

FARMERS RURAL ELECTRIC COOPERATIVE CORP.

**Cogeneration and Small Power Production Power Purchase  
Rate Schedule Over 100 kW from Non-Dispatchable Generation Sources**

**Availability**

Available only to qualified cogeneration or small power production facilities that are not able to be dispatched by ("EKPC") which have executed a contract with EKPC and one of EKPC's member distribution systems for the purchase of electric power by EKPC. Pursuant to FERC regulations 18 C.F.R. §§ 292.303(a), 292.309, and 292.310, EKPC is no longer obligated to purchase electric energy and/or capacity from qualifying cogeneration or small power production facilities with a net capacity of over 20 MW.

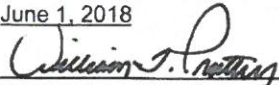
**Rates**

QF will be credited monthly for the electric power produced non-dispatchable generation facilities at the value of the real-time locational marginal price for energy set by PJM at the EKPC zonal node during each hour of the day. These payments will be offset by a market administration fee of \$0.00017 per kWh to cover EKPC's market participation costs.


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**Terms and Conditions**

1. Pursuant to FERC regulations 18 C.F.R. §§ 292.303(a), 292.309, and 292.310, EKPC is no longer obligated to purchase electric energy and/or capacity from qualifying cogeneration or small power production facilities with a net capacity of over 20 MW.
2. All power from a QF will be sold only to EKPC
3. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
4. QF shall provide reasonable protection for EKPC and the member cooperative's system.
5. QF shall design, construct, install, own, operate, and maintain the QF in accordance with all applicable codes, laws, regulations, and general accepted utility practices.
6. QF shall reimburse EKPC and its member cooperative for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.
7. QF shall obtain insurance in the following minimum amounts for each occurrence:
  - a. Public Liability for Bodily Injury - \$1,000,000.00.
  - b. Property Damage - \$500,000.00

DATE OF ISSUE: April 12, 2018  
DATE EFFECTIVE: June 1, 2018  
ISSUED BY:   
President and Chief Executive Officer

Issued by authority of an Order of the Public Service Commission  
of Kentucky in \_\_\_\_\_ dated \_\_\_\_\_.

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>Gwen R. Pinson</b> Executive Director 
EFFECTIVE <b>6/1/2018</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

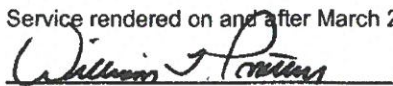
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**Over 100 kW from Non-Dispatchable Generation Sources (continued)**

8. Initial contract term shall be for a minimum of five years.
9. QFs proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.
10. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff.
11. In negotiating a final purchase rate, consideration shall be given to the factors affecting purchase rates as set forth in 807 KAR 5:054, Section 7(5)(a).
12. Updated market administration fees will be filed with the Public Service Commission of Kentucky by March 31 of each year.

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**DATE OF ISSUE:** April 3, 2018  
**DATE EFFECTIVE:** Service rendered on and after March 27, 2018  
**ISSUED BY:**   
President and Chief Executive Officer

