

P.S.C. Ky. No. _____
Cancels P.S.C. Ky. No. _____

BLUE GRASS RURAL ELECTRIC COOPERATIVE CORPORATION

OF
NICHOLASVILLE, KENTUCKY

**RATES, RULES AND REGULATIONS
FOR FURNISHING**

ELECTRICITY

AT

**JESSAMINE, MADISON, FAYETTE, WOODFORD,
GARRARD AND JACKSON COUNTIES**

FILED WITH THE PUBLIC SERVICE COMMISSION OF KENTUCKY

ISSUED: March 1, 1996

EFFECTIVE: March 31, 1996

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

ISSUED BY: Blue Grass RECC

BY

J. H. Chew

President/CEO

MAR 31 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: *Jordan C. Neal*
FOR THE PUBLIC SERVICE COMMISSION

C4/98

**BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO. _____

Revised SHEET NO. 1

CANCELING P.S.C. KY NO. _____

SHEET NO. _____

RULES AND REGULATIONS

(1) SCOPE

This schedule of Rules and Regulations is a part of all contracts for receiving electric service from the Cooperative whether the service received is based upon a contract, agreement, signed application, or otherwise. No employee or individual director of the Cooperative is permitted to make an exception to Rates or Rules and Regulations. Rates and service information can be obtained from the Cooperative Office or Cooperative Personnel.

(2) REVISIONS

These Rules and Regulations may be revised, amended, supplemented or otherwise changed from time to time by the Blue Grass Rural Electric Cooperative Corporation Board of Directors and approved by the Public Service Commission. Such changes, when effective, shall have the same force as the present Rules and Regulations. The member shall be informed through the Cooperative's monthly newsletter, or direct mailing.

(3) CONSUMER'S RESPONSIBILITY FOR COOPERATIVE'S PROPERTY

All meters, service connections, and other equipment furnished by the Cooperative shall be, and remain, the property of the Cooperative. The member shall exercise proper care to protect the property of the Cooperative on its premises; and in the event of loss or damage to the Cooperative's property caused by the member, the cost of necessary repairs or replacement shall be paid by the member.

(4) CONTINUITY OF SERVICE

The Cooperative shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy, but if such supply shall fail or be interrupted or become defective through act of God, or the public enemy, or by accident, strikes, labor troubles, or by action of the elements, or inability to secure easements or other permits needed, or for any other cause beyond the reasonable control of the Cooperative, the Cooperative shall not be liable.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DATE OF ISSUE: March 1, 1996

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ISSUED BY: _____

PURSUANT TO 807 KAR 5011,
_____, SECRETARY / CEO

BY: Jordan C. Neal

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

C 1/98

RULES AND REGULATIONS

(5) APPLICATION FOR SERVICE

Each prospective member desiring electric service will be required to sign the Cooperative's Membership Application. Also, sign a contract when applicable, before service is supplied by the Cooperative and provide the Cooperative with necessary easements. The consumer signing the application shall be responsible for the monthly bill.

(6) MEMBERSHIP FEE

The Membership Fee in the Cooperative shall be twenty-five dollars (\$25.00). A Membership Fee and application is required for each service. Discontinuance of service will automatically terminate the active membership and the Membership Fee will be applied against any unpaid bills, or if the account is paid in full, the Fee will be refunded to the member. Membership Fees are not transferable from one member to another.

(7) DEPOSITS

The Cooperative may require a minimum cash deposit to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 5:0006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278:460, will be paid annually either by refund or credit to the customer's bill, except that no refund or credit will be made if the customer's bill is delinquent on the anniversary date of the deposit.

The deposit may be waived upon a customer's showing of satisfactory credit or payment history, and required deposits will be returned after one (1) year if the customer has established a satisfactory payment record for that period. If a deposit has been waived or returned and the customer fails maintain a satisfactory payment record, a deposit may then be required. The Company may require a deposit in addition to the initial deposit if the customer's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit, any principal amounts, and any interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

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SECTION 9(1)

ISSUED BY: *[Signature]*

BY: *[Signature]*
FOR THE PUBLIC SERVICE COMMISSION

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

C1/98

RULES AND REGULATIONS

(7) DEPOSITS - Continued

In determining whether a deposit will be required or waived, the following criteria will be considered.

Previous payment history with the Company. If the customer has no previous history with the Company, a statement from the previous electric utility may be presented by the customer as evidence of good credit.

If a deposit is held longer than 18 months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of recalculation.

(7A) EQUAL DEPOSITS

Residential - Customers will pay equal deposits in the amount of \$75.00 without electric heat or \$125.00 with electric heat. This amount does not exceed the average bill of residential customers served by the Company and is equal to 2/12 of the average bill. (3/12 where bills are re rendered bimonthly or 4/12 where bills are rendered quarterly.)

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FOR THE PUBLIC SERVICE COMMISSION

ISSUED BY: , President/CEO

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

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**BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 4
CANCELING P.S.C. KY NO. _____
SHEET NO. _____

RULES AND REGULATIONS

(7B) CALCULATED DEPOSITS - Commercial

Customer's deposits shall be based upon actual usage of that customer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar customers and premises in the system. The deposit amount shall not exceed 2/12 of the customer's actual or estimated annual bill where bills are rendered monthly, 3/12 where bills are rendered bi-monthly, or 4/12 where bills are rendered quarterly.

(8) BILLING

Members will receive statements for electric service on or about the following mailing dates:

Cycle 1 - 27th	Cycle 3 - 14th
Cycle 2 - 8th	Cycle 4 - 20th

All statements are due when received and are delinquent after the following dates:

Cycle 1 - 11th	Cycle 3 - 29th
Cycle 2 - 23th	Cycle 4 - 4th

Failure to receive a statement will not release the member from payment obligation. Should the statement not be paid as above, the Cooperative may disconnect service after ten (10) days written notice provided the cut-off shall not be affected before twenty-seven (27) days after mailing date of the original bill. In case of illness, 807 KAR 5:006, Section 14 (C) shall apply.

PUBLIC SERVICE COMMISSION
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BY: Jordan C. Neel
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

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ISSUED BY: [Signature], President/CEO

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

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RULES AND REGULATIONS

(9) COLLECTION OF DELINQUENT ACCOUNTS

Should it become necessary for the Cooperative to send a representative to the member's premises for collecting a delinquent account, a charge of \$15.00 will be applied to the member's account for the extra service rendered, due and payable at time such delinquent account is collected. The utility may make a field collection charge only once in any billing period. If service is discontinued for non-payment, an additional charge of \$15.00 will be added for reconnecting service during regular working hours. If member requests reconnection after regular working hours, the charge will be \$40.00, in accordance with 807 KAR 5:0006, Section 8 (3) (C).

(10) METER READING

Most electric meters will be read by Cooperative personnel monthly. Meters for barn services will be read quarterly. In some cases, the member or customer may be asked to read their own meter, if so, they should mark their card as directed and return to the Cooperative by the due date.

(11) METER TEST

The Cooperative will, at its own expense, make periodical tests and inspections of its meters in order to maintain a high standard of accuracy and to conform with the Regulations of the Public Service Commission of Kentucky. If a member requests a meter test, a fee of \$20.00 paid in advance must be made. Should the test made at the member's request show the meter is accurate within 2% slow or fast, no adjustment will be made to the member's bill and the fee paid will be forfeited to cover the cost of the requested test. Should the test show the meter to be in excess of 2% fast or slow, an adjustment bill shall be made to the member's bill as prescribed by the Public Service Commission Rules and Regulations, 807 KAR 5:006, Section 10 (5). If the meter is found to be inaccurate, the cost of the testing of the meter will be borne by the Cooperative and the fee paid by the member will be refunded.

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FOR THE PUBLIC SERVICE COMMISSION

ISSUED BY: *J. D. Brewer*, President/CEO

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

C 1/98

RULES AND REGULATIONS

(12) SERVICES PERFORMED FOR MEMBERS

The Cooperative's personnel are prohibited from making repairs or performing services to the member's equipment or property except in cases of emergency or to protect the public or member's person or property. when such emergency services are performed, the member shall be charged for such service(s) at the rate of time and material(s) used.

(13) RIGHT OF ACCESS

The Cooperative's identified personnel shall have access to member's premises at all reasonable times for the purpose of reading meters, testing, repairing, removing, constructing, maintaining, rebuilding, relocating, improving, extending on, over, or under such lands and premises any and all equipment belonging to the Cooperative.

(14) RESALE OF POWER BY MEMBERS

All purchased electric service used on the premises of the member shall be supplied exclusively by the Cooperative and the member shall not directly or indirectly sell, sublet, or otherwise dispose of the electric service or any part thereof.

(14A) MONITORING OF CUSTOMER USAGE

At least once annually the Company will monitor the usage of each customer according to the following procedure:

1. The customer's annual usage for the most recent 12-month period will be compared with the annual usage for the 12 months immediately preceding that period.
2. If the annual usage for the two periods are substantially the same or if any difference is known to be attributed to unique circumstances, such as unusual weather common to all customers, no further review will be done.

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ISSUED BY: [Signature]

BY: Jordan C. Neel

FOR THE PUBLIC SERVICE COMMISSION; President/CEO

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

C1/98

RULES AND REGULATIONS

(14A) MONITORING OF CUSTOMER USAGE - Continued

3. If the annual usage differ by 50% or more and cannot be attributed to a readily identified common cause, the Company will compare the customer's monthly usage records for the 12-month period with the monthly usage for the same months in the preceding year.

4. If the cause for the usage deviation cannot be determined from analysis of the customer's meter reading and billing records, the Company will contact the customer by telephone or in writing to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume, or known leaks in the customer's service line.

5. Where the deviation is not otherwise explained, the Company will test the customer's meter to determine whether it shows an average error greater than 2% fast or slow.

6. The Company will notify the customers of the investigation, its findings, and any refunds or backbilling in accordance with 807 KAR 5:006, Section 10 (4) and (5).

In addition to the annual monitoring, the Company will immediately investigate usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

PUBLIC SERVICE COMMISSION
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BY: Jordan C. Neel
FOR THE PUBLIC SERVICE COMMISSION

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ISSUED BY: *Jordan C. Neel*, President/CEO

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

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RULES AND REGULATIONS

(15) CONNECT AND RECONNECT SERVICE

The Cooperative will make no charge for connecting service to the member's premises for the initial installation of service, provided the connection is made during regular working hours. The Cooperative may make a service charge of \$15.00 for reconnecting the service of a member whose service has been connected one or more times within the preceding twelve months. The service charge shall be \$30.00 if made after regular working hours. Any service charge will be due and payable prior to time of connection.

(16) NOTICE OF TROUBLE

Member or customer should notify Cooperative immediately, should service be unsatisfactory for any reason, or should there be any defects, trouble or accidents affecting the supply of electricity.

(17) POINT OF DELIVERY

The point of delivery is the point as designated by the Cooperative on member's premises where current is to be delivered to building or premises, namely, the point of attachment, which is normally the point closest to the utility line. A member or customer requesting a delivery point different from the one designated by the Cooperative will be required to pay the additional cost of the special construction. All wiring and equipment, excluding the metering, beyond this point of delivery shall be supplied and maintained by the member.

(18) FAILURE OF METER TO REGISTER

In the event a member's meter should fail to register, the member shall be billed from the date of such failure at the average consumption of the member, based on the twelve (12) months preceding the failure.

PUBLIC SERVICE COMMISSION
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BY: Carsten C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

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ISSUED BY: [Signature], President/CEO

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

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BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO. _____

Revised SHEET NO. 9

CANCELING P.S.C. KY NO. _____

SHEET NO. _____

RULES AND REGULATIONS

(19) DISTRIBUTION LINE EXTENSIONS

An extension of 1,000 feet or less shall be made to existing distribution lines without charge for a prospective member who shall apply for and contract to use the service for one (1) year or more and provides guarantee for such service. when an extension of distribution line to serve an applicant or group of applicants amounts to more than 1,000 feet per member, the applicant or applicants may be required to deposit the total cost of the excessive footage over 1,000 feet per member. The cost will be based on the average estimated cost per foot of the total extension. Each year for a period of not less than ten (10) years, the Cooperative shall refund to the member or members who paid for the excessive footage, the cost of 1,000 feet of the extension in place for each additional member connected during the year whose service line is directly connected to the extension installed and not to extensions of laterals therefrom, but in no case shall the total amount refunded exceed the amount paid the Cooperative. After then end of the refund period, no refunds will be required to be made. An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year for a period of not less than ten (10) years, the Cooperative shall refund to the applicant who paid for the extension, a sum equivalent to the cost of 1,000 feet of the extension installed for each additional member connected during the year, but in no case shall the total amount refunded exceed the amount paid to the Cooperative. After the end of the refund period from the completion of the extension, no refund will be required to be made. Nothing contained herein shall be construed as to prohibit the Cooperative from making extensions under different arrangements provided such arrangements have been approved by the Commission.

(20) UNDERGROUND EXTENSIONS OF SERVICE

Underground extensions of service shall be provided to members or developers as provided in Public Service Commission Rules and Regulations 807 KAR 2:050, Section 20.

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BLUE GRASS RURAL ELECTRIC
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FOR ENTIRE TERRITORY SERVED

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SHEET NO. _____

RULES AND REGULATIONS

EXHIBIT "A"

Average Primary Single Phase Underground Cost Differential

Average Cost of Underground Per Foot	\$7.66
Average Cost of Overhead Per Foot	<u>4.66</u>
(Average Cost Differential Per Foot)	\$3.00

This information was based on Work Order Schedules 506, 507, and 508. (Does not include Rock Clause or Road Crossings which will be paid in full by the person requesting the Underground Primary).

Secondary Single Phase Underground Cost Differential

There is no cost differential for Secondary if an inspected conduit system is provided by the consumer which meets NESC. The length of run will be limited by voltage drop calculations.

TYPICAL ROCK CLAUSE

Rock will be removed on an actual basis.

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BY: *Jordan C. Neal*
FOR THE PUBLIC SERVICE COMMISSION

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ISSUED BY: *Jim Shewe*, President/CEO

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

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BLUE GRASS RURAL ELECTRIC
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FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO. _____

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RULES AND REGULATIONS

(21) DISTRIBUTION LINE EXTENSION TO MOBILE HOMES

All fees, including Membership Fee, must be paid at the time application for service is made. All extensions up to 150 feet from the nearest facility shall be made without charge. Extensions greater than 150 feet from the nearest facility and up to 300 feet shall be made, provided the consumer shall pay the Cooperative a "consumer advance for construction" of fifty (\$50.00) dollars. In addition to any other charges required by the Cooperative for all other consumers. This advance shall be refunded at the end of one (1) year if service to the mobile home continues for that length of time. For extensions greater than 300 feet and less than 1,000 feet from the nearest facility, an advance equal to the reasonable costs incurred for that portion of service beyond 300 feet plus fifty (\$50.00) will be required. The advance for extensions greater than 300 feet and less than 1,000 feet shall be refunded to the consumer over a four year period in equal amounts for each year service is continued. If the service is disconnected for a period of sixty (60) days, or should the mobile home be removed and another not take its place within sixty (60) days, or be replaced by permanent structure, the remainder of the advance shall be forfeited. No refunds shall be made to any consumer who did not make the advance originally. For extensions beyond 1,000 feet, the extension policy as set forth in Item 19, Distribution Line Extensions, of these Rules and Regulations, shall apply.

The applicant shall be responsible for the installation of necessary service equipment and provide the proper supporting structure in accordance with the National Electrical Safety Code and the National Electrical Code.

Mobile homes must be set in place before service is extended. Upon completion of setting mobile home in place, applicant must advise Cooperative office and request service. Normally, service can be extended within five (5) working days after notification providing there are no unusual circumstances such as bad weather, right-of-way problems, etc.

PUBLIC SERVICE COMMISSION
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BY: Jonathan C. Reed
FOR THE PUBLIC SERVICE COMMISSION

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ISSUED BY: Jim Drew, President/CEO

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

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RULES AND REGULATIONS

(22) RE-LOCATION OF LINES

The Cooperative will cooperate with all political subdivisions in the construction, improvement, or rehabilitation of public streets and highways. It is expected that these political subdivisions will give reasonable notice to permit the Cooperative to relocate its lines to permit the necessary road construction. If the Cooperative's poles, anchors, or other appurtenances are located within the confines of the public right(s) of way, the Cooperative shall make the necessary relocation at its own expense; if the Cooperative's poles, anchors, or other facilities are located on private property, the political subdivision shall then agree to reimburse the Cooperative.

When the Cooperative is requested to relocate its facilities for any reason(s), provided adequate right-of-way can be obtained for the relocation requested, any expense involved will be paid by firm, person, or persons requesting the relocation, unless one or more of the following conditions are met:

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

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FOR THE PUBLIC SERVICE COMMISSION

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ISSUED BY: *Don Brewer*, President/CEO

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

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RULES AND REGULATIONS

(23) TEMPORARY SERVICE

Facilities that are temporary in nature such as for construction contractors, seasonal services, carnivals, etc. will be provided to consumer desiring such facilities, provided they pay an advance fee equal to the reasonable cost of providing and removing such facilities. A payment may be required to cover estimated usage of electricity. Upon termination of temporary service the payment paid on estimated usage will be adjusted to actual usage, either a refund or additional billing will be issued to such temporary member or customer.

(24) DISCONTINUANCE OF SERVICE

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

- a. Non-payment of bills.
- b. Fraudulent or illegal use of service. If the meter or other equipment belonging to the Cooperative is tampered or interfered with or the appearance of current-theft devices on the premises of the member, the consumer supplied shall pay the amount the Cooperative estimates is due for service rendered but not registered on the Cooperative's meter and for such repairs and replacements as are necessary. In discontinuing the illegal service, actual cost to disconnect will be charged if it is required to be disconnected at the transformation. This estimated cost is \$72.00 based on the following detail:

Estimated trip - 1 hour	
2-Man Crew - Labor - \$18.00 Avg. x 2 =	\$36.00
Overhead	\$36.00
Total Estimated Cost	\$72.00

- c. When dangerous conditions exist, service shall be discontinued.
- d. When applicant or member is indebted to the Cooperative for services furnished until indebtedness is paid.
- e. When applicant or member refuses to provide reasonable access to premises

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ISSUED BY: Jordan C. Neel, President/CEO

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

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RULES AND REGULATIONS

(24) DISCONTINUANCE OF SERVICE - Continued

- f. Non-compliance with state, local, and any other codes, rules and regulations that are applicable to providing service.

If discontinuance is for non-payment of bills, the consumer shall be given at least ten (10) days written notice, separate from the original bill, disconnect shall be effected not less than twenty-seven (27) days after the original bill unless, prior to discontinuance, a residential consumer presents to the Cooperative a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the date the Cooperative notifies the consumer, in writing, of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.

(25) CONSUMER'S WIRING STANDARDS

All wiring of member or consumer must conform to Cooperative requirements and accepted modern standards, as exemplified by the requirements of the National Electric Code. The Cooperative, however, assumes no responsibility in respect to type, standard of construction, protective equipment or the condition of the member's property, and will not be liable for any loss or injury to persons or property occurring on the premises or property of the member. The member will have complete responsibility for all construction, operation, and maintenance beyond the meter.

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ISSUED BY: Jay Brewer, President/CEO

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

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BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 15
CANCELING P.S.C. KY NO. _____
SHEET NO. _____

RULES AND REGULATIONS

(26) INSPECTIONS

The Cooperative shall have the right, but shall not be obligated to inspect any installation before electricity is introduced, or at any later time, and reserves the right to reject any wiring or applications not in accordance with the National Electric Code or other governing bodies, but such inspections or failure to inspect or reject shall not render the Cooperative liable or responsible for any loss or damage resulting from defects in the installation, wiring, or appliances, or from violation of the Cooperative's Rules, or from accidents which may occur upon member's premises.

(27) FRANCHISE FEE

The franchise fee of any local governmental unit shall be assessed only against consumers located within the boundaries of the franchising unit of government and shall be listed as a separate item on the bills of the consumers located within the franchised area with a designation on the bill of the amount of the franchise fee and the unit of government to which the fee is payable.

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BY: Jason C. Neal
FOR THE PUBLIC SERVICE COMMISSION

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ISSUED BY: John Chewer, President/CEO

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

C 1/98

CLASSIFICATION OF SERVICE

(28) ENERGY EMERGENCY CONTROL PROGRAM - Re: PSC Admin. Case No. 353

Purpose - To provide a plan for reducing the consumption of electric energy on Blue Grass Rural Electric Cooperative's (Cooperative) system in the event of a severe electric energy shortage.

For the purpose of this program, the following priority levels have been established:

- I. Essential Health and Safety Uses -- as defined in Appendix B
- II. Residential Use
- III. Commercial and Industrial Uses
- IV. Nonessential Uses -- as defined in Appendix C
- V. Interruptible Loads
- VI. Direct Load Control

Procedures - In the event East Kentucky Power Cooperative, Inc. (EKPC) notifies the Cooperative of a potential severe electric energy shortage, or the Cooperative, itself, determines such an emergency exists, the following steps will be implemented. These steps will be carried out to the extent not prohibited by contractual commitments or by order of the regulatory authorities having jurisdiction.

EKPC and the Cooperative will take the following actions listed in priority order in accordance with EKPC's "Emergency Electric Procedures," revised Feb. 17, 1995 and filed in PSC Admin. Case No. 353 as part of its Wholesale Tariff.

Step 1: EKPC will, when feasible, initiate Direct Load Control and notify the Cooperative.

Step 2: EKPC will interrupt Interruptible Loads and notify the Cooperative.

Step 3: The Cooperative will initiate its Load Reduction Procedure, Appendix C.

Step 4: EKPC will notify the Cooperative to initiate its Voltage Reduction Procedure, Appendix D.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 18 1996

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

BY: Jordan C. Neel
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 18, 1996

DATE EFFECTIVE: March 18, 1996

ISSUED BY

[Signature]

TITLE: President/CEO

(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 353 Dated January 18, 1996

C 1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
REVISED SHEET NO. 17
CANCELING P.S.C. KY NO. _____
_____ SHEET NO. 17

CLASSIFICATION OF SERVICE

(28) ENERGY EMERGENCY CONTROL PROGRAM - Continued

Step 5: EKPC will notify the Cooperative and EKPC and the Cooperative will initiate media appeal for general Voluntary Load Reduction Procedure, Appendix E.

Step 6: EKPC will, in coordination with other Kentucky utilities, request the Governor to declare a statewide Energy Emergency.

Step 7: EKPC will request the Cooperative to initiate mandatory load reduction of up to 20 percent in five percent steps, Appendix F.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 18 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Jordan C. Neel
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 18, 1996

DATE EFFECTIVE: March 18, 1996

ISSUED BY _____

(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 353 Dated January 18, 1996

C 1/98

CLASSIFICATION OF SERVICE

APPENDIX "A"

Essential Health and Safety Uses

Essential health and safety uses given special consideration in these procedures shall, insofar as the situation permits, include the following types of use and such other uses which the Commission my subsequently identify:

- (a) "Hospitals," which shall be limited to institutions providing medical care to patients.
- (b) "Life Support Equipment," which shall be limited to kidney machines, respirators, and similar equipment used to sustain the life of a person.
- (c) "Police Stations and Government Detention Institutions," which shall be limited to essential uses required for police activities and the operation of facilities used for the detention of persons. These uses shall include essential street, highway and signal-lighting services.
- (d) "Fire Stations," which shall be limited to facilities housing mobile fire-fighting apparatus.
- (e) "Communications Services," which shall be limited to essential uses required for telephone, telegraph, television, radio and newspaper operations.
- (f) "Water and Sewage Services," which shall be limited to essential uses required for the supply of water to a community, flood pumping and sewage disposal.
- (g) "Transportation and Defense-related Services," which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those essential to the national defense and operation of state and local emergency services.
- (h) "Other Energy Source Services," which shall be limited to essential uses required for the production, transportation, transmission and distribution -- for fuel -- of natural or manufactured gas, coal, oil or gasoline.
- (i) "Perishable Food or Medicine," which shall be limited to refrigeration for the storage and preservation of perishable food or medicine, when that use is substantially all of the customer's load.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
REGULATIVE

MAR 18 1996

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

BY: Jordan C. Neel
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 18, 1996

DATE EFFECTIVE: March 18, 1996

ISSUED BY

[Signature]

TITLE: President/CEO

(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 353 Dated January 18, 1996

C1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
REVISED SHEET NO. 19
CANCELING P.S.C. KY NO. _____
_____ SHEET NO. 19

CLASSIFICATION OF SERVICE

APPENDIX "A" - Continued

Essential Health and Safety Uses

Although these types of uses will be given special consideration when implementing the manual load-shedding provisions of this procedure, these customers are encouraged to install emergency generation equipment if continuity of service is essential. In case of customers supplied from two utility sources, only one source will be given special consideration. Also, any other customers who, in their opinion, have critical equipment should install emergency generation equipment.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 18 1996

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

BY: Jackson C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 18, 1996

DATE EFFECTIVE: March 18, 1996

ISSUED BY _____

(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 353 Dated January 18, 1996

C1198

CLASSIFICATION OF SERVICE

APPENDIX "B"

Nonessential Uses

The following and similar types of uses of electric energy and others which the Commission may subsequently identify shall be considered nonessential for all customers:

- (a) Outdoor flood and advertising lighting, except for the minimum level to protect life and property, and a single illuminated sign identifying commercial facilities when operating after dark.
- (b) General interior lighting levels greater than minimum functional levels.
- (c) Show-window and display lighting.
- (d) Parking-lot lighting above minimum functional levels.
- (e) Energy use greater than that necessary to maintain a temperature of no less than 78 degrees during operation of cooling equipment and not more than 65 degrees during operation of heating equipment.
- (f) Elevator and escalator use in excess of the minimum necessary for non-peak hours of use.
- (g) Energy use greater than that which is the minimum required for lighting, heating or cooling of commercial or industrial facilities for maintenance cleaning or business-related activities during non-business hours.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 18 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 18, 1996

DATE EFFECTIVE: March 18, 1996

ISSUED BY _____

(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 353 Dated January 18, 1996

C1198

CLASSIFICATION OF SERVICE

APPENDIX "C"

Load Reduction Procedure

Objective:

To reduce demand at the Cooperative facilities over the time period during which an electric energy shortage is anticipated.

Criteria:

This procedure is implemented when a Load Reduction Alert is issued. The President/CEO or his designee has the responsibility of issuing a Load Reduction Alert.

Procedure:

1. The President/CEO receives notice from EKPC of a capacity shortage.
2. The President/CEO or his designee is responsible for seeing that the Cooperative's employees are participating in achieving the largest load reduction possible while still maintaining the service of the facility and not unduly jeopardizing safety.
3. Each Department Manager is responsible for seeing that their employees are participating in achieving the largest load reduction possible while still maintaining the service of the facility and not unduly jeopardizing safety.
4. Examples of load reduction are:
 - turning off all but a minimum of indoor and outdoor lighting.
 - turning off microcomputers, printers, copiers, and other office equipment except as they are used.
 - in the winter, setting thermostats no higher than 68 degrees, and in the summer, no lower than 94 degrees.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 18 1996

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

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 18, 1996

DATE EFFECTIVE: March 18, 1996

ISSUED BY Jordan C. Neal
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 353 Dated January 18, 1996

C1198

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
REVISED SHEET NO. 22
CANCELING P.S.C. KY NO. _____
SHEET NO. 22

CLASSIFICATION OF SERVICE

APPENDIX "D"

Voltage Reduction Procedure

Objective:

To reduce demand on the Cooperative system over the period during which an electric energy shortage is anticipated by reducing the set point on system voltage regulators.

Criteria:

This procedure is implemented when requested by the EKPC System Operator.

Procedure:

The Cooperative will immediately reduce voltage on the system (to a voltage within the lower limits allowed by prudent utility practices) at its substations through the Cooperative's Supervisory Control and Data Acquisition (SCADA) system. Crews will also be dispatched to the system's voltage regulator banks to manually reduce voltage.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 18 1996

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

BY: Jordan C. Neel
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 18, 1996

DATE EFFECTIVE: March 18, 1996

ISSUED BY [Signature]
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 353 Dated January 18, 1996

C 1/98

CLASSIFICATION OF SERVICE

APPENDIX "E"

Voluntary Load Reduction Procedure

Objective:

To reduce demand on the Cooperative system over the period during which an electric energy shortage is anticipated through media appeal for consumers to curtail energy use.

Criteria:

This procedure is implemented when requested by EKPC Marketing and Communications Division personnel.

Procedure:

Notify all Jessamine, Fayette, and Madison County radio and TV stations of the electrical energy shortage and ask them to make the public service announcement recommended by EKPC personnel. An example announcement is as follows:

Attention All Electric Cooperative Members:

Blue Grass RECC is experiencing a critical shortage of electricity to its members, and is requesting that all non-essential electrical appliances and lighting be turned off, and thermostats be lowered/raised immediately until (time of emergency).

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

The Cooperative is encountering record high usage of electricity during this period of extreme high/low temperatures, and to prevent us from having a power brownout/blackout in your area, we need your help NOW until (time of emergency). MAR 18 1996

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

Please turn off all electricity you do not have to have on. Thank you for your cooperation.

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 18, 1996

DATE EFFECTIVE: March 18, 1996

ISSUED BY _____

(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 353 Dated January 18, 1996

C 1/198

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
SHEET NO. 23-A
CANCELING P.S.C. KY NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

APPENDIX "E" - Continued

Voluntary Load Reduction Procedure

The Cooperative will also contact the system's major industrial and large commercial consumers and request that they curtail their energy use as well. These consumers are listed in Blue Grass RECC's Emergency Response Plan, available at the Cooperative's office and on file with the PSC.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 18 1996

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

BY: Jordan C. Neel
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 18, 1996

DATE EFFECTIVE: March 18, 1996

ISSUED BY _____

(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 353 Dated January 18, 1996

C1198

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO. _____

SHEET NO. 23-B

CANCELING P.S.C. KY NO. _____

SHEET NO. _____

CLASSIFICATION OF SERVICE

APPENDIX "F"

Load Reduction Procedure

Objective:

To reduce demand on the Cooperative system over the period during which an electric energy shortage is anticipated by interrupting firm consumer load in five (5) percent blocks up to a total of 20% of the system load.

Criteria:

This procedure is implemented when requested by the EKPC System Operator or when deemed necessary by Blue Grass RECC. This procedure will only be requested after the Governor of Kentucky has issued a statewide State of Emergency Order.

Procedures:

The Cooperative will dispatch personnel to interrupt service to member consumer loads to achieve the reduction requested by EKPC. This may be achieved by interrupting service to certain nonessential loads for the entire period of the emergency or by rotating outages to various substation feeder circuits.

The following steps will be implemented, in order, to achieve the requested reduction . These steps will be carried out to the extent not prohibited by contractual commitments or by order of the regulatory authorities having jurisdiction.

Step One

1) Implement mandatory curtailment of the use of electric service by Commercial and Industrial Uses (Priority Level III) at a rate of 25 percent , based on a monthly base period, as defined in Appendix G.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 18 1996

PURSUANT TO 80Y KAR 5:011,
SECTION 9 (1)

By: Jonathan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 18, 1996

DATE EFFECTIVE: March 18, 1996

ISSUED BY [Signature]
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 353 Dated January 18, 1996

C 4/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
SHEET NO. 23-C
CANCELING P.S.C. KY NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

APPENDIX "F" - Continued
Load Reduction Procedure

2) In cooperation with EKP and through use of the news media and direct member-consumer contact, continue to appeal to all member-consumers to voluntarily reduce their use of electric energy as much as possible, and in any case, endeavor to reduce the nonessential usage of electricity (Priority Level IV) by at least 25%.

3) In cooperation with EKPC, the Cooperative shall advise member-consumers of the nature of the mandatory program to be introduced in Step Two below through direct contact and mass media, and establish an effective means of answering specific member-consumer inquiries concerning the impact of the mandatory program on his or her electricity availability.

Step Two

1) Implement mandatory curtailment of the use of electric service by Commercial and Industrial Uses (Priority Level III) at a rate of 75 percent, maintaining a minimum service level to Essential Health and Safety Uses, as defined in Appendix A.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 18 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 18, 1996

DATE EFFECTIVE: March 18, 1996

ISSUED BY _____

(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 353 Dated January 18, 1996

C 1/98

CLASSIFICATION OF SERVICE

APPENDIX "F" - Continued
Load Reduction Procedure

Step Three

- 1) Implement mandatory curtailment of the use of electric service by all priority levels (including Priority Level I) at a minimum service level which is not greater than that required for protection of human life and safety, protection of human physical plant facilities, and employee's security.
- 2) The Cooperative shall advise all member-consumers of the mandatory program specified in Step Four below.

Step Four

- 1) Implement procedures, subject to Commission approval, for interruption of selected distribution circuits on a rotational basis, while minimizing -- to the extent practicable -- interruption to Priority Level I.

With regard to mandatory curtailments identified in Steps Two to Four above, the Cooperative proposes to monitor compliance after the fact, to the extent feasible, as approved by the Commission. A member-consumer exceeding his or her electric energy allotment would be warned to curtail his or her usage, or face, upon continuing noncompliance, for any period of time, and upon one day's written notice, disconnection of electric service for the duration of the energy emergency.

Termination of Energy Emergency - The Energy Emergency Control Program shall be terminated upon notice to the Commission, when EKPC notifies the Cooperative that the emergency situation has been resolved.

PUBLIC SERVICE COMMISSION
OF KENTUCKY

MAR 18 1996

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

BY: Jordan C. Neel
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 18, 1996

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ISSUED BY [Signature]
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 353 Dated January 18, 1996

C 1198

CLASSIFICATION OF SERVICE

APPENDIX "G"

Monthly Base Period

"Monthly Base Period Use" is defined as the customer's usage during the corresponding monthly billing cycle of the twelve monthly billing periods immediately prior to December 31 of the year immediately preceding the current year, adjusted to reflect any increases or decreases of load in the most recent three-month period due to the installation or removal of equipment or a change in operating rate as computed in the formula.

Upon application by the member-consumer and agreement by the Cooperative, a one-time adjustment of the monthly energy use of the twelve-month billing period ending December 31 of the year immediately preceding the current year, or an adjustment of the prior three-month usage (PQKWH), will be made to correct any abnormalities of energy use resulting from such events as strikes and breakdowns of major equipment that may have occurred during the period in question. For member-consumers connected after December 31 of the year preceding the current year by one year, base period energy use will be negotiated between the member-consumer and the Cooperative.

$$AMBP = CM \times PQ/BPQ$$

Where:

AMBP = Adjusted Monthly Base Period (KW or KWH).

CM = Corresponding month during the year immediately preceding the current year.

PQ = Average use (KW or KWH) for the second, third and fourth monthly billing periods immediately prior to the date of the curtailment order. Should a curtailment be extended such that one of the three monthly billing periods reflects usage under a curtailment period, the actual billing for that month is replaced with AMBP previously calculated for that month.

BPQ - Average of corresponding three monthly billings prior to CM.

Example: (Curtailment ordered during month of May 1995)

MAR 18 1996

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

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 18, 1996

DATE EFFECTIVE: March 18, 1996

ISSUED BY [Signature]
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 353 Dated January 18, 1996

C 1198

**BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO. _____

_____ SHEET NO. 23-F

CANCELING P.S.C. KY NO. _____

_____ SHEET NO. _____

CLASSIFICATION OF SERVICE

APPENDIX "G" - Continued

Monthly Base Period

1st Curtailment Month

Since the April 1995 billing may not always be available, then for uniformity to all member-consumers -- from the time curtailment is ordered until the May meter reading date:

May '95 = (Jan., Feb., March) '95 x June '94
(Jan., Feb., March) '94

2nd Curtailment Month

June '95 = (Feb., March, April) '95 x June 94
(Feb., March, April) '94

3rd Curtailment Month

Since May '95 will reflect electric use under a curtailment, May '95 will be replaced with May '95 as calculated in the 1st Curtailment Month:

July '95 = (March, April, May) x July '94
(March, April, May) '94

NOTE: The nomenclature for any one billing period is determined by the last reading date in that period, i.e., a bill from April 2 to May is considered the May billing period.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 18 1996

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

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 18, 1996

DATE EFFECTIVE: March 18, 1996

ISSUED BY  TITLE: President/CEO
(Name of Officer)

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 353 Dated January 18, 1996

C11698

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 24
CANCELING P.S.C. KY NO. _____
SHEET NO. _____

RULES AND REGULATIONS

(29) COLLECTION OF A RETURNED CHECK

If a check is returned from a member's banking institution due to insufficient funds or any other reason, a charge of \$10.00 will be added to the member's account for processing and handling.

If a trip to collect the check has to be made by a Cooperative representative, an additional \$15.00 charge will be added. These charges will be due and payable at the time the returned check amount is collected.

(30) COLLECTION AGENT PROCESSING

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Jordan C. Neel
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY: *Jordan C. Neel*, President/CEO

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

C 1/98

**BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION**
PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 25
CANCELING P.S.C. KY NO. _____
SHEET NO. _____

RULES AND REGULATIONS

DEC 01 1996

PURSUANT TO 807 KAR 150.11 Below is the Bill Statement Presently Used:
SECTION 9 (1)

BY: Jerry Neal
FOR THE PUBLIC SERVICE COMMISSION
Blue Grass RECC
PO Box 990 1201 Lexington Road • Nicholasville, KY 40340-0990
606/885-4191 • FAX 606/885-2854

TO PAY YOUR BILL BY CREDIT CARD, PLEASE COMPLETE THE INFORMATION BELOW AND RETURN THIS PORTION OF YOUR BILL IN THE ENCLOSED RETURN ENVELOPE. YOUR ACCOUNT WILL BE CREDITED UPON RECEIPT OF THIS AUTHORIZATION.

ALL INFORMATION MUST BE COMPLETED FOR PAYMENT TO BE ACCEPTED.

NAME AS IT APPEARS ON CREDIT CARD (PLEASE PRINT): _____

CREDIT CARD NUMBER: _____ EXPIRATION DATE: _____

AMOUNT TO PAY: _____ CARD TYPE? VISA MASTERCARD

SIGNATURE OF CARDHOLDER: _____

ACCOUNT NUMBER	CODE	AMOUNT DUE
CURRENT METER		PREVIOUS METER USE DATE

DUE UPON RECEIPT
TO PAY BY CREDIT CARD, PLEASE SEE REVERSE SIDE
PLEASE RETURN THIS PORTION WITH YOUR PAYMENT.

WHETHER YOU PAY BY CHECK, MONEY ORDER, OR CREDIT CARD, PLEASE INCLUDE THIS TOP PORTION OF THE BILL WITH YOUR PAYMENT TO INSURE PROPER CREDIT TO YOUR ACCOUNT. THANK YOU.

NAME	LOCATION	PAGE 1
SERVICE ADDRESS	METER	BILL DATE
ACCOUNT NO.	NEXT METER READING DATE	CURRENT BILL DUE
RATE		TOTAL DUE

PAYMENT TERMS

Current Month's Bill

The current month's bill due date is shown on the front of this statement. Payment is due in the Cooperative's office on or before the due date.

If your account is subject to netting charges (commercial accounts), the payment must be received in the Cooperative's office on or before the due date indicated on the bill if you are paying the NET AMOUNT. If payment is made after the bill due date, then the gross amount must be paid. Adequate time should be allowed for the payment to reach the Cooperative's office if you are paying the net amount and are mailing the payment.

Previous Amounts Due

The due date indicated on this statement is for the current month's bill only and does not apply to Previous Amounts Due. Previous Amounts Due are past-due and may be subject to service disconnection. No extension of time for Previous Amounts Due is being authorized by this bill statement. Prior notices of due dates for past-due amounts remain in effect. (This does not apply to Levelized/Budget accounts.)

PAYING YOUR BILL

You may pay your bill by mail, at either of our conveniently located offices, or collecting agents. When paying by mail, allow enough time for the payment to reach the Cooperative by the due date.

TO PAY BY MAIL

- 1) Enclose the top portion of this statement with your payment.
- 2) Indicate your account number on your check or money order.
- 3) Return your payment in the enclosed return envelope.

WHAT TO DO IF THERE IS A PROBLEM WITH YOUR ELECTRIC SERVICE

If your power is off, first check to see that all fuses and breakers are working properly. If this is not the problem, call your local Cooperative office listed below. Please provide your account number, name and address as they appear on your statement. Phone dispatch available 24 hours, seven days a week.

OFFICE LOCATIONS

Headquarters Office:
PO Box 990
1201 Lexington Road
Nicholasville, KY 40340-0990
(806) 885-4191 or (806) 623-0090

District Office:
PO Box 278
2099 Berea Road
Richmond, KY 40478-0278
(806) 623-1582

COLLECTING AGENTS

Jessamine County
National City Bank
Farmers Bank & Trust

Madison County
Peoples Bank & Trust

Fayette County
Central Bank & Trust

RATE STRUCTURE

11 Residential	32 Large Commercial (exceed 500 kW)
15 Yard Light Only	41 Large Industrial - C (1,000 to 4,999 kW)
16 Electric Thermal Storage	42 Large Industrial - C (5,000 to 9,999 kW)
21 Small Commercial (no demand)	43 Large Industrial - C (10,000 kW and greater)
22 Small Commercial (demand)	44 Large Industrial - B (1,000 to 3,999 kW)
31 Large Commercial (exceed 50 kW)	45 Large Industrial - B (4,000 kW and greater)

CODE DESCRIPTION

R Regular Meter Reading
E Estimated Meter Reading
M Meter Changed

*Usage is occasionally estimated due to weather conditions, unforeseen circumstances, or for certain types of seasonal loads. Actual meter readings will be taken at subsequent times and your bill will be adjusted, if necessary.

FOR GENERAL QUESTIONS OR HELP WITH ANY MATTER

Please feel free to contact us for any information you need. Our staff of employees is ready to assist you in any way we can. Our normal business hours are Monday thru Friday, 7:45 a.m. to 4:30 p.m., EST.

FROM	SERVICE TO	NO DAYS	CODE	PRESENT	READINGS PREVIOUS	METER CONSTANT	KWH USAGE	CHARGES
COMPARISONS								
CURRENT BILLING PERIOD	PREVIOUS BILLING PERIOD	DAYS OF SERVICE		TOTAL KWH	AVG. KWH PER DAY	COST PER DAY		

SEE BACK OF BILL FOR EXPLANATIONS

DATE OF ISSUE: December 1, 1996 DATE EFFECTIVE: December 1, 1996

ISSUED BY: _____, President/CEO

ADDRESS: P. O. BOX 990, NICHOLASVILLE, KY 40340-0990

C 1/98



Blue Grass Rural Electric Cooperative Corporation

PO Box 990 • 1201 Lexington Road • Nicholasville, Kentucky 40340-0990 • (606) 885-4191 FAX: (606) 885-2854

APPLICATION FOR MEMBERSHIP AND ELECTRIC SERVICE

The undersigned, (hereinafter called the "Applicant") hereby applies for membership in, and agrees to purchase electric energy from Blue Grass Rural Electric Cooperative Corporation, (hereinafter called the "Corporation") upon the following terms:

1. Applicant will pay to the Corporation the sum of \$25.00 which will constitute the Membership Fee.
2. The Applicant will pay at the rate which will be fixed by the Board of Directors of the Corporation for all electric energy purchased from the Corporation.
3. The Applicant does hereby grant the Corporation the necessary rights, privileges, and easement to construct, extend, operate, replace, repair and perpetually maintain on the property owned or occupied by the Applicant and deliver to the Corporation any conveyances, grant or instrument which the Corporation shall deem necessary or convenient for said purposes or any of them. Any extensions shall be located along existing exterior boundary lines and interior fence lines when feasible.
4. The Applicant will comply with and be bound by the provisions of the Articles of Incorporation and Bylaws of the Corporation, of which that person will be a member, and such Bylaws as may from time to time be adopted by the Corporation.
5. The Applicant is liable for all debts incurred from the purchase of electric energy and agrees to pay all collection and/or legal fees necessary in the collection of all unpaid debts incurred in the applicants name.

The acceptance of this Application by the Corporation shall constitute an agreement between the Applicant and the Corporation and the contract for electric service is made available by the Corporation to the Applicant until cancelled.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

APPLICANT SIGNATURE

DATE
MAR 31 1996

PRINT APPLICANT'S NAME

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

APPLICANT SOCIAL SECURITY NO.

BY: C. C. Neel
FOR THE PUBLIC SERVICE COMMISSION
SPOUSE SOCIAL SECURITY NO.

SERVICE LOCATION (STREET & CITY)

C1198

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO. _____

Revised SHEET NO. _____

CANCELING P.S.C. KY. NO. _____

SHEET NO. _____

CLASSIFICATION OF SERVICE

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

APPLICABLE

Entire Territory Served

AVAILABILITY

Available to all consumers eligible for the Tariff GS-1, Residential, Farm and Non-Farm.

Consumer must remain on this tariff for a minimum of one (1) year and must provide 60 days notice to change from this tariff to another tariff. This rate is offered on a limited basis for the first two years after the effective date for test purposes as determined by the Cooperative.

TYPE OF SERVICE

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

RATES

Customer Charge (No Usage)	\$10.48 per meter, per month
Energy Charge per kWh	
On-peak energy	0.06745
Off-peak energy	0.02995

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

AUG 01 1996

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

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

On-Peak Hours and Off-Peak Hours

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

DATE OF ISSUE: July 1, 1996

DATE EFFECTIVE: August 1, 1996

ISSUED BY

David S. Dreyer

(Name of Officer)

TITLE: President/CEO

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

C 1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. _____
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

FUEL ADJUSTMENT CLAUSE

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

MINIMUM CHARGES

The minimum monthly charge under the above rate shall be \$10.48.

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 10% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

SPECIAL RULES

The capacity of individual motors served under this schedule may not exceed 10 horsepower.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

AUG 01 1996

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

BY: Jordan C. Neel
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: July 1, 1996

DATE EFFECTIVE: August 1, 1996

ISSUED BY

Jordan C. Neel
(Name of Officer)

TITLE: President/CEO

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

C1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 1
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

GS-2 Off-Peak Retail Marketing Rate (EST)

AVAILABILITY

Available to consumers eligible for Tariff GS-1, Residential, Farm and Non-Farm Schedule. The electric power and energy furnished under Tariff GS-2, Off Peak Retail Marketing Rate shall be separately metered for each point of delivery. Other power and energy furnished will be billed under GS-1, Residential, Farm and Non-Farm Schedule.

RATES

All kWh/Month: .03124 kWh

SCHEDULE OF HOURS

This rate is only applicable for the below listed off-peak hours:

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 01 1997

PURSUANT TO 807 KAR 5-011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: Sept. 1, 1997

DATE EFFECTIVE: Sept. 1, 1997

ISSUED BY: _____

[Signature]
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 96-527 Dated: August 25, 1997

C 1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 2
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

GS-2 Off-Peak Marketing Rate (EST) - Continued

FUEL ADJUSTMENT CLAUSE

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

DELAYED PAYMENT CHARGE

The above rates are net, the gross rates being 10% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

TERMS AND CONDITIONS

This Tariff is subject to the same terms and conditions as described in Tariff GS-1, Residential, Farm and Non-Farm. This rate applies only to programs which are expressly approved by the Public Service Commission to be offered under the Marketing Rate of East Kentucky Power Cooperative's wholesale power rate Schedule A.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

J. D. Chew

(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

C1/98

**BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 3
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

GS-1 (Residential, Farm and Non-Farm)

APPLICABLE

Entire Territory Served

AVAILABILITY

Available to all consumers of the Cooperative for service including lighting, incidental appliances, refrigeration, cooking, laundry, heating, cooling, and power for motors up to and including 10 horsepower motors; subject to the established rules and regulations.

A farm dwelling and its appurtenances including barns, domestic servant quarters and out-buildings, which processes its own products shall be considered a domestic farm and be classified for the residential rate for all its power requirements.

Individual consumers with a pump-house or other outbuildings located at such a distance from the residence as to make it impractical to supply service through the residential meter, and requiring a separate meter to measure the service, will be billed as a separate meter service under the GS-1 Rate.

TYPE OF SERVICE

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

RATES

Customer Charge (No Usage)
Energy Charge per kWh

\$5.30 per meter, per month
.05206

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 01 1997

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: Sept. 1, 1997

DATE EFFECTIVE: Sept. 1, 1997

ISSUED BY: _____

[Signature]
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 96-527 Dated: August 25, 1997

C 1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 4
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

GS-1 (Residential, Farm and Non-Farm) - Continued

FUEL ADJUSTMENT CLAUSE

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

MINIMUM CHARGES

The minimum monthly charge under the above rate shall be \$5.30. Payment of the minimum charge shall entitle the consumer in all cases to the use of the number of kilowatt-hours corresponding to the minimum charge in accordance with the foregoing rate.

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 10% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

SPECIAL RULES

The capacity of individual motors served under this schedule may not exceed 10 horsepower.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

DATE OF ISSUE: March 1, 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)
DATE EFFECTIVE: March 31, 1996

ISSUED BY

John A. Shewer
(Name of Officer)

BY: *John A. Shewer*
FOR THE PUBLIC SERVICE COMMISSION
TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

C1/98

**BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 5
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

GS-1 (Residential, Farm and Non-Farm) - Continued

BUDGET BILLING

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

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

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

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

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

W. A. Chewer
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

C 1/98

**BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 5A
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

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

APPLICABLE

Entire Territory Served

AVAILABILITY

Available to all consumers eligible for the Tariff GS-1, Residential, Farm and Non-Farm.

Consumer must remain on this tariff for a minimum of one (1) year and must provide 60 days notice to change from this tariff to another tariff. This rate is offered on a limited basis for the first two years after the effective date for test purposes as determined by the Cooperative.

TYPE OF SERVICE

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

RATES:

Customer Charge (No Usage)
Energy Charge per kWh
On-peak energy
Off-peak energy

\$10.48 per meter, per month
0.06721
0.02971

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
SEP 01 1997
PURSUANT TO 807 KAR 5:011,
SECTION 9(1)
BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

On-Peak Hours and Off-Peak Hours

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

DATE OF ISSUE: Sept. 1, 1997

DATE EFFECTIVE: Sept. 1, 1997

ISSUED BY: [Signature]
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 96-527 Dated: August 25, 1997

C 1/98

**BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 5B
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

GS-3 (Residential, Farm and Non-Farm Time-of-Day Rate) - Continued

FUEL ADJUSTMENT CLAUSE

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

MINIMUM CHARGES

The minimum monthly charge under the above rate shall be \$10.48.

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 10% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

SPECIAL RULES

The capacity of individual motors served under this schedule may not exceed 10 horsepower.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 01 1997

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

BY: Stephan O. Bee
SECRETARY OF THE COMMISSION

DATE OF ISSUE: Sept. 1, 1997

DATE EFFECTIVE: Sept. 1, 1997

ISSUED BY: _____

John Shewer
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 96-527 Dated: August 25, 1997

C 1/98

**BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO. _____

Revised SHEET NO. 6

CANCELING P.S.C. KY. NO. _____

_____ SHEET NO. _____

CLASSIFICATION OF SERVICE

C-1 Commercial and Industrial Lighting & Power

APPLICABLE

Entire territory served

AVAILABILITY

Available for commercial, industrial, and three-phase farm service under 50 kW for all uses including lighting, heating and power, subject to the established rules and regulations.

TYPE OF SERVICE

Single-phase and three-phase, 60 cycles, at available secondary voltages. Motors having a rated capacity in excess of 10 horsepower must be three-phase.

RATE

Demand Charge

First 10 kW of billing demand

No charge

Over 10 kW of billing demand

\$ 6.23

Energy Charge (Under 50 kW)

First 3,000 kWh

.05631

All Over 3,000 kWh

.05151

Customer Charge

\$ 6.95

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 01 1997

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Stephan D. Bell

SECRETARY OF THE COMMISSION

DATE OF ISSUE: Sept. 1, 1997

DATE EFFECTIVE: Sept. 1, 1997

ISSUED BY: _____

John Chewer
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 96-527 Dated: August 25, 1997

C1198

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO. _____

Revised SHEET NO. 7

CANCELING P.S.C. KY. NO. _____

SHEET NO. _____

CLASSIFICATION OF SERVICE

C-1 Commercial and Industrial Lighting & Power - Continued

FUEL ADJUSTMENT CLAUSE

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

DETERMINATION OF BILLING DEMAND

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

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practical. Demand charges will be adjusted for consumers with 50 kW or more of measured demand to correct for average power factors lower than 90%, and may be so adjusted for other consumers if and when the Seller deems necessary. Such adjustments will be made by increasing the measured demand by 1% by which the average power factor is less than 90% lagging.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Orden C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

Orden C. Neal
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

C1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 8
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

C-1 Commercial and Industrial Lighting & Power - Continued

MINIMUM CHARGE

The minimum monthly charge under the above rate shall be \$6.95 where 5 kva or less of transformer capacity is required. For consumers requiring more than 5 kva of transformer capacity, the minimum monthly charges shall be one of the following charges as determined for the consumer in question.

- (a) The minimum monthly charge as specified in the contract for service.
- (b) A charge of \$0.75 per kva per month of contract capacity.
- (c) A charge of \$25.00

DELAYED PAYMENT CHARGE

The above rates are net, the gross rates being 10% higher. In the event the current monthly bill is not paid 15 days from the date of the bill, the gross rates shall apply.

SPECIAL RATES

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: *James C. Neal*
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY *Paul Chewer*
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

C 1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 9
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

C-1 Commercial and Industrial Lighting & Power - Continued

TEMPORARY SERVICE

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

Steve Chewer
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

C1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO. _____

Revised SHEET NO. 10

CANCELING P.S.C. KY. NO. _____

SHEET NO. _____

CLASSIFICATION OF SERVICE

LP-1 Large Power

APPLICABLE

Entire territory served

AVAILABILITY

Available to all consumers whose kilowatt demand shall exceed 50 kW for lighting and/or heating and/or power.

CONDITIONS

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

CHARACTER OF SERVICE

The electric service furnished under this schedule will be 60 cycles, alternating current and at available nominal voltage.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Justin C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

Justin C. Neal
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

C 1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 11
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

LP-1 Large Power - Continued

RATE

Maximum Demand Charge

\$6.23 per month per kW of billing demand

Energy Charge (51-500 kW)

Customer Charge	\$24.00
First 10,000 kWh	.04123
Next 15,000 kWh	.03453
Next 50,000 kWh	.02893
Next 75,000 kWh	.02663
All Over 150,000 kWh	.02493

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 01 1997

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

BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: Sept. 1, 1997

DATE EFFECTIVE: Sept. 1, 1997

ISSUED BY: *Stephan O. Bell*
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 96-527 Dated: August 25, 1997

C 1/98

**BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO. _____

Revised SHEET NO. 12

CANCELING P.S.C. KY. NO. _____

SHEET NO. _____

CLASSIFICATION OF SERVICE

LP-1 Large Power - Continued

DETERMINATION OF BILLING DEMAND

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

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of this maximum demand is less than 85%, the demand for billing purposes shall be demand as indicated or recorded by the demand meter multiplied by 85% and divided by the per cent factor.

MINIMUM CHARGE

The minimum monthly charge shall be one of the following charges as determined for the consumer in question:

- (a) The minimum monthly charge as specified in the contract.
- (b) A charge of \$0.75 per KVA per month of contract capacity.
- (c) A charge of \$25.00.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

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

BY: *Justin C. Neal*
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

John Chewer
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

C1198

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 13
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

LP-1 Large Power - Continued

FUEL ADJUSTMENT CLAUSE

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

SPECIAL PROVISIONS

1. Delivery Point - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.

If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to Consumer's transformer structure unless otherwise specified in the contract for service. all wiring, pole lines and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the Consumer.

2. Lighting - Both power and lighting shall be billed at the foregoing rate.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Jonathan C. Neel
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

John Shew
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

C1198

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO. _____

Revised SHEET NO. 14

CANCELING P.S.C. KY. NO. _____

_____ SHEET NO. _____

CLASSIFICATION OF SERVICE

LP-2 Large Power

APPLICABLE

Entire territory served

AVAILABILITY

Available to all commercial and industrial consumers whose kilowatt demand shall exceed 500 kW for lighting and/or power.

CONDITIONS

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

CHARACTER OF SERVICE

The electric service furnished under this schedule will be 60 cycles, alternating current and at available nominal voltage.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

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

BY: Justin C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY _____

(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

C 1/98

**BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO. _____

Revised SHEET NO. 1715

CANCELING P.S.C. KY. NO. _____

SHEET NO. _____

CLASSIFICATION OF SERVICE

LP-2 Large Power - Continued

RATE

Maximum Demand Charge

\$6.23 per month per kW of billing demand

Energy Charge (over 500 kW)

Customer Charge	\$24.00
First 3,500 kWh	.04206
Next 6,500 kWh	.03379
Next 140,000 kWh	.02866
Next 200,000 kWh	.02711
Next 400,000 kWh	.02619
Next 550,000 kWh	.02527
All Over 1,300,000 kWh	.02000

DETERMINATION OF BILLING DEMAND

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 01 1997

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Stephan D. Bree

SECRETARY OF THE COMMISSION

DATE OF ISSUE: October 1, 1997

DATE EFFECTIVE: October 1, 1997

ISSUED BY: _____

Stanley R. Brewer

(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 96-527 Dated: October 9, 1997

C 1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 16
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

LP-2 Large Power - Continued

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as practicable. Power Factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 85%, the demand for billing purposes shall be demand as indicated or recorded by the demand meter multiplied by 85% and divided by the percent factor.

MINIMUM CHARGE

The minimum monthly charge shall be one of the following charges as determined for the consumer in question:

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

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

BY: Jonathan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

John Chewer

(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

C 11/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 17
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

LP-2 Large Power - Continued

MINIMUM CHARGE - Continued

- (a) The minimum monthly charge as specified in the contract.
- (b) A charge of \$0.75 per KVA per month of contract capacity.

FUEL ADJUSTMENT CLAUSE

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

SPECIAL PROVISIONS

- 1. Delivery Point - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.

If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to Consumer's transformer structure unless otherwise specified in the contract for service. all wiring, pole lines and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the Consumer.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

- 2. Lighting - Both power and lighting shall be billed at the foregoing rate.

MAR 31 1996

DATE OF ISSUE: March 1, 1996 DATE EFFECTIVE: March 31, 1996
 ISSUED BY: [Signature] TITLE: President/CEO
 (Name of Officer)

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: [Signature]
FOR THE PUBLIC SERVICE COMMISSION

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

C 1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 18
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

SECURITY LIGHTS

APPLICABLE

Entire territory served

AVAILABILITY

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

RATE PER LIGHT PER MONTH

175 Watt Mercury Vapor	\$ 4.49
400 Watt Mercury Vapor	\$ 6.39
100 Watt High Pressure Sodium	\$ 4.83
250 Watt High Pressure Sodium	\$ 6.67

FUEL ADJUSTMENT CLAUSE

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 01 1997

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: Sept. 1, 1997

DATE EFFECTIVE: Sept. 1, 1997

ISSUED BY: _____

Stephan D. Bell
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 96-527 Dated: August 25, 1997

C 1/98

**BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 19
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

STREET LIGHTING

APPLICABLE

Entire territory served

AVAILABILITY

State and local governments subject to established rules and regulations.

RATES PER LIGHT PER MONTH

70 Watt High Pressure Sodium (Ornamental)	\$ 5.02
100 Watt High Pressure Sodium (Ornamental)	\$ 6.44
250 Watt High Pressure Sodium (Ornamental)	\$ 8.41
70 Watt High Pressure (Colonial) (15-foot mounting height)	\$ 7.80

FUEL ADJUSTMENT CLAUSE

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 01 1997

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

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: Sept. 1, 1997

DATE EFFECTIVE: Sept. 1, 1997

ISSUED BY: *Stephan D. Bell*
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 96-527 Dated: August 25, 1997

C 1198

**BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO. _____

Revised SHEET NO. 20

CANCELING P.S.C. KY. NO. _____

_____ SHEET NO. _____

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-1

AVAILABILITY

Applicable to contracts with demands of 1,000 to 4,999 kW with a monthly energy usage equal to or greater than 425 hours per kW of billing demand. The contracts will be a two-party contract between the Seller and the ultimate consumer.

MONTHLY RATE

Consumer Charge	\$ 535.00
Demand Charge per kW of billing demand	5.39
Energy Charge per kWh	.02734

BILLING DEMAND

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

(a) The contract demand

(b) The ultimate consumer's peak demand during the current month or preceding eleven months. The peak demand shall be the highest average rate at which energy is used during any fifteen-minute intervals in the below listed hours for each month and adjust for power factors as provided herein:

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 01 1997

PURSUANT TO 807 KAR 15:011,
SECTION 9 (1)

BY: Stephan Bee
SECRETARY OF THE COMMISSION

DATE OF ISSUE: Sept. 1, 1997

DATE EFFECTIVE: Sept. 1, 1997

ISSUED BY: _____

(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 96-527 Dated: August 25, 1997

c/f 98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 21
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-1 - Continued

BILLING DEMAND - Continued

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

MINIMUM MONTHLY CHARGE

The 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.
- (c) The Consumer charge.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 0.90 (90%), the demand for billing purposes shall be demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor. EFFECTIVE

MAR 31 1996

PURSUANT TO 807 KAR 5.011.
SECTION 9 (1)

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

John C. Neel
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

C 1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 22
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-1 - Continued

FUEL ADJUSTMENT CLAUSE

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

SPECIAL PROVISIONS

1. Delivery Point - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.
All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.
2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the Consumer.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY: Jordan C. Neel
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

[Signature]
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

C 4/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 23
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-1 - Continued

TERMS OF PAYMENT

The above rates are net, and payment shall be due by the twenty-fourth (24th) of each month. The gross rates are 5% higher. In the event the current monthly bill is not paid within fifteen (15) days from the due date of the bill, the gross rate shall apply.

TEMPORARY SERVICE

Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Jason C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

Stephewer
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

C 1/98

**BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 24
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-2

AVAILABILITY

Applicable to contracts with demands of 5,000 to 9,999 kW with a monthly energy usage equal to or greater than 425 hours per kW of billing demand. These contracts will be a two-party contract between the Seller and the ultimate consumer.

MONTHLY RATE

Consumer Charge	\$1,069.00
Demand Charge per kW of billing demand	5.39
Energy Charge per kWh	.02234

BILLING DEMAND

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

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 01 1997

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

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: Sept. 1, 1997

DATE EFFECTIVE: Sept. 1, 1997

ISSUED BY: *Stephan D. Bell*
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 96-527 Dated: August 25, 1997

C 1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 26
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-2 - Continued

FUEL ADJUSTMENT CLAUSE

This 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 applicable provisions as set out in 807 KAR 5.056.

SPECIAL PROVISIONS

1. Delivery Point - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.
All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.
2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to the consumer's transformer structure unless otherwise specified in the contract for electric service. All wiring, pole lines, and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

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

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

DuShewer
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

C 1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 27
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-2 - Continued

TERMS OF PAYMENT

The above rates are net, and payment shall be due by the twenty-fourth (24th) of each month. The gross rates are 5% higher. In the event the current monthly bill is not paid within fifteen (15) days from the due date of the bill, the gross rate shall apply.

TEMPORARY SERVICE

Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

Steve Shewee
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

C 1/98

**BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO. _____

Revised SHEET NO. 28

CANCELING P.S.C. KY. NO. _____

_____ SHEET NO. _____

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-3

AVAILABILITY

Applicable to contracts with demands of 10,000 kW and over with a monthly energy usage equal to or greater than 425 hours per kW of billing demand. These contracts will be a two-party contract between the Seller and the ultimate consumer.

MONTHLY RATE

Consumer Charge	\$1,069.00
Demand Charge per kW of billing demand	5.39
Energy Charge per kWh	.02134

BILLING DEMAND

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

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 01 1997

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

BY: Stephan B. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: Sept. 1, 1997

DATE EFFECTIVE: Sept. 1, 1997

ISSUED BY: _____

David Shearer
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 96-527 Dated: August 25, 1997

C 1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO. _____

Revised SHEET NO. 29

CANCELING P.S.C. KY. NO. _____

SHEET NO. _____

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-3 - Continued

BILLING DEMAND - Continued

Months

Hours Applicable for
Demand Billing - EST

October through April

7:00 a.m. to 12:00 noon
5:00 p.m. to 10:00 p.m.

May through September

10:00 a.m. to 10 p.m.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Minimum Monthly Charge

MAR 3 1996

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

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

(a) The product of the billing demand multiplied by the demand charge, plus

BY Jonathan C. Neal
IN THE PUBLIC SERVICE COMMISSION

(b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh.

(c) The consumer charge.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 0.90 (90%), the demand for billing purposes shall be demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

Jonathan C. Neal
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

C 1/98

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-3 - Continued

FUEL ADJUSTMENT CLAUSE

This 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 applicable provisions as set out in 807 KAR 5.056.

SPECIAL PROVISIONS

1. Delivery Point - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.

All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.

2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to the consumer's transformer structure unless otherwise specified in the contract for electric service. All wiring, pole lines, and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

Don Shewer
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

C 1/98

**BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO. _____

Revised SHEET NO. 31

CANCELING P.S.C. KY. NO. _____

SHEET NO. _____

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C-3 - Continued

TERMS OF PAYMENT

The above rates are net, and payment shall be due by the twenty-fourth (24th) of each month. The gross rates are 5% higher. In the event the current monthly bill is not paid within fifteen (15) days from the due date of the bill, the gross rate shall apply.

TEMPORARY SERVICE

Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

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

BY: *Joshua C. Neal*
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

W. A. Chew
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

C 1/98

For Fox Creek District
Community, Town or City

P.S.C. No. 1

Original Sheet No. 84

Blue Grass Energy

Name of Issuing Corporation

Cancelling P.S.C. No. _____

Sheet No. _____

CLASSIFICATION OF SERVICE

SCHEDULE B1 LARGE INDUSTRIAL RATE

RATE

PER UNIT

Availability

Applicable to contracts with demand of 1,000 to 4,999 kw with a monthly energy usage equal to or greater than 425 hours per kw of contract demand.

Monthly Rate

Consumer Charge	\$565.00
Demand Charge per kw of contract demand	\$5.39
Demand Charge per kw of billing demand in excess of contract demand	\$7.82
Energy Charge per kwh	0.02715

Billing Demand

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

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

DATE OF ISSUE January 1, 1998

DATE EFFECTIVE January 1, 1998

ISSUED BY W. Brewer
Name of Officer

TITLE President/CEO
SECRETARY OF THE COMMISSION

Issued by authority of an Order of the Public Service Commission of KY
in Case No. 97-424 dated December 12, 1997.

98
C5/10

**BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 32
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-1

AVAILABILITY

Applicable to contracts with demands of 1,000 kW to 3,999 kW with a monthly energy usage equal to or greater than 425 hours per kW of billing demand.

MONTHLY RATE

Consumer Charge	\$535.00
Demand Charge per kW of Contract Demand	5.39
Demand Charge per kW for Billing Demand in Excess of Contract Demand	7.82
Energy Charge per kWh	.02755

BILLING DEMAND

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

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 01 1997

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

BY: Stephan D. Buel
SECRETARY OF THE COMMISSION

DATE OF ISSUE: Sept. 1, 1997

DATE EFFECTIVE: Sept. 1, 1997

ISSUED BY: _____

Dan Shewer
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 96-527 Dated: August 25, 1997

C 1198

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 85

Blue Grass Energy
Name of Issuing Corporation

Cancelling P.S.C. No. _____
Sheet No. _____

CLASSIFICATION OF SERVICE

SCHEDULE B1 LARGE INDUSTRIAL RATE RATE PER UNIT
Minimum Monthly Charge

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

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

Power Factor Adjustment

The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his billing demand is less than 0.90 (90%), the demand for billing purposes shall be the demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.

Fuel Adjustment

This 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 12 month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 01 1998

DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY D.W. Brewer TITLE President/CEO
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 97-424 dated December 12, 1997.

C 5/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 33
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-1 - Continued

MINIMUM MONTHLY CHARGE

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

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

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 0.90 (90%), the demand for billing purposes shall be demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.

FUEL ADJUSTMENT CLAUSE

This 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 applicable provisions as set out in 807 KAR 5.056.

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY _____

John D. Chewer
(Name of Officer)

TITLE: President/CEO

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

MAR 31 1996

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

BY: Jonathan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

C 1/98

For Fox Creek District
Community, Town or City
P.S.C. No. 1
Original Sheet No. 86

Blue Grass Energy
Name of Issuing Corporation

Cancelling P.S.C. No. _____
Sheet No. _____

CLASSIFICATION OF SERVICE

SCHEDULE B1 LARGE INDUSTRIAL RATE RATE PER UNIT
Special Provisions

1. Delivery Point - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.

All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.

2. If service is furnished at seller's primary line voltage, the delivery point shall be the point of attachment of seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines and other equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

Terms of Payment

The above rates are net, and payment shall be due fifteen days from the billing date. The gross rates are 5% higher. In the event the current monthly bill is not paid within fifteen (15) days, the gross rate shall apply.

Temporary Service

Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting or disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
JAN 01 1998

PURSUANT TO 807 KAR 5011,
DATE OF ISSUE January 1, 1998 DATE EFFECTIVE January 1, 1998
ISSUED BY D. W. Brewer TITLE President
Name of Officer BY: Stephen Bell
SECRETARY OF THE COMMISSION

Issued by authority of an Order of the Public Service Commission of KY
in Case No. 97-424 dated December 12, 1997.

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 34
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-1 - Continued

SPECIAL PROVISIONS

1. Delivery Point - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.

All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.

2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to the consumer's transformer structure unless otherwise specified in the contract for electric service. All wiring, pole lines, and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the Consumer.

TERMS OF PAYMENT

The above rates are net, and payment shall be due by the twenty-fourth (24th) of each month. The gross rates are 5% higher. In the event the current monthly bill is not paid within fifteen (15) days from the due date of the bill, the gross rate shall apply.

TEMPORARY SERVICE

Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

John Shewe
(Name of Officer)

TITLE: President/CEO
PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

MAR 31 1996

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY: *Jordan C. Neal*
FOR THE PUBLIC SERVICE COMMISSION

C1/98

**BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 35
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-2

AVAILABILITY

Applicable to contracts with demands of 4,000 kW and greater with a monthly energy usage equal to or greater than 425 hours per kW of contract demand.

MONTHLY RATE

Consumer Charge	\$1,069.00
Demand Charge per kW of Contract Demand	5.39
Demand Charge per kW for Billing Demand in Excess of Contract Demand	7.82
Energy Charge per kWh	.02255

BILLING DEMAND

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

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>	<u>PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.	SEP 01 1997
May through September	10:00 a.m. to 10 p.m.	PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY: <u>Stephan D. Bell</u> SECRETARY OF THE COMMISSION

DATE OF ISSUE: Sept. 1, 1997

DATE EFFECTIVE: Sept. 1, 1997

ISSUED BY: *Steve Shewer*
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 96-527 Dated: August 25, 1997

C 1/98

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-2 - Continued

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall not be less than the sum of (a) through (d) below, except during Force Majeur conditions:

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

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 0.90 (90%), the demand for billing purposes shall be demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.

FUEL ADJUSTMENT CLAUSE

This 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 applicable provisions as set out in 807 KAR 5.056.

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY _____

(Name of Officer)

TITLE: President/CEO

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

MAR 31 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Jordan C. Neel

C 1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. _____
Revised SHEET NO. 37
CANCELING P.S.C. KY. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-2 - Continued

SPECIAL PROVISIONS

1. Delivery Point - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.

All wiring, pole lines, other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer.

2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to the consumer's transformer structure unless otherwise specified in the contract for electric service. All wiring, pole lines, and other electrical equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the Consumer.

TERMS OF PAYMENT

The above rates are net, and payment shall be due by the twenty-fourth (24th) of each month. The gross rates are 5% higher. In the event the current monthly bill is not paid within fifteen (15) days from the due date of the bill, the gross rate shall apply.

TEMPORARY SERVICE

Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

W. A. Chewer
(Name of Officer)

TITLE: President/CEO

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 94-394 Dated July 26, 1995

MAR 31 1996

C1/98
PURSUANT TO 807 KAR 5:011,
SECTION 9(1)
BY: *Jordan C. Neel*
FOR THE PUBLIC SERVICE COMMISSION

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO. _____

Revised SHEET NO. _____

CANCELING P.S.C. KY. NO. _____

NEW SHEET NO. 38

CLASSIFICATION OF SERVICE

Interruptible Service

STANDARD RIDER

This Interruptible Rate is a rider to Rate Schedule LP-1 Large Power, LP-2 Large Power, C-1 Large Industrial Rate, C-2 Large Industrial Rate, C-3 Large Industrial Rate, and B-1 Large Industrial Rate.

APPLICABLE

In all territory served by the Cooperative.

AVAILABILITY OF SERVICE

This schedule shall be made available at any load center, to any member who 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 RATES

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

Notice Minutes	Annual Hours of Interruption		
	200	300	400
10	\$2.70	\$3.15	\$3.60
60	\$2.25	\$2.70	\$3.15

DATE OF ISSUE: May 9, 1996 DATE EFFECTIVE: July 1, 1996

ISSUED BY *[Signature]* TITLE: President/CEO
(Name of Officer)

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

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

JUL 01 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: *Jordan C. Neel*

C1/98

CLASSIFICATION OF SERVICE

Interruptible Service - Continued

DETERMINATION OF MEASURED LOAD - BILLING DEMAND

The monthly billing demand shall be the highest average rate at which energy is used during any fifteen consecutive minute period during the below listed hours:

Months	Hours Applicable for Demand Billing - E.S.T.
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

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 Cooperative's "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: May 9, 1996 DATE EFFECTIVE: July 1, 1996

ISSUED BY *[Signature]* TITLE: President/CEO
(Name of Officer)

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

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

JUL 01 1996

C 1198

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: *Jordan C. Neel*

CLASSIFICATION OF SERVICE

Interruptible Service - Continued

- 5. The minimum original contract period shall be one year and thereafter until terminated be 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.
- 6. The Fuel Adjustment Clause, as specified in the governing rate schedule, is applicable.
- 7. The Customer shall arrange his wiring so that interruptible service supplied under this rider shall be separately metered and segregated from firm service.
- 8. A Customer's plant is considered as one or more buildings which are served by a single electrical distribution system provided and operated by the Customer. When the size of the Customer's load necessitates the delivery of energy to the Customer's plant over more than one circuit, the company may elect to connect its circuits to different points on the customer's system.
- 9. Any transformers required in excess of those used for regular firm power shall be owned and maintained by the Customer.

CALCULATION OF MONTHLY BILL

The monthly bill is calculated on the following basis:

- A. Sum of customer 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.

DATE OF ISSUE: May 9, 1996 DATE EFFECTIVE: July 1, 1996

ISSUED BY *J. D. Chew* TITLE: President/CEO
(Name of Officer)

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

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

JUL 21 1996

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

BY: *Jordan C. Neel*

C 1198

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO. _____

Revised SHEET NO. _____

CANCELING P.S.C. KY. NO. _____

NEW SHEET NO. 41

CLASSIFICATION OF SERVICE

Interruptible Service - Continued

NUMBER AND DURATION OF INTERRUPTIONS

- A. Winter Season: There shall be no more than two (2) interruptions during any 24-hour period. No interruption shall last more than six hours.
- B. Summer Season: There shall be no more than one (1) interruption during any 24-hour period. 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.

CHARGE FOR FAILURE TO INTERRUPT

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

DATE OF ISSUE: May 9, 1996 DATE EFFECTIVE: July 1, 1996

ISSUED BY *D. W. Chewer* TITLE: President/CEO
(Name of Officer)

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUL 01 1996

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

BY: *Jordan C. Neel*

C 1198

BLUE GRASS RURAL ELECTRIC COOPERATIVE CORPORATION
OFF-PEAK ELECTRIC THERMAL STORAGE HEATING CONTRACT

This agreement made and entered into between BLUE GRASS
RURAL ELECTRIC COOPERATIVE CORPORATION (hereinafter called "BLUE
GRASS") AND
(hereinafter called "MEMBER", whether singular or plural)

WITNESSETH:

That in consideration of the mutual promises and covenants hereinafter set forth, the parties agree as follows:

1. In order to qualify for the ETS rate, Member shall purchase and install an electric thermal storage heating unit(s), (hereinafter called ETS unit(s) from BLUE GRASS.
2. Member may purchase an ETS Unit(s) from BLUE GRASS or from other sources, but must comply with the special metering and wiring specifications set forth by BLUE GRASS before the special discounted electric rate can be granted. BLUE GRASS or its representative will perform necessary modifications or replacement of existing house wiring at Member's request, and at Member's expense. An inspection by BLUE GRASS will be required for such wiring changes performed by other licensed electricians solely for the purpose of certifying conformance with the above mentioned specifications.

All modifications, additions, or replacement to existing wiring and equipment done by BLUE GRASS employees or representatives will be done in accordance with safety standards as outlined in the "National Electric Code".

3. After installation of the unit(s), BLUE GRASS guarantees a minimum of ten(10) hours off-peak storage availability per day during the seven(7) month heating season of October through April for ten(10) years from the date of installation.
4. BLUE GRASS further guarantees, subject to the approval of the Public Service Commission, that the rate for energy used by off-peak ETS unit(s), pursuant to BLUE GRASS tariff GS-2 OFF-PEAK RETAIL MARKETING RATE (ETS), shall be discounted no less than forty percent (40%) below the lowest cost rate block for regular residential or small commercial services, as appropriate, and as modified and approved from time to time by the Public Service Commission, for ten(10) years from date of installation.

MAR 31 1998

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

C 1/98

5. BLUE GRASS fully warrants parts and service on ETS unit(s) purchased from BLUE GRASS for three (3) years from date of installation.

Service availability on the remaining seven (7) years of the contract will be guaranteed by BLUE GRASS at the Member's expense.

BLUE GRASS will continue to service ETS unit(s) beyond the initial ten (10) year period only if such service is not available in the local marketplace.

6. Installed ETS unit (s) are considered permanent installations. Relocation of installed unit(s) inside or outside the home will void the free parts and service portion of the above mentioned warranty, unless the reinstallation is done by an ETS certified installer. It is recommended not to move heaters unless absolutely necessary.
7. Member agrees to participate in any electronic load control program initiated by BLUE GRASS, and approved by the Public Service Commission, that insures a minimum of ten (10) hours per day charging time for ETS unit(s).
8. The rate discount offered herein may be transferred or assigned to another member of BLUE GRASS who resides in, rents, leases, or purchases a residence equipped with approved ETS unit(s) providing such member abides by the terms of this contract and accompanying tariff.
9. BLUE GRASS retains the right to periodically inspect ETS unit(s) installations through its employees or representatives.
10. Discounted rates for ETS energy used are contingent upon modified wiring, equipment, and/or timing devices operating as specified by BLUE GRASS employees or representatives. In the event such operation is circumvented by causes other than negligence by authorized installers, or defects in material and/or equipment, or other causes beyond the reasonable control of Member, penalty equal to the product of 1.4 multiplied by the last block of the regular residential or small commercial rates shall apply to all ETS energy used.
11. All modifications, additions, or replacement to existing wiring and equipment done by BLUE GRASS employees or representatives will be done in accordance with safety standards as outlined in the "National Electric Code".

BLUE GRASS, its employees or representatives shall not be held liable for any damages resulting from the use of ETS 3 1998 unit(s) and members shall indemnify, defend, and save BLUE GRASS harmless therefrom.

PUBLIC SERVICE COMMISSION
KENTUCKY
EFFECTIVE

PURSUANT TO 807 KAR 5011,
SECTION 9(1)
BY: Gordon C. Neel
FOR THE PUBLIC SERVICE COMMISSION

C1198

This day of 19 .

BLUE GRASS RURAL ELECTRIC COOPERATIVE CORPORATION

BY: _____
(Employee/Representative)

MEMBER:

Member # _____

Location# _____

Meter# _____ Address: _____

Telephone: _____

PUBLIC SERVICE COMMISSION

OCT

BY: _____
MEMBER

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Justin C. Neal
FOR THE PUBLIC SERVICE COMMISSION

C 1/98

P.S.C. Ky. No.: 2
Cancels P.S.C. Ky. No.: 1

BLUE GRASS RURAL ELECTRIC COOPERATIVE CORPORATION

OF
NICHOLASVILLE, KENTUCKY

**RATES, RULES AND REGULATIONS
FOR FURNISHING**

**POLE USE
FOR CATV OPERATORS**

**AT VARIOUS LOCATIONS
WITHIN ITS SERVICE AREA**

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: *Jordan C. Neel*
FOR THE PUBLIC SERVICE COMMISSION

FILED WITH THE PUBLIC SERVICE COMMISSION OF KENTUCKY

ISSUED: March 1, 1996

EFFECTIVE: March 31, 1996

ISSUED BY: Blue Grass RECC

BY

Stephen

President/CEO

C11/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO.: 2
Revised SHEET NO.: 1
CANCELING P.S.C. KY NO.: 1
SHEET NO. _____

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate

APPLICABILITY

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

AVAILABILITY

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

RENTAL CHARGE

The yearly rental charges shall be as follows:

Two-party pole attachment	\$2.63
Three-party pole attachment	\$2.73
Two-party anchor attachment	\$2.97
Three-party anchor attachment	\$1.98
Two-party grounding attachment	\$0.42
Three-party grounding attachment	\$0.26

Pedestal attachment = Same as respective pole charges.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

Steve Brewer

(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 251-29 Dated May 12, 1993

C 1198

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO.: 2

Revised SHEET NO.: 2

CANCELING P.S.C. KY NO.: 1

SHEET NO. _____

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate - Continued

BILLING

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

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

SPECIFICATIONS

A. The attachment to poles covered by this tariff shall at all times conform to the requirements of the National Electrical Safety Code, 1981 Edition, and subsequent revisions thereof, except when the lawful requirements of public authorities may be more stringent, in which case the latter will govern.

B. The strength of poles covered by this treatment shall be sufficient to withstand the transverse and vertical load imposed upon them under the storm loading of the National Electrical Safety Code assumed for the area in which they are located.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

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

BY: Jordan C. Neel
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

John Chewer

(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 251-29 Dated May 12, 1993

C1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO.: 2
Revised SHEET NO.: 3
CANCELING P.S.C. KY NO.: 1
SHEET NO. _____

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate - Continued

ESTABLISHING POLE USE

A. Before the CATV operator shall make use of any of the poles of the Cooperative under this tariff, they shall notify the Cooperative of their intent in writing and shall comply with the procedures established by the Cooperative. The CATV operator shall furnish the Cooperative detailed construction plans and drawings for each pole line, together with necessary maps, indicating specifically the poles of the Cooperative, the number and character of the attachments to be placed on such poles, and rearrangements of the Cooperative's fixtures and equipment necessary for the attachment, and relocation or replacements of existing poles, and any additional poles that CATV intends to install.

The Cooperative shall, on the basis of such detailed construction plans and drawings, submit to the CATV operator a cost estimate (including overhead and less salvage value of materials) of all changes that may be required in each such pole line. Upon written notice by the CATV operator to the Cooperative that the cost estimate is approved, the Cooperative shall proceed with the necessary changes in pole lines covered by cost estimate. Upon completion of all changes, the CATV operator shall have the right hereunder to make attachments in accordance with the terms of the application of this tariff. The CATV operator shall, at his own expense, make attachments in such manner as not to interfere with the service of the Cooperative.

B. Upon completion of all changes, the CATV operator shall pay to the Cooperative the actual cost (including overhead and less salvage value of materials) of making such changes. The obligation of the CATV operator hereunder shall not be limited to amounts shown on estimates made by the Cooperative hereunder. An itemized statement of the actual cost of all such changes shall be submitted by the Cooperative to the CATV operator in a form mutually agreed upon.

C. Any reclearing of existing rights-of-way and any tree trimming necessary for the establishment of pole line attachments hereunder shall be performed by the CATV operator.

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY _____

(Name of Officer)

TITLE: President

PUBLIC SERVICE COMMISSION
OF KENTUCKY
SECTION 9(1)

Issued by authority of an Order of the Public Service Commission of Kentucky MAR 31 1996

in Case No. 251-29 Dated May 12, 1993

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Jordan C. Neal

C1198

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO.: 2
Revised SHEET NO.: 4
CANCELING P.S.C. KY NO.: 1
SHEET NO. _____

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate - Continued

ESTABLISHING POLE USE - Continued

D. All poles to which attachments have been made under this tariff shall remain the property of the Cooperative, and any payments made by the CATV operator for changes in pole line under this tariff shall not entitle the CATV operator to the ownership of any of said poles.

E. Any charges necessary for correction of substandard installation made by the CATV operator, where notice of intent had not been requested, shall be billed at rate equal to twice the charges that would have been imposed if the attachment had been properly authorized.

EASEMENTS AND RIGHTS-OF-WAY

A. The Cooperative does not warrant nor assure the CATV operator any rights-of-way privileges or easements, and if the CATV operator shall at any time be prevented from placing or maintaining its attachments on the Cooperative's poles, no liability on account thereof shall attach to the Cooperative. Each party shall be responsible for obtaining its own easements and right-of-way.

MAINTENANCE OF POLES, ATTACHMENTS, AND OPERATIONS

A. Whenever rights-of-way considerations or public regulations make relocation of a pole or poles necessary, such relocation shall be made by the Cooperative at its own expense, except that each party bear the cost of transferring its own attachments.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: *Jonathan C. Neal*
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

John Shaw
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 251-29 Dated May 12, 1993

C1198

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO.: 2
Revised SHEET NO.: 5
CANCELING P.S.C. KY NO.: 1
SHEET NO. _____

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate - Continued

MAINTENANCE OF POLES, ATTACHMENTS, AND OPERATIONS - Continued

B. Whenever it is necessary to replace or relocate an attachment, the Cooperative shall, before making such replacement or relocation, give forty-eight (48) hours notice (except in cases of emergency) to the CATV operator, specifying in said notice the time of such proposed replacement or relocation, and the CATV operator shall, at the time so specified, transfer its attachments to the new or relocated pole. Should the CATV operator fail to transfer its attachments to the new or relocated pole at the time specified for such transfer of attachments, the Cooperative may elect to do such work and the CATV operator shall pay the Cooperative the cost thereof.

C. Any existing attachment of CATV which does not conform to the specifications as set out in this tariff hereof shall be brought to conformity therewith as soon as practical. The Cooperative, because of the importance of its service, reserves the right to inspect each new installation of the CATV operator on its poles and in the vicinity of its lines or appurtenances. Such inspection, made or not, shall not operate to relieve the CATV operator of any responsibility, obligation or liability assumed under the tariff.

D. The Cooperative reserves to itself, its successor and assigns, the right to maintain its poles and to operate its facilities thereon in such manner as will, in its own judgment, best enable it to fulfill its own service requirements. The Cooperative shall not be liable to the CATV operator for any interruption in service of CATV operator or for interference with the operation of the cables, wires and appliances of the CATV operator arising in any manner out of the use of the Cooperative's poles hereunder.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

[Signature]

(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 251-29 Dated May 12, 1993

C1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO.: 2
Revised SHEET NO.: 6
CANCELING P.S.C. KY NO.: 1
SHEET NO. _____

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate - Continued

MAINTENANCE OF POLES, ATTACHMENTS, AND OPERATIONS - Continued

D. - Continued

The Cooperative shall exercise reasonable care to avoid damaging the facilities of the CATV operator, made an immediate report to the CATV operator of the occurrence of any such damage caused by its employees, agents or contractors, and, except for removal for non-payment or for failure to post or maintain the required "Performance Bond", agrees to reimburse the CATV operator for all reasonable cost incurred by the CATV operator for the physical repair of facilities damaged by the negligence of the Cooperative.

INSPECTIONS

A. Periodic Inspections - Any unauthorized or unreported attachment by CATV operator will be billed at a rate of two times the amount equal to the rate that would have been due, had the installation been made the day after the last previously required inspection.

B. Made-Ready Inspection - Any "make-ready" inspection of "walk-through" inspection required of the Cooperative will be paid for by the CATV operator at a rate equal to the Cooperative's actual expenses, plus appropriate overhead charges.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 3 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Jordan C. Nash
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

W. A. Shew

(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 251-29 Dated May 12, 1993

C 1198

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO.: 2
Revised SHEET NO.: 7
CANCELING P.S.C. KY NO.: 1
SHEET NO. _____

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate - Continued

INSURANCE OR BOND

A. The CATV operator agrees to defend, indemnify and save harmless the Cooperative from any and all damages, loss, claim, demand, suit, liability, penalty or forfeiture of every kind and nature, including, but not limited to, costs and expenses of defending against the same and payment of any settlement or judgment therefor, by reason of (a) injuries or deaths to persons, (b) damages to or destruction of properties, (c) pollutions, contaminations of or other adverse effects on the environment or (d) violations of governmental laws, regulations or orders whether suffered directly by the Cooperative itself, or indirectly by reason of claims, demands or suits against it by third parties, resulting or alleged to have resulted from acts or omissions of the CATV operator, its employees, agents or other representatives or from their presence on the premises of the Cooperative, either solely or in concurrence with any alleged joint negligence of the Cooperative. The Cooperative shall be liable for sole active negligence.

B. The CATV operator will provide from a company authorized to do business in the Commonwealth of Kentucky:

Protection for its employees to the extent required by Workmen's Compensation Law of Kentucky.

Public liability coverage with separate coverage for each town or city in which the CATV operator operates under this contract to a minimum amount of \$100,000.00 for each person and \$300,000.00 for each accident or personal injury or death, and \$25,000.00 as to the property of any one person, and \$100,000.00 as to any once accident or property damage.

Before beginning operations under this tariff, the CATV operator shall cause to be furnished to the Cooperative a certificate for such coverage, evidencing the existence of such coverage. Each policy required hereunder shall contain a contractual endorsement written as follows: PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 3 1996

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 1, 1996 PURSUANT TO 1996 KAR 5011, SECTION 9 (1)

ISSUED BY *John Chew*
(Name of Officer)

TITLE: President/CEO
FOR THE PUBLIC SERVICE COMMISSION

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 251-29 Dated May 12, 1993

C1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO.: 2
Revised SHEET NO.: 8
CANCELING P.S.C. KY NO.: 1
SHEET NO. _____

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate - Continued

INSURANCE OR BOND - Continued

"The insurance or bond provided herein shall also be for the benefit of Blue Grass Rural Electric Cooperative Corporation, so as to guarantee, within the coverage limits, the performance by the insured of any indemnity agreement set forth in this tariff. This insurance or bond may not be canceled for any cause without thirty (30) days advance notice being first given to Blue Grass Rural Electric Cooperative Corporation."

CHANGE OF USE PROVISION

When the Cooperative subsequently requires a change in its poles or attachment for any reasons unrelated to the CATV operations, the CATV operator shall be given forty-eight (48) hours notice of the proposed change (except in case of emergency). If the CATV operator is unable or unwilling to meet the Cooperative's time schedule for such changes, the Cooperative may do the work and charge the CATV operator its reasonable cost for performing the change of CATV attachments.

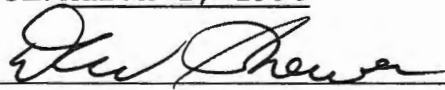
ABANDONMENT

A. If the Cooperative desires at any time to abandon any pole to which the CATV operator has attachments, it shall give the CATV operator notice in writing to that effect at least thirty (30) days prior to the date on which it intends to abandon such pole. If, at the expiration of said period, the Cooperative shall have no attachments on such pole, but the CATV operator shall not have removed all of its attachments therefrom, such pole shall thereupon become the property of the CATV operator, and the CATV operator shall save harmless the Cooperative from all obligation, liability, damages, cost, expenses, or charges incurred thereafter; and shall pay the Cooperative for such pole an amount equal to the Cooperative's depreciated cost thereof.

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY



(Name of Officer)

TITLE: President

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Issued by authority of an Order of the Public Service Commission of Kentucky MAR 31 1996
in Case No. 251-29 Dated May 12, 1993

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Jordan C. Neal

C 4/98

**BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO.: 2
Revised SHEET NO.: 9
CANCELING P.S.C. KY NO.: 1
SHEET NO. _____

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate - Continued

ABANDONMENT - Continued

The Cooperative shall further evidence transfer to the CATV operator of title to the pole by means of a bill of sale.

B. The CATV operator may at any time abandon the use of the attached pole by giving due notice thereof in writing to the Cooperative and by removing therefrom any and all attachments it may have thereon. The CATV operator shall in such case pay to the Cooperative the full rental for said pole for the then current billing period.

RIGHTS OF OTHERS

Upon notice from the Cooperative to the CATV operator that the use of any pole or poles is forbidden by municipal or other public authorities or by property owners, the permit governing the use of such pole or poles shall immediately terminate and the CATV operator shall remove its facilities from the affected pole or poles at once. No refund of any rental will be due on account of any removal resulting from such forbidden use.

PAYMENT OF TAXES

Each party shall pay all taxes and assessments lawfully levied on its own property upon said attached poles, and the taxes and the assessments which are levied on said property shall be paid by the owner thereof, but any tax fee, or charge levied on the Cooperative's poles solely because of their use by the CATV operator shall be paid by the CATV operator.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

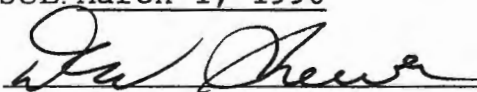
MAR 31 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996
FOR THE PUBLIC SERVICE COMMISSION

ISSUED BY



(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 251-29 Dated May 12, 1993

C 1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO.: 2
Revised SHEET NO.: 10
CANCELING P.S.C. KY NO.: 1
SHEET NO. _____

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate - Continued

BOND OR DEPOSITOR PERFORMANCE

A. The CATV operator shall furnish bond or satisfactory evidence of contractual insurance coverage from the purposes hereinafter specified in the amount of twenty-five thousand dollars (\$25,000), until such time as the CATV operator shall occupy twenty-five hundred (2,500) poles of the Cooperative and thereafter the amount thereof shall be increased to increments of one-thousand dollars (\$1,000), for each one-hundred (100) poles (or fraction thereof) occupied by the CATV operator, evidence of which shall be presented to the Cooperative fifteen (15) days prior to beginning construction. Such bond or insurance shall contain the provision that it shall not be terminated prior to six (6) months after receipt by the Cooperative of written notice of the desire of the Bonding or Insurance Company to terminate such bond or insurance. Upon receipt of such notice, the Cooperative shall request the CATV operator to immediately remove its cables, wires, and all other facilities from all poles of the Cooperative. If the CATV operator should fail to complete the removal of all its facilities from the poles of the Cooperative within thirty (30) days after receipt of such request from the Cooperative, then the Cooperative shall have the right to remove them at the cost and expense of the CATV operator and without being liable for any damage to the CATV operator's wires, cables, fixtures, or appurtenances. Such bond or insurance shall guarantee the payment of any sums which may become due to the Cooperative for rentals, inspections or work performed for the benefit of the CATV operator under this tariff, including the removal of attachments upon termination of service by any of its provisions.

B. After the CATV operator has been a customer of the Cooperative and not in default for a period of two years, the Cooperative shall reduce the bond by 50%, or, at the Cooperative's option, require a deposit in keeping with 807 KAR 5:006, Section 7.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

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

BY: *Jonathan C. Neal*
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

Alan Shaw

(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 251-29 Dated May 12, 1993

C 1/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO.: 2
Revised SHEET NO.: 11
CANCELING P.S.C. KY NO.: 1
SHEET NO. _____

CLASSIFICATION OF SERVICE

Cable Television Attachment Rate - Continued

USE OF ANCHORS

The Cooperative reserves the right to prohibit the use of any existing anchors by CATV operator where the strength or conditions of said anchors cannot be readily identified by visual inspection.

DISCONTINUANCE OF SERVICE

The Cooperative may refuse or discontinue serving an applicant or customer under the conditions set out in 807 KAR 5:006, Section 11.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 3 1996

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

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

[Signature]
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 251-29 Dated May 12, 1993

C 1/98

P.S.C. Ky. No.: 2
Cancels P.S.C. Ky. No.: 1

BLUE GRASS RURAL ELECTRIC COOPERATIVE CORPORATION

OF
NICHOLASVILLE, KENTUCKY

**RATES, RULES AND REGULATIONS
FOR PURCHASING
ELECTRIC POWER SERVICE
AT VARIOUS LOCATIONS
WITHIN ITS SERVICE AREA**

**QUALIFIED COGENERATION AND
SMALL POWER PRODUCTION
FACILITIES OF 100 KW OR LESS**

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: *Jason C. Neal*
PUBLIC SERVICE COMMISSION

FILED WITH THE PUBLIC SERVICE COMMISSION OF KENTUCKY

ISSUED: March 1, 1996

EFFECTIVE: March 31, 1996

ISSUED BY Blue Grass RECC

BY *Jason C. Neal*
President/CEO

C 1/198

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO.: 2

Revised SHEET NO.: 1

CANCELING P.S.C. KY NO.: 1

SHEET NO. _____

CLASSIFICATION OF SERVICE

Cogeneration and Small Power Production Rate Schedule

AVAILABILITY

Available only to qualified cogenerators and small power producers with a rated capacity of 100 kW or less which have executed a contract for the sale of power to Blue Grass RECC.

RATE SCHEDULE

1. Capacity - \$0.00

2. Energy

A base payment per kWh of energy as listed below for the appropriate calendar years:

<u>Year</u>	<u>0-50 MW</u>	<u>50-100 MW</u>
1982	1.463 cents	1.421 cents
1983	1.535 cents	1.499 cents
1984	1.686 cents	1.659 cents
1985	1.625 cents	1.596 cents
1986	1.732 cents	1.711 cents
1987	1.897 cents	1.870 cents

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

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

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

[Signature]

(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 8566 Dated June 28, 1984

C 4/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO.: 2

Revised SHEET NO.: 2

CANCELING P.S.C. KY NO.: 1

SHEET NO. _____

CLASSIFICATION OF SERVICE

Cogeneration and Small Power Production Rate Schedule - Continued

TERMS AND CONDITIONS

1. All payments due the seller are payable on or before the twentieth day of the month following the month for which payment is due unless other arrangements are specifically contracted for.
2. All power from qualifying facilities will be sold to Blue Grass RECC.
3. Seller shall provide good quality electric power within reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
4. Seller shall provide reasonable protection for the Blue Grass RECC system and East Kentucky Power System including, but not limited to, the following:
 - a. Synchronization
 - b. Phase and Ground Faults
 - c. High or Low Voltage
 - d. High or Low Frequency
5. Seller shall provide lockable disconnect switch accessible at all times by Blue Grass RECC and East Kentucky Power personnel.
6. Seller shall design, construct, install, own, operate, and maintain the qualifying facility in accordance with all applicable codes, laws, regulation and generally accepted utility practice.
7. Seller's plans must be approved by Blue Grass RECC and East Kentucky Power Cooperative.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Jordan C. Neel

DATE EFFECTIVE: March 31, 1996

DATE OF ISSUE: March 1, 1996

ISSUED BY [Signature]
(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 8566 Dated June 28, 1984

C 1/95

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO.: 2

Revised SHEET NO.: 3

CANCELING P.S.C. KY NO.: 1

SHEET NO. _____

CLASSIFICATION OF SERVICE

Cogeneration and Small Power Production Rate Schedule - Continued

TERMS AND CONDITIONS - Continued

8. Seller shall maintain operations and maintenance records including start-up and down time.
9. Seller shall reimburse Blue Grass RECC for any additional costs as a result of interconnecting with the seller including operation, maintenance, administration and billing expense.
10. Seller shall allow 24 hours access to all metering equipment for Blue Grass RECC and East Kentucky Power personnel.
11. Seller shall contract with member cooperative for stand-by power to meet seller's power needs when seller's generation is down.
12. Seller shall provide space for the interconnection facility at no cost to Blue Grass RECC or East Kentucky Power Cooperative.
13. Seller agrees to indemnify and hold harmless Blue Grass RECC, East Kentucky Power Cooperative, their directors, officers, employees or agents from all actions except as may be solely caused by them.
14. Seller shall obtain insurance in at least the following amounts for each occurrence:
 - a. Public Liability for Bodily Injury - \$1,000,000
 - b. Property Damage - \$500,000
15. Seller shall have sole responsibility for the safety and electrical protection of seller's facilities.
16. Initial contract term shall be for a minimum of two years. Contract may be terminated by Blue Grass RECC for a material breach by seller of its obligation upon 30 days notice.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY *[Signature]*
(Name of Officer)

TITLE: President/CEO

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)
BY: *[Signature]*
FOR THE PUBLIC SERVICE COMMISSION

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 8566 Dated June 28, 1984

C 1/98

P.S.C. Ky. No.: 2
Cancels P.S.C. Ky. No.: 1

BLUE GRASS RURAL ELECTRIC COOPERATIVE CORPORATION

OF
NICHOLASVILLE, KENTUCKY

**RATES, RULES AND REGULATIONS
FOR PURCHASING
ELECTRIC POWER SERVICE
AT VARIOUS LOCATIONS
WITHIN ITS SERVICE AREA
FROM**

**QUALIFIED COGENERATION AND
SMALL POWER PRODUCTION
FACILITIES OVER 100 KW**

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

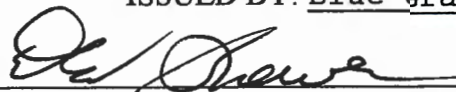
MAR 3 1996

PURSUANT TO 007 KAR 5.011,
SECTION 9 (1)
FILED WITH THE PUBLIC SERVICE COMMISSION OF KENTUCKY BY: John C. Neal
FOR THE PUBLIC SERVICE COMMISSION

ISSUED: March 1, 1996

EFFECTIVE: March 31, 1996

ISSUED BY: Blue Grass RECC

BY 
President/CEO

C 11/98

BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO.: 2

Revised SHEET NO.: 1

CANCELING P.S.C. KY NO.: 1

SHEET NO. _____

CLASSIFICATION OF SERVICE

Cogeneration and Small Power Production Rate Schedule

AVAILABILITY

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PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 31 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Justin C. Neal
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 31, 1996

ISSUED BY

John Dewar

(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 8566 Dated June 28, 1984

C 1/98

**BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO.: 2

Revised SHEET NO.: 2

CANCELING P.S.C. KY NO.: 1

SHEET NO. _____

CLASSIFICATION OF SERVICE

Cogeneration and Small Power Production Rate Schedule - Continued

TERMS AND CONDITIONS

1. All payments due the seller are payable on or before the twentieth day of the month following the month for which payment is due unless other arrangements are specifically contracted for.
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4. Seller shall provide reasonable protection for the Blue Grass RECC system and East Kentucky Power System including, but not limited to, the following:
 - a. Synchronization
 - b. Phase and Ground Faults
 - c. High or Low Voltage
 - d. High or Low Frequency
5. Seller shall provide lockable disconnect switch accessible at all times by Blue Grass RECC and East Kentucky Power personnel.
6. Seller shall design, construct, install, own, operate, and maintain the qualifying facility in accordance with all applicable codes, laws, regulation and generally accepted utility practice.
7. Seller's plans must be approved by Blue Grass RECC and East Kentucky Power.

PUBLIC SERVICE COMMISSION
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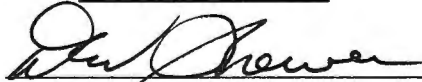
MAR 31 1996

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

DATE OF ISSUE: March 1, 1996

DATE EFFECTIVE: March 1, 1996

ISSUED BY



(Name of Officer)

TITLE: President/CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 8566 Dated June 28, 1984

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BLUE GRASS RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED

P.S.C. KY NO.: 2

Revised SHEET NO.: 3

CANCELING P.S.C. KY NO.: 1

SHEET NO. _____

CLASSIFICATION OF SERVICE

Cogeneration and Small Power Production Rate Schedule - Continued

TERMS AND CONDITIONS - Continued

8. Seller shall maintain operations and maintenance records including start-up and down time.
9. Seller shall reimburse Blue Grass RECC for any additional costs as a result of interconnecting with the seller including operation, maintenance, administration and billing expense.
10. Seller shall allow 24 hours access to all metering equipment for Blue Grass RECC and East Kentucky Power personnel.
11. Seller shall contract with member cooperative for stand-by power to meet seller's power needs when seller's generation is down.
12. Seller shall provide space for the interconnection facility at no cost to Blue Grass RECC or East Kentucky Power Cooperative.
13. Seller agrees to indemnify and hold harmless Blue Grass RECC, East Kentucky Power Cooperative, their directors, officers, employees or agents from all actions except as may be solely caused by them.
14. Seller shall obtain insurance in at least the following amounts for each occurrence:
 - a. Public Liability for Bodily Injury - \$1,000,000
 - b. Property Damage - \$500,000
15. Seller shall have sole responsibility for the safety and electrical protection of seller's facilities.
16. Initial contract term shall be for a minimum of two years. Contract may be terminated by Blue Grass RECC for a material breach by seller of its obligation upon 30 days notice.

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BY: Jordan C. Neal

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[Signature]

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FOR THE PUBLIC SERVICE COMMISSION

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