

FACILITIES AND SERVICES AGREEMENT

This Agreement made and entered into this 21st day of September, 2000, by and between **East Kentucky Power Cooperative, Inc. ("EKPC")**, a Kentucky corporation with its principal offices at 4775 Lexington Road, P. O. Box 707, Winchester, Kentucky 40392-0707 and **Tennessee Gas Pipeline Company ("TGP")**, a Delaware corporation with its principal offices at 1001 Louisiana Street, P. O. Box 2511, Houston, Texas 77252-2511. EKPC and TGP may also be referred to as "Party" or collectively as "Parties."

WITNESSETH:

WHEREAS, EKPC is a generation and transmission cooperative which supplies all of the electric power, energy and transmission requirements of its member distribution systems, and

WHEREAS, TGP desires to convert two of its pipeline compressor stations, Cranston and Saloma, to electric power, and

WHEREAS, those two compressor stations will be served electric power individually by two of EKPC's member distribution cooperatives ("MDCs"), Fleming Mason EC ("FMEC") and Taylor County RECC ("TCRECC"), pursuant to Special Industrial Power Agreements ("SIPAs"), and

WHEREAS, EKPC and TGP wish to define the rights and obligations of the parties hereto in regard to certain transmission facilities that will be required to serve the subject compressor stations and services, to be provided by EKPC, in regard to the SIPAs;

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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SEP 09 2001

PURSUANT TO KRS 5.011,
SECTION (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

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

1. **Term.** This agreement shall become effective on the 21st day of September, 2000, and will remain in effect for one year or until the SIPAs with Fleming-Mason EC and Taylor County RECC are both terminated, whichever is later.

2. **Facilities.** EKPC will construct, by the listed energization dates, the following facilities required for the service to the TGP pipeline compressor stations (the "Facilities"):

Saloma Tap – planned energization June 1, 2000 – estimated cost \$266,000
0.82 miles, 161kV, 556.5KCM, steel pole structures

Cranston Tap – planned energization December 1, 2000 – estimated cost \$3,041,727
12.5 miles, 138kV, 795 KCM, steel pole structures

3. **Facilities Payment.** EKPC will invoice TGP for the actual total costs of the Facilities which shall include labor and applicable labor overheads at 46%, materials, travel and transportation expenses, right-of-way acquisition and clearing expenses, permitting expenses, and environmental compliance expenses within 90 days following the energization of the Facilities. Within 30 days of receipt of invoice, TGP will pay in full such invoiced costs. Should TGP fail to make timely payment in accordance with this Section 3, EKPC shall be entitled to collect the amount due, together with interest, at a rate equal to one percent (1%) above the prime rate from time to time charged by Chase Manhattan N.A. If there are outstanding charges at the time the invoice must be sent, EKPC and TGP will consult and develop a mutually agreeable settlement arrangement whereby TGP will reimburse EKPC for all remaining costs to complete the Facilities.

In the event that TGP fails to execute the SIPAs by October 1, 2000, or the Kentucky Public Service Commission (the "PSC") fails to approve the SIPAs on terms

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that are acceptable to EKPC, the MDCs and TGP, or EKPC is prevented from completing the Facilities due to a denial of necessary permits, EKPC will cease any further construction of the Facilities and will calculate its unrecoverable costs incurred to that time, and TGP agrees to pay such costs within 30 days of the receipt of EKPC's invoice.

4. **Facilities Taxes, Operation and Maintenance Charges.** TGP will pay a monthly fixed charge to recover taxes and routine operation and maintenance charges as outlined in the Special Industrial Power Agreements between TGP and FMEC and TCRECC. In addition, TGP will pay for EKPC's actual cost for restoration of the lines following major damage for any reason, except for EKPC negligence. Major damage will be defined as single incidents costing more than \$50,000 to repair.

5. **Increase in Capacity.** Any increase in the maximum demand in either of the SIPAs, requires EKPC's prior approval. Such approval will not be unreasonably withheld. EKPC reserves the right of approval for increases in contract demand to allow EKPC to evaluate the impact of proposed demand increases on its transmission system, the availability of power to serve the increased demand, the need for additional facilities, and the appropriateness of the rates then in effect under the SIPAs when applied to the increase in demand proposed.

In the event that EKPC desires to serve other customer load from the Cranston or Saloma Tap Lines, TGP shall have the right of first refusal of that increment of capacity for additional service to its loads at Cranston or Saloma. This concession is made since TGP is paying for the cost of the Facilities. EKPC will notify TGP of its need for such capacity, and TGP will have 90 days to notify EKPC of its election to use the capacity so identified. Appropriate Amendments to the SIPAs will be made to increase the minimum

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SECTION 2(1)

BY: Stephan Bue
SECRETARY OF THE COMMISSION

Billing Demand and the maximum demands to reflect the increase in capacity reserved for TGP use.

6. **Right of Access.** Duly authorized representatives of EKPC shall be permitted to enter TGP's premises at all reasonable times in order to carry out the provisions of the SIPAs on behalf of the MDCs. EKPC shall notify TGP's Area Operations Manager at least 48 hours prior to commencement of any work to be performed under the terms of this agreement. In the case of emergencies, EKPC shall use reasonable efforts under the circumstances to notify TGP prior to any emergency construction or maintenance. EKPC shall indemnify, defend and hold harmless TGP, its affiliates and subsidiaries from and against any and all liabilities, claims and causes of action for personal injury, death or property damage occurring on or to such property as a result of EKPC's entry onto TGP's premises. EKPC agrees to comply fully with all rules, regulations and instructions issued by TGP regarding the actions of EKPC while upon, entering or leaving the premises of TGP.

7. **Right of Removal.** Any and all equipment, apparatus, devices or facilities placed or installed, or caused to be placed or installed, by either of the parties hereto on or in the premises of the other 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 this Agreement the owner thereof shall remove its facilities in accordance with the Electric Transmission Line Easement for the respective site.

8. **Right to Audit.** TGP shall have the right, upon 30 days' advance written notice to EKPC, to commission an audit or audits to confirm the cost information provided by EKPC in accordance with this Agreement. The cost of such audit(s) shall be paid by EKPC.

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FORSALE - 0.007 KAR 5.011,
02.003.0(1)
SECRETARY OF THE COMMISSION

paid by TGP. EKPC shall fully cooperate with any audit(s) which shall be conducted at reasonable times during EKPC business hours, and shall maintain all records necessary for such audit(s) for two (2) years. Following any audit adjustments, the Party providing the adjustment shall provide the other Party the information used to calculate any such adjustment(s). Amounts determined due by the audit will be billed promptly and are due thirty (30) days from the receipt of the invoice.

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

Contractual Issues
Vice President, Power Delivery
East Kentucky Power Cooperative, Inc.
P. O. Box 707
Winchester, KY 40392-0707.

24 Hour Emergency/Operational Notice (BY TELEPHONE)
EKPC System Operator (859) 744-4864, Ext. 300

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

Contractual Issues

Tennessee Gas Pipeline Company
P. O. Box 2511
Houston, TX 77252-2511
Attn: Director of Planning and Gas Control

24 Hour Emergency/Operational Notice (BY TELEPHONE)

TGP Area Operations Manager
(270) 465-6641 Ext. 2022

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PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Stephan Bell
SECRETARY OF THE COMMISSION

Each party shall have the right to change 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.

10. **Successors in Interest.** The terms and conditions of this Agreement shall inure to and be binding upon the parties, together with their respective successors in interest. Neither party may assign this Agreement to any other party without the express written consent of the other party, except that EKPC may assign the Agreement to the Rural Utilities Service ("RUS") and/or any other lenders to EKPC without such consent.

11. **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 limited to: acts of God; strikes; wars; acts of a public enemy; riots; storms; floods; civil disturbances; explosions; failures of machinery or equipment; denial of necessary permits from the U.S. Forest Service; civil actions by individuals or groups opposing the project; 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 TGP of the obligation to pay charges pursuant to Section 3 above.

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PURSUANT TO 207 KAR 5.011,
SECTION 3(1)

BY: Stephan Bull
SECRETARY OF THE COMMISSION

12. **Approvals.** The obligations of the Parties are contingent on the receipt of any necessary approvals of this Agreement by the RUS, any other lenders to EKPC, and the PSC.

13. **Modifications.** Any future revisions or modifications of this Agreement shall require any necessary regulatory approvals by the RUS, any other lenders to EKPC, and the PSC.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed, in six original counterparts, by their respective officers, thereunto duly authorized, as of the day and year first above written.

ATTEST:

Margaret E. Spick
Title: Assistant Secretary

TENNESSEE GAS PIPELINE COMPANY

By: DJM Math
Title: Sr. Vice President

ATTEST:

Chas A. Erb
Title: Senior Corporate Counsel

EAST KENTUCKY POWER
COOPERATIVE, INC.

By: Paul C. Atkinson
Title: Vice President, Power Delivery

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SEP 09 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan Bue
SECRETARY OF THE COMMISSION

Example of Energy Charge
for One-Hour Increments

<u>Off-Peak Period:</u>	Scheduled (MW)	Low Band (MW)	High Band (MW)	Actual (MW)	Cinergy Index (\$/MWh)	EKPC Incremental Cost (\$/MWh)	Dump Energy Cost (\$/MWh)	Billing \$\$
1. Within the Band	10	8	12	11				
Billing Amount =	11				22			242
Dump Energy Credit =	0						9	0
Excess Energy Charge =	0					100		0
Total								242
2. Outside the Band (High)	10	8	12	13				
Billing Amount =	12				22			264
Dump Energy Credit =	0						9	0
Excess Energy Charge =	1					100		100
Total								364
3. Outside the Band (Low)	10	8	12	6				
Billing Amount =	8				22			176
Dump Energy Credit =	(2)						9	(18)
Excess Energy Charge =	0					100		0
Total								158
Off-Peak Period:								
1. Within the Band	10	8	12	11				
Billing Amount =	11					18 *		198
Dump Energy Credit =	0						9	0
Excess Energy Charge =	0					100		0
Total								198
2. Outside the Band (High)	10	8	12	13				
Billing Amount =	12					18 *		216
Dump Energy Credit =	0						9	0
Excess Energy Charge =	1					100		100
Total								316
3. Outside the Band (Low)	10	8	12	6				
Billing Amount =	8					18		144
Dump Energy Credit =	(2)						9	(18)
Excess Energy Charge =	0					100		0
Total								126

* includes incremental cost plus \$3 /MWh .

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PURSUANT TO 207 KAR 5.011,
SECTION 1(1)

BY: Stephan Bell
SECRETARY OF THE COMMISSION

COST SUPPORT FOR TRANSMISSION RATE FOR TENNESSEE GAS PIPELINE

KEY DATA			(WS)	CASH WORKING CAPITAL					
WAGE AND SALARY ALLOC.	Form 1 Page	Total	Allocation %		Form 1 Page	Total	Less Fuel	Less Pur.Pow	Total
Production	354	16,968,812	0.71675	Total O&M	320-323	271,662,757	100,704,920	96,568,633	74,389,204
Transmission - Total	354	5,433,690		Cash Working Capital			1/8 of Total		9,298,651
Looped Service		5,093,430	0.21514						
Radial Service		340,260	0.01437						
Distribution	354	712,858	0.03011						
Services	354	559,420	0.02363						
Total Wages & Salaries		23,674,780	1.00000						
TRANSMISSION EXPENSES			(TP)	RETURN					
						\$	%	Cost	Weighted
Total Transmission Plant	206	202,655,171	1.00000	Long Term Debt		714,225,328	0.9297	0.060524	0.056270
Radial Transmission Plant		12,690,342	0.06262	Equity		53,992,785	0.0703	0.120094	0.008441
Looped Transmission Plant		189,964,829	0.93738			768,218,113	1.0000		0.064711

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SEP 09 2001

PURSUANT TO 2007 KAR 5011,
BY: Stephanie Bui
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COST SUPPORT FOR TRANSMISSION RATE FOR TENNESSEE GAS PIPELINE

RATE BASE		Total		Production	Transmission		Distribution	Service
					Looped	Radial		
GROSS PLANT								
Production	206-207	608,241,990	DA	608,241,990				
Transmission - Looped	206-207	189,964,829	TP		189,964,829			
Transmission - Radial	206-207	12,690,342	TP			12,690,342		
Distribution	206-207	61,833,941	DA				61,833,941	
General Plant	206-207	31,419,278	WS	22,519,653	6,759,594	451,565	946,048	742,418
Total		904,150,380		630,761,643	196,724,423	13,141,907	62,779,989	742,418
Gross Plant Allocation % - (GP)		1.0000		0.6976	0.2176	0.0145	0.0694	0.0008
ACCUMULATED DEPREC.								
Production	219	328,653,420	DA	328,653,420				
Transmission - Looped	219	69,592,013	TP		69,592,013			
Transmission - Radial	219	4,649,000	TP			4,649,000		
Distribution	219	12,813,968	DA				12,813,968	
General Plant	219	16,341,948	WS	11,713,031	3,515,833	234,870	492,063	386,150
TOTAL		432,050,349		340,366,451	73,107,846	4,883,870	13,306,031	386,150
NET PLANT IN SERVICE		472,100,031		290,395,191	123,616,577	8,258,037	49,473,958	356,268
Net Plant Allocation % (NP)		1.0000		0.6151	0.2618	0.0175	0.1048	0.0008
LAND HELD FOR FUTURE USE	214	80,428			75,392	5,036		
WORKING CAPITAL								
CWC		9,298,651	OM	7,263,011	1,209,245	138,798	223,759	463,837
Materials & Supplies - Total	227	20,866,369						
Materials & Supplies - Direct	227	20,401,498	DA/TP	13,470,431	6,497,041	434,026		
Materials & Supplies - Allocated	227	464,871	GP	324,308	101,146	6,757	32,278	382
Prepayments	110	479,512	WS	343,688	103,163	6,892	14,438	11,331
Goodwill	227	16,020,230	DA	16,020,230				
TOTAL WORKING CAPITAL		46,664,762		37,421,668	7,910,596	586,472	270,476	475,549
RATE BASE		518,845,221		327,816,860	131,602,564	8,849,546	49,744,434	831,817
Rate Base Allocation % - (R)		1.0000		0.6318	0.2536	0.0171	0.0959	0.0016

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 SEP 09 2011
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COST SUPPORT FOR TRANSMISSION RATE FOR TENNESSEE GAS PIPELINE

EXPENSES	Total		Production	Transmission		Distribution	Service
				Looped	Radial		
OPERATIONS & MAINTENANCE							
Production	321	241,706,053	DA	241,706,053			
Transmission - Total	321	13,450,926					
Looped Service		12,608,624	TP		12,608,624		
Radial Service		842,302	DA			842,302	
Distribution	323	1,287,864	DA			1,287,864	
Services	323	3,061,035	DA				3,061,035
Subtotal		259,505,878		241,706,053	12,608,624	842,302	1,287,864
Less Transmission Lease Exp	321	457,654			457,654		
Admin & General	324	11,620,993	WS	8,329,304	2,500,159	167,020	349,913
Less Industry Association Dues	335	1,530,369	WS	1,096,886	329,246	21,995	46,080
Less Account 565	321	5,720,003	DA		5,720,003		
Total O&M		263,418,845		248,938,471	8,601,880	987,327	1,591,697
O&M Alloc. % (No fuel or Pur. Power.) - (OM)				0.78108	0.13005	0.01493	0.02406
							0.04988
DEPRECIATION							
Production	336	36,688,526	DA	36,688,526			
Transmission - Total	336	5,175,805					
Looped Service		4,851,694	TP		4,851,694		
Radial Service		324,111	TP			324,111	
Distribution	336	1,566,625	DA			1,566,625	
General Plant	336	2,138,555	WS	1,532,801	460,092	30,736	64,393
TOTAL DEPRECIATION		45,569,511		38,221,327	5,311,786	354,847	1,631,018
OTHER TAXES							
Payroll	262-263	2,256,399	WS	1,617,266	485,445	32,430	67,941
Property	262-263	2,562,550	NP	1,576,260	670,988	44,824	268,544
Total Other Taxes		4,818,949		3,193,525	1,156,434	77,254	336,485
Revenue Requirement	0.064711	33,574,954	RB	21,213,332	8,516,124	572,662	3,219,008
REVENUE REQUIREMENT		347,382,259		311,566,656	23,586,224	1,992,090	6,778,208
							3,459,081

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 PURSUANT TO KRS 192.010
 RETURN TO: KRS 192.010
 MAR 5011,

COST SUPPORT FOR TRANSMISSION RATE FOR TENNESSEE GAS PIPELINE

Attachment 3

TRANSMISSION RATES		
GROSS REVENUE REQUIRMENTS		<u>23,586,224</u>
REVENUE CREDITS		
Account 447	505,304	473,662
Account 446	2,191,355	<u>2,054,132</u>
Total Revenue Credits		2,527,793
NET REVENUE REQUIREMENTS		<u>21,058,431</u>
DIVISOR FOR POINT TO POINT SERVICE		
Average of 12 Coincident Peaks		1,519,750
Plus 12 CP for NonSystem Loads not in Systgem CP		<u>60,000</u>
Divisor		<u>1,579,750</u>
Annual Cost - \$/kW		\$ 13.33
Monthly Cost -/kW		\$ 1.11

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SEP 09 2001
 PURSUANT TO 807 KAR 5.011,
 807 KAR 5.011
 BY Stewart Ruy
 SECRETARY OF THE COMMISSION

EAST KENTUCKY POWER COOPERATIVE, INC.

WHOLESALE TRANSMISSION RATES

MONTHLY - DOLLARS PER kW

<u>DESCRIPTION</u>	<u>RATE</u>
Scheduling, Control & Dispatch	0.089
VAR Support	0.040
Load Following	0.128
Spinning Reserve	0.128
Supplemental Reserve	<u>0.257</u>
Total	<u>\$0.642</u>

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SEP 09 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION



EAST KENTUCKY POWER COOPERATIVE, INC.
4775 LEXINGTON ROAD
P.O. BOX 707
WINCHESTER, KENTUCKY 40392-0707
TEL. (859)744-4812 FAX. (859)744-6008

BILLED TO: Tennessee Gas Pipeline Company
Attn Director of Planning and Gas Control
P O Box 2511
Houston, TX 77252-2511

INVOICE NUMBER 031170

INVOICE DATE 04/09/01
Customer #M10108

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
	<p>One time facilities charge for reimbursement of cost to construct a radial 161 kV line from TGP's 161 kV distribution substation to EKPC's transmission system (Saloma Tap) as per contract</p> <p><i>e-mailed Conopa 6/22/01</i></p> <p>PAYMENT DUE WITHIN 30 DAYS OF RECEIPT OF INVOICE</p> <p>QUESTIONS REGARDING THIS INVOICE SHOULD BE DIRECTED TO DONNA WALTERS AT EXT 413 OR HER E-MAIL ADDRESS: DONNAW@EKPC.COM</p>		<p>274,872.98</p> <p>PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE</p> <p>SEP 09 2001</p>

TOTAL AMOUNT THIS INVOICE

PURSUANT TO 207 KAR 301.1872.98

BY: Stephen Bell
SECRETARY OF THE COMMISSION

thru: 12/31/00

Saloma Tap

The 161 kV line (RU- 0.82 miles) and line switches (W100-1005 & W100-1015) were connected to EKP transmission system on 5/3/2000 at 9:34 EST (or 10/2/00 at 3:46 pm EST).

<u>W.O.#</u>	<u>Total \$\$</u>		
4813	111,606.34	Constr.	(planted 8/31/00)
4814	29,641.55	Engr	(planted 8/31/00)
4815	35,066.60	R/W	(planted 8/31/00)
523X	86,567.18	Contr.	(planted 8/31/00)
	<hr/>		
	262,881.67		
21027	11,575.99	Contr.	
	<hr/>		
	274,457.66		
21027 (dec.)	415.32	on wo 1/16/2001	11,991.31
transp.corr.			
	<hr/>		
	274,872.98	billed to TGP	

Tennessee Gas Pipeline Inc.

Customer # = M10108

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SEP 09 2001

PURSUANT TO 207 KAR 5:011,
SECTION 5(1)

BY: Sharon Bell
SECRETARY OF THE COMMISSION

Rec'd. 9/3/99

MAJOR CONSTRUCTION PROJECT ESTIMATE

PROJECT #

NAME AND TYPE OF FACILITY:

Granston 138KV Tap

WORK ORDERS:

Site Acq/ R/W: 4704

Engineering: 4705

Construction: 4706

Other: _____

Project Description: Construct 12.65 Miles Standard RUS 161KV Line w/ 795 KCM ACSR Conductor & 7/6 H.S. Steel OHGW

Mileage/Acreage/Voltage: 12.65 Miles, 138KV

County: Fleming - Rowan

Funding: Municipal Funds

CONTRACTS:

Estimated Starting Date: _____

Estimated Completion Date: _____

ESTIMATED COSTS TO BE APPROVED:

	ENGINEERING - CONTRACT OR FORCE ACCOUNT			CONSTRUCTION CONTRACT OR FORCE ACCOUNT		Communications	Metering
	Site Acq/ R/W	Design & Drafting	Survey	Envir	Const		
Matr/Equip 1. (See Back)	\$ XXXXXXXX	\$ XXXXXXXX	\$ XXXXXXXX	\$ XXXXXXXX	\$ 1,015,000.00	\$ XXXXXXXX	\$
2. Company Labor	20,240.00	56,925.00	6,325.00	7000.00	2,500.00	23,400.00	
3. O.H. CHG. (% of Line 2)	9,510.00	24,186.00	2,912.00	3,220.00	1,150.00	10,764.00	
4. Site acq/R/W	233,722.00	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
5. R/W Clearing	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	253,000.00	XXXXXXXX	XXXXXXXX
6. Travel Expense	6,325.00	500.00	3,375.00	500.00	500.00	4,500.00	
7. Transp. Cost	3,800.00	600.00	600.00	500.00	1,500.00	3,800.00	
8. Other	6,325.00	—	—	—	—	—	
9. Contract Labor	XXXXXXXX	—	63,250.00	10,000.00	126,500.00	XXXXXXXX	XXXXXXXX
10. Total Cost of Work	\$ 279,722.00	\$ 84,211.00	\$ 76,462.00	\$ 21,220.00	\$ 2,538,150.00	\$ 44,464.00	\$

11. LESS: Salvage \$ _____
 12. TOTAL PROJECT COST: \$ 3,046,727⁰⁰

SUPPLY INFORMATION REQUESTED ON BACK OF FORM

TITLE PROCURED BY: _____
 Date: _____
 RELEASED TO: _____
 BY: _____
 Date: _____

Prepared By: Edwin S. Meyer 8/17/99
 Checked: Dominic Ballard 8-17-99
 Accounting Approved: Don Miller 9/7/99
 Operations Approved: _____
 Engineering Approved: Mr. Paul Hamer 9/3/99
 Manager Approved: Raymond Park 9/22/99

DATE PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

SEP 09 2001

PURSUANT TO 007 KAR 5.011, SECTION 4(1)
 BY: Stephan Bull
 SECRETARY OF THE COMMISSION

Cranston 138 KV Tap.

1. Materials	See Breakdown (Steel Poles) 2-Way Switch	\$ 960,100.00 55,000.00 \$1,015,000.00
2. R/W Procurement Labor @ 1600 ⁰⁰ Mile	12.65	\$ 20,240.00
3. O.H. Charge 46% of Line		9,310.00
4. R/W Acquisition @ 3 ⁵⁰ per ft.	Per Spencer	233,722.00
6. Travel Expense - @ 500 ⁰⁰ per Mile		6,325.00
7. Transp Cost - @ 300 ⁰⁰ per Mile		3,800.00
8. Other - File Easements, Legal Expense @ 500 ⁰⁰ Mile		6,325.00
10. Total R/W Cost		\$ 279,722.00

2. Design & Drafting Labor		\$
12.65 Miles @ 4,500 ⁰⁰ per mile		56,925.00
3. O.H. Charge 46% of Line		26,186.00
6. Travel Expense 12.65 Miles		500.00
7. Transp. Cost 12.65 Miles		600.00
10. Total Cost Design & Drafting		\$ 84,211.00

2. Survey Labor - @ 500 ⁰⁰ per Mile		\$ 6,325.00
3. O.H. Charge 46% of Line 2		2,910.00
6. Travel Expense 5 Weeks - 3 Men @ 675 ⁰⁰ per wk		3,375.00
7. Transp. Cost - 3000 Miles @ 20¢ per mile		600.00
9 Contract Labor 12.65 Miles @ 5000 ⁰⁰ per mile		63,250.00
10. Total Cost of Survey		\$ 76,460.00

2. Company Labor Environmental Estimated		\$ 7000.00
3. O.H. Charge 46% of Line 2		3,220.00
6. Travel Expense		500.00

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BY
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	<u>2.</u>
7. Transp. Cost	\$ 500.00
9. Contract Work	\$ 10,000.00
10. Total Cost of Environmental	21,220.00

2. Construction Labor (Switching, Connections @ Subs)	\$ 2,500.00
3. O.H. Charge 46% of Line 2	1,150.00
5. R/W Clearing 12.65 Miles @ 4 ⁰⁰ Units Per Mile @ 5000 ⁰⁰ Unit	253,000.00
6. Travel Expense	500.00
7. Transp. Cost	1,500.00
8. Contract Labor - 12.65 Miles @ 100,000 ⁰⁰ per mile	1,265,000.00
10. Total Cost Construction	\$ 2,538,650.00

2. Inspection, Labor	\$
80 Days Construction @ 180 ⁰⁰ per day	14,400.00
50 Days R/W Clearing @ 180 ⁰⁰ per day	9,000.00
Total	\$ 23,400.00

3. O.H. Charge 46% of Line 2	10,764.00
6. Travel Expense - 80 Days @ 50 per day	4,000.00
" " - 50 Days @ 10 per day	500.00
Total	14,500.00

7. Transp. Cost:	\$
8000 Miles @ 20¢ per mile	1,600.00
4000 Miles @ 30¢ per mile	1,200.00
	\$ 2,800.00

10. Total Cost Inspection	\$ 41,464.00
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PURSUANT TO 007 KAR 5.011,
SECTION 9(1)
BY: Stewart Bell
SECRETARY OF THE COMMISSION

TENNESSEE GAS PIPELINE COMPANY
DETERMINATION TAXES, INSURANCE AND O&M COSTS

	Saloma	Cranston
Investment	\$ 260,000	\$ 3,075,000
Tax & Ins Rate	<u>0.558%</u>	<u>0.558%</u>
Annual T & I	\$ <u>1,450.80</u>	\$ <u>17,158.50</u>
O&M/Mile of Line/yr	\$ 2,957.00	\$ 2,957.00
Miles of Line	<u>0.7</u>	<u>12.8</u>
Annual O&M	\$ 2,069.90	\$ 37,849.60
Total Annual O&M - T&I	\$ <u>3,520.70</u>	\$ <u>55,008.10</u>
Monthly O&M - T&I	<u>\$ 293</u>	<u>\$ 4,584</u>

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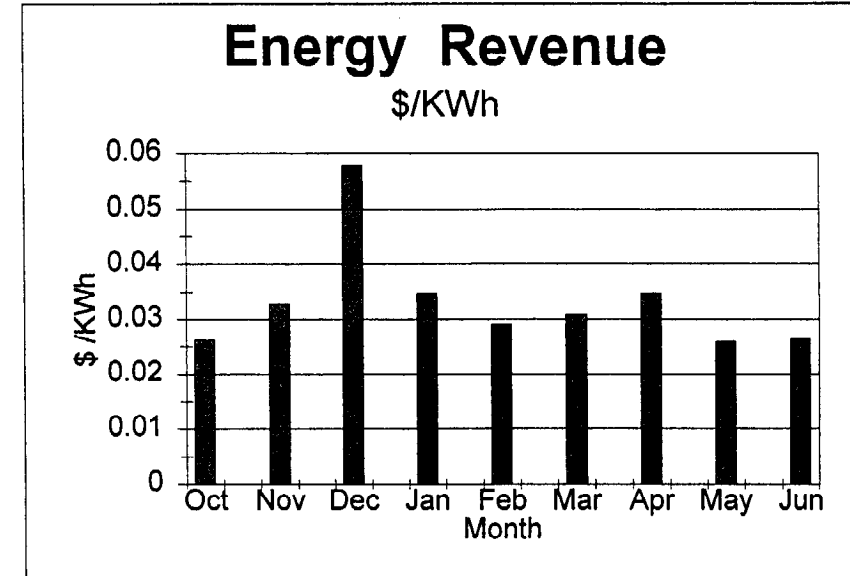
PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephen W. Bell
SECRETARY OF THE COMMISSION

EKPC's Energy Charge Revenue

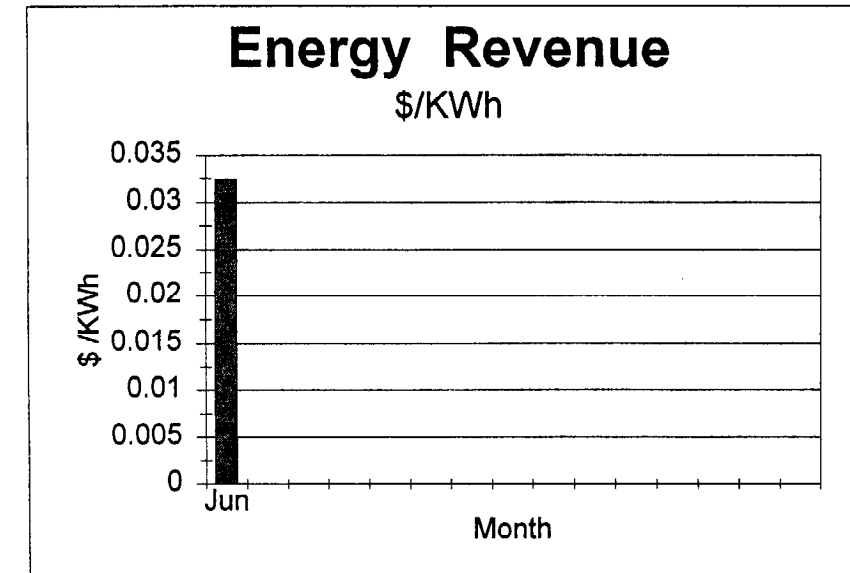
Taylor RECC

<u>Month</u>	<u>KWH</u>	<u>Energy \$</u>	<u>\$/ KWh</u>
Oct	111,644	2,936	0.026298
Nov	206,488	6,773	0.032801
Dec	237,248	13,726	0.057855
Jan	5,285,937	183,885	0.034788
Feb	6,235,628	181,502	0.029107
Mar	2,759,998	85,042	0.030812
Apr	235,445	8,166	0.034683
May	201,290	5,221	0.025938
Jun	7,172,848	189,346	0.026398
	22,446,526	676,597	0.030143



Fleming-Mason EC

Jun	12,502	405	0.032395
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PURSUANT TO 207 KAR 5011,
SECTION 6 (1)

BY Steward Bay
SECRETARY OF THE COMMISSION

Fleming-Mason
Tennessee Gas Pipeline
 Comparison of Special Contract to Tariff rate LIS 4

											<u>Schedule LIS 4 (500-4999)</u>			
	<u>Schedule</u>	<u>Contract KW</u>	<u>Actual KW</u>	<u>\$\$\$ Demand 5.39</u>	<u>KWH</u>	<u>Billed Kwh</u>	<u>En-Rate</u>	<u>Energy \$\$\$</u>	<u>Customer \$\$\$</u>	<u>Total</u>				
Jun	LIS 4	500	461	2,695	12,502	200,000	0.03087	6,174	535	9,404				

<u>Special Contract Wholesale Actual Billed</u>	<u>Retail Adder</u>	<u>* Total Billed TGP</u>	<u>Diff</u>
5,807	23,650	29,457	(20,053)

											<u>Schedule LIS 1 (1000-4999)</u>			
	<u>Schedule</u>	<u>Contract KW</u>	<u>Actual KW</u>	<u>\$\$\$ Demand 7.82</u>	<u>KWH</u>	<u>Billed Kwh</u>	<u>En-Rate</u>	<u>Energy \$\$\$</u>	<u>Customer \$\$\$</u>	<u>Total</u>				
Jun	LIS 1	1,000	461	7,820	12,502	12,502	0.02904	363	535	8,718				

<u>Special Contract Wholesale Actual Billed</u>	<u>Retail Adder</u>	<u>* Total Billed TGP</u>	<u>Diff</u>
5,807	23,650	29,457	(20,739)

* Total excludes Sales and School tax.

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

BY: Stephanie Bell
 SECRETARY OF THE COMMISSION

Taylor Co.
Tennessee Gas Pipeline
 Comparison of Special Contract to Tariff rate C1 & C3

	Schedule	Contract KW	Actual KW	\$\$ Demand 5.39	KWH	Billed Kwh	Schedule C1-C3			Total	Special Contract Wholesale Actual Billed	Retail Adder	* Total Billed TGP	Diff
							En-Rate	Energy \$\$	Customer \$\$					
Oct	C1	500	436	2,320	111,644	200,000	0.02862	5,724	1,069	9,113	4,166	11,350	15,516	(6,403)
Nov	C1	500	433	2,320	206,488	206,488	0.02862	5,910	1,069	9,299	8,160	11,350	19,510	(10,211)
Dec	C1	809	809	3,754	237,248	323,600	0.02862	9,261	1,069	14,084	15,847	11,350	27,197	(13,113)
Jan	C3	12,073	12,073	56,019	5,285,937	5,285,937	0.02262	119,568	2,980	178,567	198,971	11,350	210,321	(31,754)
Feb	C3	12,873	12,873	59,731	6,235,628	6,235,628	0.02262	141,050	2,980	203,761	204,857	11,350	216,207	(12,446)
Mar	C3	12,947	12,947	60,074	2,759,998	5,178,800	0.02262	117,144	2,980	180,199	116,658	11,350	128,008	52,191
Apr	C3	12,947	12,000	60,074	235,445	5,178,800	0.02262	117,144	2,980	180,199	29,841	11,350	41,191	139,008
May	C3	12,947	12,000	60,074	201,290	5,178,800	0.02262	117,144	2,980	180,199	26,833	11,350	38,183	142,016
Jun	C3	13,530	13,530	62,779	7,172,848	7,172,848	0.02262	162,250	2,980	228,009	226,090	11,350	237,440	(9,431)
Total		79,126	77,101	367,145	22,446,526	34,960,901		795,196	21,087	1,183,428	831,423	102,150	933,573	249,855

* Total excludes Sales and School tax.

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PURSUANT TO 2007 KAR 5.011.
 (1)

BY: Stephanie Buj
 SECRETARY OF THE COMMISSION