

INDUSTRIAL POWER AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of August, 2012, by and between East Kentucky Power Cooperative, Inc., a Kentucky corporation with its principal offices at 4775 Lexington Road, P. O. Box 707, Winchester, Kentucky 40392 (“EKPC”), Blue Grass Energy Cooperative Corporation, a Kentucky corporation with its principal offices at 1201 Lexington Road, Nicholasville, Kentucky 40356 (“Blue Grass”), and Wausau Paper Towel & Tissue, LLC, a Wisconsin Corporation with its principal offices at 1150 Industry Road, Harrodsburg, Kentucky 40330 (“Wausau”),

WITNESSETH:

WHEREAS, Blue Grass is a member of EKPC and purchases wholesale power and energy requirements from EKPC pursuant to a Wholesale Power Contract dated October 1, 1964, as amended and supplemented; and

WHEREAS, Wausau has been and is a member of Blue Grass and purchases retail electric power and energy needs from Blue Grass, under the terms and conditions contained herein, to serve its Harrodsburg, Kentucky plant (hereinafter referred to as its “plant”); and

WHEREAS, Wausau has undertaken an expansion of its plant and will require additional electric power and energy, as well as additional transmission and distribution infrastructure; and

WHEREAS, this Agreement supersedes all previous agreements between EKPC, Blue Grass, and Wausau for the provision of electric power to Wausau,

JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH
<i>Brent Kirtley</i>
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NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions contained herein, the parties agree as follows:

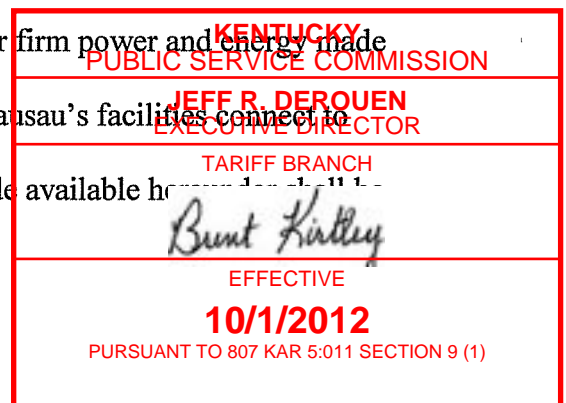
1. **Term.** This Agreement shall become effective as of October 1, 2012, subject to the provisions of Paragraph 25. The initial term of this Agreement for electric service shall be a 10-year period for service rendered beginning October 1, 2012, and shall be automatically renewed for additional one-year periods thereafter. Any Party may terminate this agreement at the expiration of the initial 10-year period or any of the additional periods by giving 12 months advance written notice of such termination to the other Parties.
2. **Availability of Power.** Subject to the other provisions of this Agreement, Blue Grass shall make available to Wausau, and Wausau shall take and purchase from Blue Grass, all of Wausau's initial requirements for electric power and energy and related services for the operation of Wausau's plant but Wausau shall not be enjoined from the future plant expansions entailing power generation provided that such expansions do not serve to reduce the contract demand below 15,000 kW. The "contract demand" for firm service under this Agreement from the effective date of this Agreement until the completion of the expansion at Wausau's plant shall be 2,700 kW for the months of January, February and March, 3,000 kW for the months of April, May and June, 3,100 kW for the months of July, August and September, and 2,900 kW for the months of October, November and December for the pre-existing manufacturing facilities. ~~Interim~~ construction, testing, and other loads for the plant expansion that are served from the new circuit feeding the expansion shall be served on the LP-? ~~rate which~~

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requires no contract demand. Within 30 days of the completion of the expansion at Wausau's plant, Wausau will provide a written notice to EKPC and Blue Grass certifying the completion. At that point the services for the pre-existing facilities and the expansion facilities shall be combined for billing beginning with the first day of the following calendar month. The contract demand for firm service under this Agreement from the first billing month after the completion of the expansion through the end of the term of this Agreement shall be 15,000 kW. Wausau may increase the contract demand, in increments not to exceed 1,000 kW, upon one month written notice to Blue Grass prior to the date of the desired change.

Wausau may decrease the contract demand, in increments not to exceed 1,000 kW, upon three months advance written notice to Blue Grass. For the period from the first billing month after the completion of the expansion through the end of the term of this Agreement, the contract demand shall not be reduced below 15,000 kW. The power and energy made available to Blue Grass and Wausau hereunder shall be delivered, taken and paid for subject to the provisions of Paragraphs 4 and 5 of this Agreement, as approved by the Kentucky Public Service Commission ("PSC"), and as modified from time to time by appropriate authority, copies of which are attached hereto as Exhibit A and made a part hereof. In the event of any conflict between the provisions of this Agreement and said tariffs, the latter shall control.

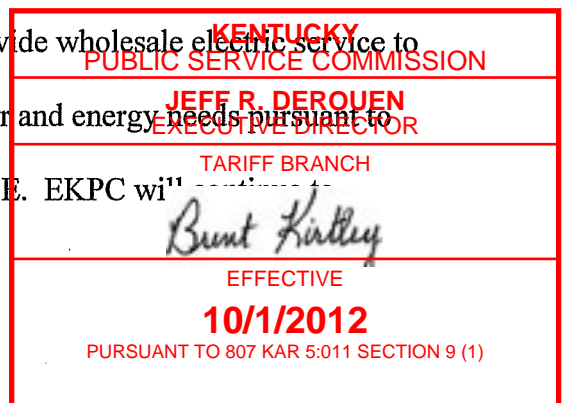
3. **Conditions of Delivery.** The point of delivery for firm power and energy made available hereunder shall be the point at which Wausau's facilities connect to Blue Grass' facilities. The power and energy made available hereunder shall be



in the form of alternating current at a frequency of approximately 60 hertz and at a nominal voltage of 12470/7200. Regulation of voltage shall be within such limits as prescribed by the applicable rules of the PSC. Maintenance by Blue Grass at said point of delivery of the above-styled frequency and voltage within the above-stated limits shall constitute availability of power for purposes of this Agreement. The power and energy taken by Wausau hereunder shall be measured by meters and associated metering equipment to be or caused to be installed, operated and maintained by Blue Grass or EKPC. None of such electric power and energy shall be resold to third parties.

Neither Blue Grass nor EKPC shall be obligated to provide or be responsible for providing protective equipment for Wausau's lines, facilities, and equipment to protect against single phasing, low voltage, short circuits or any other abnormal system conditions, but Blue Grass or EKPC, as the case may be, may provide such protective equipment as it deems necessary for the protection of its own property and operations. The electrical equipment installed by Wausau shall be capable of satisfactory coordination with any protective equipment installed by Blue Grass or EKPC.

4. **Charges and Billing from EKPC to Blue Grass.** EKPC will continue to provide wholesale electric service to Blue Grass for Wausau's existing electric power and energy needs pursuant to the terms and conditions of EKPC's Rate Section B. During the expansion, EKPC will provide wholesale electric service to Blue Grass for Wausau's expansion electric power and energy needs pursuant to the terms and conditions of EKPC's Rate Section E. EKPC will



provide wholesale electric service to Blue Grass under the terms and conditions of EKPC's Rate Sections B or E, as applicable, through and including the end of the month in which Wausau provides written notice to EKPC and Blue Grass certifying the completion of the expansion. In the first billing month after receiving the written notice certifying the completion of the expansion, EKPC will provide wholesale electric service to Blue Grass for both the existing and expansion electric power and energy needs of Wausau pursuant to the terms and conditions of EKPC's Rate Section G or any successor rate, subject to certain adjustments relating to potential transmission constraints as described in Paragraph 7. Blue Grass will be charged EKPC's fuel adjustment clause ("FAC") rate in conformity with 807 KAR 5:056. Blue Grass will be charged EKPC's environmental surcharge rate in conformity with KRS 278.183 and as described in EKPC's Rate ES.

5. **Charges and Billing from Blue Grass to Wausau.** Blue Grass will continue to provide retail electric service to Wausau for Wausau's existing electric power and energy needs pursuant to the terms and conditions of Blue Grass' Large Industrial Rate – Schedule B1. During the expansion, Blue Grass will provide retail electric service to Wausau for Wausau's expansion electric power and energy needs pursuant to the terms and conditions of Blue Grass' Large Power (over 500) – Schedule LP2. Blue Grass will continue to provide retail electric service to Wausau under the terms and conditions of Blue Grass' Schedules B1 or LP2 as applicable, through and including the end of the month in which Wausau provides written notice to EKPC and Blue Grass certifying the completion

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expansion. In the first billing month after receiving the written notice certifying the completion of the expansion, Blue Grass will provide retail electric service to Wausau for both the existing and expansion electric power and energy needs pursuant to the terms and conditions of Blue Grass' Large Industrial Rate – Schedule G1 or any successor rate, subject to certain adjustments relating to potential transmission constraints as described in Paragraph 7. Wausau will be charged a FAC based on EKPC's FAC and this charge will not be adjusted for Blue Grass' line losses as long as the subject electric meter is located at the substation. Wausau will be charged Blue Grass' environmental surcharge rate in conformity with KRS 278.183 and as described in Blue Grass' Rate Schedule ES.

6. **Obligations of Wausau.** Should Wausau or any successor or assignee of Wausau cease to take electric service during the initial term of this Agreement, then Wausau or any successor or assignee will continue to pay the monthly minimum demand charge and the minimum energy charge for the remainder of the initial term of this Agreement. Further, the parties acknowledge that EKPC and Blue Grass have begun construction of and incurred costs related to additional electrical facilities required by the expansion of the plant, including costs related to the procurement of materials and acquisition of any required property or property rights, and any other related costs prior to the execution of this Agreement. Should Wausau fail to undertake or complete the expansion, Wausau shall reimburse EKPC and Blue Grass for any such costs.

7. **Transmission Facilities Upgrade.** As a result of the plant expansion, EKPC will be accelerating planned future transmission upgrades at the Wa

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a. Demand Ratchet. The demand ratchet provisions of EKPC's Rate Section G and Blue Grass' Large Industrial Rate – Schedule G1 will be waived until the upgrade of the transmission facilities associated with the plant expansion have been completed. Within 30 days of completion, EKPC will provide written notice to Blue Grass and Wausau certifying the upgrade of the transmission facilities has been completed. The demand ratchet will resume for service rendered on and after the first billing month after the certification of the completion of the transmission facilities upgrade.

b. Interruption due to Transmission Constraints – Demand Charge

Adjustment. In the event of an interruption in electric service due to transmission constraints resulting during the time period of upgrading transmission facilities related to the plant expansion, EKPC agrees to an adjustment to the demand charge billed to Blue Grass, and Blue Grass agrees to an adjustment to the demand charge billed to Wausau. The adjustment of the demand charge billed will be based on the ratio of the number of hours in the month where transmission has been interrupted to 730 hours. A ramp-up adjustment of four hours will be added to the actual interruption and will be used in calculating the ratio. The procedure for calculating the adjustment is provided as Exhibit B to this Agreement.

The adjustment of the demand charge billed will terminate once the upgrade of the transmission facilities has been certified as being completed.



c. Interruption due to Transmission Constraints – Minimum Bill. In any month where there is an interruption of electric service associated with the upgrade of the transmission facilities, the monthly minimum bill requirements contained in EKPC’s Rate Section G and Blue Grass’ Large Industrial Rate – Schedule G1 will be waived for that month.

8. Distribution Facilities Relocation and Construction. As a result of the plant expansion, Blue Grass will have to relocate and construct distribution facilities on and near the Wausau property near Harrodsburg, Kentucky. Blue Grass will recover the costs associated with that work through the monthly rate and will not impose any additional charges on Wausau for these facilities. However, Wausau will cooperate with Blue Grass in constructing these facilities by providing reasonable access to its property and granting, at no cost, necessary and reasonable easements for such construction, operation, and maintenance of said facilities.

9. Election to Change Rate Schedule. During the term of this Agreement, Wausau may elect to take electric service on any Blue Grass rate approved by the PSC for which Wausau qualifies, provided that Wausau stays on that rate for at least one year. It is understood that all of Blue Grass’ rates are subject to change during the term of this Agreement with the approval of the PSC.

10. Interruptible Service. Wausau may elect to receive electric service under the terms of an interruptible tariff. Wausau shall provide written notice to EKPC and Blue Grass 30 days prior the first billing month it wishes to begin receiving electric service under the interruptible tariff. If Wausau exerci

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EKPC will provide interruptible service to Blue Grass pursuant to the terms and conditions of EKPC's Rate Section D or any successor rate section. Blue Grass in turn will provide interruptible service to Wausau pursuant to the terms and conditions of Blue Grass' Interruptible Service Rider then in effect. The written notice submitted by Wausau will include Wausau's selection of the notice period and the annual hours of interruption, as described in the tariff. Wausau will also provide the appropriate points of contact information for telephonic communication of interruptions. It will be the responsibility of Wausau to insure designated phone(s) are working and that someone is available 24 hours per day, 365 days per year to promptly answer the designated phones. If Wausau cannot be reached by the phone numbers provided, for whatever reason, Wausau will be considered as failing to interrupt and the failure to interrupt provisions of Blue Grass' Interruptible Service Rider will be invoked.

11. **Continuing Jurisdiction of the Kentucky Public Service Commission.** The rates, terms and conditions of this Agreement for electric service shall be subject to modification or change by order of the PSC, during the initial 10-year term and thereafter. The rates provided hereinabove shall be adjusted to reflect any PSC approved changes in applicable tariff rates, including any FAC, Environmental Surcharge or changes in the base rates approved for EKPC and/or Blue Grass on or after the effective date of this Agreement.

12. **Voltage Fluctuations.** Wausau and EKPC shall cooperate to see that Wausau's load is operated in accordance with prudent utility practices. Wausau agrees to operate its facility to reduce voltage fluctuations or harmonic di

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accordance with past practices during its initial period of operation. EKPC and/or Blue Grass will notify Wausau if its operations cause voltage fluctuations or harmonic distortions that result in interference with EKPC or Blue Grass service to other customers, and will attempt to identify and help Wausau correct such problems. Any substantial deviation from past practices that would cause additional voltage fluctuations or harmonic distortions requires approval from EKPC or Blue Grass. If Wausau fails to install and/or to operate the necessary facilities on its premises to correct the voltage fluctuations or harmonic distortions of its load, or to prevent such voltage fluctuations or harmonic distortions from interfering with EKPC or Blue Grass' supply of services to other customers, EKPC and/or Blue Grass shall have the right to deny service to Wausau. Any voltage fluctuations or harmonic distortions shall be corrected within twenty-four (24) hours after written notice from EKPC and/or Blue Grass to Wausau stating the voltage fluctuation or harmonic distortion problems.

13. **Right of Access.** The duly authorized agents and employees of EKPC and/or Blue Grass shall have free access at all reasonable hours to the premises of Wausau for the purpose of installing, repairing, inspecting, testing, operating, maintaining, renewing or exchanging any or all of their equipment which may be located on the premises of Wausau for reading or testing meters, or for performing any other work incident to the performance of this Agreement. The parties agree to take reasonable steps to protect the property of each other party located on its premises, and to permit no one to inspect or tamper with the wiring and apparatus of the other party except such other party's agent or

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persons authorized by law. It is agreed, however, that no party assumes the duty of inspecting the wiring or apparatus of any other party and shall not be responsible therefor.

It is understood and agreed that Wausau shall grant to Blue Grass and/or EKPC, without cost, such property, easements or property rights ("Property") that are reasonably necessary for the provision of electric power and energy to the facilities of Wausau. Such Property shall include but not be limited to an agreed upon site on Wausau's property for the construction of a substation facility, and sites for installation, placement or construction by Blue Grass and/or EKPC of necessary equipment, apparatus, devices, or facilities (the substation, equipment, apparatus, devices or facilities to be hereinafter collectively referred to as "Total Facilities"). Such Property shall include the right of Blue Grass or EKPC to maintain its Total Facilities.

It is further understood and agreed that any of Blue Grass' or EKPC's Total Facilities placed on Wausau's property by Blue Grass or EKPC might be utilized by Blue Grass or EKPC to serve their customers other than Wausau. Therefore, should for whatever reason Blue Grass and EKPC cease to serve Wausau, then, if such Total Facilities located on Wausau's premises are in fact being used to serve customers other than Wausau, Blue Grass and/or EKPC shall be entitled to retain any Property granted by Wausau for so long as Blue Grass and/or EKPC utilize and maintain any of their Total Facilities to provide energy and electric power to other customers.

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Duly authorized representatives of Blue Grass and/or EKPC shall be permitted to enter the Wausau's premises at all reasonable times in order to carry out the provision hereof.

14. **Right of Removal.** Any and all equipment, apparatus, devices or facilities placed or installed, or caused to be placed or installed, by any of the parties hereto on or in the premises of another party shall be and remain the property of the party owning and installing such equipment, apparatus, devices or facilities regardless of the mode or manner of annexation or attachment to real property of the other. Upon the termination of the Agreement, or any extension thereof, the owner thereof shall have the right to enter upon the premises of the other and shall have the right to, within a reasonable time, remove all or any portion of such equipment, apparatus, devices or facilities, unless otherwise agreed by the parties, as applicable, at the time of such termination. It is understood and agreed, however, that the owner thereof shall have no obligation to remove its equipment, apparatus, devices or facilities from the premises of the other, and it is further understood and agreed that the terms of this Paragraph 14 shall be subject to the terms of Paragraph 13.

15. **Prudent Utility Practice.** Each party shall design, construct and operate its facilities in accordance with prudent electric utility practice in conformity with generally accepted standards for electric utilities in the State of Kentucky, including the National Electrical Safety Code.

16. **Maintenance of Equipment.** Each party agrees that it will at all times maintain its lines, equipment and other facilities in a safe operating condition.

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with generally accepted standards for electric utilities in the State of Kentucky, including the National Electrical Safety Code.

17. Billing and Payment.

a. Regular Monthly Billing. Blue Grass will bill Wausau each month for the cost of electric power and energy delivered to Wausau during the preceding month.

b. Due Date. Payment Charges and Credits. Bills received by Wausau shall be paid by bank draft. The funds will be drafted from Wausau's bank on the due date specified on the monthly bill. If the due date falls on a weekend or holiday, the funds will be drafted the following business day. If Blue Grass should fail to receive a payment from Wausau on or before such due date, then payment shall be deemed late and Blue Grass may discontinue service to Wausau in accordance with procedures provided by PSC regulations. Provided, however, that such discontinuances of service shall not relieve Wausau of any of its obligations under this Agreement. Wausau shall have the right to cure its delinquency by paying any late balance along with any applicable late charges. Otherwise service will be disconnected for non-payment in accordance with PSC regulations, and additional fees be applied. When payment is late, Wausau will pay a late charge based on the provisions of the applicable Rate Schedule in effect at that time. In the event of a bona fide billing dispute, Wausau shall pay all such amounts to Blue Grass. Such amount shall be subject to refund depending on the resolution of the dispute.

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c. Should Wausau have two late payments within a 12-month period, Wausau agrees to provide a form and amount of bill payment security bond acceptable to Blue Grass, and payable to Blue Grass, for the duration of the Agreement. The amount of the payment security bond may be changed at the request of Blue Grass to match any changes in load by Wausau. Such payment security bond may be equal to, but shall not exceed one and one-half times the amount of Wausau's average monthly bill. The payment security bond shall be promptly payable to Blue Grass, upon demand, due to non-payment by Wausau and in accordance with the conditions set forth in sections a and b above.

18. **Meter Testing and Billing Adjustment.** EKPC and/or Blue Grass shall test and calibrate meters, or cause them to be tested and calibrated, by comparison with accurate standards at intervals of twelve (12) months. EKPC and/or Blue Grass shall also make, or cause to be made, special meter tests at any time during normal business hours at Wausau's request. The costs of all tests shall be borne or provided for by EKPC and/or Blue Grass, provided, however, that if any special meter test made at Wausau's request shall disclose that the meters are recording accurately, Wausau shall reimburse EKPC and/or Blue Grass for the cost of such test. Meters registering not more than one (1) percent above or below normal shall be deemed to be accurate. The readings of any meter which shall have been disclosed by test to be inaccurate shall be corrected for the period during which meter error is known to have existed, or if not known for one-half the elapsed time since the last such test in accordance with the

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inaccuracy found by such test. If any meter shall fail to register for any period, the parties shall agree as to the amount of kW Demand and energy furnished during such period. Such estimates shall be based on Wausau's operating records for the period in question, historical load records and other pertinent data and records, and Blue Grass shall render a bill to Wausau therefor.

19. Membership/Capital Credits. Blue Grass is a non-profit Kentucky corporation and Wausau will benefit from any savings or reductions in cost of service in the same manner as any comparable customer as authorized by the Kentucky Revised Statutes, and by Blue Grass' Articles of Incorporation, Articles of Consolidation, and Bylaws; provided, however, Blue Grass' board of directors may defer retirement of so much of the capital credited to patrons for any year which reflects capital credited to Blue Grass by EKPC until EKPC shall have retired such capital credited to Blue Grass. Wausau shall participate in capital credits of Blue Grass in accordance with, and to the extent approved by, the Kentucky Revised Statutes and Blue Grass' Articles of Incorporation, Articles of Consolidation and Bylaws.
20. Notices. Any written notice, demand or request required or authorized under this Agreement shall be deemed properly given to or served on Blue Grass if mailed to:

President and Chief Executive Officer

Blue Grass Energy Cooperative Corporation

1201 Lexington Road

P. O. Box 990

Nicholasville, KY 40340-0990



Any such notice, demand or request shall be deemed properly given or served on

Wausau if mailed to:

Director of Engineering

Wausau Paper Towel & Tissue, LLC

1150 Industry Road

P. O. Box 189

Harrodsburg, KY 40330, And

Maintenance Manager

Wausau Paper Towel & Tissue, LLC

1150 Industry Road

P. O. Box 189

Harrodsburg, KY 40330, And

Purchasing Manager

Wausau Paper Towel & Tissue, LLC

1150 Industry Road

P. O. Box 189

Harrodsburg, KY 40330

Any such notice, demand or request shall be deemed properly given or served on

EKPC if mailed to:

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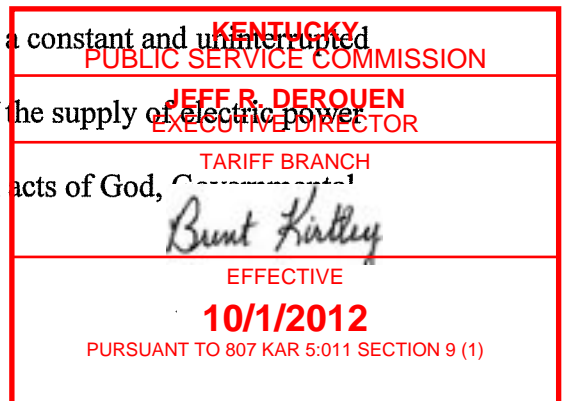
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President and Chief Executive Officer
East Kentucky Power Cooperative, Inc.
4775 Lexington Road (40391)
P. O. Box 707
Winchester, KY 40392-0707

Each party shall have the right to change the name of the person to whom, or the location where the notices are to be given or served by notifying the other party, in writing, of such change.

21. **Responsibility for Damages or Loss.** The electric power and energy supplied under this Agreement is supplied upon the express condition that after it passes the Point of Delivery it becomes the responsibility of Wausau. Neither Blue Grass nor EKPC shall be liable for damage, loss, cost or expense to any person or property whatsoever, and Wausau agrees to indemnify and hold EKPC and/or Blue Grass harmless for damage, loss, cost or expense suffered by any individual or business entity resulting directly or indirectly from the use, misuse or presence of the said electric power and energy on Wausau's premises, or elsewhere, after it passes the Point of Delivery, except where such loss or damage shall be shown to have been occasioned by the gross negligence of EKPC or Blue Grass, their agents or employees.

22. **Continuity of Service.** Blue Grass and EKPC shall use reasonable diligence required of a public utility in Kentucky to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail, or become defective through acts of God,



authority, action of the elements, public enemy, accident, strikes, labor trouble, required maintenance work, or any other cause beyond the reasonable control of Blue Grass and EKPC, it shall not be liable therefor or for damages caused thereby.

23. **Successors in Interest – Assignment.** The terms and conditions of this Agreement shall inure to and be binding upon the parties, together with their respective successors in interest. No party to this Agreement may assign its rights hereunder without the consent of the others, which shall not be unreasonably withheld; except that a party may, without the consent of the other, assign, pledge or hypothecate its rights hereunder to its trustee or mortgagee under a mortgage, indenture or trust indenture, and being so pledged or assigned, shall be subject to all the terms and provisions of such mortgage or trust indentures. Provided, further, that Wausau may assign this Agreement to an entity recognized as financially and technically capable by both EKPC and Blue Grass which may hereafter acquire or operate the Wausau plant in the same manner, to the same extent, and for the same purposes as originally operated by Wausau. Such recognition shall not be unreasonably withheld in appropriate cases. No assignment shall relieve the assignor of its obligations hereunder without the written assent of the other parties to accept the assignees as a substitute obligor.

24. **Force Majeure.** The obligations of either party to this Agreement shall be suspended during the continuance of any occurrence, beyond the affected party's control (a "force majeure"), which wholly or partially prevents the affected party from fulfilling such obligations, provided that the affected party

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the other parties of the reasons for its inability to perform within a reasonable time from such occurrence, is diligently seeking to cure said force majeure, and gives notice to the other parties within a reasonable time of such cure. As used in this Section, the term force majeure shall include, but is not limited to: acts of God; strikes; wars; acts of public enemy; riots; storms; floods; civil disturbances; explosions; failures of machinery or equipment; unavailability of capacity and/or energy; unavoidable disruptions in power deliveries from EKPC; or actions of federal, state or local governmental authorities, which are not reasonably within the control of the party claiming relief.

Notwithstanding the above provisions, no event of force majeure shall relieve Wausau of the obligation to pay the minimum monthly charge provided herein or in the attached rate schedules.

25. **Approvals.** The rates and charges for electrical service established hereunder are subject to approval by the PSC pursuant to Kentucky Revised Statutes, Chapter 278, and any necessary approvals by the Rural Utilities Service (“RUS”) and the National Rural Utilities Cooperative Finance Corporation. The parties covenant to use their best efforts to forthwith seek and support such approvals for this Agreement by filing such papers, presenting such testimony and taking such other action as may be necessary or appropriate to secure the same.
26. **Modifications.** Any future revisions or modifications of this Agreement, except as provided in Paragraph 10, hereinabove, shall require the unanimous written approval of EKPC, Blue Grass and Wausau, and any necessary approvals by RUS, any other lenders to EKPC and Blue Grass, and the PSC.

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27. Miscellaneous.

- a. Headlines of Articles. Headings of articles in this Agreement have been inserted for convenience only and shall in no way affect the interpretation of any term or provision hereof.
- b. Severability. Except where expressly stated otherwise the duties, obligations and liabilities of the parties are intended to be several and not joint or collective.
- c. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Kentucky.
- d. Waivers. Any waiver at any time by a party of its rights with respect to a default or with respect to any other matters arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or other matter.
- e. Scope of Agreements. This Agreement supersedes all previous agreements between the parties relating to the purchase of power by Wausau from Blue Grass for usage by Wausau at Wausau's plant as described herein. It is agreed and understood however that this Agreement shall have no application to or effect on any other agreement(s) between the parties.
- f. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed an original.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representative the day and year first above written.

ATTEST:

Barb Jean

By Thomas W. Gaver

Title: Purchasing Assistant

Title: VICE PRESIDENT SUPPLY CHAIN MGMT
Wausau Paper Towel & Tissue, LLC

ATTEST:

[Signature]

By Anthony J. Campbell

Title: Executive Asst

Title: President : CEO
East Kentucky Power Cooperative, Inc.

ATTEST:

Chris Brooks

By Michael L. Villan

Title: V.P. POWER DELIVERY

Title: CEO
Blue Grass Energy Cooperative Corporation

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <u>Brent Kirtley</u>
EFFECTIVE 10/1/2012 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

INDUSTRIAL POWER AGREEMENT

EXHIBIT A

Pursuant to Paragraphs 4 and 5

EKPC's Rate Section B

EKPC's Rate Section E

EKPC's Rate Section G

Blue Grass' Large Industrial Rate – Schedule B1

Blue Grass' Large Power (over 500) – Schedule LP2

Blue Grass' Large Industrial Rate – Schedule G1

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 10/1/2012 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

For All Counties Served
P.S.C. No. 34
Second Revised Sheet No. 7
Canceling P.S.C. No. 34
First Revised Sheet No. 7

EAST KENTUCKY POWER COOPERATIVE, INC.

Section B

Availability

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

Applicability

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

Monthly Rate

Demand Charge per kW of Minimum Demand	\$7.17
Demand Charge per kW of Billing Demand in Excess of Minimum Demand	\$9.98
Energy Charge per kWh	\$.042882 (R)

Billing Demand

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

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 6:00 p.m.

DATE OF ISSUE June 8, 2011

DATE EFFECTIVE: Service rendered on and after June 1, 2011

ISSUED BY

Anthony S. Longwell

TITLE President & CEO

JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2010-00491 Dated May 31, 2011

PURSUANT TO

Bunt Kirtley (1)

EFFECTIVE

10/1/2012

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

For All Counties Served
P.S.C. No. 34
Original Sheet No. 8
Canceling P.S.C. No. 33
Original Sheet No. 8

EAST KENTUCKY POWER COOPERATIVE, INC.

Section B (con't.)

Minimum Monthly Charge

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

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

DATE OF ISSUE July 24, 2009 DATE EFFECTIVE: Service rendered on and after 8/1/2009

ISSUED BY Anthony J. Campbell TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky
Case No. 2008-00519 Dated July 15, 2009

PUBLIC SERVICE COMMISSION
OF KENTUCKY
PUBLIC SERVICE COMMISSION
SECTION 9 (1)
TARIFF BRANCH
By Jeffery Bunt Kirley
EFFECTIVE
10/1/2012
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

For All Counties Served
P.S.C. No. 34
Second Revised Sheet No. 15
Canceling P.S.C. No. 34
First Revised Sheet No. 15

EAST KENTUCKY POWER COOPERATIVE, INC.

Section E

Availability

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

Applicability

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

Monthly Rate - Per Load Center

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

	<u>Option 1</u>		<u>Option 2</u>	
Demand Charge per kW of Billing Demand	\$7.99		\$6.02	
Energy Charge per kWh				
On-Peak kWh	\$.045132	(R)	\$.053279	(R)
Off-Peak kWh	\$.044554	(R)	\$.044554	(R)

DATE OF ISSUE June 8, 2011

DATE EFFECTIVE; Service rendered on and after June 1, 2011

ISSUED BY *Anthony S. Campbell*

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2010-00491 Dated May 31, 2011

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR TARIFF BRANCH
JEFF R. DEROUEN EXECUTIVE DIRECTOR TARIFF BRANCH
Brent Kirtley EFFECTIVE
PURSUANT TO <i>Brent Kirtley</i> (1)
EFFECTIVE

10/1/2012

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

EAST KENTUCKY POWER COOPERATIVE, INC.

For All Counties Served
P.S.C. No. 34
Original Sheet No. 16
Canceling P.S.C. No. 33
Original Sheet No. 16

Section E (con't.)

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

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

Billing Demand

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

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

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

Billing Energy

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

DATE OF ISSUE July 24, 2009 DATE EFFECTIVE: Service rendered on and after August 1, 2009
ISSUED BY Anthony J. Campbell TITLE President & Chief Executive Officer
Issued by authority of an Order of the Public Service Commission of Kentucky in SECTION 9
Case No. 2008-00519 Dated July 15, 2009

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
PURSUANT TO ORDER OF THE PUBLIC SERVICE COMMISSION
SECTION 9
TARIFF BRANCH
By Brent Kirtley
EFFECTIVE
10/1/2012
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

For All Counties Served
P.S.C. No. 34
Second Revised Sheet No. 18
Canceling P.S.C. No. 34
First Revised Sheet No. 18

EAST KENTUCKY POWER COOPERATIVE, INC.

Section G

SPECIAL ELECTRIC CONTRACT RATE

Character of Service

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

Monthly Rate

Demand Charge per Billing kW	\$6.98
Energy Charge per ALL kWh	\$.040847 (R)

Determination of Billing Demand

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

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

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

DATE OF ISSUE June 8, 2011

DATE EFFECTIVE: Service rendered on and after June 1, 2011

ISSUED BY Anthony J. Campbell

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2010-00491 Dated May 31, 2011.

KENTUCKY
PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH
EFFECTIVE
PURSUANT TO Bunt Kirtley (1)

10/1/2012

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

EAST KENTUCKY POWER COOPERATIVE, INC.

For All Counties Served
P.S.C. No. 34
Original Sheet No. 19
Canceling P.S.C. No. 33
Original Sheet No. 19

Section G (con't.)

Minimum Monthly Charge

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

- (a) The metering and substation charge, plus
- (b) The product of the billing demand multiplied by the demand charge, plus
- (c) The result of: (Energy Rate minus EKPC's base fuel component in the Energy Rate) times Billing Demand times 400 hours.

(T)
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Power Factor Adjustment

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

Fuel Adjustment Clause

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

DATE OF ISSUE July 24, 2009 DATE EFFECTIVE: Service rendered on and after August 1, 2009

ISSUED BY *Anthony J. Campbell*

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00519 Dated July 15, 2009

PUBLIC SERVICE COMMISSION

KENTUCKY

PUBLIC SERVICE COMMISSION

PURSUANT TO 807 KAR 5:011

JEFF R. DEROUEN

SECTION 9(1) DIRECTOR

TARIFF BRANCH

By *Jeff DeRouen* Ext. *Brent Kirtley*

EFFECTIVE

10/1/2012

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
FIRST ORIGINAL SHEET NO. 23
CANCELING P.S.C. KY NO. 2
ORIGINAL SHEET NO. 23

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-1

AVAILABILITY

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

MONTHLY RATE

Consumer Charge	\$1,111.43
Demand Charge per kW of Contract Demand	\$ 6.91
Demand Charge per kW for Billing Demand in Excess of Contract Demand	\$ 9.61
Energy Charge per kWh	\$0 .05050

BILLING DEMAND

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

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 10:00 p.m.

MINIMUM MONTHLY CHARGE

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

- a. Customer 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 the maximum demand is less than the minimum required wholesale power factor, the demand for billing purposes shall be demand as indicated or recorded, multiplied by the minimum required wholesale power factor and divided by the measured power factor.

DATE OF ISSUE: February 15, 2011

DATE EFFECTIVE: June 1, 2011

ISSUED BY: *J. Donald Smith*
(Name of Officer)

TITLE: Vice President

Issued by authority of an Order of the Public Service Commission of
In Case No.: 2010-00497 Dated: June 1, 2011

KENTUCKY
PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
PUBLIC SERVICE COMMISSION
TARIFF BRANCH
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH
Brent Kirtley
EFFECTIVE
10/1/2012
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 24
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 24 & 51

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-1 - 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 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 location of the primary metering point. 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.
3. If service is furnished at primary distribution voltage, a discount of 5% shall apply to the energy charge.

DELAY PAYMENT CHARGE

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

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: April 11, 2008

DATE EFFECTIVE: September 1, 2008

ISSUED BY: Donald Smith
(Name of Officer)

TITLE: Executive Director

Issued by authority of an Order of the Public Service Commission
in Case No.: 2008-00011 Dated: August 28, 2008

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFF. 10/1/2012
PUBLIC SERVICE COMMISSION
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH
By: Alpha Bunt Kirtley
Ex: Bunt Kirtley
EFFECTIVE
10/1/2012
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

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

CLASSIFICATION OF SERVICE

LP-2 Large Power (over 500)

APPLICABLE

Entire territory served

AVAILABILITY

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

CONDITIONS

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

TYPE OF SERVICE

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

RATE

Maximum Demand Charge

\$8.34 per month per kW of billing demand

Energy Charge (over 500 kW)

Customer Charge \$111.14

ALL KWH \$0.04994

Special facilities charge as specified in the contract

DETERMINATION OF BILLING DEMAND

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

POWER FACTOR ADJUSTMENT

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

DATE OF ISSUE: February 15, 2011

DATE EFFECTIVE: June 1, 2011

ISSUED BY: Jerome Smith

(Name of Officer)

TITLE: Vice President

Issued by authority of an Order of the Public Service Commission of
in Case No.: 2010-00497 Dated: June 1, 2011

KENTUCKY PUBLIC SERVICE COMMISSION	
JEFF R. DEROUEN EXECUTIVE DIRECTOR PUBLIC SERVICE COMMISSION TARIFF BRANCH	
JEFF R. DEROUEN EXECUTIVE DIRECTOR TARIFF BRANCH	
Brent Kirtley (1)	

10/1/2012

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 14
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 14, 49, & 59

CLASSIFICATION OF SERVICE

LP-2 Large Power (over 500)- Continued

MINIMUM CHARGE

The minimum monthly charge shall be as specified in the contract.

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.

DELAY PAYMENT CHARGE

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

SPECIAL PROVISIONS

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

DATE OF ISSUE: April 11, 2008

DATE EFFECTIVE: September 4, 2008

ISSUED BY: J. Todd Smith
(Name of Officer)

TITLE

Issued by authority of an Order of the Public Service Commission
in Case No.: 2008-00011 Dated

By

August 28, 2008

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFF. 9/4/2008
PUBLIC SERVICE COMMISSION
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
JEFF R. DEROUEN
DIRECTOR
TARIFF BRANCH
By Alpha Bunt Kirley
Ex
EFFECTIVE
10/1/2012
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. NO 2
FIRST ORIGINAL SHEET NO. 36

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule G1

AVAILABILITY

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

TYPE OF SERVICE

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

MONTHLY RATES

Customer Charge	\$5,454.00
Demand Charge per Billing kW	\$6.98
Energy Charge per kWh for all kWh	\$0.043347

BILLING DEMAND

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

- (a) The contract demand
- (b) The consumer's highest demand during the current month or preceding eleven (11) months. Demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor use.

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

MINIMUM MONTHLY BILL

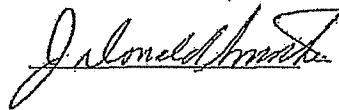
The minimum monthly charges shall not be less than the sum of (a) through (c) below:

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

DATE OF ISSUE: October 7, 2011

DATE EFFECTIVE: December 1, 2011

ISSUED BY:



TITLE: CFO & Vice President

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH
EFFECTIVE
PURSUANT TO ¹ Brent Kirtley

10/1/2012

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

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. NO 2
FIRST ORIGINAL SHEET NO. 37

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule G1

POWER FACTOR ADJUSTMENT

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

FUEL ADJUSTMENT CLAUSE

The rate may 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. The Fuel Adjustment Clause is subject to all applicable provisions as set out in 807 KAR 5:056.

SPECIAL PROVISIONS

Delivery Point - The delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, other electrical equipment (except metering equipment) on the load side of delivery point shall be owned and maintained by the Consumer.

DELAYED PAYMENT CHARGE

The above rates are net, the gross rates are 7.5% higher. In the event the current monthly bill is not paid within 15 days form the 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 the estimated consumption of electricity. Both fees will be paid in advance.

DATE OF ISSUE: October 7, 2011

DATE EFFECTIVE December 11, 2011

ISSUED BY:

J. Donald Brantley

TITLE: CFO & Vice President

Brent Kirtley

PURSUANT TO

10/1/2012
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
JEFF R. DEROUEN EXECUTIVE DIRECTOR
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH
EFFECTIVE
PURSUANT TO <i>Brent Kirtley</i> (1)

INDUSTRIAL POWER AGREEMENT

EXHIBIT B

Pursuant to Paragraph 7

Example of Adjustment to Demand Charge due to Transmission Interruption

Total Load	18,000 kW
Original Load before expansion	3,000 kW
New Load from expansion	15,000 kW
(potentially subject to transmission interruptions)	
Monthly Demand Rate as of effective date of this Agreement	\$6.98 per kW
Monthly Demand Charge, Total Load (18,000 kW x \$6.98)	\$125,640.00

	Hours of Transmission-Related Interruption				
	24	48	106	132	240
Determination of Percentage Interruption:					
Transmission Interruption	24	48	106	132	240
Ramp Up Adjustment	4	4	4	4	4
Adjusted Transmission Interruption	28	52	110	136	244
Standard Month in Hours	730	730	730	730	730
Percentage Interruption	3.84%	7.12%	15.07%	18.63%	33.42%
Determination of Interrupted Load:					
New Load	15,000	15,000	15,000	15,000	15,000
Percentage Interruption	3.84%	7.12%	15.07%	18.63%	33.42%
Interrupted Load	576	1,068	2,261	2,795	5,013
Determination of Adjustment to Demand Charge					
New Load	15,000	15,000	15,000	15,000	15,000
Interrupted Load	576	1,068	2,261	2,795	5,013
Net New Load for Demand Charge	14,424	13,932	12,739	12,205	9,987
Original Load @ \$6.98/kW	\$20,940.00	\$20,940.00	\$20,940.00	\$20,940.00	\$20,940.00
Net New Load @ \$6.98/kW	\$100,679.52	\$97,245.36	\$88,918.22	\$85,190.90	\$69,709.26
Total Demand Charge	\$121,619.52	\$118,185.36	\$109,858.22	\$106,130.90	\$90,649.26
Monthly Demand Charge, Total Load	\$125,640.00	\$125,640.00	\$125,640.00	\$125,640.00	\$125,640.00
Adjustment to Demand Charge	\$4,020.48	\$7,454.64	\$15,781.78	\$19,509.10	\$34,930.74

Note: A ramp up time of 4 hours has been added to the actual interruption hours to use in calculating a demand charge adjustment. Calculations have been rounded.

Burt Kirtley

EFFECTIVE
10/1/2012
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)