

SPPC-II
Small Power Production and Cogeneration
Purchase Schedule

Applicable:
In all territory served.

Availability: PUBLIC SERVICE COMMISSION
Available to any small power production or cogeneration "qualifying facility" with capacity over 100 Kw as defined by the Kentucky Public Service Commission Regulation 807 KAR 5:054, and which contracts to sell energy or capacity or both to the Company. **NOV 4 1987**

Rate for Purchase of Energy: PURSUANT TO 807 KAR 5:011, SECTION 9(1)
All kilowatt-hours per month . . . 2.04¢ per Kwh
BY: *George Fisher*
PUBLIC SERVICE COMMISSION MANAGER

The above energy payment is based on estimated 1988 avoided cost. The avoided cost shall hereafter be reviewed and adjusted annually.

Rate for Purchase of Capacity:
Pursuant to the Order of the Kentucky Public Service Commission in Case No. 8566(D), at the time of the Company's next general rate case, the Company will make an appropriate filing with the Commission addressing the subject of avoided cost for the purchase of such capacity.

Payment:
The Company shall pay each bill for electric power rendered to it in accordance with the terms of the contract, within 15 days of the date the bill is rendered. In lieu of such payment plan, the Company will, upon written request, credit the Customer's account for such purchase.

Term of Contract:
Contracts under this schedule shall be for a minimum term of one year, but Company may require that a contract be executed for a longer initial term when deemed necessary by the size of the small power producer or cogenerator or other conditions. Contracts under this schedule may be cancelled by either party upon one year's written notice, or, in the event of material non-compliance, upon 60 days' written notice.

Terms and Conditions:
1. Qualifying facilities shall be required to pay for any additional interconnection costs, to the extent that such costs are in excess of those that the Company would have incurred if the qualifying facility's output had not been purchased.

DATE OF ISSUE October 15, 1987 DATE EFFECTIVE November 14, 1987
 ISSUED BY *R. L. Royer* President Louisville, Kentucky
NAME TITLE ADDRESS

Issued pursuant to an Order of the PSC of Ky. in Case No. 8566(D) dated 6/28/84. *C-8-88*