

ELECTRIC RATE SCHEDULE **SGE**
Small Green Energy Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Service under this rider is available to customers receiving service under Company's standard RS or GS rate schedules as an option to participate in the Company's "Green Energy Program" whereby the Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates.

DEFINITIONS

- a) Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e Certified.
- b) A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWH of green power.

RATE

\$5.00 per 300 kWh block per month

CANCELLED
FEB 06 2009
KENTUCKY PUBLIC
SERVICE COMMISSION

TERMS AND CONDITIONS

- a) Customers may purchase as many whole blocks as they desire. The eligible customer may participate in Company's "Green Energy Program" by making a request to Company's Call Center or through Company's website enrollment form and may withdraw at any time through a request to Company's Call Center. Funds provided by Customer to Company are not refundable.
- b) Customers may not owe any arrearage prior to entering the "Green Energy Program". Any customer failing to fulfill payment for the requested blocks may be removed from the "Green Energy Program." Any Customer removed from or withdrawing from the "Green Energy Program" will not be allowed to re-apply for one year.
- c) Customer will be billed as provided for under "Rate" times the number of blocks Customer has agreed to purchase per month. Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses.

The service under this rate schedule shall coincide with the three year term of the contract under which Company contracts for the purchase of RECs. Six months prior to expiration of said contract Company shall file for renewal of this rate schedule with the Public Service Commission of Kentucky and may adjust block prices to reflect market conditions as they exist at that time. Upon Commission approval of any change in rate, Company will provide sixty (60) days notice for Customer to adjust the number of blocks contracted for or withdraw from the "Green Energy Program". Service under this rate schedule will continue until the Commission renders a decision on the filing for renewal.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
5/31/2007

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Kent W. Blake
Kent W. Blake, Vice President
State Regulation and Rates
Louisville, Kentucky

[Signature]
Executive Director