

welcome to Blue Grass Energy

Blue Grass Energy is an electric cooperative — that means that you and all our members own a piece of your cooperative. And because we are owned by those we serve, our goal is simple: to give you the best service at the lowest possible cost.

Value

Kentucky's electric rates are among the lowest in the nation. And because Blue Grass Energy is a not-for-profit cooperative, we don't add charges to your bill to provide profits to shareholders. We simply supply you with the best service at the lowest possible cost. Any profits we make are given back to you in the form of capital credits — a return on your investment in the cooperative.

Convenience

Contacting Blue Grass Energy is always easy. We're here to serve you through:

- our Customer Service team, available from 7:30 a.m. to 4:30 p.m. weekdays, and our Operations Center is available 24 hours a day. Call us toll-free at **888-546-4243**.
- walk-in lobby hours, from 7:30 a.m. to 4:30 p.m., at any of our four offices.
- www.bgenergy.com, which features information about bill payment, energy-saving tips and community involvement.

Our locations

Blue Grass Energy is headquartered in Nicholasville and has district offices in Cynthiana, Lawrenceburg and Richmond.

Headquarters

P.O. Box 990
1201 Lexington Road
Nicholasville, KY 40340-0990
859-885-4191

District Offices

P. O. Box 730
327 Sea Biscuit Way
Cynthiana, KY 41031-0730
859-234-3131

P. O. Box 150
1200 Versailles Road
Lawrenceburg, KY 40342-0150
502-839-3442

P. O. Box 276
2099 Berea Road
Richmond, KY 40476-0276
859-623-1582

Reliability

Sometimes a power outage is unavoidable, and when outages occur, we use state-of-the-art technology to get your power back on as quickly as possible. Our **automated meter reading** system helps us pinpoint outages immediately. AMR also helps us diagnose problems and track outages.

To report an outage or check the status of an outage already reported, call **888-655-4243**. For more information, visit www.bgenergy.com.

**Kentucky's electric rates are among
the lowest in the country.**

888-546-4243 • www.bgenergy.com



ABOUT BLUE GRASS ENERGY

Profile

- Blue Grass Energy is a distribution cooperative that serves about 55,000 member-owners in 23 central and north central Kentucky counties. Our service lines stretch southward from Grant, Pendleton and Bracken counties, on the Ohio River, to Madison, Estill and Jackson counties, the southernmost areas of our territory.
- Blue Grass Energy, a **Touchstone Energy** cooperative, is headquartered in Nicholasville and has offices in Cynthiana, Lawrenceburg and Richmond.
- Touchstone Energy is an alliance of more than 600 electric cooperatives in 45 states.
- East Kentucky Power Cooperative, based in Winchester, supplies electricity to Blue Grass Energy and 15 other Kentucky cooperatives.

Annual Meeting

Blue Grass Energy members are invited to the cooperative Annual Meeting, where members vote in elections for their board of directors and hear reports from co-op officials. Because cooperative members are also owners, the Annual Meeting is an opportunity for members to have their voices heard and participate in the operation of their cooperative.

The Annual Meeting is in late spring, and the location rotates through each of our four district areas. For more information, visit www.bgenergy.com, or look for details in Kentucky Living magazine.

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Annual report

The annual report is your Blue Grass Energy year-in-review. It provides the year's financial results, a corporate profile, and news on co-op programs and services. It also has an official notice of the Annual Meeting date and details on the event. The report is published in Kentucky Living magazine one month before the Annual Meeting.

Kentucky Living magazine

As a Blue Grass Energy member, you receive a free copy of Kentucky Living magazine, which features co-op members, important information about the electric industry, recipes and an activity section for kids.

Blue Grass Living is our monthly member newsletter, and it's in the middle section of Kentucky Living. Blue Grass Living highlights our programs, services and activities.

Co-op Connections Card

Being a member of Blue Grass Energy, a Touchstone Energy cooperative, has its benefits.

With your Co-op Connections Card, you can get discounts from restaurants and businesses, right where you live and work. And because Touchstone Energy is a nationwide alliance of more than 600 not-for-profit electric cooperative, you can use your card at businesses across the country. You can also receive discounts of 10 percent to 60 percent on most prescriptions at more than 48,000 pharmacies nationwide. For participating pharmacies, visit www.locateprovider.com, and to find the cost of your discounted prescription, visit www.rxpricequote.com.

All you have to do is present your card to a participating business or pharmacy, and the saving begins!

Visit www.bgenergy.com for a continually updated list of participating businesses.

DEPOSITS, FEES AND CHARGES

Deposits

A deposit is required before electric service will be supplied:

Residential: \$225

Commercial: 1/6 annual bill

Large power: contract

Accounts disconnected for nonpayment are subject to a deposit before service can be restored.

Residential deposits may be refunded after one year. Interest will be paid on all sums held on deposit at the rate of 6 percent annually. The interest will be applied as a credit to the customer's bill or will be paid to the customer on an annual basis.

Fees

The Kentucky Public Service Commission has approved the following fees, deposits and charges as costs incurred for services rendered:

Membership fee:

Only one fee per membership (refundable): \$25

Meter fees:

Meter test fee (refundable if more than 2 percent fast — paid in advance): \$35

Fraudulent or illegal use (tampering, broken meter seal, etc.) expense: Amount due includes meter test, repair, material, disconnect/reconnect charges and unregistered usage.

Other charges

Service call charges:

Trip to collect or disconnect delinquent account: \$25

Trip to reconnect for nonpayment: \$50

Trip to reconnect transformer for nonpayment: \$72

Trip to reconnect delinquent account after office hours \$75

Returned check charge: \$20

Collection procedure

No one benefits when a member is disconnected for nonpayment of electric bills. If you receive a disconnect notice, please take immediate steps to arrange for payment.

If service is disconnected, disconnect and reconnect fees must be paid, plus a security deposit if not previously paid. Overtime charges apply to reconnects after 4:30 p.m.

If service is disconnected for nonpayment, members may be subject to disconnect and reconnect charges.

PAYMENT OPTIONS

Mail, phone, in-lobby

Mail your payment in the convenient reply envelope sent with your bill, pay over the phone with a credit card, or visit any of the four Blue Grass Energy offices. Pay in the lobby or use the drive-through from 7:30 a.m. to 4:30 p.m., Monday through Friday. If you come by after hours, drop your payment in the night deposit box.

Online

You can request a password from Blue Grass Energy to view or pay your bill on www.bgenenergy.com, and you can also choose to receive your monthly bill at our Web site, too. With our **E-Bill** program, you'll receive an e-mail on your billing date that links you directly to your Blue Grass Energy bill.

Levelized budget billing

Take the surprise out of opening your monthly bill with levelized budget billing. Your payment will be averaged into 12 monthly installments throughout the year, eliminating large jumps in your energy costs. To qualify for levelized budget billing, you must be at least a one-year co-op member and have a good payment record.

Payment locations

Several local banks accept current monthly bill payments — overdue bills are **not** payable at local banks.

Pay your bill at these banks in your area:

- **Farmers Bank, Jessamine County**
- **Farmers Bank, Franklin County**
- **First National Bank, Bracken County**
- **Kentucky Bank, All Districts**
- **Peoples Bank, Madison County**
- **Peoples Bank, Jackson County**
- **Town Square Bank, Jessamine County**
- **United Bank, Jessamine County**
- **United Bank, Woodford County**

Automatic bill payment

Have your monthly bill payment automatically deducted from your bank account or charged to your credit card — saving time and money. It's the same convenient process you may already be using for a car loan, insurance premium or other monthly payment. To sign up for a bank draft, complete an authorization form at any office.

ENERGY EFFICIENCY

Blue Grass Energy offers a variety of programs that can help make your home more energy efficient — saving money and energy.

SimpleSaver: Get bill credits for helping the environment with this direct load control program. How does it work? A BGEnergy contractor installs a remote switch on your water heater (at least 40-gallon capacity) and/or air conditioning unit, which allows us to cycle them on and off during times of peak usage -- when electricity is most expensive to generate and purchase.

For each central air conditioning unit, get a \$5 credit in June, July, August and September.

For each 40-gallon water heater, get a \$10 bill credit in February. In the long run, we all save with direct load control because it reduces demand. When demand goes down, we can delay construction of new generating units and reduce the need for purchased power, which is very expensive. Over time, everyone's costs go down.

To learn more or enroll today, go to www.simplesaver.coop.

Touchstone Energy Home: Combine the efficiency of electric heating and cooling with high insulation standards when building a new home, and you have the basis for the Touchstone Energy Home. The home, which meets Energy Star® standards, exceeds the 2004 International Energy Conservation Code by more

than 15 percent. Blue Grass Energy provides home testing and computer analysis at no charge to the member -- a \$500 value.

Button-Up: Members may receive up to \$200 for energy efficiency improvements, which include adding insulation, replacing windows, air sealing, and/or making insulation more effective. Your home must be at least 2 years old and electrically heated to qualify for this rebate.

Tune-Up: Member may receive \$200 for sealing duct work. (Member may do the work or hire a contractor. Energy advisor will have to perform a blower door test before and after duct sealing).

Air Seal: Members may receive up to \$100 for sealing the envelop of a home. Your home must be at least two years old and electrically heated to qualify for this rebate.

All rebates are for electrically heated homes only.

For more information on any of these programs, call us toll free at (888) 546-4243 and ask for your local energy advisor.

Whatever your energy-efficiency goal may be,
Blue Grass Energy can help.

COMMITMENT TO COMMUNITY

Community involvement

Our employees take the time to make a difference in the places they live and work. They participate in volunteer activities and work with national organizations, including Habitat for Humanity, Relay for Life and the United Way.

We also present \$10,000 in scholarships annually to students in our 23-county service area, and send 10 high school juniors to the nation's capital for the annual Kentucky Rural Electric Washington Youth Tour.

For more information on our scholarship and youth tour programs, call or visit www.bgenergy.com.

Business development

Blue Grass Energy takes an active role in supporting the economic development activities of the towns and cities we serve, large and small, suburban and rural.

Funding opportunities

Every year, Blue Grass Energy sets aside money for charitable contributions and donations.

All requests for donations must be submitted in writing on the organization's letterhead and sent to:

Blue Grass Energy
ATTN: Cathryn Gibson
Vice President, Member Services & Economic Development
P.O. Box 990
Nicholasville, KY 40340-0990

Key accounts

Blue Grass Energy continually works with industrial and commercial members to provide value-added services, including rate evaluation, power quality and surge protection assistance.

Blue Grass Energy wants to use its resources to make a real difference in our local communities.