Standard Rate Rider LQF

Large Capacity Cogeneration and Small Power Production Qualifying Facilities

AVAILABILITY

In all territory served.

APPLICABILITY OF SERVICE

Applicable to any small power production or cogeneration "qualifying facility" with capacity over 100 kW as defined by the Kentucky Public Service Commission Regulation 807 KAR 5:054, and which contracts to sell energy or capacity or both to Company.

RATES FOR PURCHASES FROM QUALIFYING FACILITIES

Energy Component Payments

The hourly avoided energy cost (AEC) in $ per MWh, which is payable to a QF for delivery of energy, shall be equal to Company's actual variable fuel expenses, for Company-owned coal and natural gas-fired production facilities, divided by the associated megawatt-hours of generation, as determined for the previous month. The total amount of the avoided energy cost payment to be made to a QF in an hour is equal to [AEC x E_{QF}], where E_{QF} is the amount of megawatt-hours delivered by a QF in that hour and which are determined by suitable metering.

Capacity Component Payments

The hourly avoided capacity cost (ACC) in $ per MWh, which is payable to a QF for delivery of capacity, shall be equal to the effective purchase price for power available to Company from the inter-utility market (which includes both energy and capacity charges) less Company's actual variable fuel expense (AEC). The total amount of the avoided capacity cost payment to be made to a QF in an hour is equal to [ACC x CAP_i], where CAP_i, the capacity delivered by the QF, is determined on the basis of the system demand (D_i) and Company's need for capacity in that hour to adequately serve the load.

Determination of CAP_i

For the following determination of CAP_i, C_{KU} represents Company's installed or previously arranged capacity at the time a QF signs a contract to deliver capacity; C_{QF} represents the actual capacity provided by a QF, but no more than the contracted capacity; and C_M represents capacity purchased from the inter-utility market.

1. System demand is less than or equal to Company's capacity:
   $D_1 \leq C_{KU}$; $CAP_i = 0$
2. System demand is greater than Company's capacity but less than or equal to the total of Company's capacity and the capacity provided by a QF:

   $C_{KU} < D_i \leq [C_{KU} + C_{QF}]$; $CAP_i = C_M$

CANCELLED
JUL 01 2017
KENTUCKY PUBLIC SERVICE COMMISSION

DATE OF ISSUE: July 10, 2015

DATE EFFECTIVE: April 17, 1999

ISSUED BY: /s/ Edwin R. Staton, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00548 dated July 30, 2010

KENTUCKY
PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH
Bunt Kirtley
EFFECTIVE
7/1/2015
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Kentucky Utilities Company

Standard Rate Rider **LQF**

Large Capacity Cogeneration and Small Power Production Qualifying Facilities

3. System demand is greater than the total of Company's capacity and the capacity provided by a QF:

   $D_I > [C_{KU} + C_{QF}]$; $CAP_I = C_{QF}$

PAYMENT

Company shall pay each bill for electric power rendered to it in accordance with the terms of the contract, within sixteen (16) business days (no less than twenty-two (22) calendar days) of the date the bill is rendered. In lieu of such payment plan, Company will, upon written request, credit the Customer's account for such purchases.

TERM OF CONTRACT

For contracts which cover the purchase of energy only, the term shall be one (1) year, and shall be self-renewing from year-to-year thereafter, unless canceled by either party on one (1) year's written notice.

For contracts which cover the purchase of capacity and energy, the term shall be five (5) years.

TERMS AND CONDITIONS

1. Qualifying facilities shall be required to pay for any additional interconnection costs, to the extent that such costs are in excess of those that Company would have incurred if the qualifying facility's output had not been purchased.

2. A qualifying facility operating in parallel with Company must demonstrate that its equipment is designed, installed, and operated in a manner that insures safe and reliable interconnected operation. A qualifying facility should contact Company for assistance in this regard.

3. The purchasing, supplying and billing for service, and all conditions applying hereto, shall be specified in the contract executed by the parties, and are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Terms and Conditions currently in effect, as filed with the Commission.

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