

**INDUSTRIAL POWER AGREEMENT
WITH ECONOMIC DEVELOPMENT RIDER**

THIS AGREEMENT, made and entered into this 1st day of August, 2016, by and between **East Kentucky Power Cooperative, Inc.**, a Kentucky corporation with its principal offices at 4775 Lexington Road, Winchester, Kentucky 40391 ("EKPC"), **South Kentucky Rural Electric Cooperative Corporation**, a Kentucky corporation with its principal offices at 925-929 North Main Street, Somerset, Kentucky 42503 ("Cooperative"); and **Kroger Limited Partnership I**, an Ohio limited partnership with its principal offices at 1600 Ormsby Station Court, Louisville, Kentucky 40223 ("Customer").

WITNESSETH:

WHEREAS, Cooperative is a rural electric cooperative corporation providing retail electric service in Pulaski County, Kentucky; and

WHEREAS, Cooperative is a member of EKPC and purchases all of its wholesale electric power and energy requirements from EKPC pursuant to a Wholesale Power Contract dated October 1, 1964; and

WHEREAS, Customer is a member of Cooperative and purchases, or desires to purchase, retail electric power and energy needs from Cooperative, under the terms and conditions contained herein, to serve its Pulaski County, Kentucky store located at 50 Stonegate Drive, Somerset, Kentucky 42501 (hereinafter referred to as its "Store"); and

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions contained herein, the parties agree as follows:

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PUBLIC SERVICE COMMISSION**

**Talina R. Mathews
EXECUTIVE DIRECTOR**

Talina R. Mathews

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

1. **Term.** This Agreement shall become effective upon the date of the Order of the Kentucky Public Service Commission (“PSC”) approving this Agreement, subject to the provisions of Paragraph 20 below. This Agreement shall continue in effect for a term of ten (10) years from said date and shall continue thereafter for additional one-year terms thereafter; provided, however, that the Agreement may be cancelled after the initial ten (10) year term by any party upon giving written notice of such termination at least sixty (60) days prior to the desired termination date.

2. **Rates and Charges.** Customer shall pay Cooperative monthly for power and energy made available under this Agreement in accordance with the rates, charges, and provisions defined herein and as modified, replaced, or adjusted from time to time and approved by the PSC. After one year the customer may choose any existing tariff that corresponds to this agreement and where they qualify. Such change will require ninety (90) days written notice to Cooperative. The Customer agrees that if they choose to change to an existing tariff they will remain on that tariff for one year.

For billing from EKPC to Cooperative, EKPC will provide wholesale electricity to Cooperative for Customer pursuant to the rates, charges, and provisions of EKPC’s Rate Section B and EKPC’s Section EDR – Economic Development Rider and where the billing demand shall be the minimum demand plus any excess demand as defined in EKPC’s Rate Section B.

For billing from Cooperative to Customer, Cooperative will provide power and energy to the Customer pursuant to the rates, charges, and provisions of Cooperative’s Rate Schedule LP-3 – Large Power Rate 3 and Cooperative’s Schedule EDR – Economic Development Rider and where billing demand shall be the contract demand plus any

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excess demand as defined in Cooperative's Rate Schedule LP-3 – Large Power Rate 3 and Cooperative's Schedule EDR – Economic Development Rider.

3. **Availability of Power.** Subject to the other provisions of this Agreement, Cooperative shall make available to Customer, and Customer shall take and purchase from Cooperative, all of Customer's requirements for electric power and energy and related services for the operation of Customer's Store. The Point of Delivery for firm power and energy made available hereunder shall be the point at which Customer's Store facilities connect to Cooperative's facilities. The power and energy made available hereunder shall be in the form of 3-phase alternating current at a frequency of approximately sixty (60) hertz and at a nominal voltage of 277/480 kV at the metering point. The "Contract Demand" for service under this Agreement shall be 600 kW. Customer shall have the right to increase or decrease said levels of Contract Demand in increments not to exceed 1,000 kW by giving written notice one month prior to the date of the desired change. The Contract Demand shall not be reduced below 500 kW. The power and energy made available to Customer hereunder shall be delivered, taken, and paid for subject to the provisions of Paragraph 2 of this Agreement and Cooperative's Rate Schedule LP-3 – Large Power Rate 3 and Cooperative's Schedule EDR – Economic Development Rider, applicable to demands in excess of the Contract Demand, as approved by the PSC, and as modified from time to time by appropriate authority, copies of which are attached hereto and made a part hereof. In the event of any conflict between the provisions of this Agreement and said tariffs, the latter shall control.

4. **Economic Development Rider ("EDR")**. The Customer has submitted an application to the Cooperative requesting service under the provisions of the Cooperative's Schedule

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EDR – Economic Development Rider. The Customer’s Store is located in a Kentucky county that has been identified by the Commonwealth of Kentucky as an “Enhanced Incentive County” and is for a minimum average billing load equal to or in excess of the amount required by said EDR tariff. The Customer has represented that it plans to hire 250 employees and will have an approximate capital investment of \$23,700,000.

a. **Discount Period and Discount Rate to Demand Charges.** The Customer has selected a five (5) year discount period option which requires a total contract term of ten (10) years. The discount period shall begin with the first complete billing month after the effective date of this Agreement. The discount to the total demand charge under this option will be:

First 12 consecutive monthly billings	50%
Next 12 consecutive monthly billings	40%
Next 12 consecutive monthly billings	30%
Next 12 consecutive monthly billings	20%
Final 12 consecutive monthly billings	10%

The discount shall be applied to the demand charges as stated in EKPC’s Rate Section B and the resulting reduction shall be passed through to the Customer without any revision or adjustment by the Cooperative. The discount rates shall apply to both the demand charge for the contract demand and the demand charge for billing demand in excess of the contract demand. Any credits provided under any other demand-related rider shall be applied before the discounts as described above are applied. If during the discount period the Customer elects to take service under the terms and conditions of another tariff offered by the Cooperative that does not correspond to EKPC’s Rate Section B, the discount shall be applied

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to the demand charges of the EKPC rate schedule that corresponds to the Cooperative's tariff offering.

b. **Load Factor.** The Customer agrees to maintain a minimum load factor of 60 percent during the months of the five (5) year discount period, subject to the following parameters:

(1) For the first 12 months of the discount period, the requirement to maintain a minimum load factor of 60 percent will be waived.

(2) For the remaining months of the discount period, the load factor will be determined each month. During the remaining months of the discount period, the Customer may fail to achieve the 60 percent minimum load factor for no more than eight (8) months. During those eight (8) months, the Customer will continue to receive the discount to the total demand charge. EKPC shall notify the Cooperative and the Cooperative shall notify the Customer of each month the Customer has failed to achieve the 60 percent minimum load factor yet continued to receive the discount to the total demand charge. The notification will include the calculation of the achieved load factor for the month.

Failure to maintain the 60 percent minimum load factor in any month beyond the eight (8) months described in part (2) above will result in the suspension of the discount to the total demand charge for that month. EKPC shall notify the Cooperative and the Cooperative shall notify the Customer in a month where the discount to the total demand charge has been suspended. The notification will include the calculation of the achieved load factor for the month in question. The

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discount to the total demand charge will resume in the next subsequent month the 60 percent minimum load factor is achieved. However, the discount will resume at the discount rate applicable to the month of the discount period and failure to meet the 60 percent minimum load factor in any month will not extend the discount period.

For purposes of this Agreement, load factor is defined by the formula

$$\text{Load Factor} = \text{billed kWh} / (\text{billed kW} \times 730)$$

where billed kWh and billed kW shall be the energy usage and demand as billed by EKPC and 730 reflects the average number of hours in a month.

- c. **Capacity Purchases.** The Customer agrees that EKPC and the Cooperative can only offer an EDR during either periods of excess capacity or the additional capacity needs have been secured or are capable of being economically secured through a market purchase agreement. If additional capacity is secured through a market purchase, then the Customer will be responsible for the costs of the market purchase agreement. The costs of the market purchase agreement will be disclosed separately on the Customer's monthly bill.

The determination of the cost associated with a market purchase will be based on EKPC's participation in the PJM Interconnection, LLC ("PJM") market. If the total load requirement for EKPC in any year is not increased with the inclusion of the Customer's load, there will be no purchase or arrangement for additional capacity and consequently no additional capacity charges for that year. If a purchase or arrangement for additional capacity is required, the cost will be based on the market conditions at the time of the specific PJM Incremental Auction

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when the Customer's load is first recognized. The cost will remain constant until the next PJM Incremental Auction, and could increase, decrease, or remain the same, depending on the results of each successive PJM Incremental Auction.

- d. **Other Customer Specific Costs.** Any EDR customer-specific fixed costs shall be recovered over the life of the special contract.
- e. **Minimum Bill.** The minimum bill will equal the minimum bill as defined in the Cooperative's Rate Schedule LP-3 – Large Power Rate 3 plus the cost of any applicable capacity purchases and other customer specific costs, as described previously in this Agreement. The Cooperative's fuel adjustment clause and environmental surcharge, as established in the Cooperative's tariffs, shall be added to any minimum bill.
- f. **Early Termination.** In the event that the Customer ceases operations at the Store or otherwise stops taking service at the Store within the initial term of this Agreement, the Customer shall reimburse to EKPC and the Cooperative a portion of the EDR credits received by the Customer. The EDR credit reimbursement shall be due within 30 days from the date the Customer ceases operations at the Store or stops taking service at the Store. As used in this Agreement, EDR credits refers to the total dollar difference between the demand charges and environmental surcharge actually paid by the Customer compared to the demand charges and environmental surcharge that would have been paid without the EDR discount. If the Customer ceases operations at the Store or otherwise stops taking service at the Store during the first five (5) years of the initial term of this Agreement, the Customer shall reimburse 75 percent of the total EDR credits

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received by the Customer. If the Customer ceases operations at the Store or otherwise stops taking service at the Store during the final five (5) years of the initial term of this Agreement, the Customer shall reimburse 50 percent of the total EDR credits received by the Customer.

5. **Continuing Jurisdiction of the PSC.** 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 ten (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 Cooperative on or after the effective date of this Agreement.

6. **Voltage Fluctuations.** Customer and Cooperative shall cooperate to see that Customer's load is operated in accordance with prudent utility practices, as defined in Paragraph 9 below. Customer agrees to operate its Store and facilities to reduce voltage fluctuations or harmonic distortions. Cooperative will notify Customer if its operations cause voltage fluctuations or harmonic distortions that result in interference with Cooperative's supply of service to other customers, and will attempt to identify and help Customer correct such problems. Any substantial deviation from past practices that would cause additional voltage fluctuations or harmonic distortions requires approval from Cooperative. If Customer 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 Cooperative's supply of services to other customers, Cooperative shall have the right to deny service to Customer. Any voltage fluctuations or harmonic distortions shall be corrected within

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twenty-four (24) hours after written notice from Cooperative to Customer stating the voltage fluctuation or harmonic distortion problems.

7. **Right of Access.** The duly authorized agents and employees of EKPC and/or Cooperative shall have access at all reasonable hours to the premises of Customer where equipment is owned by Cooperative or EKPC 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 Customer for reading or testing meters, or for performing any other work incident to the performance of this Agreement. Customer shall not unreasonably withhold access from Cooperative and/or EKPC to access equipment or machinery owned by Cooperative or EKPC. 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 agents or employees, or 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.

8. **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 of real property of the other. Upon the termination of this Agreement, or any extension thereof, the owner thereof shall have the right to enter upon the premises of the other upon notice and approval of the other party and shall within a reasonable time remove all or any portion of such equipment, apparatus, devices

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or facilities, unless otherwise agreed by the parties at the time of such termination. As a part of any such removal, the owner shall perform restoration as required for any damage caused by said removal.

9. **Prudent Utility Practice.** EKPC and the Cooperative 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 Commonwealth of Kentucky, including the National Electric Safety Code, as adopted by the PSC. The Customer will adhere to, and comply with, all applicable building electric codes, statutes, rules and regulations and maintain their electrical facilities in a prudent and reasonable manner.

10. **Maintenance of Equipment.** EKPC and the Cooperative agree that it will at all times maintain its lines, equipment and other facilities in a safe operating condition in conformity with generally accepted standards for electric utilities in the Commonwealth of Kentucky, including the National Electrical Safety Code, as adopted by the PSC. The Customer will adhere to, and comply with, all applicable building electric codes, statutes, rules and regulations and maintain their electrical facilities in a prudent and reasonable manner.

11. **Billing and Payment.**

a. **Regular Monthly Billing.** Cooperative will bill Customer each month for the cost of electric power and energy delivered to Customer during the preceding month.

b. **Due Date.** Payment for electric power and energy furnished hereunder shall be due and payable at the office of Cooperative monthly in accordance with the provisions of Paragraphs 2 and 4. If Customer shall fail to pay any such bill as

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provided in said Schedules, Cooperative may discontinue delivery of electric power and energy hereunder ten (10) days following written notice to Customer of its intention to do so. Such discontinuance for non-payment shall not in any way affect the obligations of Customer to pay the minimum monthly charge provided in the attached Rate Schedules and Paragraph 4. All amounts unpaid when due shall be subject to a charge for late payment, as provided in the attached Rate Schedules, as applicable.

- c. **Security.** Should Customer have two late payments within a 12-month period, Customer agrees to provide a form and amount of bill payment security acceptable to Cooperative, and payable to Cooperative, for the duration of the Agreement. The amount of payment security may be changed at the request of Cooperative to match any changes in load by Customer. Such payment security may be equal to, but shall not exceed two times the amount of Customer's average monthly bill. The payment security shall be promptly payable to Cooperative, upon demand, due to non-payment by Customer and in accordance with the conditions set forth in subsections (a) and (b) above.
12. **Meter Testing and Billing Adjustment.** Cooperative shall test and calibrate meters, or cause them to be tested and calibrated, by comparison with accurate standards at intervals of twelve (12) months. Cooperative shall also make, or cause to be made, special meter tests at any time during normal business hours at Customer's request. The costs of all tests shall be borne or provided for by Cooperative, provided, however, that if any special meter test made by Customer's request shall disclose that the meters are recording inaccurately Customer shall reimburse Cooperative for the cost of such test.

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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 percentage of 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 Customer's operating records for the period in question, historical load records and other pertinent data and records, and Cooperative shall render a bill to Customer therefore.

13. **Membership/Capital Credits.** Cooperative is a non-profit Kentucky corporation and Customer 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 Cooperative's Articles of Incorporation and Bylaws; provided, however, Cooperative's Board of Directors may defer retirement of so much of the capital credited to patrons for any year which reflects capital credited to Cooperative by EKPC until EKPC shall have retired such capital credited to Cooperative. Customer shall participate in capital credits of Cooperative in accordance with the Kentucky Revised Statutes and Cooperative's Articles of Incorporation and Bylaws.

14. **Notices.** Any written notice, demand or request required or authorized under this Agreement shall be deemed properly given to or served on Cooperative if mailed to:

Donnie Glover
South Kentucky Rural Electric Cooperative Corporation
925-929 North Main Street
Somerset, Kentucky 42502

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Any such notice, demand or request shall be deemed properly given or served on Customer if mailed to:

Louisville Division Facility Engineering Manager
Kroger Limited Partnership I
1600 Ormsby Station Court
Louisville, KY 40223

Any such notice, demand or request shall be deemed properly given or served on EKPC if mailed to:

David Smart, General Counsel
East Kentucky Power Cooperative, Inc.
4775 Lexington Road
Winchester, KY 40391

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.

15. **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 Customer. Neither Cooperative nor EKPC shall be liable for loss or damage to any person or property whatsoever, and Customer agrees to indemnify and hold EKPC and/or Cooperative harmless for damages 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 Customer'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 Cooperative, their agents or employees.

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16. **Continuity of Service.** Cooperative 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, Governmental authority, action of the elements, public enemy, accident, strikes, labor trouble, or any other cause beyond the reasonable control of Cooperative, it shall not be liable therefor or for damages caused thereby. From time to time, electric supply interruption may be required to perform maintenance on equipment or machinery that cannot be maintained while energized. Cooperative and/or EKPC will endeavor to coordinate with Customer to minimize the impact for such an event.
17. **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 other, which shall not be unreasonably withheld; except that Cooperative may assign this Agreement to the Rural Utilities Service (“RUS”) and/or any other lenders to Cooperative without such consent.
18. **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 gives notice to the other party 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 party within a reasonable time of such cure. As used in this Section, the term force majeure shall include, but is not

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limited to: acts of God; strikes, wars, acts of public enemy; riots; storms; floods; civil disturbances; explosions; failures of machinery or equipment; 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 provision, no event of force majeure shall relieve Customer of the obligation to pay the minimum monthly charge provided herein or in the attached rate schedule.

19. **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 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.
20. **Modifications.** Any future revisions or modifications of this Agreement, except as provided in Paragraph 5, hereinabove, shall require the unanimous written approval of EKPC, Cooperative and Customer, and any necessary approvals by RUS, any other lenders to Cooperative, and the PSC.
21. **Miscellaneous.**
- a. **Headlines of Articles.** Headings of articles of 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.

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- c. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth 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 on connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or other matter.
- e. **Prior Agreements.** The parties hereby acknowledge that this Agreement contains the entire agreement among the parties and supersedes all prior agreements and understandings related to the subject matter hereof.
- f. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed an original.



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

East Kentucky Power Cooperative, Inc., a Kentucky corporation:

BY: Anthony S Campbell
Printed Name: Anthony S. Campbell
TITLE: Pres. / CEO

South Kentucky Rural Electric Cooperative Corporation, a Kentucky corporation:

BY: Allen Anderson
Printed Name: Allen Anderson
TITLE: President / CEO

Kroger Limited Partnership I, an Ohio limited partnership
By: KRGP Inc., an Ohio corporation, its general partner:

BY: Calvin Kaufman
Printed Name: Calvin KAUFMAN
TITLE: Division President - Louisville

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APPLICABLE TARIFFS

East Kentucky Power Cooperative, Inc.

Rate Section B

Section EDR – Economic Development Rider

South Kentucky Rural Electric Cooperative Corporation

Schedule LP-3 – Large Power Rate 3

Schedule EDR – Economic Development Rider

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EAST KENTUCKY POWER COOPERATIVE, INC.

FOR ALL COUNTIES SERVED
P.S.C. NO. 34
THIRD REVISED SHEET NO. 7
CANCELLING PSC KY. NO. 34
SECOND REVISED SHEET NO. 7

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

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 - EPT</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.

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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 January 22, 2013
Month / Date / Year

DATE EFFECTIVE Service rendered on and after March 10, 2013
Month / Date / Year

ISSUED BY *Anthony S. Campbell*
(Signature of Officer)

TITLE President and Chief Executive Officer

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JEFF R. DEROUEN
EXECUTIVE DIRECTOR

KENTUCKY
PUBLIC SERVICE COMMISSION

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Talina R. Mathews
EXECUTIVE DIRECTOR

Jalina R. Mathews
3/10/2013

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EAST KENTUCKY POWER COOPERATIVE, INC.

Section EDR

Economic Development Rider

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Applicability

The EDR is available in all service territories served by EKPC's Member Systems.

Availability

Available as a rider to qualifying non-residential customers of participating Member Systems who will be served or are being served under EKPC's Sections B, C, E, and G to encourage Economic Development as defined herein. Service under the EDR is conditional on approval of a special contract between EKPC, the participating Member System, and the qualifying non-residential customer for such economic development rate service filed with and approved by the Kentucky Public Service Commission ("Commission").

Economic Development

Service under EDR is available to:

- 1) New customers contracting for a minimum average monthly billing load of 500 kW over a 12 month period. If the new customer is locating in a Kentucky county that is identified by the Commonwealth of Kentucky as an "Enhanced Incentive County", then the minimum average monthly billing load will be 250 kW over a 12 month period.
- 2) Existing customers contracting for a minimum average monthly billing load increase of 500 kW over a 12 month period above their Economic Development Base Load ("ED Base Load"). If the existing customer is located in a Kentucky county that is identified by the Commonwealth of Kentucky as an "Enhanced Incentive County", then the minimum average monthly billing load increase will be 250 kW over a 12 month period. The ED Base load will be determined as follows:
 - a. The existing customer's ED Base Load will be determined by averaging the customer's previous three years' monthly billing loads. EKPC, the Member System, and the existing customer must agree upon the ED Base Load, and any adjustments to the ED Base Load must be mutually agreed to by the parties.
 - b. The ED Base Load shall be an explicit term of the special contract submitted to the Commission for approval before the customer can take service under the EDR. Once the ED Base Load's value is established, it will not be subject to variation or eligible for service under the EDR.
 - c. These provisions are not intended to reduce or diminish in any way EDR service already being provided to all or a portion of a customer's ED Base Load. Such EDR service would continue under the terms of the applicable special contract already existing between EKPC, the Member System, and the customer concerning the affected portion of the customer's ED Base Load.

DATE OF ISSUE July 1, 2014
Month / Date / Year

DATE EFFECTIVE Service rendered on and after June 20, 2014
Month / Date / Year

ISSUED BY *Anthony S. Campbell*
(Signature of Officer)

TITLE President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 2014-00034 dated June 20, 2014.

KENTUCKY
PUBLIC SERVICE COMMISSION

JEFF R. DEROUEN
EXECUTIVE DIRECTOR

KENTUCKY
PUBLIC SERVICE COMMISSION

Talina R. Mathews
EXECUTIVE DIRECTOR

Talina R. Mathews
6/20/2014

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

12/1/2016
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

EAST KENTUCKY POWER COOPERATIVE, INC.

Section EDR (con't.)

- 3) A new or existing customer eligible for a minimum average monthly billing load between 250 kW and 500 kW may require a customer-specific meter installation. The cost of the customer-specific meter installation shall be recovered from the customer.
- 4) The new customer or existing customer must agree to maintain a minimum load factor of 60 percent during the majority of the months in the discount period, subject to the following parameters:
 - a. During the first 12 months of the discount period the 60 percent minimum load factor requirement will be waived.
 - b. During the remaining months of the discount period, the load factor will be determined each month. The new or existing customer may fail to achieve the 60 percent minimum load factor for no more than 1/6th of the remaining months of the discount period.
 - c. Failure to maintain the 60 percent minimum load factor in any month beyond the period described in part 4(b) above will result in the suspension of the discount to the Total Demand Charge for that month. The discount to the Total Demand Charge will resume in the month the 60 percent minimum load factor is achieved; however the discount will resume at the discount rate applicable to the month of the discount period.
- 5) A customer desiring service under the EDR must submit an application for service that includes:
 - a. A description of the new load to be served;
 - b. The number of new employees, if any, the customer anticipates employing associated with the new load; and
 - c. The capital investment the customer anticipates making associated with the EDR load.
- 6) Any EDR customer-specific fixed costs shall be recovered over the life of the special contract.
- 7) For purposes of this tariff, a new customer is defined as one who becomes a customer of the Member System on or after January 1, 2013.

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DATE OF ISSUE July 1, 2014
Month / Date / Year
DATE EFFECTIVE Service rendered on and after June 20, 2014
Month / Date / Year
ISSUED BY *Anthony J. Campbell*
(Signature of Officer)
TITLE President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 2014-00034 dated June 20, 2014.

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
KENTUCKY PUBLIC SERVICE COMMISSION
Talina R. Mathews EXECUTIVE DIRECTOR
<i>Talina R. Mathews</i> 6/20/2014
<small>PURSUANT TO 807 KAR 5:011 SECTION 9 (1)</small> EFFECTIVE 12/1/2016
<small>PURSUANT TO 807 KAR 5:011 SECTION 9 (1)</small>

EAST KENTUCKY POWER COOPERATIVE, INC.

Section EDR (con't.)

Rate

The rate available under the EDR shall be in the form of a discount to the Total Demand Charge applicable to the customer. The Total Demand Charge is the sum of all demand charges, including any credits provided under any other demand-related rider, before the EDR discounts as described below are applied. A customer taking service under the EDR shall be served according to all of the rates, terms, and conditions of the normally applicable rate schedule subject to the following discount options:

Discount Period	3 years	4 years	5 years
Required Minimum Contract Term	6 years	8 years	10 years
Discount to Total Demand Charge:			
First 12 consecutive monthly billings	30%	40%	50%
Next 12 consecutive monthly billings	20%	30%	40%
Next 12 consecutive monthly billings	10%	20%	30%
Next 12 consecutive monthly billings	0%	10%	20%
Next 12 consecutive monthly billings	0%	0%	10%

Terms and Conditions

- 1) EKPC and the Member System will only offer an EDR during either periods of excess capacity or the additional capacity needs have been secured, or are capable of being economically secured, through a market purchase agreement. If additional capacity has been secured through a market purchase, the customer will be responsible for the costs of the market purchase agreement. Upon submission of each EDR special contract, EKPC will demonstrate that the load expected to be served during each year of the contract period will not cause them to fall below a reserve margin that is considered essential for system reliability.
- 2) Service shall be furnished under the applicable standard rate schedule and this rider, filed as a special contract with the Commission, for a fixed term of at least two times the discount period and for such time thereafter under the terms stated in the applicable standard rate schedule. The discount period shall not be less than 3 years and not exceed 5 years. A greater term of contract or termination notice may be required because of conditions associated with a customer's requirements for service. Service shall be continued under the conditions provided for under the applicable standard rate schedule to which this rider is attached after the original term of the contract.

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DATE OF ISSUE July 1, 2014
Month / Date / Year

DATE EFFECTIVE Service rendered on and after June 20, 2014
Month / Date / Year

ISSUED BY *Anthony J. Mathews*
(Signature of Officer)

TITLE President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 2014-00034 dated June 20, 2014.

**KENTUCKY
PUBLIC SERVICE COMMISSION**

**JEFF R. DEROUEN
EXECUTIVE DIRECTOR**

**KENTUCKY
PUBLIC SERVICE COMMISSION**

**Talina R. Mathews
EXECUTIVE DIRECTOR**

Talina R. Mathews
6/20/2014

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

12/1/2016
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

EAST KENTUCKY POWER COOPERATIVE, INC.

Section EDR (con't.)

- 3) The customer may request an EDR effective initial billing date that is no later than 12 months after the date on which EKPC and the Member System initiates service to the customer.
- 4) The EDR is not available to a new customer which results solely from a change in ownership of an existing establishment. However, if a change in ownership occurs after the customer enters into an EDR special contract, the successor customer may be allowed to fulfill the balance of the EDR special contract.
- 5) EKPC and the Member System may offer differing terms, as appropriate, under the special contract to which this rider is a part depending on the circumstances associated with providing service to a particular customer, subject to approval by the Commission.



DATE OF ISSUE July 1, 2014
Month / Date / Year

DATE EFFECTIVE Service rendered on and after June 20, 2014
Month / Date / Year

ISSUED BY *Anthony S. Campbell*
(Signature of Officer)

TITLE President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 2014-00034 dated June 20, 2014.

KENTUCKY PUBLIC SERVICE COMMISSION	
JEFF R. DEROUEN EXECUTIVE DIRECTOR	
PUBLIC SERVICE COMMISSION TARIFF BRANCH	
<i>Ben Mathews</i> Talina R. Mathews EXECUTIVE DIRECTOR	
<i>Jalina R. Mathews</i> 6/20/2014	
PURSUANT TO 807 KAR 5:011 SECTION 9 (1) EFFECTIVE	

12/1/2016

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

Form for Filing Rate Schedules

FOR: ENTIRE TERRITORY SERVED
P.S.C. KY NO. 7
16th REVISED SHEET NO. T-11
CANCELING P.S.C. KY NO. 7
15th REVISED SHEET NO. T-11

SOUTH KENTUCKY R.E.C.C.
SOMERSET, KENTUCKY 42501

*** CLASSIFICATION OF SERVICE ***

LARGE POWER RATE 3 (500 KW TO 2,999 KW)

SCHEDULE LP - 3

APPLICABLE: Entire Service Area - Applicable to contracts with contract demands of 500 to 2,999 KW with a monthly energy usage equal to or greater than 400 hours per KW of contract demand.

TYPE OF SERVICE: Three phase 60.hertz at voltages as agreed to in the special Contract for Service.

RATES PER MONTH:

Consumer Charge:

The consumer charge is equal to the metering charge plus the substation charge:

- 1. Metering Charge \$ 145.86 (1)
- 2. Substation Charge Based on Contract kW
 - a. 500 - 999 kW \$ 367.59 (1)
 - b. 1,000 - 2,999 kW \$ 1,101.60 (1)

If retail consumer has provided for the investment in the substation facilities from which it is served, the substation charge does not apply and the only applicable rate is the metering charge.

Demand Charge per KW

Contract demand.....	\$6.29	(1)
Excess demand.....	\$9.13	(1)

Energy charge per kWh @.....	\$0.05153	(1)
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DETERMINATION OF BILLING DEMAND: The billing demand (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 coincident with wholesale power suppliers system peak demand. The consumer's 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 - E.S.T.</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.

KENTUCKY
PUBLIC SERVICE COMMISSION

JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH

KENTUCKY
PUBLIC SERVICE COMMISSION

Talina R. Mathews
EXECUTIVE DIRECTOR

Talina R. Mathews
PRESIDENT & C.E.O. SOUTH KENTUCKY R.E.C.C.
In Case No. 2011-0028 dated SECTION 9 (1)
EFFECTIVE

DATE OF ISSUE: March 30, 2012

DATE EFFECTIVE: March 30

ISSUED BY: *Allen Anderson* PRESIDENT & C.E.O. SOUTH KENTUCKY R.E.C.C.
Issued by authority of an order of the Public Service Commission of Kentucky
March 30, 2012.

12/1/2016
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Form for Filing Rate Schedules

FOR: ENTIRE TERRITORY SERVED
P.S.C. KY NO. 7
3rd REVISED SHEET NO. T-12
CANCELLING P.S.C. KY NO. 7
2nd REVISED NO. T-12

SOUTH KENTUCKY R.E.C.C.
SOMERSET, KENTUCKY 42501

* CLASSIFICATION OF SERVICE *

LARGE POWER RATE 3 (500 KW TO 2,999 KW)

SCHEDULE LP - 3

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

- (a) The product of the contract demand multiplied by the demand charge, plus
- (b) The product of the excess demand multiplied by the excess demand rate, plus
- (c) The product of the contract demand multiplied by 400 hours and the energy charge per KWH, plus
- (d) The sum of the consumer charge.

POWER FACTOR ADJUSTMENT: The consumer agrees to maintain unity power factor as nearly as practicable at each delivery point at the time of the monthly maximum demand. When the power factor is determined to be less than 90%, the monthly maximum demand at the delivery point will be adjusted by multiplying the actual monthly maximum demand by 90% and divided this product by the actual power factor at the time of the monthly maximum demand.

FUEL ADJUSTMENT CLAUSE: As shown in "APPENDIX B" following these tariffs.

CONTRACT FOR SERVICE: The consumer must give satisfactory assurance by means of a written agreement as to the character, amount and duration of the three phase requirements and complete a special contract.

TERMS OF PAYMENT: The rates stated are net. If payment is not made by the due date, the current month charges shall be increased by 5%.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 01 1996

PURSUANT TO 807 KAR 5.011.
SECTION 9 (1)

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

**KENTUCKY
PUBLIC SERVICE COMMISSION**

DATE OF ISSUE: MARCH 14, 1996

DATE EFFECTIVE: MARCH 1, 1996

ISSUED BY: Keith Alton

Jalina R. Mathews
GENERAL MANAGER & C.E.O.

Issued by authority of an order of the Public Service Commission of
Kentucky in Case No. 94-400 dated February 28, 1996

**EFFECTIVE
12/19/2016
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)**

SOUTH KENTUCKY R.E.C..C.
SOMERSET, KENTUCKY 42501

CLASSIFICATION OF SERVICE
ECONOMIC DEVELOPMENT RIDER **SCHEDULE EDR**

Applicability

The EDR is available in all the service territory served by the cooperative.

Availability

Available as a rider to qualifying Cooperative's non-residential customers to be served or being served under East Kentucky Power Cooperative, Inc.'s ("EKPC") Sections B, C, E, and G to encourage Economic Development as defined herein. Service under the EDR is conditional on approval of a special contract between EKPC, South Kentucky, and the qualifying non-residential customer for such economic development rate service filed with and approved by the Kentucky Public Service Commission ("Commission").

Economic Development

Service under EDR is available to:

- 1) New customers contracting for a minimum average monthly billing load of 500 kW over a 12 month period. If the new customer is locating in a Kentucky county that is identified by the Commonwealth of Kentucky as an "Enhanced Incentive County", then the minimum average monthly billing load will be 250 kW over a 12 month period.
- 2) Existing customers contracting for a minimum average monthly billing load increase of 500 kW over a 12 month period above their Economic Development Base Load ("ED Base Load"). If the existing customer is located in a Kentucky county that is identified by the Commonwealth of Kentucky as an "Enhanced Incentive County", then the minimum average monthly billing load increase will be 250 kW over a 12 month period. The ED Base load will be determined as follows:
 - a. The existing customer's ED Base Load will be determined by averaging the customer's previous three years' monthly billing loads. EKPC, South Kentucky, and the existing customer must agree upon the ED Base Load, and any adjustments to the ED Base Load must be mutually agreed to by the parties.
 - b. The ED Base Load shall be an explicit term of the special contract submitted to the Commission for approval before the customer can take service under the EDR. Once the ED Base Load's value is established, it will not be subject to variation or eligible for service under the EDR.

DATE OF ISSUE: September 17, 2014

DATE EFFECTIVE: November 1, 2014

ISSUED BY: /s/ Allen Anderson
President & Chief Executive Officer

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFE BRANCH KENTUCKY PUBLIC SERVICE COMMISSION
<i>Talina R. Mathews</i> Talina R. Mathews EXECUTIVE DIRECTOR
<i>Talina R. Mathews</i> 11/1/2014 PURSUANT TO 807 KAR 5:011 SECTION 9 (1) EFFECTIVE 12/1/2016 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

SOUTH KENTUCKY R.E.C.C.
SOMERSET, KENTUCKY 42501

CLASSIFICATION OF SERVICE

ECONOMIC DEVELOPMENT RIDER **SCHEDULE EDR**

Schedule EDR (con't.)

- c. These provisions are not intended to reduce or diminish in any way EDR service already being provided to all or a portion of a customer's ED Base Load. Such EDR service would continue under the terms of the applicable special contract already existing between EKPC, South Kentucky, and the customer concerning the affected portion of the customer's ED Base Load.
- 3) A new or existing customer eligible for a minimum average monthly billing load between 250 kW and 500 kW may require a customer-specific meter installation. The cost of the customer-specific meter installation shall be recovered from the customer.
- 4) The new customer or existing customer must agree to maintain a minimum load factor of 60 percent during the majority of the months in the discount period, subject to the following parameters:
- a. During the first 12 months of the discount period the 60 percent minimum load factor requirement will be waived.
 - b. During the remaining months of the discount period, the load factor will be determined each month. The new or existing customer may fail to achieve the 60 percent minimum load factor for no more than 1/6th of the remaining months of the discount period.
 - c. Failure to maintain the 60 percent minimum load factor in any month beyond the period described in part 4(b) above will result in the suspension of the discount to the Total Demand Charge for that month. The discount to the Total Demand Charge will resume in the month the 60 percent minimum load factor is achieved; however the discount will resume at the discount rate applicable to the month of the discount period.
- 5) A customer desiring service under the EDR must submit an application for service that includes:
- a. A description of the new load to be served;
 - b. The number of new employees, if any, the customer anticipates employing associated with the new load; and
 - c. The capital investment the customer anticipates making associated with the EDR load.
- 6) Any EDR customer-specific fixed costs shall be recovered over the life of the special contract.

DATE OF ISSUE: September 17, 2014

DATE EFFECTIVE: November 1, 2014

ISSUED BY: /s/ Allen Anderson
President & Chief Executive Officer

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
KENTUCKY PUBLIC SERVICE COMMISSION
<i>Brent Kelley</i> Talina R. Mathews ECONOMIC DIRECTOR
<i>Talina R. Mathews</i> 11/1/2014
PURSUANT TO 807 KAR 5:011 SECTION 9 (1) EFFECTIVE
12/1/2016
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

SOUTH KENTUCKY R.E.C.C.
SOMERSET, KENTUCKY 42501

CLASSIFICATION OF SERVICE

ECONOMIC DEVELOPMENT RIDER **SCHEDULE EDR**

Schedule EDR (con't.)

Rate

The rate available under the EDR shall be in the form of a discount to the Total Demand Charge on the EKPC rate section applicable to the customer. The Total Demand Charge is the sum of all demand charges, including any credits provided under any other demand-related rider, before the EDR discounts as described below are applied. A customer taking service under the EDR shall be served according to all of the rates, terms, and conditions of the normally applicable rate schedule subject to the following discount options:

Discount Period	3 years	4 years	5 years
Required Minimum Contract Term	6 years	8 years	10 years
Discount to Total Demand Charge:			
First 12 consecutive monthly billings	30%	40%	50%
Next 12 consecutive monthly billings	20%	30%	40%
Next 12 consecutive monthly billings	10%	20%	30%
Next 12 consecutive monthly billings	0%	10%	20%
Next 12 consecutive monthly billings	0%	0%	10%

The discount will not be smaller than the amount calculated from the EKPC rate sections.

Terms and Conditions

- 1) EKPC and South Kentucky will only offer an EDR during either periods of excess capacity or the additional capacity needs have been secured, or are capable of being economically secured, through a market purchase agreement. If additional capacity has been secured through a market purchase, the customer will be responsible for the costs of the market purchase agreement. Upon submission of each EDR special contract, EKPC will demonstrate that the load expected to be served during each year of the contract period will not cause them to fall below a reserve margin that is considered essential for system reliability.
- 2) Service shall be furnished under the applicable standard rate schedule and this rider, filed as a special contract with the Commission, for a fixed term of at least two times the discount period and for such time thereafter under the terms stated in the applicable standard rate schedule. The discount period shall not be less than 3 years and not exceed 5 years. A greater term of contract or termination notice may be required because of conditions associated with a customer's requirements for service. Service shall be continued under the conditions provided for under the applicable standard rate schedule to which this rider is attached after the original term of the contract.

DATE OF ISSUE: September 17, 2014

DATE EFFECTIVE: November 1, 2014

ISSUED BY: /s/ Allen Anderson
President & Chief Executive Officer

**KENTUCKY
PUBLIC SERVICE COMMISSION**

JEFF R. DEROUEN
EXECUTIVE DIRECTOR

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Talina R. Mathews
EXECUTIVE DIRECTOR

Talina R. Mathews
11/12/14

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

12/1/2016

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

SOUTH KENTUCKY R.E.C.C.
SOMERSET, KENTUCKY 42501

CLASSIFICATION OF SERVICE

ECONOMIC DEVELOPMENT RIDER **SCHEDULE EDR**
Schedule EDR (con't.)

- 3) The customer may request an EDR effective initial billing date that is no later than 12 months after the date on which EKPC and South Kentucky initiates service to the customer.
- 4) The EDR is not available to a new customer which results from a change in ownership of an existing establishment . However, if a change in ownership occurs after the customer enters into an EDR special contract, the successor customer may be allowed to fulfill the balance of the EDR special contract.
- 5) EKPC and South Kentucky may offer differing terms, as appropriate, under the special contract to which this rider is a part depending on the circumstances associated with providing service to a particular customer subject to approval by the Commission.

DATE OF ISSUE: September 17, 2014

DATE EFFECTIVE: November 1, 2014

ISSUED BY: /s/ Allen Anderson
President & Chief Executive Officer

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH KENTUCKY PUBLIC SERVICE COMMISSION
<i>Brian Mathews</i> Talipa R. Mathews EXECUTIVE DIRECTOR
<i>Jalina R. Mathews</i> PURSUANT TO 807 KAR 5:011 SECTION 9 (1) EFFECTIVE 12/1/2016 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)