P.S.C. KY NO. 5

CANCELS P.S.C. KY NO. 4

EAST KENTUCKY POWER COOPERATIVE, INC.

OF

WINCHESTER, KENTUCKY

RATES, RULES, AND REGULATIONS FOR PURCHASING ELECTRIC POWER AND ENERGY

AT

VARIOUS LOCATIONS THROUGHOUT KENTUCKY

FROM

QUALIFIED COGENERATION AND

SMALL POWER PRODUCTION FACILITIES

C 6/1/2008

FILED WITH THE PUBLIC SERVICE COMMISSION OF KENTUCKY

ISSUED December 2, 2004

EFFECTIVE January 1, 2005

ISSUED BY EAST KENTUCKY POWER COOPERATIVE, INC.

Roy M. Palk

BY

PUBLIC SERVICE COMMISSION

OF KENTUCKY

EFFECTIVE

1/1/2005

PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

President and Chief Executive Officer

Ву

Executive Director

COGENERATION AND SMALL POWER PRODUCTION POWER PURCHASE RATE SCHEDULE OVER 100 kW

AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of over 100 kW which have executed a contract with East Kentucky Power Cooperative and one of EKPC's member distribution systems for the purchase of electric power by East Kentucky Power Cooperative.

RATES

- 1. Capacity
 - a. \$8.47 per kW per year is applicable if cogenerator or small power producer is dispatched (R) by East Kentucky Power Cooperative.
 - b. \$0.00110 per kWh is applicable if cogenerator or small power producer is not dispatched (R) by East Kentucky Power Cooperative.
- 2. Energy A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.
 - a. Time Differentiated Rates:

	Wi	nter	Sun	nmer
Year	On-Peak	Off-Peak	On-Peak	Off-Peak
2005	\$0.04565	\$0.03311	\$0.04093	\$0.01991
2006	\$0.04280	\$0.03116	\$0.04304	\$0.02115
2007	\$0.04479	\$0.03179	\$0.04251	\$0.02129
2008	\$0.04256	\$0.02929	\$0.04506	\$0.01874
2009	\$0.03876	\$0.02682	\$0.03901	\$0.01667

b. Non-T	ime Differentiated	Rates:		PUBLIC SERVICE COMMISSION
Year	2005	2006	2007	2008 F KENTUS 009
Rate	\$0.03502	\$0.03437	\$0.03498	\$0.03360 1/1/20\$9.03014 (I)
				PURSUANT TO 807 KAR 5:011
DATE OF ISS	SUE December 2,	2004	DATE EFFEC	TIVE JanuarySEC2005N 9 (1)
ISSUED BY_		TITL	E <u>President &</u>	Chi

EAST KENTUCKY POWER COOPERATIVE, INC.

The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

Winter (October - April)

On-Peak

7:00 a.m. - 12:00 noon

5:00 p.m. - 10:00 p.m.

Off-Peak

12:00 noon - 5:00 p.m.

10:00 p.m. - 7:00 a.m.

Summer (May - September)

On-Peak

10:00 a.m. - 10:00 p.m.

Off-Peak

10:00 p.m. - 10:00 a.m.

TERMS AND CONDITIONS

- 1. All power from a Qualifying Facility (QF) will be sold only to East Kentucky Power Cooperative.
- 2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
- 3. Qualifying Facility (QF) shall provide reasonable protection for EKPC and the member cooperative's system.
- Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the Qualifying Facility in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
- Qualifying Facility shall reimburse EKPC and its member cooperative for all costs incurred
 as a result of interconnecting with the QF, including operation, maintenance, administration,
 and billing.

		PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 1/1/2005 PURSUANT TO 807 KAR 5:011
DATE OF ISSUE December 2, 2004	DATE EFFEC	TIVE <u>January 9</u> 2003 N 9 (1)
ISSUED BY	TITLE President &	Chie By Executive Director

For Area Served P.S.C. No. 5 Original Sheet No. 3 Canceling P.S.C. No. 4 Original Sheet No. 3

EAST KENTUCKY POWER COOPERATIVE, INC.

- 6. Qualifying Facility shall obtain insurance in the following minimum amounts for each occurrence:
 - a. Public Liability for Bodily Injury \$1,000,000.00
 - b. Property Damage \$500,000.00
- 7. Initial contract term shall be for a minimum of twenty years.
- 8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.

PUBLIC SERVICE COMMISSION OF KENTUCKY **EFFECTIVE** 1/1/2005

PURSUANT TO 807 KAR 5:011 DATE EFFECTIVE January SECOLOSN 9 (1)

DATE OF ISSUE December 2, 2004

TITLE President & Chic

ISSUED BY

Executive Director

COGENERATION AND SMALL POWER PRODUCTION POWER PURCHASE RATE SCHEDULE LESS THAN 100 kW

AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of less than 100 kW which have executed a contract with East Kentucky Power Cooperative and one of EKPC's member distribution systems for the purchase of electric power by East Kentucky Power Cooperative.

RATES

- 1. Capacity
 - a. \$8.47 per kW per year is applicable if cogenerator or small power producer is dispatched (R) by East Kentucky Power Cooperative.
 - b. \$0.00110 per kWh is applicable if cogenerator or small power producer is not dispatched (R) by East Kentucky Power Cooperative.
- 2. Energy A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.
 - a. Time Differentiated Rates:

	Wi	nter	Sun	<u>mer</u>
Year	On-Peak	Off-Peak	On-Peak	Off-Peak
2005	\$0.04565	\$0.03311	\$0.04093	\$0,01991
2006	\$0.04280	\$0.03116	\$0.04304	\$0.02115
2007	\$0.04479	\$0.03179	\$0.04251	\$0.02129
2008	\$0.04256	\$0.02929	\$0.04506	\$0.01874
2009	\$0.03876	\$0.02682	\$0.03901	\$0.01667

b. Non-T	ime Differentiated	Rates:		PUBLIC SERVICE COMMISSION
Year	2005	2006	2007	2008 F KENTUS 68
Rate	\$0.03502	\$0.03437	\$0.03498	\$0.03360 1/1/20\$0.03014 (I)
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For Area Served P.S.C. No. 5 Original Sheet No. 5 Canceling P.S.C. No. 4 Original Sheet No. 5

EAST KENTUCKY POWER COOPERATIVE, INC.

The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

Winter (October - April)

On-Peak 7:00 a.m. - 12:00 noon

5:00 p.m. - 10:00 p.m.

Off-Peak 12:00 noon - 5:00 p.m.

10:00 p.m. - 7:00 a.m.

Summer (May - September)

On-Peak 10:00 a.m. - 10:00 p.m.

Off-Peak 10:00 p.m. - 10:00 a.m.

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TERMS AND CONDITIONS

- 6. All power from a Qualifying Facility (QF) will be sold only to East Kentucky Power Cooperative.
- 7. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
- 8. Qualifying Facility (QF) shall provide reasonable protection for EKPC and the member cooperative's system.
- Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the Qualifying Facility in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
- 10. Qualifying Facility shall reimburse EKPC and its member cooperative for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

		PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 1/1/2005 PURSUANT TO 807 KAR 5:011
DATE OF ISSUE <u>December 2, 2004</u> ISSUED BY	DATE EFFEC	TIVE January F, 2003 9 (1)
ISSUED BI	TITLE President &	Executive Director

For Area Served P.S.C. No. 5 Original Sheet No. 6 Canceling P.S.C. No. 4 Original Sheet No. 6

EAST KENTUCKY POWER COOPERATIVE, INC.

- 7. Qualifying Facility shall obtain insurance in the following minimum amounts for each occurrence:
 - a. Public Liability for Bodily Injury \$1,000,000.00
 - b. Property Damage \$500,000.00
- 9. Initial contract term shall be for a minimum of twenty years.
- 10. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.

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		PUBLIC SERVICE COMMISSION OF KENTUCKY
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ISSUED BY	TITLE President &	PURSUANT TO 807 KAR 5:011 Chief Executive HOfficer 9 (1)
		By Executive Director

Section DSM-1

Touchstone Energy Manufactured Home Program

Purpose

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

Availability

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

2/28/2008

Eligibility

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

Rebate

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

Annual Reports

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

The Touchstone Energy Manufactured Home Program will remain in effect through 2007. If EKPC should decide to continue the rebate provision of the Program beyond 2004 or the entire program beyond 2007, an application for approval from the Kentucky Public Service Commission will be filed 6 months for to the date of continuation

prior to the date of continuation.	
	PUBLIC SERVICE COMMISSION
DATE OF ISSUE December 20, 2007 DATE EFFECTIVE: Serv	ice rendered of and the December 5,
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	SECTION 9 (1)
Issued by authority of an Order of the Public Service Commission	of Kentuckv in

Case No. 2007-00472 Dated December 5, 2007

RATE ES - ENVIRONMENTAL SURCHARGE

APPLICABILITY

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

AVAILABILITY

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

RATE

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

CESF = E(m) / R(m)

MESF = CESF - BESF

MESF = Monthly Environmental Surcharge Factor

CESF = Current Environmental Surcharge Factor

BESF = Base Environmental Surcharge Factor of 0.51%

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

Definitions

(1) E(m) = [(RB/12)(RORB) + OE - BAS + (Over)Under Recovery

where:

", 200

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

(b) RORB is the Rate of Return on the Environmental Compliance Rate Base, designated as the average cost of debt for environmental compliance plan projects approved by the Commission plus application of SERS/INESCAMAS SACONDE 1.15;

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Issued by authority of an Order of the Public Service Commission of Case No. 2007-00472 Dated December 5, 2007

By

By

Executive Director

Per Executive Officer

P.S.C. No. 32 Original Sheet No. 25 Canceling P.S.C. No. 31 Original Sheet No. 25

EAST KENTUCKY POWER COOPERATIVE, INC

- (c) OE is the Monthly Pollution Control Operating Expenses, defined as the average of the twelve month operating and maintenance expense; depreciation expense, property taxes, insurance expense, emission allowance expense, and consulting fees. O&M expense for the pollution-control related equipment at the Gilbert generating unit will be recovered by including an average of the monthly expense as the Unit begins operation;
- (d) BAS is the net proceeds from By-Products and Emission Allowance Sales, and;
- (e) (Over) or Under recovery amount as amortized from prior six-month period.
- (2) Total E(m) is multiplied by the Member System Allocation Ratio to arrive at Net E(m). The Member System Allocation Ratio is based on the ratio of the 12-month total revenue from sales to Member Systems to which the Surcharge will be applied, ending with the current expense month, divided by the 12-month total revenue from sales to Member Systems and off-system sales.
- (3) The revenue R(m) is the average monthly revenue, including base revenues and automatic adjustment clause revenues less Environmental Cost Recovery Surcharge revenues, for EKPC for the twelve months ending with the current expense month.
- (4) The current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.

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Issued by authority of an Order of the Public Service Commission Case No. 2007-00472 Dated December 5, 2007	
Ouso 110. 2007 VV172 Dated December 3, 2007	By Executive Director

For All Counties Served P.S.C. No. 32 First Revised Sheet No. 26 Canceling PSC No. 32 Original Sheet No. 26

EAST KENTUCKY POWER COOPERATIVE, INC.

Section DSM - 3

Resumption of Direct Load Control of Water Heaters Program Resumption of Direct Load Control of Air-Conditioners Program T

Purpose

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

Availability

Both the Direct Load Control of Water Heaters Program and the Direct Load Control of Air Conditioners Program are available to residential customers in the service territories of EKPC Member System Blue Grass Energy. The Direct Load Control of Water Heaters Program is available at EKPC Member System Big Sandy RECC.

Availability may be denied where, in the judgment of the Member System, installation of the load control equipment is impractical.

Availability is limited to 400 switches on central air conditioning or heat pump units and on electric water heater units for residential customers of Member System Blue Grass Energy.

Availability is limited to 300 switches on electric water heating units for customers of Member System Big Sandy RECC.

Eligibility

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

interrupted in accordance with the rules of this Tariff.	
Only those customers participating in this program as of Septen	ib 伊设度は200多型RYISE IC OMMISSION OF KENTUCKY
DATE OF ISSUE April 8, 2008 DATE EFFECTIVE: Service rend	ered on and after March 20, 2008
ISSUED BY At make President & Chief	Executive SHANT TO 807 KAR 5:011 SECTION 9 (1)
Issued by authority of an Order of the Public Service Commission of	Kentucky in
Case No. 2007-00553 Dated March 20, 2008	By
6 V.V.	Executive Director

For All Counties Served P.S.C. No. 32 Original Sheet No. 26 Canceling PSC No. 31 Original Sheet No. 26

EAST KENTUCKY POWER COOPERATIVE, INC.

Section DSM - 3

Direct Load Control of Water Heaters Program

Direct Load Control of Air-Conditioners Program

Purpose

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Availability is limited to 300 switches on electric water heating units for customers of Member System Big Sandy RECC.

Eligibility

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

DATE OF ISSUE December 20, 2007 DATE EFFECTIVE: Service rendered on and after the december 5, 2007

ISSUED BY TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of K

Executive Director

For All Counties Served P.S.C. No. 32 First Revised Sheet No. 27 Canceling PSC. 32 Original Sheet No. 27

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EAST KENTUCKY POWER COOPERATIVE, INC.

Incentive - Direct Load Control of Water Heaters Program

EKPC and Member Systems Big Sandy RECC and Blue Grass Energy will continue to provide an incentive to the participants in this program. EKPC will credit the wholesale power bill of both Blue Grass Energy and Big Sandy RECC \$10.00 per switch. Blue Grass Energy and Big Sandy in turn will credit the residential power bill of the participant \$10.00 per switch. The participant will receive this credit regardless of whether the water heater is cycled.

Incentive - Direct Load Control of Air-Conditioners Program

EKPC and Member System Blue Grass Energy will continue to provide an incentive to the participants in this program. EKPC will credit the wholesale power bill of Blue Grass Energy \$20.00 per switch. Blue Grass Energy in turn will credit the residential power bill of the participant \$20.00 per switch. The participant will receive this credit regardless of whether the air conditioner or heat pump is cycled.

Time Period for the Direct Load Control of Water Heaters Program

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

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

Months October through April

May through September

Hours Applicable for Demand Billing - EST

6:00 a.m. to 12:00 noon 4:00 p.m. to 10:00 p.m. 10:00 a.m. to 10:00 p.m.

Time Period for the Direct Load Control of Air Conditioners

A load control air conditioning switch will be placed on each central air conditioning unit or heat pump that will allow the unit to be cycled off for 15-minute periods.

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

Months
May through September

Hours Applicable for Demand Billing - EST

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

PUBLIC SERVICE COMMISSION

DATE OF ISSUE April 8, 2008 DATE EFFECTIVE: Service rendered on and after March 50.0508

ISSUED BY TITLE President & Chief Executive Officer 3/20/2008

PURSUANT TO 807 KAR 5:011

Issued by authority of an Order of the Public Service Commission of Kentucky in SECTION 9 (1)

Case No. 2007-00553 Dated March 2), 2008

For All Counties Served P.S.C. No. 32 Original Sheet No. 27 Canceling PSC. 31 Original Sheet No. 27

EAST KENTUCKY POWER COOPERATIVE, INC.

Incentive - Direct Load Control of Water Heaters Program

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Incentive - Direct Load Control of Air-Conditioners Program

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

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

Months October through April

May through September

Hours Applicable for Demand Billing - EST

6:00 a.m. to 12:00 noon 4:00 p.m. to 10:00 p.m. 10:00 a.m. to 10:00 p.m.

Time Period for the Direct Load Control of Air Conditioners

A load control air conditioning switch will be placed on each central air conditioning unit or heat pump that will allow the unit to be cycled off for 15-minute periods.

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

Months	Hours Applicable for Demand Billing EST
May through September	0:00 am to 10:00 pm PUBLIC SERVICE COMMISSION OF KENTUCKY
DATE OF ISSUE December 20, 2007 DATE EFFE	ECTIVE: Service rendered on and after December 5.
ISSUED BY Colod M Manles	PURSUANT TO 807 KAR 5:011 President & Chief Executive Officer
Issued by authority of an Order of the Public Service	e Commission of J
Case No. 2007-00472 Dated December 5, 2007	By Executive Director

For All Counties Served P.S.C. No. 32 First Revised Sheet No. 28 Canceling PSC No. 32 Original Sheet No. 28

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EAST KENTUCKY POWER COOPERATIVE. INC.

Report to the Commission

EKPC will submit a report to the Commission outlining the results of the resumption of the demonstration project within 90 days of its conclusion.

Term

The initial term of the Direct Load Control of Water Heaters Program will be from October 1, 2006 to September 30, 2007. The initial term of the Direct Load Control of Air Conditioners will be from June 1, 2006 to September 30, 2007.

These programs will resume, beginning on March 20, 2008, and continue until a permanent program is approved by the Commission, but no later than December 31, 2008.

Terms and Conditions

- 1. If a participant decides to withdraw from the program(s) or change to another load control option, the Member Systems will endeavor to implement the change as soon as possible.
- 2. Prior to the installation of load control devices, the Member Systems may inspect the participant's electrical equipment to insure good repair and working condition, but the Member Systems shall not be responsible for the repair or maintenance of the electrical equipment.
- 3. The Member Systems will install, own, and maintain the load management devices controlling the participant's air conditioner or water heater. The participant must allow the Member System reasonable access to install, maintain, inspect, test and remove load control devices. Inability of the Member System to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at the Member System's option, result in discontinuance of credits under this tariff until such time as the Member System is able to gain the required access.
- 4. Customers participating in the demonstration project as of September 30, 2007, will have the option of remaining in the program until a permanent program is approved by the Commission. Customers will be subject to all provisions of this tariff, including incentives.

For All Counties Served P.S.C. No. 32 Original Sheet No. 28 Canceling PSC No. 31 Original Sheet No. 28

Executive Director

EAST KENTUCKY POWER COOPERATIVE, INC.

Report to the Commission

EKPC will submit a report to the Commission outlining the results of the demonstration project by December 31, 2007.

Term

The term of the Direct Load Control of Water Heaters Program will be from October 1, 2006 to September 30, 2007. The term of the Direct Load Control of Air Conditioners will be from June 1, 2006 to September 30, 2007. If EKPC should decide to continue this demonstration project beyond September 30, 2007, a new tariff will be filed with the Kentucky Public Service Commission by August 31, 2007.

Terms and Conditions

- 1. If a participant decides to withdraw from the program(s) or change to another load control option, the Member Systems will endeavor to implement the change as soon as possible.
- 2. Prior to the installation of load control devices, the Member Systems may inspect the participant's electrical equipment to insure good repair and working condition, but the Member Systems shall not be responsible for the repair or maintenance of the electrical equipment.
- 3. The Member Systems will install, own, and maintain the load management devices controlling the participant's air conditioner or water heater. The participant must allow the Member System reasonable access to install, maintain, inspect, test and remove load control devices. Inability of the Member System to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at the Member System's option, result in discontinuance of credits under this tariff until such time as the Member System is able to gain the required access.

PUBLIC SERVICE COMMISSION

OF KENTUCKY

OF KENTUCKY

OF KENTUCKY

12/5/2007

12/5/2007

PURSUANT TO 807 KAR 5:011

President & Chief Execution Officer

Issued by authority of an Order of the Public Service Commission

Case No. 2007-00472 Dated December 5, 2007

EKPC Emergency Electric Procedures

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

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

Definitions

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

Overview

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

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

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

Disturbance Control Standards, then it will immediately in	OF KENTUCKY EFFECTIVE
DATE OF ISSUE November 8, 2007 DATE EFFECTIV	PURSUANT TO 807 KAR 5:011
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EAST KENTUCKY POWER COOPERATIVE, INC.

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

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Measures

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

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

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

Insufficient Generating Capacity

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

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

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EAST KENTUCKY POWER COOPERATIVE, INC.

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

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

All Emergency Electric Procedures consider:

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

Elements addressed in Insufficient Generating Capacity Emergency Electric Procedures are:

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

13. Load curtailment - mandatory load curtailment planto use as a last resort

- 12. Requests of government to implement programs to achieve energy reductions

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

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Transmission System Operating Emergencies

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

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

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

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

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

- 1. Establish and maintain reliable communications between interconnected systems
- 2. Arrange new interchange agreements to provide for emergency capacity or energy transfers if existing agreements cannot be used
- Coordinate transmission and generator maintenance schedules to maximize capacity or conserve the fuel in short supply

4. Arrange deliveries of electrical energy or fuel from remote systems through normal operating channels

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Load shedding (T)

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

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

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System restoration

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

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

The Transmission Operator (and Balancing Authority) periodically tests its		
telecommunication facilities needed to implement the restor	ATIPUDIENT SERVICES COMMISSION OF KENTUCKY EFFECTIVE	
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operating personnel in the implementation of the restoration plan. This training includes simulated exercises and verification of the restoration procedure by actual testing and simulation.

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

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

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

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