STANDARD RIDER

CSR2

Curtailable Service Rider 2

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rider shall be made available to customers served under the applicable power schedules who contract for not less than 1,000 kilowatts of their total requirements to be subject to curtailment upon notification by the Company.

CONTRACT OPTION

Customer may, at Customer's option, contract with Company to curtail service upon notification by the Company. Requests for curtailment shall not exceed five hundred (500) hours per year nor shall any single request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with unlimited requests for curtailment per calendar day within these parameters. Company may request or cancel a curtailment at any time during an hour, but shall give no less than ten (10) minutes notice when either requesting or canceling a curtailment.

Compliance with a request for curtailment shall be measured in one of the following two ways:

- a) The customer shall contract for a given amount of firm demand, and the curtailable load shall be the Customer's monthly billing demand in excess of the firm contract. During a request for curtailment, the customer shall reduce its demand to the firm demand designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not less than the contracted firm demand, in the billing period shall be the curtailable demand on which the monthly credit is based. The demand in excess of the firm load during each requested curtailment in the billing period shall be the measure of non-compliance.
- b) The customer shall contract for a given amount of curtailable load by which the customer shall agree to reduce its demand from the monthly maximum demand. During a request for curtailment, the Customer shall reduce its demand to a level equal to the maximum monthly demand less the curtailable load designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not more than the contracted curtailable load, in the billing period shall be the curtailable demand on which the monthly credit is based. The difference in contracted curtailable load and the actual curtailed load during each requested curtailment in the billing period shall be the measure of non-compliance.

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KENTUCKY PUBLIC SERVICE COMM SSION

c) At the time of a request for curtailment, CompanyBist@ISsi@VICE COMMISSION Customer an option of purchasing a block of power as is required FtX ENTUCKY meet the curtailment request. Company shall give Customer a price FECTIVE for such power, based on existing market conditions, at the time of 7/1/2004 the curtailment request. Customer must state agreement to the UNIT TO 807 KAR 5:011

Date of Issue: July 20, 2004

Issued By

Pate Effective: With Service Rendered

SECTION 9 (1)

d After

Michael S. Beer, Vice President Louisville, Kentucky

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003 00433 dated June 30, 2004

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STANDARD RIDER

CSR₂

Curtailable Service Rider 2

purchase of power, if that is Customer's intention, and the block of power to be purchased shall be specified by Customer at the time Company makes the request for curtailment. Should Customer elect to purchase the block of power, Customer will pay for that power whether consumed by Customer or not. Should the block of power not be sufficient to meet the curtailment request, any deficiency shall be considered the measure of non-compliance. Should purchase power not be available from the market, Customer is obligated to meet the compliance provisions of a) or b) above. This option to "buy-thru" will be available to the customer only after customer has been served under CSR2 for three (3) years with no noncompliances.

d) In those months in which the Company does not request load curtailment, the customer will receive a credit based on either the difference in the monthly billing demand and the contracted firm demand, a) above, or the contracted curtailable demand, b) above

RATE

Customer will receive a credit against the applicable power schedule for curtailable KW, as determined in the preceding paragraph, times the applicable credit. Customers will be charged for the portion of each requested curtailment not met at the applicable charge.

Transmission Primary \$ 4.05 per KW \$ 3.98 per KW Demand Credit of: \$16.00 per KW \$16.00 per KW Non-Compliance Charge of:

Failure of Customer to curtail when requested to do so may result in termination of service under this rider

TERM OF CONTRACT

The minimum original contract period shall be one year and thereafter until terminated by giving at B least 6 months previous written notice, but Company may require that contract be executed for a longer initial term when deemed necessary by the size of the load or other conditions.

TERMS AND CONDITIONS

Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.

> PUBLIC SERVICE COMMISSION OF KENTUCKY **EFFECTIVE**

7/1/2004

PURSUANT TO 807 KAR 5:011

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