

STANDARD RATE SCHEDULE

LRI

Experimental Load Reduction Incentive Rider

APPLICABLE

In all territory served by the Company.

AVAILABILITY OF SERVICE

This schedule shall be made available as a rider to any customer served on the Company's standard tariffs, having stand-by generation facilities of at least 500 kW, and agreeing to operate such facilities in accordance with the terms and conditions of this tariff. Service under this schedule is offered on an experimental basis for a period of three years for a total maximum contracted load of 10,000 kW.

RATE

Up to \$0.30 per KWH

TERMS AND CONDITIONS

- 1) Company will have the option to require Customer to operate Customer's stand-by generation to replace Customer's electric usage. Such period of generation shall not exceed 8 hours in any 24-hour period nor shall the total hours of generation in any 12-month period exceed 300 hours.
- 2) Should Company request Customer to operate Customer's stand-by generation, Company will notify Customer by 12 noon on a day ahead basis.
- 3) Company's request for Customer to operate Customer's stand-by generation will include an offer of a payment per KWH for Customer to operate Customer's stand-by generation.
- 4) Customer is obligated to operate Customer's stand-by generation should Customer accept the Company's offered price.
- 5) Customer's stand-by generation shall not be operated in parallel with Company's system (i.e., such generation shall be connected to circuits which are isolated from Company's system).
- 6) Customer will be responsible for maintaining Customer's stand-by generation, including an adequate fuel supply, to ensure meeting Customer's obligation under this schedule.
- 7) Company will meter the output of Customer's stand-by generation, base the payment for Customer reducing load on the metered output, and provide payment to Customer through a credit to Customer's standard service billing.
- 8) Customer may provide Company with the option to install equipment that will permit Company to remotely start stand-by generation and switch circuits to such generation so that they are isolated from Company's system.
- 9) Company has no obligation to request operation of Customer's stand-by generation nor to provide any credit to Customer without first requesting Customer to provide stand-by generation.

TERM OF CONTRACT

The minimum term of contract shall be for one year and thereafter until terminated by either party giving at least six months written notice. Company may require a longer initial term when deemed necessary. Failure of Customer to operate stand-by generation may result in termination of contract.

CANCELLED

AUG 2003

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE**

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Issued By
R. M. Hewett
R. M. Hewett, Group Executive
Lexington, Kentucky

PURSUANT TO 807 KAR 5-011
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SECTION 9 (1)
BY: *Stephan D. Bey*
SECRETARY OF THE COMMISSION