.S.C. No. 33

Original Sheet No. 9

Canceling P.S.C. No. 32

Original Sheet No. 9

EAST KENTUCKY POWER COOPERATIVE, INC.

**Section C**

**Availability**

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

**Applicability**

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

**Monthly Rate**

|  |                       |           |
|--|-----------------------|-----------|
| Demand Charge per kW of Billing Demand | \$6.81                |           |
| Energy Charge per kWh                  | <del>\$0.036622</del> | \$.046772 |

DATE OF ISSUE April 14, 2009 DATE EFFECTIVE: Service rendered on and after April 1, 2009

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

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



For All Counties Served

P.S.C. No. 33

Original Sheet No. 10

Canceling P.S.C. No. 32

Original Sheet No. 10

EAST KENTUCKY POWER COOPERATIVE, INC.

**Section C (con't.)**

**Billing Demand**

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

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

| <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 Monthly Charge**

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

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

DATE OF ISSUE April 14, 2009 DATE EFFECTIVE: Service rendered on and after April 1, 2009

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

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

For All Counties Served  
 P.S.C. No. 33  
 Original Sheet No. 11  
 Canceling P.S.C. No. 32  
 Original Sheet No. 11

EAST KENTUCKY POWER COOPERATIVE, INC.

**Section D**  
**Interruptible Service**

**Standard Rider**

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

**Applicable**

In all territory served by EKPC.

**Availability of Service**

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

**Monthly Rate**

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

| <u>Notice Minutes</u> | <u>Annual Hours of Interruption</u> |            |            |
|-----------------------|-------------------------------------|------------|------------|
|                       | <u>200</u>                          | <u>300</u> | <u>400</u> |
| 10                    | \$4.20                              | \$4.90     | \$5.60     |
| 60                    | \$3.50                              | \$4.20     | \$4.90     |

DATE OF ISSUE April 14, 2009 DATE EFFECTIVE: Service rendered on and after April 1, 2009

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

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

For All Counties Served  
P.S.C. No. 33  
Original Sheet No. 12  
Canceling P.S.C. No. 32  
Original Sheet No. 12

EAST KENTUCKY POWER COOPERATIVE, INC.

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

**Determination of Measured Load - Billing Demand**

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

| <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.                           |

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

**Conditions of Service for Customer Contract**

1. The customer will, upon notification by the Cooperative, reduce his load being supplied by the Cooperative to the contract capacity level specified by the contract.
2. The Cooperative will endeavor to provide the Customer as much advance notice as possible of the interruption of service. However, the Customer shall interrupt service within the notice period as contracted.
3. Service will be furnished under the Cooperatives "General Rules and Regulations" or "Terms and Conditions" except as set out herein and/or provisions agreed to by written contract.
4. No responsibility of any kind shall attach to the Cooperative for, or on account of, any loss or damage caused by, or resulting from, any interruption or curtailment of this service.

DATE OF ISSUE April 14, 2009 DATE EFFECTIVE: Service rendered on and after April 1, 2009

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Case No. 2008-00409 Dated March 31, 2009

For All Counties Served  
P.S.C. No. 33  
Original Sheet No. 13  
Canceling P.S.C. No. 32  
Original Sheet No. 13

EAST KENTUCKY POWER COOPERATIVE, INC.

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

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

**Calculation of Monthly Bill**

The monthly bill is calculated on the following basis:

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

**Number and Duration of Interruptions**

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

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Case No. 2008-00409 Dated March 31, 2009

For All Counties Served  
P.S.C. No. 33  
Original Sheet No. 14  
Canceling P.S.C. No. 32  
Original Sheet No. 14

EAST KENTUCKY POWER COOPERATIVE, INC.

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

**Charge for Failure to Interrupt**

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

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DATE OF ISSUE April 14, 2009 DATE EFFECTIVE: Service rendered on and after April 1, 2009

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Case No. 2008-00409 Dated March 31, 2009

For All Counties Served  
 P.S.C. No. 33  
 Original Sheet No. 15  
 Canceling P.S.C. No. 32  
 Original Sheet No. 15

EAST KENTUCKY POWER COOPERATIVE, INC.

**Section E**

**Availability**

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

**Applicability**

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

**Monthly Rate - Per Load Center**

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

|  | <u>Option 1</u> |           | <u>Option 2</u> |           |
|--|-----------------|-----------|-----------------|-----------|
| Demand Charge per kW of Billing Demand | \$7.58          |           | \$5.71          |           |
| Energy Charge per kWh                  |                 |           |                 |           |
| On-Peak kWh                            | \$0.038758      | \$.048908 | \$0.046491      | \$.056641 |
| Off-Peak kWh                           | \$0.038209      | \$.048359 | \$0.038209      | \$.048359 |

DATE OF ISSUE April 14, 2009 DATE EFFECTIVE: Service rendered on and after April 1, 2009

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 Case No. 2008-00409 Dated March 31, 2009

For All Counties Served  
P.S.C. No. 33  
Original Sheet No. 16  
Canceling P.S.C. No. 32  
Original Sheet No. 16

EAST KENTUCKY POWER COOPERATIVE, INC.

**Section E (con't.)**

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

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

**Billing Demand**

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

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

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

**Billing Energy**

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

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EAST KENTUCKY POWER COOPERATIVE, INC.

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**Section F**

**Voluntary Interruptible Service**

**Standard Rider**

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

**Applicable**

In all territory served by EKPC.

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

**Availability of Service**

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

**Conditions of Service**

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

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For All Counties Served  
P.S.C. No. 33  
Original Sheet No. 17.1  
Canceling P.S.C. No. 32  
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EAST KENTUCKY POWER COOPERATIVE, INC.

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

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

#### **Interruptible Customer Data Report**

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

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

#### **Demand and Energy Interruption**

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

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

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

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

**Terms of Interruption**

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

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

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EAST KENTUCKY POWER COOPERATIVE, INC.

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

### **Interruption Credits**

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

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

### **Failure to Interrupt**

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

### **Term**

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

### **Interruption Implementation Procedure**

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

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For All Counties Served  
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Original Sheet No. 18  
Canceling P.S.C. No. 32  
Original Sheet No. 18

EAST KENTUCKY POWER COOPERATIVE, INC.

**Section G**

SPECIAL ELECTRIC CONTRACT RATE

**Character of Service**

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

**Monthly Rate**

|                              |                       |            |
|------------------------------|-----------------------|------------|
| Demand Charge per Billing kW | \$6.63                |            |
| Energy Charge per ALL kWh    | <del>\$0.034690</del> | \$0.044840 |

**Determination of Billing Demand**

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

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

| <u>Months</u>         | <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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EAST KENTUCKY POWER COOPERATIVE, INC.

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**Section G (con't.)**

**Minimum Monthly Charge**

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

- (a) The metering and substation charge, plus
- (b) The product of the billing demand multiplied by the demand charge, plus
- (c) The product of \$0.007 multiplied by the product of the billing demand multiplied by 400 hours.

**Power Factor Adjustment**

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

**Fuel Adjustment Clause**

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

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EAST KENTUCKY POWER COOPERATIVE, INC.

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**Section H**

**Wholesale Renewable Resource Power Service**

**Standard Rider**

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

**Applicable**

In all territory served by EKPC.

**Availability of Service**

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

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

100 kWh

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

**Eligibility**

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

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**Section H (con't.)**

**Monthly Rate**

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

100 kWh block                      \$2.375                      per block (\$0.02375 per kWh)

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

**Billing and Minimum Charge:**

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

**Terms of Service and Payment:**

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

**Fuel Adjustment Clause:**

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

**Special Terms:**

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

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

EAST KENTUCKY POWER COOPERATIVE, INC.

**Section DSM - 1****Touchstone Energy Manufactured Home Program****Purpose**

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

**Availability**

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

**Eligibility**

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

**Rebate**

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

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

**Annual Reports**

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

**Term**

The Touchstone Energy Manufactured Home Program will remain in effect through the end of 2009. If EKPC should decide to continue the entire program beyond 2009, an application for approval from the Kentucky Public Service Commission will be filed 6 months prior to the date of continuation.

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For All Counties Served

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Original Sheet No. 23

Canceling PSC No. 32

First Revised Sheet No. 23

EAST KENTUCKY POWER COOPERATIVE, INC.

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**Section DSM - 2**

**Touchstone Energy Home Program**

**Purpose**

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

**Availability**

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

**Eligibility**

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

**Rebate**

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

**Annual Reports**

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

**Term**

The Touchstone Energy Home Program will remain in effect through 2009. If EKPC should decide to continue the entire program beyond 2009, an application for approval from the Kentucky Public Service Commission will be filed 6 months prior to the date of continuation.

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P.S.C. No. 33

Original Sheet No. 24

Canceling P.S.C. No. 32

First Revised Sheet No. 24

EAST KENTUCKY POWER COOPERATIVE, INC

**RATE ES – ENVIRONMENTAL SURCHARGE****APPLICABILITY**

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

**AVAILABILITY**

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

**RATE**

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

$$\text{CESF} = \text{E(m)} / \text{R(m)}$$

$$\text{MESF} = \text{CESF} - \text{BESF}$$

MESF = Monthly Environmental Surcharge Factor

CESF = Current Environmental Surcharge Factor

BESF = Base Environmental Surcharge Factor of 1.21%

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

**Definitions**

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

where:

(a) RB is the Environmental Compliance Rate Base, defined as electric plant in service for applicable environmental projects adjusted for accumulated depreciation, CWIP net of AFUDC, cash working capital, spare parts and limestone inventory, emission allowance inventory;

(b) RORB is the Rate of Return on the Environmental Compliance Rate Base, designated as the average cost of debt for environmental compliance plan projects approved by the Commission plus application of a times-interest-earned ratio of 1.35;

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For All Counties Served  
 P.S.C. No. 33  
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 Canceling P.S.C. No. 32  
 First Revised Sheet No. 25

EAST KENTUCKY POWER COOPERATIVE, INC

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- (c) OE is the Monthly Pollution Control Operating Expenses, defined as the average of the twelve month operating and maintenance expense; depreciation expense, property taxes, insurance expense, emission allowance expense, and consulting fees. O&M expense for the pollution-control related equipment at the Gilbert generating unit will be recovered by including an average of the monthly expense as the Unit begins operation;
- (d) BAS is the net proceeds from By-Products and Emission Allowance Sales, and;
- (e) (Over) or Under recovery amount as amortized from prior six-month period.

(2) Total E(m) is multiplied by the Member System Allocation Ratio to arrive at Net E(m). The Member System Allocation Ratio is based on the ratio of the 12-month total revenue from sales to Member Systems to which the Surcharge will be applied, ending with the current expense month, divided by the 12-month total revenue from sales to Member Systems and off-system sales.

(3) The revenue R(m) is the average monthly revenue, including base revenues and automatic adjustment clause revenues less Environmental Cost Recovery Surcharge revenues, for EKPC for the twelve months ending with the current expense month.

(4) The current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.

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P.S.C. No. 33

Original Sheet No. 26

Canceling PSC No. 32

First Revised Sheet No. 26

EAST KENTUCKY POWER COOPERATIVE, INC.

**Section DSM - 3**

**Direct Load Control of Water Heaters Program**

**Direct Load Control of Air-Conditioners Program**

**Purpose**

The Direct Load Control of Water Heaters and Air Conditioners will encourage the reduction in growth of peak demand, enabling the Company to utilize its system more efficiently and defer the construction of new generation.

**Availability**

Both the Direct Load Control of Water Heaters Program and the Direct Load Control of Air Conditioners Program are available to residential customers in the service territories of EKPC. Availability may be denied where, in the judgment of the Member System, installation of the load control equipment is impractical.

**Eligibility**

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

**Incentive - Direct Load Control of Water Heaters Program**

EKPC and participating Member Systems will provide an incentive to the participants in this program. EKPC will reimburse the participating Member System \$10.00 per water heater annually. The participating Member System, in turn, will annually credit the residential power bill of the participant \$10.00 per water heater. The participant will receive this credit regardless of whether the water heater is cycled.

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P.S.C. No. 33

Original Sheet No. 27

Canceling PSC. 32

First Revised Sheet No. 27

EAST KENTUCKY POWER COOPERATIVE, INC.

**Incentive - Direct Load Control of Air-Conditioners Program**

EKPC and participating Member Systems will provide an incentive to the participants in this program. The customer may select one of two alternatives. One, EKPC will reimburse the participating Member System \$20.00 annually per air conditioner (\$5 per summer months, June, July, August, and September). The participating Member System will, in turn, credit the residential power bill of the participant \$20.00 per air conditioner (\$5 per summer months, June, July, August, and September). Two, alternatively, EKPC will provide and install at no cost one or more digital thermostats as needed for control purposes. The participant will receive one of these incentives regardless of whether the air conditioner or heat pump is controlled during any program month.

**Time Period for the Direct Load Control of Water Heaters Program**

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

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

| <u>Months</u>         | <u>Hours Applicable for Demand Billing - EST</u>   |
|-----------------------|--|
| October through April | 6:00 a.m. to 12:00 noon<br>4:00 p.m. to 10:00 p.m. |
| May through September | 10:00 a.m. to 10:00 p.m.                           |

**Time Period for the Direct Load Control of Air Conditioners**

A load control device (switch or thermostat) will be placed on each central air conditioning unit or heat pump that will allow the operating characteristics of the unit to be modified (by cycling the unit off for periods of time up to 7.5 minutes of each 15-minute interval, or by adjusting the temperature setting on the thermostat up to two degrees) to reduce demand on the system.

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

| <u>Months</u>         | <u>Hours Applicable for Demand Billing - EST</u> |
|-----------------------|--|
| May through September | 10:00 a.m. to 10:00 p.m.                         |

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P.S.C. No. 33

Original Sheet No. 28

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First Revised Sheet No. 28

EAST KENTUCKY POWER COOPERATIVE, INC.

**Terms and Conditions**

1. If a participant decides to withdraw from the program(s) or change to another load control option, the Member Systems will endeavor to implement the change as soon as possible.
2. Prior to the installation of load control devices, the Member Systems may inspect the participant's electrical equipment to insure good repair and working condition, but the Member Systems shall not be responsible for the repair or maintenance of the electrical equipment.
3. EKPC, on behalf of the Member Systems, will install, own, and maintain the load management devices controlling the participant's air conditioner, heat pump, or water heater. The participant must allow the Member System, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of the Member System to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at the Member System's option, result in discontinuance of credits under this tariff until such time as the Member System is able to gain the required access.
4. Participants in the Pilot program from Big Sandy RECC and Blue Grass Energy will have the opportunity to participate in this program. Equipment already installed on the premises may be used as part of this program.

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Original Sheet No. 29

Canceling P.S. C. No. 32

Original Sheet No. 29

EAST KENTUCKY POWER COOPERATIVE, INC.

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INVOICE DATE :

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

WHOLESALE POWER INVOICE  
SUBSTATION CHARGES  
MONTH, 20XX

| SUBSTATION | RATE CODE | BILLING NOTES | BILLING DEMAND | BILLING KWH | DEMAND CHARGE | ENERGY CHARGE | WHEELING OR SUBSTATION | FUEL ADJUSTMENT | TOTAL CHARGE |
|------------|-----------|---------------|----------------|-------------|---------------|---------------|------------------------|-----------------|--------------|
|------------|-----------|---------------|----------------|-------------|---------------|---------------|------------------------|-----------------|--------------|

CO-OP TOTALS

E.T.S. \*\*\*\*\*

\*\* CONSUMER BILLED FROM A PRIOR DEMAND TOTAL DUE BY 20<sup>TH</sup> DAY OF MONTH

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INVOICE DATE:

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

WHOLESALE POWER INVOICE  
SUBSTATION DETAIL CHARGES  
MONTH, 20XX

| SUBSTATION | RATE CODE | BILLING NOTES | BILLING DEMAND | BILLING KWH | DEMAND CHARGE | ENERGY CHARGE | WHEELING OR SUBSTATION | FUEL ADJUSTMENT | TOTAL CHARGE |
|------------|-----------|---------------|----------------|-------------|---------------|---------------|------------------------|-----------------|--------------|
|            |           |               |                |             |               |               |                        |                 |              |

CO-OP TOTALS

\*\*\*\*

E.T.S.

CO-OP AMOUNT DUE

DATE OF ISSUE April 14, 2009 DATE EFFECTIVE: Service rendered on and after April 1, 2009

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EAST KENTUCKY POWER COOPERATIVE, INC.

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 INVOICE DATE:

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

WHOLESALE POWER INVOICE  
 CO-OP TOTAL CHARGES

MONTH, 20XX

| SUBSTATION | RATE CODE | BILLING NOTES | BILLING DEMAND | BILLING KWH | DEMAND CHARGE (\$\$) | ENERGY CHARGE (\$\$) | WHEELING OR SUBSTATION CHARGE (\$\$) | FUEL ADJUSTMENT (\$\$) | TOTAL CHARGE (\$\$) |
|------------|-----------|---------------|----------------|-------------|----------------------|----------------------|--------------------------------------|------------------------|---------------------|
|------------|-----------|---------------|----------------|-------------|----------------------|----------------------|--------------------------------------|------------------------|---------------------|

|                               |  |  |  |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|--|--|--|
| SCHEDULE A ADJ. TOTALS        |  |  |  |  |  |  |  |  |  |
| SCHEDULE B ADJ. TOTALS        |  |  |  |  |  |  |  |  |  |
| SCHEDULE C ADJ. TOTALS        |  |  |  |  |  |  |  |  |  |
| SCHEDULE E ADJ. TOTALS STEP 1 |  |  |  |  |  |  |  |  |  |
| SCHEDULE E ADJ. TOTALS STEP 2 |  |  |  |  |  |  |  |  |  |

|                          |  |  |  |  |  |  |  |  |  |
|--------------------------|--|--|--|--|--|--|--|--|--|
| SCHEDULE A TOTALS        |  |  |  |  |  |  |  |  |  |
| SCHEDULE B TOTALS        |  |  |  |  |  |  |  |  |  |
| SCHEDULE C TOTALS        |  |  |  |  |  |  |  |  |  |
| SCHEDULE E TOTALS STEP 1 |  |  |  |  |  |  |  |  |  |
| SCHEDULE E TOTALS STEP 2 |  |  |  |  |  |  |  |  |  |

E.T.S.  
 GRAND TOTALS

TOTAL AMOUNT DUE

\*\* CONSUMER BILLED FROM A PRIOR DEMAND

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EAST KENTUCKY POWER COOPERATIVE, INC.

| KW-SCH. A   |      | KW-SCH. B CONTRACT |      | KW-SCH. C |  | KW-SCH. E |  | KW-SCH. B&C |  | KW-SCH. E STEP 1 |  | KW-SCH. E STEP 2 |  | KWH-ETS |  | FUEL RATE |  | OFFICE WHEELING |  |
|---|------|--------------------|------|-----------|--|-----------|--|-------------|--|------------------|--|------------------|--|---------|--|-----------|--|-----------------|--|
| 7.82  | 5.39 | 7.82               | 5.39 | 4.34      |  |           |  |             |  |                  |  |                  |  |         |  |           |  |                 |  |
| EAST KENTUCKY POWER COOPERATIVE, INC.   |      |                    |      |           |  |           |  |             |  |                  |  |                  |  |         |  |           |  |                 |  |
| P.O. BOX 707 WINCHESTER, KENTUCKY 40391                                       |      |                    |      |           |  |           |  |             |  |                  |  |                  |  |         |  |           |  |                 |  |
| STATISTICS FOR THE MONTH OF   |      |                    |      |           |  |           |  |             |  |                  |  |                  |  |         |  |           |  |                 |  |
| KWH METER READINGS  |      |                    |      |           |  |           |  |             |  |                  |  |                  |  |         |  |           |  |                 |  |
| SUBSTATION CONSTANT   |      |                    |      |           |  |           |  |             |  |                  |  |                  |  |         |  |           |  |                 |  |
| KW KWH PRESENT PREV DIFF BILLING TOD HIGHEST CONTRACT BILLING ACTUAL CONTRACT |      |                    |      |           |  |           |  |             |  |                  |  |                  |  |         |  |           |  |                 |  |
| KWH KWH DEMAND DEMAND DEMAND DEMAND DEMAND DEMAND DEMAND DEMAND DEMAND DEMAND |      |                    |      |           |  |           |  |             |  |                  |  |                  |  |         |  |           |  |                 |  |
| SCHEDULE A STATISTIC TOTALS   |      |                    |      |           |  |           |  |             |  |                  |  |                  |  |         |  |           |  |                 |  |
| SCHEDULE B STATISTIC TOTALS   |      |                    |      |           |  |           |  |             |  |                  |  |                  |  |         |  |           |  |                 |  |
| SCHEDULE C STATISTIC TOTALS   |      |                    |      |           |  |           |  |             |  |                  |  |                  |  |         |  |           |  |                 |  |
| SCHEDULE E STATISTIC TOTALS STEP 1  |      |                    |      |           |  |           |  |             |  |                  |  |                  |  |         |  |           |  |                 |  |
| SCHEDULE E STATISTIC TOTALS STEP 2  |      |                    |      |           |  |           |  |             |  |                  |  |                  |  |         |  |           |  |                 |  |
| E.T.S.  |      |                    |      |           |  |           |  |             |  |                  |  |                  |  |         |  |           |  |                 |  |
| ****  |      |                    |      |           |  |           |  |             |  |                  |  |                  |  |         |  |           |  |                 |  |
| GRAND TOTALS  |      |                    |      |           |  |           |  |             |  |                  |  |                  |  |         |  |           |  |                 |  |

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EAST KENTUCKY POWER COOPERATIVE, INC.

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

Fleming Mason RECC  
P.O. Drawer 328  
Flemingsburg, Kentucky 41041

| STEAM INVOICE               |                      |                  |                      |
|-----------------------------|----------------------|------------------|----------------------|
| INLAND CONTAINER STATISTICS |                      |                  |                      |
| Average Heat Rate           | Billing Demand/MMBTU | TOD Demand/MMBTU | Highest Demand/MMBTU |
|                             |                      |                  | Billing Energy/MMBTU |
|                             |                      |                  |                      |

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EAST KENTUCKY POWER COOPERATIVE, INC.

Fleming Mason RECC EAST KENTUCKY POWER COOPERATIVE DEMAND/MMBTU \$419.514  
 P.O. Drawer 328 P.O. BOX 707, WINCHESTER, KENTUCKY 40391 ENERGY/MMBTU \$2.241  
 Flemingsburg, Kentucky 41041 FUEL ADJ./MMBTU  
 MINIMUM BILL \$100,000

STEAM INVOICE  
 INLAND CONTAINER DETAIL CHARGES  
 DATE

| BILLING NOTES | BILLING DEMAND/ENERGY | BILLING ENERGY/CHARGE | DEMAND/ENERGY CHARGE | FUEL ADJUSTMENT | TOTAL CHARGE |
|---------------|-----------------------|-----------------------|----------------------|-----------------|--------------|
|               |                       |                       |                      |                 |              |

EDR DEMAND CREDIT

TOTAL DUE BY 20<sup>TH</sup> DAY OF THE MONTH

\*Steam Measurement Adjustment Factor

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EAST KENTUCKY POWER COOPERATIVE, INC.

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## **EKPC Emergency Electric Procedures**

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

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

## **Definitions**

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

## **Overview**

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

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

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

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EAST KENTUCKY POWER COOPERATIVE, INC.

A Reliability Coordinator that has any Balancing Authority within its Reliability Coordinator Area experiencing a potential or actual Energy Emergency will initiate an Energy Emergency Alert as detailed in EOP-002-0 "Energy Emergency Alert Levels." The Reliability Coordinator will act to mitigate the emergency condition, including a request for emergency assistance if required.

### Measures

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

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

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

### Insufficient Generating Capacity

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

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

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EAST KENTUCKY POWER COOPERATIVE, INC.

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

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

All Emergency Electric Procedures consider:

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

Elements addressed in Insufficient Generating Capacity Emergency Electric Procedures are:

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

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EAST KENTUCKY POWER COOPERATIVE, INC.

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

### **Transmission System Operating Emergencies**

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

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

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

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

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

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

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EAST KENTUCKY POWER COOPERATIVE, INC.

### **Load shedding**

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

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

### **System restoration**

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

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

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

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EAST KENTUCKY POWER COOPERATIVE, INC.

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

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

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

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

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

|  |   |   |
|--|---|---|
| Large<br>Special Contract              | Demand Charge:                                  |   |
|  | Firm Demand                                     | \$6.63 per kW per month                         |
|  | 10-Min Interruptible Demand                     | \$5.60 per kW per month                         |
|  | 90-Min Interruptible Demand                     | \$4.20 per kW per month                         |
|  | Energy Charge                                   |   |
|  | On-Peak   | <del>\$0.036978</del> <i>\$0.047128</i> per kWh |
| Off-Peak                               | <del>\$0.033694</del> <i>\$0.043844</i> per kWh |   |
| Special Contract -<br>Pumping Stations | Demand Charge                                   |   |
|  | Per kW  | \$1.75  |
|  | Energy Charge                                   |   |
|  | Off-Peak (May-Dec)                              | \$0.004440 per kWh                              |
| Off-Peak (Jan-Apr)                     | \$0.004460 per kWh                              |   |
| Steam Service                          | Demand Charge                                   |   |
|  | Per MMBTU                                       | \$547.87  |
|  | Energy Charge                                   |   |
| Per MMBTU                              | <del>\$3.916</del> <i>\$3.926</i>               |   |