

COGENERATION AND SMALL POWER
PRODUCTION SALE AND PURCHASE TARIFF-GREATER THAN 100 kW

APPLICABILITY

The provisions of this tariff are applicable to qualifying cogeneration and small power production facilities as adopted by the Kentucky Public Service Commission (Ky. PSC), Regulation 807 KAR 5:054.

DEFINITIONS

Definitions of the following terms are as adopted by the Ky. PSC, 807 KAR 5:054 - Section 2:

- | | |
|-------------------------------------|--------------------------|
| (1) Qualifying Facility | (7) Interconnection Cost |
| (2) Cogeneration Facility | (8) Supplementary Power |
| (3) Small Power Production Facility | (9) Back-up Power |
| (4) Purchase | (10) Interruptible Power |
| (5) Sale | (11) Maintenance Power |
| (6) Avoided Cost | (12) System |

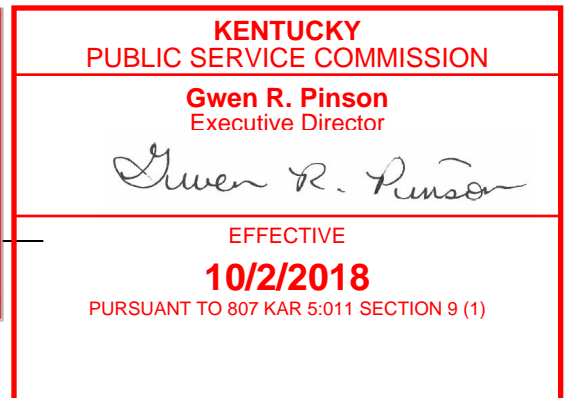
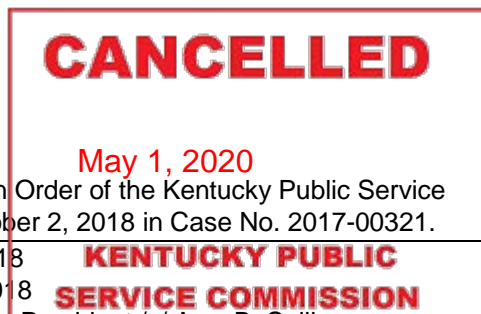
OBLIGATIONS

- (1) Purchases
The utility shall purchase from qualifying facilities in accordance with 807 KAR 5:054 - Sections 6 and 7.
- (2) Sales
The utility shall sell to qualifying facilities in accordance with 807 KAR 5:054 - Section 6.
- (3) Interconnections
The utility shall make interconnections with qualifying facilities as may be necessary to accomplish purchases or sales and the qualifying facility will pay for the interconnection costs in accordance with 807 KAR 5:054 - Section 6.
- (4) System Emergencies
During system emergencies the utility may discontinue purchases and sales or the qualifying facilities may be required to provide energy or capacity in accordance with 807 KAR 5:054 - Section 6.

STANDARDS FOR OPERATING RELIABILITY

The technical requirements necessary for operating reliability are set forth in the Company's procedure entitled "Guideline Technical Requirements for Parallel Operation of Customer Generation on the Transmission System."

Issued by authority of an Order of the Kentucky Public Service Commission dated October 2, 2018 in Case No. 2017-00321.
Issued: October 11, 2018
Effective: October 2, 2018
Issued by Amy B. Spiller, President /s/ Amy B. Spiller



RATE SCHEDULES

Rates for Purchases from qualifying facilities:

- (1) Energy Purchase Rate
The Purchase Rate for all kilowatt-hours delivered shall be the PJM Real-Time Locational Marginal Price for power at the DEK Aggregate price node, inclusive of the energy, congestion and losses charges, for each hour of the billing month.

- (2) Capacity Purchase Rate
The purchase rate shall be \$3.47/kW-month for eligible capacity approved by PJM. QF must enter into a written contract with the Company to receive capacity payment. QF is responsible for cost of all facilities on QF's site to meet and maintain eligibility as a PJM capacity resource. QF is subject to all non-performance costs levied by PJM or successor, the Kentucky Public Service Commission, or other applicable entity related to non-performance of QF's facility.

(R)

Rates for Sales to qualifying facilities will be accomplished through existing tariff schedules on file with the Ky. PSC.

SERVICE REGULATIONS, TERMS AND CONDITIONS

The QF shall enter into a written contract with the Company. Such contract shall set forth any specific arrangements between the parties based on the individual circumstances so involved.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Public Service Commission of Kentucky.



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