P.S.C. KY.NO. 27
CANCELLING P.S.C.KY.NO. 26

Big Rivers Electric Corporation

201 Third Street
Henderson, Kentucky 42420

Rates, Terms and Conditions for Furnishing

Electric Service

In

Ballard, Breckinridge, Caldwell, Carlisle, Crittenden, Daviess, Graves, Grayson, Hancock, Hardin, Henderson, Hopkins, Livingston, Lyon, McCracken, McLean, Marshall, Meade, Muhlenberg, Ohio, Union, and Webster Counties

As Filed with The

PUBLIC SERVICE COMMISSION OF KENTUCKY

Issued: **May 15, 2014** **Effective:** **February 1, 2014** **[T]**

By: **Big Rivers Electric Corporation**
(Name of Utility)

Issued by

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Big Rivers Electric Corporation
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[T]

STANDARD RATE - RDS – Rural Delivery Service

Applicable:

In all territory served by Big Rivers' transmission system.

Availability:

Available only for service to Big Rivers' Member Cooperatives, at their rural delivery points, which are all delivery points other than dedicated large industrial and Smelter delivery points, subject to the special terms and conditions hereinafter set forth and to such of Big Rivers' general rules and regulations on file with the Commission.

Term:

This rate schedule shall take effect at 12:01 AM CPT on the effective date of this tariff.

Rates:

For all delivery points for Rural Delivery Service a Monthly Delivery Point Rate consisting of:

A Demand Charge of:
All kW of billing demand at $13.8050 per kW. **[R]**

Plus,

An Energy Charge of:
All kWh per month at $0.045000 per kWh. **[I]**

No separate transmission or ancillary services charges shall apply to these rates.

STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

The following adjustment clauses and riders shall apply to service under this tariff:

Voluntary Price Curtailable Service Rider
Renewable Resource Energy Service
Rebate Adjustment
Environmental Surcharge
Fuel Adjustment Clause
Member Rate Stability Mechanism
Unwind Surcredit
Rural Economic Reserve Rider
Non-Smelter Non-FAC PPA

Demand Charge

The demand charge in this Standard Rate Schedule RDS shall apply to each rural delivery point's thirty-minute clock-hour demand measured at the time of Big Rivers' Maximum Adjusted Net Local Load, as defined in this paragraph, determined on a thirty-minute clock-hour basis, during the month. Big Rivers' Maximum Adjusted Net Local Load during the month shall be calculated in the following manner:

(i) Big Rivers shall determine the maximum local load of its Members for each thirty-minute clock-hour interval in the month;

(ii) the actual demand during each thirty-minute interval for the Smelters and Domtar Paper Company, LLC ("Domtar," for so long as it operates its qualifying facility) will be subtracted from the net local load;

(iii) the sum of the lesser of the actual demand and Firm Power Billing Demand of Domtar (as defined in its retail service agreement), and the Smelters' Base Demand (as defined in the Smelter Agreements) will then be added back to the net local load calculation to create the adjusted net local load; and

(iv) the thirty-minute interval of highest adjusted net local load in the month shall determine the Maximum Adjusted Net Local Load. The kW demand for a thirty-minute interval shall be determined by multiplying the kWh measured at a rural delivery point during the interval by 2.

STANDARD RATE - RDS – Rural Delivery Service – (*continued*) **[N]**

Demand-Side Management and Energy Efficiency ("DSM") Programs

Current Programs - Listing:

Listed below are the DSM programs which Big Rivers offers to its Members.

DSM-01	High Efficiency Lighting Replacement Program
DSM-02	ENERGY STAR® Clothes Washer Replacement Incentive Program
DSM-03	ENERGY STAR® Refrigerator Replacement Incentive Program
DSM-04	Residential High Efficiency Heating, Ventilation and Air Conditioning ("HVAC") Program
DSM-05	Residential Weatherization Program
DSM-06	Touchstone Energy® New Home Program
DSM-07	Residential and Commercial HVAC & Refrigeration Tune-Up Program
DSM-08	Commercial / Industrial High Efficiency Lighting Replacement Incentive Program
DSM-09	Commercial / Industrial General Energy Efficiency Program
DSM-10	Residential Weatherization Program – Primary Heating Source Non-Electric
DSM-11	Commercial High Efficiency Heating, Ventilation and Air Conditioning ("HVAC") Program
DSM-12	High Efficiency Outdoor Lighting Program
DSM-13	Residential Weatherization A La Carte Program

Current Programs - General:

Big Rivers funding obligation for the above programs shall not exceed $1.0 million dollars for each program year. A program year coincides with the calendar year from January 1 to December 31.

STANDARD RATE - RDS – Rural Delivery Service – (*continued*) **[N]**

Demand-Side Management and Energy Efficiency ("DSM") Programs (*continued*)

Current Programs – General (*continued*):

Each Member may elect to implement any subset from the program listing above, excepted as noted within the "Purpose" section for each program. At the beginning of each program year, each Member may elect either a one-time distribution of funds for its programs for the entire program year, or reimbursements from Big Rivers as appropriate documentation is provided to Big Rivers as outlined in the "Member Incentives" and "Terms and Conditions" sections for each program. At the end of the program year, any excess funding shall be reallocated by Big Rivers for the following program year to maximize the benefit of the program

Any Member electing a one-time distribution of funds for the entire program years will:

1. make all necessary reimbursements to Rural Customers as defined in any program;
2. will not receive reimbursements from Big Rivers throughout the program year as outlined in the "Member Incentives" and "Terms and Conditions" sections for each program;
3. select any qualified, third-party contractor as defined in any program;
4. maintain all necessary documentation for Big Rivers to perform evaluation, measurement and verification for any program;
5. provide Big Rivers all necessary documentation and information for Big Rivers to file its Semi-annual DSM Report as stipulated in Ordering Paragraph No. 9 of the Commission's Order dated November 17, 2011, in Case No. 2011-00036;
6. only expend the funds from the one-time distribution in accordance with the programs; and
7. maintain the funds from the one-time distribution in a segregated account.

STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

DSM-01
High Efficiency Lighting Replacement Program

Purpose:

This program promotes an increased use of energy efficient lights meeting ENERGY STAR® standards among Rural Customers by reimbursing a Member the cost of CFL lamps purchased and distributed by the Member to its eligible Rural Customers. . Energy efficient lights include, but are not limited to, Compact Fluorescent Lights ("CFLs") and Light Emitting Diodes ("LED") lights. **[T]** **[T]** **[T]**

Availability:

This DSM program's rates, terms and conditions are available to a Member for its Rural Customers, subject to the limitations and eligibility requirements of this program, and to the rules and regulations of this tariff and the Member's corresponding tariff.

Eligibility:

An eligible Rural Customer is a Member's Rural Customer in the Member's service area.

Member Incentives:

Big Rivers will reimburse a Member the cost of energy efficient lights purchased and distributed by the Member to its eligible Rural Customers. Big Rivers will also reimburse a Member's reasonable costs of promoting this program **[T]** **[T]**

Terms & Conditions:

To qualify for the incentive under this program, a Member must submit to Big Rivers a copy of a paid invoice from a supplier of energy efficient lights, and acceptable documentation that those lights have been or will be distributed to eligible Rural Customers of the Member. **[T]**

Evaluation, Measurement and Verification:

Big Rivers will initiate a process of evaluation, measurement and verification for the program. The process will ensure the quality and effectiveness of the program and optimal use of resources.

STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

DSM-02
ENERGY STAR® Clothes Washer Replacement Incentive Program

Purpose:

This program promotes an increased use of clothes washing machines meeting ENERGY STAR® standards ("Qualifying Clothes Washer") among Rural Customers by paying a Member an incentive for the benefit of an eligible Rural Customer, who purchases and installs a Qualifying Clothes Washer.

Availability:

This DSM program's rates, terms and conditions are available to a Member for its Rural Customers, subject to the limitations and eligibility requirements of this program, and to the rules and regulations of this tariff and the Member's corresponding tariff.

Eligibility:

An eligible Rural Customer is a Member's Rural Customer who purchases and installs a Qualifying Clothes Washer in the Member's service area.

Member Incentives:

Big Rivers will reimburse a Member an incentive payment of up to $100 for each Qualifying Clothes Washer purchased and installed by an eligible Rural Customer in the Member's service area. Big Rivers will also reimburse a Member's reasonable costs of promoting this program. **[T]** **[T]**

Terms & Conditions:

To qualify for the incentive under this program, a Member must submit to Big Rivers a copy of a paid invoice from a legitimate retail appliance supplier for purchase and installation of a Qualifying Clothes Washer on the premises of an eligible Rural Customer of the Member in the Member's service area.

Evaluation, Measurement and Verification:

Big Rivers will initiate a process of evaluation, measurement and verification for the program. The process will ensure the quality and effectiveness of the program and optimal use of resources.

STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

DSM-03
ENERGY STAR® Refrigerator Replacement Incentive Program

Purpose:

This program promotes an increased use of fifteen (15) cubic foot or larger refrigerators meeting ENERGY STAR® standards ("Qualifying Refrigerator") among Rural Customers by paying a Member an incentive for the benefit of an eligible Rural Customer, who purchases and installs a Qualifying Refrigerator and removes from operation and recycles an existing older, low-efficiency refrigerator.

Availability:

This DSM program's rates, terms and conditions are available to a Member for its Rural Customers, subject to the limitations and eligibility requirements of this program, and to the rules and regulations of this tariff and the Member's corresponding tariff.

Eligibility:

An eligible Rural Customer is a Member's Rural Customer who purchases and installs a Qualifying Refrigerator and removes from operation and recycles an existing refrigerator.

Member Incentives:

Big Rivers will reimburse a Member an incentive payment of up to $100 for each Qualifying Refrigerator that is purchased and installed by an eligible Rural Customer in the Member's service area, in conjunction with removing from operation and recycling an existing refrigerator. Big Rivers will also reimburse a Member's reasonable costs of promoting this program. **[T]** **[T]**

STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

DSM-03 (*continued*)
ENERGY STAR® Refrigerator Replacement Incentive Program

Terms & Conditions:

To qualify for the incentive under this program, a Member must submit to Big Rivers a copy of a paid invoice from a legitimate retail appliance supplier for purchase and installation of a Qualifying Refrigerator on the premises of an eligible Rural Customer of the Member in the Member's service area, and acceptable documentation that an older refrigerator has been removed from operation and recycled.

Evaluation, Measurement and Verification:

Big Rivers will initiate a process of evaluation, measurement and verification for the program. The process will ensure the quality and effectiveness of the program and optimal use of resources.

STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

DSM-04
Residential High Efficiency Heating, Ventilation and Air Conditioning ("HVAC") Program

Purpose:

This program promotes an increased use of high-efficiency HVAC systems among Rural Customers by paying a Member an incentive for the benefit of an eligible Rural Customer who purchases and installs an HVAC system beyond contractor grade minimums to one of three types of HVAC systems meeting ENERGY STAR® standards ("Qualified System").

Availability:

This DSM program's rates, terms and conditions are available to a Member for its Rural Customers, subject to the limitations and eligibility requirements of this program, and to the rules and regulations of this tariff and the Member's corresponding tariff.

Eligibility:

An eligible Rural Customer is a Member's Rural Customer who upgrades an HVAC system located in the Member's service area to one of three types of Qualified Systems.

Member Incentives:

Big Rivers will reimburse a Member an incentive payment, based on the following table, for purchase and installation by one of its Rural Customers of a Qualified System HVAC upgrade located in the Member's service area. The incentive paid for each Qualified System of one of the following types shall be:

Geothermal	Up to $ 750	**[T]**
Dual Fuel	Up to $ 500	**[T]**
Air Source	Up to $ 200	**[T]**

Big Rivers will also reimburse a Member's reasonable costs of promoting this program. **[T]**

STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

DSM-04 (*continued*)
Residential High Efficiency Heating, Ventilation and Air Conditioning ("HVAC") Program

Terms & Conditions:

To qualify for the incentive under this program, a Member must submit to Big Rivers a copy of a receipt of purchase and installation of a Qualified System from a licensed contractor, along with a certificate from the Member verifying installation of the Qualified System on the premises of a Rural Customer in the Member's service area.

Evaluation, Measurement and Verification:

Big Rivers will initiate a process of evaluation, measurement and verification for the program. The process will ensure the quality and effectiveness of the program and optimal use of resources.

STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

DSM-05
Residential Weatherization Program

Purpose:

This program promotes increased implementation of weatherization improvements among Rural Customers by paying a Member an incentive for the benefit of an eligible Rural Customer, who undertakes and completes residential weatherization improvements in accordance with this program.

Availability:

This DSM program's rates, terms and conditions are available to a Member for its Rural Customers, subject to the limitations and eligibility requirements of this program, and to the rules and regulations of this tariff and the Member's corresponding tariff. A Member may elect to implement either this **[T]**
program or DSM-13 Residential Weatherization A La Carte Program, but not both. **[T]**

Eligibility:

An eligible Rural Customer is a Member's Rural Customer who undertakes and completes weatherization improvements in accordance with this program at the Rural Customer's all-electric home located in the Member's service area.

Member Incentives:

Big Rivers or the Member will reimburse the cost of an initial site visit, a diagnostic audit, and completed **[T]**
residential weatherization improvements performed in accordance with this program including project
management costs. Big Rivers' or the Member's total reimbursement shall not exceed the amounts **[T]**
outlined below in Terms and Conditions. Big Rivers will also reimburse a Member's reasonable costs of
promoting this program. **[T]**

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STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

DSM-05 (*continued*)
Residential Weatherization Program

Terms & Conditions:

1. Big Rivers or the Member will contract with a qualified third party contractor ("Contractor") that performs weatherization projects for electric utilities. **[T]**
2. The Member will promote the program, and select Rural Customer names to submit to Contractor.
3. Contractor will contact the Rural Customers from the names provided, and manage the weatherization process.
4. Big Rivers or the Member will pay the Contractor $150 for the initial site visit. **[T]**
5. Big Rivers or the Member will also pay $3 per installed energy efficient light and $10 per installed low-flow aerator, or low-flow shower head, as part of the initial audit. Reimbursement will be limited to the following: **[T]**

Energy Efficient Lights [a]	Twenty (20) per Rural Customer's residence **[T]**
Low-Flow Aerator	Two (2) per Rural Customer's residence
Low-Flow Shower Head	One (1) per Rural Customer's residence

6. The Contractor will collect $100 from the Rural Customer for the diagnostic audit, which will be reimbursed when the project is complete. If the Rural Customer does not follow-through with the weatherization process, the $100 will be forfeited and Big Rivers or the Member will pay $350 to the Contractor. Big Rivers or the Member will pay the Contractor $450 for the diagnostic audit upon completion of the weatherization process. **[T]** **[T]**
7. Big Rivers or the Member will pay the Contractor up to $2,500 for implemented residential weatherization measures including project management. **[T]**

Evaluation, Measurement and Verification:

Big Rivers will initiate a process of evaluation, measurement and verification for the program. The process will ensure the quality and effectiveness of the program and optimal use of resources.

a. Energy efficient lights include, but are not limited to, Compact Fluorescent Lights ("CFLs") and Light Emitting Diodes ("LED") lights. **[T]** **[T]**

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STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

DSM-06
Touchstone Energy® New Home Program

Purpose:

This program promotes an increased use of energy efficient building standards as outlined in the Touchstone Energy® certification program, including installation of high-efficiency HVAC systems meeting ENERGY STAR® standards, among Rural Customers and home builders by paying a Member an incentive for the benefit of an eligible Rural Customer whose new home includes an HVAC system beyond contractor grade minimums that is one of three specified types of HVAC systems meeting ENERGY STAR® standards ("Qualified System").

Availability:

This DSM program's rates, terms and conditions are available to a Member for its Rural Customers, subject to the limitations and eligibility requirements of this program, and to the rules and regulations of this tariff and the Member's corresponding tariff.

Eligibility:

An eligible Rural Customer is a Member's Rural Customer whose new Touchstone Energy® Certified residence includes a Qualified System.

Member Incentives:

Big Rivers will reimburse a Member an incentive payment based on the following table for purchase by one of its Rural Customers of a new Touchstone Energy® Certified residence that includes a Qualified System. The incentive paid for each residence for a Qualified System of one of the following types shall be:

Geothermal Heat Pump (ground coupled heat pump)	Up to $ 2,000	**[T]**
Air Source Heat Pump	Up to $ 1,000	**[T]**
Dual Fuel Heat Pump (ASHP w/Gas Backup)	Up to $ 1,200	**[T]**
Gas Heat	Up to $ 750	**[T]**

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STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

DSM-06 (*continued*)
Touchstone Energy® New Home Program

Member Incentives (*continued*):

Big Rivers will also reimburse a Member's reasonable costs of promoting this program. **[T]**

Terms & Conditions:

To qualify for the incentive under this program, a Member must submit to Big Rivers a copy of the original Touchstone Energy® Certified residence certification document and supporting documents, and a copy of the receipt or certification from a licensed HVAC contractor verifying installation of the Qualified System on the premises of a Rural Customer in the Member's service area.

Evaluation, Measurement and Verification:

Big Rivers will initiate a process of evaluation, measurement and verification for the program. The process will ensure the quality and effectiveness of the program and optimal use of resources.

STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

DSM-07
Residential and Commercial HVAC & Refrigeration Tune-Up Program

Purpose:

This program promotes annual maintenance of heating and air conditioning equipment among eligible Rural Customers by paying a Member an incentive for the benefit of an eligible Rural Customer, for professional cleaning and servicing of the Rural Customer's heating and cooling system.

Availability:

This DSM program's rates, terms and conditions are available to a Member for its Rural Customers, subject to the limitations and eligibility requirements of this program, and to the rules and regulations of this tariff and the Member's corresponding tariff.

Eligibility:

An eligible Rural Customer is a Member's Rural Customer whose heating and cooling system is professionally cleaned and serviced in accordance with this program.

Member Incentives:

Big Rivers will reimburse a Member an incentive payment of up to $25 incentive for each residential **[T]**
unit and up to $50 for each commercial unit of an eligible Rural Customer in the Member's service area **[T]**
that is professionally cleaned and serviced. The incentive is available once per unit per year. Big
Rivers will also reimburse a Member's reasonable costs of promoting this program. **[T]**

STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

DSM-07 (*continued*)
Residential and Commercial HVAC & Refrigeration Tune-Up Program

Terms & Conditions:

To qualify for the incentive under this program, a Member must submit to Big Rivers a copy of a receipt from a licensed contractor verifying that the heating and cooling system on the premises of an eligible Rural Customer in the Member's service area has been professionally cleaned and serviced.

Evaluation, Measurement and Verification:

Big Rivers will initiate a process of evaluation, measurement and verification for the program. The process will ensure the quality and effectiveness of the program and optimal use of resources.

STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

DSM-08
Commercial / Industrial High Efficiency Lighting Replacement Incentive Program

Purpose:

This program promotes the upgrading of low-efficiency commercial or industrial lighting systems by Rural Customers by paying a Member an incentive for the benefit of an eligible Rural Customer who measurably improves the energy efficiency of a commercial or industrial lighting system.

Availability:

This DSM program's rates, terms and conditions are available to a Member for its Rural Customers, subject to the limitations and eligibility requirements of this program, and to the rules and regulations of this tariff and the Member's corresponding tariff.

Eligibility:

An eligible Rural Customer is a Member's Rural Customer who measurably improves the energy efficiency of a commercial or industrial lighting system in a facility located in the Member's service area in accordance with this program.

Member Incentives:

Big Rivers will pay a Member, for the benefit of its eligible Rural Customer, an incentive payment of up to $350 per kW of measurable improvement in energy efficiency of a commercial or industrial lighting system at the facility of a Member's eligible Rural Customer achieved by improvements to an existing commercial or industrial lighting system. Big Rivers will also reimburse a Member's reasonable costs of promoting this program. **[T]** **[T]**

STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

DSM-08 (*continued*)
Commercial / Industrial High Efficiency Lighting Replacement Incentive Program

Terms & Conditions:

To qualify for the incentive under this program, a Member must submit to Big Rivers, in the form and detail specified by Big Rivers:

1. Information from which the energy efficiency of the existing commercial or industrial lighting system can be calculated;
2. Information from which the energy efficiency of the improved commercial or industrial lighting system can be calculated, and the improvement in the energy efficiency of the light system determined;
3. Information that documents the purchase and installation of the improvements to the commercial or industrial lighting system, including a copy of the invoice for materials and installation services associated with the project;
4. Certification by the Member, or a third party acting on behalf of the Member, of the installation of the lighting system improvements at a Rural Customer's facility in the Member's service area; and
5. A copy of the form showing the calculation of the energy efficiency improvements from the lighting system improvements, signed by the Rural Customer.

Evaluation, Measurement and Verification:

Big Rivers will initiate a process of evaluation, measurement and verification for the program. The process will ensure the quality and effectiveness of the program and optimal use of resources.

STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

DSM-09
Commercial / Industrial General Energy Efficiency Program

Purpose:

This program promotes the implementation of energy efficiency projects among Rural Customers by paying a Member an incentive for the benefit of an eligible Rural Customer of the Member who implements an energy efficiency projects at its commercial or industrial facilities.

Availability:

This DSM program's rates, terms and conditions are available to a Member for its Rural Customers, subject to the limitations and eligibility requirements of this program, and to the rules and regulations of this tariff and the Member's corresponding tariff.

Eligibility:

An eligible Rural Customer is a Member's Rural Customer who implements an energy efficiency project at its commercial or industrial facilities in Member's service area in accordance with the terms and conditions of this program.

Member Incentives:

Big Rivers will pay a Member, for the benefit of its eligible Rural Customer, an incentive payment of up to $350 per kW of measurable improvement in demand reduction achieved by an energy efficiency **[T]** project implemented by a Member's eligible Rural Customer at the Rural Customer's facility located in the Member's service area. The maximum incentive available per project is $25,000. Big Rivers will also reimburse a Member's reasonable costs of promoting this program. **[T]**

STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

DSM-09 (*continued*)
Commercial / Industrial General Energy Efficiency Program

Terms & Conditions:

To qualify for the incentive under this program, a Member must submit to Big Rivers, in the form and detail specified by Big Rivers:

1. Information from which the energy efficiency of the existing commercial or industrial facility can be calculated;
2. Information from which the energy efficiency of the commercial or industrial facility can be calculated after the completion of the energy efficiency project, and the improvement in the energy efficiency of the commercial or industrial facility can be determined;
3. Information that documents the plans and specifications of the energy efficiency project, the purchase, construction or installation of the improvements of the energy efficiency project at the commercial or industrial facility, including a copy of the invoice(s) for materials and installation services associated with the project;
4. Certification by the Member, or a third party acting on behalf of the Member, of the installation of the improvements specified in the energy efficiency project at the Rural Customer's facility in the Member's service area; and
5. A copy of the form showing the calculation of the demand reduction achieved by the energy efficiency project improvements, signed by the Rural Customer.

Evaluation, Measurement and Verification:

Big Rivers will initiate a process of evaluation, measurement and verification for the program. The process will ensure the quality and effectiveness of the program and optimal use of resources.

STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

DSM-10
Residential Weatherization Program-Primary Heating Source Non-Electric

Purpose:

This program promotes increased implementation of weatherization improvements among Rural Customers whose primary heating source is non-electric by paying a Member an incentive for the benefit of an eligible Rural Customer, who undertakes and completes residential weatherization improvements in accordance with this program.

Availability:

This DSM program's rates, terms and conditions are available to a Member for its Rural Customers, subject to the limitations and eligibility requirements of this program, and to the rules and regulations of this tariff and the Member's corresponding tariff. A Member may elect to implement either this **[T]**
program or DSM-13 Residential Weatherization A La Carte Program, but not both. **[T]**

Eligibility:

An eligible Rural Customer is a Member's Rural Customer who undertakes and completes weatherization improvements in accordance with this program at the Rural Customer's home located in the Member's service area, if the Rural Customer's home has a primary heat source that is non-electric and electric-sourced air conditioning.

Member Incentives:

Big Rivers or the Member will reimburse the cost of an initial site visit, a portion of the diagnostic audit, **[T]**
and completed residential weatherization improvements performed in accordance with this program
including management costs. Big Rivers' or the Member's total reimbursement shall not exceed the **[T]**
amounts outlined below in Terms and Conditions. Big Rivers will also reimburse a Member's
reasonable costs of promoting this program. **[T]**

STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

DSM-10 (*continued*)
Residential Weatherization Program-Primary Heating Source Non-Electric

Terms & Conditions:

1. Big Rivers or the Member will contract with a qaualified third party contractor ("Contractor") that performs weatherization projects for electric utilities. **[T]**
2. The Member will promote the program and select Rural Customer names to submit to Contractor.
3. Contractor will contact the Rural Customers from the names provided, and manage the weatherization process.
4. Big Rivers or the Member will pay the Contractor $150 for the initial site visit. **[T]**
5. Big Rivers or the Member will also pay $3 per installed energy efficient light and $10 per installed low-flow aerator, or low-flow shower head, if the water heater is electric, as part of the initial audit. Reimbursement will be limited to the following: **[T]**

Energy Efficient Lights [a]	Twenty (20) per Rural Customer's residence **[T]**
Low-Flow Aerator	Two (2) per Rural Customer's residence
Low-Flow Shower Head	One (1) per Rural Customer's residence

6. Big Rivers or the Member will pay the Contractor $225 upon completion of the diagnostic audit. The Rural Customer will pay $225 to the Contractor for the diagnostic audit. **[T]**
7. Big Rivers or the Member will pay the Contractor up to $1,000 for implemented residential weatherization measures including project management. **[T]**

Evaluation, Measurement and Verification:

Big Rivers will initiate a process of evaluation, measurement and verification for the program. The process will ensure the quality and effectiveness of the program and optimal use of resources.

a. Energy efficient lights include, but are not limited to, Compact Fluorescent Lights ("CFLs") and Light Emitting Diodes ("LED") lights. **[T]** **[T]**

STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

DSM-11
Commercial High Efficiency Heating, Ventilation and Air Conditioning ("HVAC") Program

Purpose:

This program promotes an increased use of high-efficiency HVAC systems among Rural Customers by paying a Member an incentive for the benefit of an eligible Rural Customer who purchases and installs an HVAC system beyond minimum efficiency standards to HVAC systems meeting ENERGY STAR® standards ("Qualified System").

Availability:

This DSM program's rates, terms and conditions are available to a Member for its Rural Customers, subject to the limitations and eligibility requirements of this program, and to the rules and regulations of this tariff and the Member's corresponding tariff.

Eligibility:

An eligible Rural Customer is a Member's Rural Customer who upgrades an HVAC system located in the Member's service area and installs a Qualified System.

Member Incentives:

Big Rivers will reimburse a Member an incentive payment of up to $75 per ton (12,000 BTU per hour nominal capacity) when a non-residential Rural Customer installs a Qualified System HVAC upgrade located in the Member's service area. **[T]**

Big Rivers will also reimburse a Member's reasonable costs of promoting this program. **[T]**

STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

DSM-11 (*continued*)
Residential High Efficiency Heating, Ventilation and Air Conditioning ("HVAC") Program

Terms & Conditions:

To qualify for the incentive under this program, a Member must submit to Big Rivers a copy of a receipt of purchase and installation of a Qualified System from a licensed contractor, along with a certificate from the Member verifying installation of the Qualified System on the premises of a Rural Customer in the Member's service area.

Evaluation, Measurement and Verification:

Big Rivers will initiate a process of evaluation, measurement and verification for the program. The process will ensure the quality and effectiveness of the program and optimal use of resources.

STANDARD RATE - RDS – Rural Delivery Service – (*continued*)

DSM-12
High Efficiency Outdoor Lighting Program

Purpose:

This program promotes the increased use of high-efficiency Light Emitting Diode ("LED") and Induction outdoor lighting by Members.

Availability:

This DSM program is available to Members to provide non-metered outdoor lighting to their Rural Customers.

Eligibility:

An eligible Member purchases wholesale power from Big Rivers.

Member Incentives:

Big Rivers will reimburse a Member up to $70 for each high-efficiency LED or Induction outdoor lamp it purchases and installs. **[T]**

Terms & Conditions:

To qualify for the incentive under this program, a Member must submit to Big Rivers documentation supporting the purchase and installation of high-efficiency outdoor lighting.

Evaluation, Measurement and Verification:

Big Rivers will initiate a process of evaluation, measurement and verification for the program. The process will ensure the quality and effectiveness of the program and optimal use of resources.

STANDARD RATE - RDS – Rural Delivery Service – (*continued*) **[N]**

DSM-13
Residential Weatherization A La Carte Program

Purpose:

This program promotes increased implementation of weatherization improvements among Rural Customers by paying a Member or a third party contactor ("Contractor") directly an incentive for the benefit of an eligible Rural Customer who undertakes and completes residential weatherization improvements in accordance with this program.

Availability:

This DSM program's rates, terms and conditions are available to a Member for its Rural Customers, subject to the limitations and eligibility requirements of this program, and to the rules and regulations of this tariff and the Member's corresponding tariff. Any Member electing to implement this program may not implement either DSM-05 Residential Weatherization Program or DSM-10 Residential Weatherization Program-Primary Heating Source Non-Electric.

Eligibility:

An eligible Rural Customer is a Member's Rural Customer who undertakes and completes weatherization improvements in accordance with this program at the Rural Customer's home located in the Member's service area. Program eligibility is based on the home and not the number of HVAC systems per home.

Member Incentives:

Big Rivers or the Member will reimburse the cost of an initial site visit and completed residential weatherization improvements performed in accordance with this program including project management costs. Big Rivers' or the Member's total reimbursement shall not exceed the amounts outlined below in Terms and Conditions. Big Rivers will also reimburse a Member's reasonable costs of promoting this program.

STANDARD RATE - RDS – Rural Delivery Service – (*continued*) **[N]**

DSM-13 (*continued*)
Residential Weatherization A La Carte Program

Terms & Conditions:

1. Big Rivers or the Member will contract with a qualified third party Contractor that performs weatherization projects for electric utilities. Once the Contractor has determined that a Retail Customer's home is eligible for duct sealing as outlined in Item 5 below, residential weatherization may proceed. Any Retail Customer-selected Contractor's work and documentation must meet the standards of the Building Performance Institute, Inc. ("BPI"). Failure to meet BPI work and documentation standards may void any Big Rivers or Member reimbursements outlined below.
2. The Member will promote the program, and select Rural Customer names to submit to Contractor.
3. Contractor will contact the Rural Customers from the names provided, and manage the weatherization process.
4. Big Rivers or the Member will pay the Contractor up to $200 for the initial site visit. This fee will include an audit report, customer educational materials, and energy efficient lights.[a]
5. The Contractor will determine if the Rural Customers' home is eligible for duct sealing. Homes with a construction completion date within twenty-four months of the date of the site visit are not eligible for duct sealing. Homes eligible for duct sealing are those where 60% of the duct work is located outside conditioned spaces, *i.e.*, duct work located in attic, crawl space, or unfinished basement. Eligible homes must be 3,000 ft^2 or less and not pose a safety or health risk to the Rural Customer or Contractor. Homes in excess of 3,000 ft^2 may be subject to additional fees, determined by the Contractor and paid by the Rural Customer to the Contractor. Duct sealing reimbursement for homes with 3,000 ft^2 or less is based on the following schedule:

a. Energy efficient lights include, but are not limited to, Compact Fluorescent Lights ("CFLs") and Light Emitting Diodes ("LED") lights.

STANDARD RATE - RDS – Rural Delivery Service – (*continued*) **[N]**

DSM-13 (*continued*)
Residential Weatherization A La Carte Program

Terms & Conditions (*continued*):

Home Heating Source	Paid by Big Rivers or Member
Electric	Up to $500
Gas	Up to $250

Any balance exceeding Big Rivers' or the Member's reimbursement will be paid by the Rural Customer directly to the Contractor.

6. Additional weatherization incentives are available under this program. Big Rivers will reimburse the Member for these measures based on the following schedule:

Additional Weatherization Measure	Electric-Heated Homes	Gas-Heated Homes
Attic Insulation	Up to $500	Up to $250
Floor/Crawl Space Insulation	Up to $250	$0
Smart/Programmable Thermostat	Up to $30	Up to $30

The Rural Member will be responsible for contracting the service and submitting documentation to the Member Cooperative.

7. To qualify for the additional weatherization incentives under this program, a Member must submit to Big Rivers documentation supporting the purchase and installation of additional weatherization measures.

   (a) Attic insulation must achieve an additional insulating value of R19 or achieve a total insulation value of R38.
   (b) Floor insulation must achieve an additional insulating value of R11.

STANDARD RATE - RDS – Rural Delivery Service – (*continued*) **[N]**

DSM-13 (*continued*)
Residential Weatherization A La Carte Program

Terms & Conditions (*continued*):

8. Big Rivers or the Member will complete all reimbursements upon completion of any of the above weatherization measures and submission of an application and required documentation.

Evaluation, Measurement and Verification:

Big Rivers will initiate a process of evaluation, measurement and verification for the program. The process will ensure the quality and effectiveness of the program and optimal use of resources.

STANDARD RATE - RDS – Rural Delivery Service – (*continued*) [T]

Bill Format [T]

Please see Section 4 – Definitions for certain terms used on this Bill Format. [T]

INVOICE
BIG RIVERS ELECTRIC CORPORATION P. O. BOX 24 HENDERSON, KY 42419-0024
MONTH ENDING mm/dd/yy

TO: Member's Name ACCOUNT
SERVICE FROM: mm/dd/yy THRU mm/dd/yy COIN. 00.00% mm/dd time

SUBSTATION	COIN KW	KWH	L.F. COIN.	PREVIOUS READING	PRESENT READING	DIFF.	KW / KWH MULT.
Name	0,000	0,000,000	00.00	000000.000	000000.000	00000.000	1,000
Name	0,000	0,000,000	00.00	000000.000	000000.000	00000.000	1,000
TOTAL	0,000	0,000,000					

[T]

ACTUAL DEMAND		KW times	$0.00	EQUALS	$ 00.00
ADJUSTMENTS / REFUNDS		KW times	$0.00	EQUALS	00.00
				SUBTOTAL	$ 00.00
ENERGY		KWh times	$0.00	EQUALS	$ 00.00
ADJUSTMENTS / REFUNDS		KWh times	$0.00	EQUALS	00.00
				SUBTOTAL	$ 00.00
				DEMAND AND ENERGY	$ 00.00
FUEL ADJUSTMENT CLAUSE		KWh times	$0.00	EQUALS	$ 00.00
NON-SMELTER NON-FAC PPA		KWh times	$0.00	EQUALS	00.00
				SUBTOTAL	$ 00.00
ENVIRONMENTAL SURCHARGE	$00.00	times	0.00%	EQUALS	$ 00.00
POWER FACTOR PENALTY		KW times	$0.00	EQUALS	00.00
UNWIND SURCREDIT		KWh times	$0.00	EQUALS	00.00

[T]

STANDARD RATE - RDS – Rural Delivery Service – (*continued*) [T]

Bill Format (*continued*)

Please see Section 4 – Definitions for certain terms used on this Bill Format.

MRSM ADJUSTMENT					00.00
MRSM – BASE RATE CREDIT					00.00
MRSM – TRANSMISSION RURAL ADJUSTMENT					00.00
MRSM – TRANSMISSION RURAL BASE RATE CREDIT					00.00
REBATE ADJUSTMENT					00.00
RER – RESIDENTIAL ADJUSTMENT					00.00
RER – RESIDENTIAL BASE RATE CREDIT					00.00
RER – BUSINESS ADJUSTMENT					00.00
RER – BUSINESS BASE RATE CREDIT					00.00
CURTAILABLE SERVICE RIDER					00.00
RENEWABLE RESOURCE ENERGY	_____	KWh times	$0.00	EQUALS	00.00
ADJUSTMENT	_____	KWh times	$0.00	EQUALS	00.00
				TOTAL AMOUNT DUE	$ 00.00

- - - - - - - - LOAD FACTOR - - - - - - -		- - - - - - - - - - POWER FACTOR - - - - - - - - - -			
COIN.	BILLED	BASE	AVERAGE	@ PEAK	MILLS PER KWH
00.00%	00.00%	00.00%	00.00%	00.00%	00.00

DUE IN IMMEDIATELY AVAILABLE FUNDS ON OR BEFORE THE FIRST WORKING DAY AFTER THE 24TH OF THE MONTH

STANDARD RATE – LIC – Large Industrial Customer

Applicable:

In all territory served by Big Rivers' transmission system.

Availability:

This schedule is available to any of Big Rivers' then existing Member Cooperatives for service to Large Industrial Customers served using dedicated delivery points. Retail service by a Member Cooperative to a Large Industrial Customer served using a dedicated delivery point shall be provided pursuant to the terms of a written retail service agreement which shall be subject to Big Rivers' approval.

Term:

This rate schedule shall take effect at 12:01 AM CPT on the effective date of this tariff.

Rates:

Rates Separate for Each Large Industrial Customer:

Each month each Member Cooperative shall be required to pay separately for each of its qualifying Large Industrial Customers taking service under this tariff, in each case using that individual Large Industrial Customer contract demand (if any) or metered demand, as applicable.

STANDARD RATE – LIC – Large Industrial Customer – (*continued*)

For all Large Industrial Customer delivery points, a Monthly Delivery Point Rate consisting of:

A Demand Charge of:
All kW of billing demand at $10.7150 per kW. **[R]**

Plus,

An Energy Charge of:
All kWh per month at $0.038050 per kWh. **[I]**

No separate transmission or ancillary services charges shall apply to these rates.

Charges:

Each month, each Member Cooperative shall pay on behalf of each of its large industrial customers taking service under this rate schedule a demand charge calculated by multiplying the demand charge by the higher of the maximum integrated metered thirty-minute non-coincident peak demand or the established contact demand, if any, plus an energy charge calculated by multiplying the energy charge by the metered consumption of kWh in that month.

The Following adjustment clauses and riders shall apply to service under this tariff.

Voluntary Price Curtailable Service Rider
Renewable Resource Energy Service
Rebate Adjustment
Environmental Surcharge
Fuel Adjustment Clause
Member Rate Stability Mechanism
Unwind Surcredit
Non-Smelter Non-FAC PPA
Rural Economic Reserve Rider **[T]**

STANDARD RATE – LIC – Large Industrial Customer – (*continued*)

Billing:

Big Rivers shall bill Member no later than the first working day after the 13th of the month for the previous month's service hereunder for Large Industrial Customers. Member shall pay Big Rivers in immediately available funds on the first working day after the 24th of the month. If Member shall fail to pay any such bill within such prescribed period, Big Rivers may discontinue delivery of electric power and energy hereunder upon five (5) days written notice to Member of its intention to do so. Such discontinuance for non-payment shall not in any way affect the obligation of Member to pay the take-or-pay obligation of a particular Large Industrial Customer.

STANDARD RATE – LIC – Large Industrial Customer – (*continued*) [T]

Bill Format [T]

Please see Section 4 – Definitions for certain terms used on this Bill Format. [T]

INVOICE
BIG RIVERS ELECTRIC CORPORATION P. O. BOX 24 HENDERSON, KY 42419-0024
MONTH ENDING mm/dd/yy

TO: Member's Name ACCOUNT
SUBSTATION SERVICE FROM: mm/dd/yy THRU mm/dd/yy
SERVICE FROM: mm/dd/yy THRU mm/dd/yy BILLED PEAK mm/dd time

USAGE	DEMAND	TIME	DAY	METER	MULT.	KW DEMAND
		00:00 A (or P)	mm/dd		1,000	00,000

POWER FACTOR	BASE	PEAK	AVERAGE	BILLED
	00.00%	00.00%	00.00%	PEAK

ENERGY	PREVIOUS	PRESENT	DIFFERENCE	MULT.	KWH / USED
	00000.000	00000.000	00000.000	1,000	00,000,000

ACTUAL DEMAND	0,000	KW times	$00.000000	EQUALS	$ 00,000.00
ADJUSTMENTS / REFUNDS	0,000	KW times	$00.000000	EQUALS	00,000.00
				SUBTOTAL	$ 00,000.00
ENERGY	0,000,000	KWh times	$0.000000	EQUALS	$ 00,000.00
ADJUSTMENTS / REFUNDS	0,000,000	KWh times	$0.000000	EQUALS	00,000.00
				SUBTOTAL	$ 00,000.00
			DEMAND AND ENERGY		$ 00,000.00
FUEL ADJUSTMENT CLAUSE	0,000,000	KWh times	$0.000000	EQUALS	$ 00,000.00
NON-SMELTER NON-FAC PPA	0,000,000	KWh times	$0.000000	EQUALS	00,000.00
				SUBTOTAL	$ 00,000.00
ENVIRONMENTAL SURCHARGE	$00,000.00	Times	0.00%	EQUALS	$ 00,000.00
POWER FACTOR PENALTY	0,000	KW times	$00.000000	EQUALS	00,000.00
UNWIND SURCREDIT	0,000,000	KWh times	$0.000000	EQUALS	00,000.00

[T]

STANDARD RATE – LIC – Large Industrial Customer – (*continued*) [T]

Bill Format (*continued*)

Please see Section 4 – Definitions for certain terms used on this Bill Format.

MRSM ADJUSTMENT						00,000.00
MRSM – BASE RATE CREDIT						00,000.00
MRSM – TRANSMISSION LARGE INDUSTRIAL ADJUSTMENT						00,000.00
MRSM – TRANSMISSION LARGE INDUSTRIAL BASE RATE CREDIT						00,000.00
RER – BUSINESS ADJUSTMENT						00,000.00
RER – BUSINESS BASE RATE CREDIT						00,000.00
CURTAILABLE SERVICE RIDER						00,000.00
RENEWABLE RESOURCE ENERGY	0,000,000	KWh times	$0.000000	EQUALS		00,000.00
REBATE ADJUSTMENT						00,000.00
ADJUSTMENT	0,000,000	KWh times	$0.000000	EQUALS		00,000.00
				SUBTOTAL	$	00,000.00
				TOTAL AMOUNT DUE	$	00,000.00

- - - - - - - - LOAD FACTOR - - - - - - -		- - - - - - - - - - POWER FACTOR - - - - - - - - - -			
ACTUAL.	BILLED	BASE	AVERAGE	@ PEAK	MILLS PER KWH
00.00%	00.00%	00.00%	00.00%	00.00%	00.00

DUE IN IMMEDIATELY AVAILABLE FUNDS ON OR BEFORE THE FIRST WORKING DAY AFTER THE 24TH OF THE MONTH

STANDARD RATE – CATV – Cable Television Attachment

Applicable:

In all territory served by Big Rivers on poles owned and used by Big Rivers for its electric plant.

Availability:

To all qualified CATV operators having the right to receive service.

Rental Charge:

The yearly rental charges shall be as follows:

Two-party pole attachment without ground	$3.14
Three-party pole attachment without ground	$2.23
Two-party pole attachment with ground	$3.37
Three-party pole attachment with ground	$2.37
Two-party anchor attachment	$5.56
Three-party anchor attachment	$3.71

Billing:

Rental charges shall be billed yearly based on the number of attachments in place as of the end of the preceding calendar year. Payment is due within fifteen (15) days after the bill is mailed. If the CATV operator shall fail to pay any such bill within such fifteen (15) day period, Big Rivers may discontinue service hereunder upon fifteen days' written notice to the CATV operator of its intention to do so.

Specifications:

The attachments covered by this tariff shall at all times conform to the requirements of the National Electrical Safety Code, 1981 Edition, and subsequent revisions thereof, except where the lawful requirements of public authorities may be more stringent, in which case the latter will govern.

The strength of poles covered by this agreement shall be sufficient to withstand the transverse and vertical load imposed upon them under the storm loading of the National Electrical Safety Code assumed for the area in which they are located.

(Name of Utility)

RATES, TERMS AND CONDITIONS – SECTION 1

STANDARD RATE – CATV – Cable Television Attachment
Billing Form

INVOICE
BIG RIVERS ELECTRIC CORP. P. O. BOX 24 HENDERSON, KY 42419-0024
MONTH ENDING mm/dd/yy

CABLE TELEVISION INVOICE NO.

DESCRIPTION Date:

RE; CABLE TELEVISION ATTACHEMENT AGREEMENT
Yearly rental charge as set forth in Licensor's tariffs as filed and approved with the Public Service Commission. License grated September 6, 1984, Permit No. 001

Applicable Tariff:	Quantity		Rate		Total
Two-party pole attachment without ground	0,000	x	$3.14	=	$ 00,000.00
Three-party pole attachment without ground	0,000	x	$2.23	=	$ 00,000.00
Two-party pole attachment with ground	0,000	x	$3.37	=	$ 00,000.00
Three-party pole attachment with ground	0,000	x	$2.37	=	$ 00,000.00
Two-party anchor attachment	0,000	x	$5.56	=	$ 00,000.00
Three-party anchor attachment	0,000	x	$3.71	=	$ 00,000.00
				Total Amount Due:	$ 00,000.00

Terms: Net Fifteen (15) Days

Direct any inquiry to: Vice President of Accounting
Phone: (270) 827-2561

DATE OF ISSUE May 15, 2014
DATE EFFECTIVE February 1, 2014

/s/ Billie J. Richert

ISSUED BY: Billie J. Richert,
Vice President Accounting, Rates, and
Chief Financial Officer
Big Rivers Electric Corporation, 201 Third Street, Henderson, KY 42420
Issued by Authority of an Order of the Commission, dated April 25, 2014, in Case No. 2013-00199

KENTUCKY
PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH
Bunt Kirtley
EFFECTIVE
2/1/2014
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

STANDARD RATE – CATV – Cable Television Attachment – (*continued*)

Special Rules

(1) Establishing Pole Use:

Before a CATV operator shall make use under this tariff of any of the facilities of Big Rivers, it shall notify Big Rivers in writing of its intent and shall comply with the procedures established by Big Rivers. The CATV operator shall furnish Big Rivers detailed construction plans and drawings, together with necessary maps, indicating the specific poles of Big Rivers upon which attachments are proposed, the number and character of the attachments to be on such poles, the rearrangements of Big Rivers' fixtures and equipment necessary for the attachments, and relocations or replacements of existing poles, and any additional poles required by the CATV operator.

Big Rivers shall, on the basis of such detailed construction plans and drawings, submit to the CATV operator a cost estimate (including overhead and less salvage value of materials) of all changes that may be required. Upon written notice by the CATV operator to Big Rivers that the cost estimate is approved, Big Rivers shall proceed with the necessary changes. Upon completion of all changes, the CATV operator shall have the right hereunder to make attachments in accordance with the terms of this tariff. The CATV operator shall, at its own expense, make attachments in such manner as not to interfere with the service requirements of Big Rivers.

Upon completion of all changes, the CATV operator shall pay Big Rivers the actual cost (including overhead and less salvage value of materials) of making such changes. The obligations of the CATV operator hereunder shall not be limited to amounts shown on estimates made by Big Rivers hereunder.

Any reclearing of existing rights-of-way and any tree trimming necessary for the establishment of attachments hereunder shall be performed by the CATV operator.

All poles and appurtenances to which attachments have been made under this tariff shall remain the property of Big Rivers, and any payments made by the CATV operator under this tariff for changes in Big Rivers' facilities shall not entitle the CATV operator to the ownership of any of said facilities.

STANDARD RATE – CATV – Cable Television Attachment – (*continued*)

Any changes necessary for correction of a substandard installation made by the CATV operator, where notice of intent had not been given, shall be billed at an amount equal to twice the charges that would have been imposed if the attachment had been properly authorized.

(2) Easement and Right-of-Way:

Big Rivers does not warrant nor assure to the CATV operator any rights-of-way privileges or easements, and should the CATV operator at any time be prevented from placing or maintaining its attachments on Big Rivers' poles, no liability on account thereof shall attach to Big Rivers. Each party shall be responsible for obtaining its own easements and rights-of-way.

(3) Maintenance of Poles, Attachments and Operation:

Whenever right-of-way considerations or public regulations make relocation of a pole or poles necessary, such relocation shall be made by Big Rivers at its own expense, except that each party shall bear the cost of transferring its own attachments.

Whenever it is necessary to replace or relocate a pole, Big Rivers shall, before making such replacement or relocation, give a forty-eight (48) hour notice (except in cases of emergency) to the CATV operator, specifying in said notice the time of such proposed replacement or relocation, and the CATV operator shall, at the time so specified, transfer its attachments to the new or relocated pole. Should the CATV operator fail to transfer its attachments to the new or relocated pole at the time specified, Big Rivers may elect to do such work and the CATV operator shall pay Big Rivers the cost thereof. Big Rivers shall not be liable for any consequential damages which may result therefrom.

Any attachment of CATV which does not conform to the specifications set out in this tariff shall be brought into conformity herewith as soon as practical. Big Rivers reserves the right to inspect each new installation on its poles and in the vicinity of its lines or appurtenances. Such inspection made or not, shall not operate to relieve the CATV operator of any responsibility, obligation or liability assumed under this tariff.

STANDARD RATE – CATV – Cable Television Attachment – (*continued*)

Big Rivers reserves to itself, its successor and assigns, the right to maintain its poles and to operate its facilities thereon in such manner as will, in its own judgment, best enable it to fulfill its own service requirements. Big Rivers shall not be liable to the CATV operator for any interruption of service or for interference with the operation of its cables, wire and appliances when such conditions are caused by situations beyond Big Rivers' control.

(4) Inspections:

Periodic Inspection:

Any unauthorized or unreported attachment by a CATV operator will be billed at two times the amount that would have been due had the installation been made the day after the last inspection preceding discovery of the attachment.

Make-Ready Inspection:

Actual expenses, plus appropriate overhead charges, incurred by Big Rivers in any "make-ready" or "walk-through" inspection required of Big Rivers will be paid for by the CATV operator.

(5) Insurance or Bond:

The CATV operator shall defend, indemnify and save harmless Big Rivers from any and all damage, loss, claim, demand, suit, liability, penalty or forfeiture of every kind and nature, including, but not limited to, costs and expenses of defending against the same and payment of any settlement or judgment therefor, by reason of (1) injuries or deaths to persons, (2) damages to or destruction of properties, (3) pollutions, contaminations of or other adverse effects on the environment or (4) violations of governmental laws, regulations or orders whether suffered directly by Big Rivers itself, or indirectly by reason of claims, demands or suits against it by third parties, resulting or alleged to have resulted from acts or omissions of the CATV operator, its employees, agents, or other representatives or from their presence on the premises of Big Rivers, either solely or in concurrence with any alleged joint negligence of Big Rivers. Big Rivers shall be liable for its sole active negligence.

STANDARD RATE – CATV – Cable Television Attachment – (*continued*)

The CATV operator will provide coverage as follows from a company authorized to do business in the Commonwealth of Kentucky:

1. Protection for its employees to the extent required by Workers' Compensation Laws of Kentucky.
2. Public liability coverage with separate coverage for each town or city in which the CATV operator operates under this contract to a minimum amount of $1,000,000 for each person and $1,000,000 for each accident or personal injury or death, and $25,000 as to the property of any one person, and $100,000 as to any one accident of property damage.
3. Naming Big Rivers Electric Corporation as an additional insured.

Before beginning operations under this tariff, the CATV operator shall cause to be furnished to Big Rivers a certificate evidencing the existence of such coverage. Each policy required here under shall contain a contractual endorsement written as follows:

> The insurance or bond provided herein shall also be for the benefit of Big Rivers Electric Corporation, so as to guarantee, within the coverage limits, the performance by the insured of any indemnity agreement set forth in this tariff. This insurance or bond may not be canceled for any cause without thirty (30) days' advance notice being first given to Big Rivers Electric Corporation.

(6) Change of Use Provision:

When Big Rivers requires a change in its facilities for reasons unrelated to CATV operations, the CATV operator shall be given a forty-eight (48) hour notice (except in cases of emergency) in order to accomplish the CATV-related changes. If the CATV operator is unable or unwilling to meet Big Rivers' time schedule for such changes, Big Rivers may do the work and charge the CATV operator its reasonable costs for performing the change of CATV attachments.

STANDARD RATE – CATV – Cable Television Attachment – (*continued*)

(7) Abandonment:

Should Big Rivers decide to abandon any pole which the CATV operator is utilizing, it shall give the CATV operator notice in writing to that effect at least thirty (30) days prior to the date on which it intends to abandon such pole. If, at the expiration of said period, Big Rivers has no attachments on such pole, but the CATV operator has not removed all of its attachments therefrom, such pole shall thereupon become the property of the CATV operator, and the CATV operator shall save harmless Big Rivers from all obligation, liability, damages, cost, expenses or charges incurred thereafter, and shall pay Big Rivers for such pole an amount equal to Big Rivers' depreciated cost thereof. Big Rivers shall further evidence transfer to the CATV operator of title to the pole by means of a bill of sale. Big Rivers reserves the right to abandon and salvage any power line free and clear of any obligations to the CATV operator and upon one year's notice to the CATV operator.

The CATV operator may at any time abandon the use of any pole by giving due notice thereof in writing to Big Rivers and by removing therefrom any and all attachments it may have thereon. The CATV operator shall in such case pay Big Rivers the pro rata rental for said pole for the then current billing period.

(8) Rights of Others:

Upon notice from Big Rivers to the CATV operator that the use of any pole is forbidden by municipal or other public authorities or by property owners, the permit governing the use of such pole shall immediately terminate and the CATV operator shall remove its facilities from the affected pole at once. No refund of any rental will be due on account of any removal under these circumstances.

(9) Payment of Taxes:

Each party shall pay all taxes and assessments lawfully levied on its own property upon said attached facilities, and the taxes and the assessments which are levied on said property shall be paid by the owner thereof, but any tax, fee or charge levied on Big Rivers' facilities solely because of their use by the CATV operator shall be paid by the CATV operator.

STANDARD RATE – CATV – Cable Television Attachment – (*continued*)

(10) Bond or Deposit for Performance:

The CATV operator shall furnish bond or satisfactory evidence of contractual insurance coverage for the purposes hereinafter specified in the amount of Five Thousand Dollars ($5,000), evidence of which shall be presented to Big Rivers fifteen (15) days prior to beginning construction. Such bond or insurance shall contain the provision that it shall not be terminated prior to three (3) months after receipt by Big Rivers of written notice of the desire of the bonding or insurance company to terminate such bond or insurance. Upon receipt of such notice, Big Rivers shall request the CATV operator to immediately remove its cables, wires and all other facilities from all poles of Big Rivers. If the CATV operator should fail to complete the removal of all its facilities from the poles of Big Rivers within thirty (30) days after receipt of such request from Big Rivers, then Big Rivers shall have the right to remove them at the cost and expense of the CATV operator and without being liable for any damage to the CATV operators wires, cables, fixtures or appurtenances. Such bond or insurance shall guarantee the payment of any sums which may become due to Big Rivers for rentals, inspections or work performed for the benefit of the CATV operator under this tariff, including the removal of attachments upon termination of service by any of its provisions.

(11) Use of Anchors:

Big Rivers reserves the right to prohibit the use of any anchors by the CATV operator where conditions warrant such action.

(12) Discontinuance of Service:

Big Rivers may refuse or discontinue serving an applicant as a customer under the conditions set out in 807 KAR 5:006 Section 14.

STANDARD RATE – QFP – Cogeneration/Small Power Production Purchase Tariff – Over 100 KW

Availability:

Available to any customer of a Member Cooperative who qualifies as a cogenerator or small power producer pursuant to the Commission's regulation in 807 KAR 5:054.

Applicability of Service:

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

Terms and Conditions:

The cogeneration or small power production facility must have a total design capacity over 100 kW.

All power from a Qualifying Facility ("QF") purchased under this tariff will be sold to Big Rivers.

The QF must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.

QF shall provide reasonable protection for Big Rivers' and the Member Cooperative's systems.

QF shall design, construct, install, own, operate, and maintain the QF in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.

QF shall reimburse Big Rivers and the Member Cooperative for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

QF shall enter into a written contract with Big Rivers. All conditions applying to QF service shall be specified in the contract executed by the parties and are subject to the jurisdiction of the Commission and to Big Rivers' terms and conditions regarding a QF then in effect. For contracts which cover the purchase of energy only, the term shall be one year and shall be self-renewing from year-to-year thereafter unless cancelled by either party with not less than one year's written notice. For contracts which cover the purchase of capacity and energy, the term shall be

STANDARD RATE – QFP – Cogeneration/Small Power Production Purchase Tariff – Over 100 KW – (*continued*)

not less than five (5) years and self-renewing from year-to-year thereafter unless cancelled by either party with not less than one year's written notice.

Definitions:

Please see Section 4 for definitions common to all tariffs.

QF – "QF" means a cogeneration or small power production facility meeting the criteria for Qualifying Facility of 807 KAR 5:054 Section 4.

Inter-Utility Market – "Inter-Utility Market" means any supplier of wholesale electric service to Big Rivers other than SEPA and the Henderson Municipal Power and Light's Station Two.

Rates for Purchases from QFs:

(1) Capacity Purchase Rates:

As long as Big Rivers has surplus generation from its owned coal fired generation and power available from SEPA and the Henderson Municipal Power and Light's Station Two, the Capacity Purchase Rate (CPR) will be zero. At such time Big Rivers has no surplus generation from its owned coal fired generation and power available from SEPA and the Henderson Municipal Power and Light's Station Two, the hourly avoided capacity cost (ACC) in $ per megawatt hour, which is payable to a QF for delivery of capacity, shall be equal to the effective purchase price for power available to Big Rivers from the Inter-Utility Market (which includes both energy and capacity charges) less Big Rivers' actual variable fuel expense. The total amount of the avoided capacity cost payment to be made to a QF in an hour is equal to [ACC x CAP], where CAP, the capacity delivered by the QF, is determined on the basis of the system demand and Big Rivers' need for capacity in that hour to adequately serve the load.

(2) Determination of CAP:

For the determination of CAP, Big Rivers will determine at the time a QF signs a contract to deliver capacity the capacity proposed to be provided by the QF and will cause the QF to enter into a contract stating the CAP Limits, Big Rivers will pay for CAP at the above stated rate only when Big Rivers' owned and previously arranged for capacity is not sufficient to meet its system demand.

STANDARD RATE – QFP – Cogeneration/Small Power Production Purchase Tariff – Over 100 KW – (*continued*)

(3) Firm Energy Purchase Rates:

The Energy Purchase Rates (EPR) in $ per megawatt hour, which is payable to a QF for delivery of energy, shall be equal to Big Rivers' actual variable fuel expenses for Big Rivers' owned coal 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 [EPR x EQF] where EQF is the amount of megawatt-hours delivered by a QF in that hour and which are determined by suitable metering.

Payment:

Big Rivers shall pay each bill for electric power rendered to it in accordance with the terms of the contract, within 30 days of the date the bill is rendered.

System Emergencies:

During system emergencies, Big Rivers may discontinue purchases or the QF may be required to provide energy or capacity in accordance with 807 KAR 5:054 Section 6.

Interconnection:

Big Rivers requires a three-party interconnection agreement among the QF Member, Big Rivers, and the Member Cooperative prior to service under this tariff. Big Rivers shall make interconnections with the Member Cooperative, the QF Member, or both as required and the QF Member will pay for the interconnection costs in accordance with 807 KAR 5:054 Section 6 and the interconnection agreement.

Loss Compensation:

Power and energy purchased by Big Rivers pursuant to this rate schedule which must be transmitted to Big Rivers' transmission system across or through utilities owned by a Member Cooperative shall be subject to an adjustment to reflect losses between the QF and the point of delivery to the Big Rivers transmission system.

STANDARD RATE – QFS – Cogeneration/Small Power Production Sales Tariff – Over 100 KW

Availability:

Available to any Member Cooperative for service to any member of the Member Cooperative with cogeneration and/or small power production facility (i) that has net output of less than 5,000 kW and (ii) which meets the criteria for Qualifying Facility of 807 KAR 5:054 Section 4. Charges for the services under this tariff to any Member Cooperative for service to any member of the Member Cooperative with a cogeneration and/or small power production facility shall be established by contract.

Applicability:

Applicable to purchases made by a Member Cooperative for service to any QF Member of a Member Cooperative with a total capacity requirement of 100 kW or more with on-site generation of 100 kW or more operating in excess of 200 hours per year, electrically engineered so that it can meet part or all of its load with its own generation, for service not covered by one of Big Rivers' other rates. The QF Member shall have the option to provide all or part of its load with its own generation in which case that portion of the QF Member's load requirements not met by the QF shall be provided to the Member Cooperative under this tariff and all requirements for back-up or maintenance service for the QF Member shall be provided under this tariff. Otherwise, the QF Member may sell all of the output of its QF in which case the QF Member's load requirements shall be provided to the Member Cooperative under the terms and conditions of one or more of Big Rivers' standard rates applicable to the load requirements and type of service of the QF Member.

Definitions:

Please see Section 4 for definitions common to all tariffs.

Off-System Sales Transaction – "Off-System Transaction" means sales of electric energy by Big Rivers other than to the Member Cooperatives and Henderson Municipal Power and Light.

QF Member – "QF Member" means a member of a Member Cooperative with a QF.

Third-Party Suppliers – "Third-Party Suppliers" means any supplier of wholesale electric service to Big Rivers other than SEPA and Henderson Municipal Power and Light.

STANDARD RATE – QFS – Cogeneration/Small Power Production Sales Tariff – Over 100 KW – (*continued*)

Conditions of Service:

To receive service hereunder, the Member Cooperative must:

Obtain from the QF Member an executed, written contract for electric service hereunder on terms acceptable to Big Rivers. Such contract shall set forth any specific arrangements between the parties based on individual circumstances and shall:

Specify the maximum capacity to be made available to the QF Member on an unscheduled basis in any hour (Maximum Unscheduled Capacity), and

If desired by the QF Member, specify the terms and conditions for the delivery of Maintenance Service, and

If desired by the QF Member, specify the capacity of on-site generation for which interruptible unscheduled back-up and interruptible scheduled maintenance power may be provided, and

Specify any other term or condition which the Member Cooperative or Big Rivers may require for service used by a QF Member, taking into account the nature of use, the quality used, the quantity used, the time when used, the purpose for which used, and any other reasonable consideration, and

Enter into a contract with Big Rivers, or amend an existing contract with Big Rivers, to specify the terms and conditions of service between Big Rivers and the Member Cooperative regarding the power supply for the QF Member.

STANDARD RATE – QFS – Cogeneration/Small Power Production Sales Tariff – Over 100 KW – (*continued*)

For Each QF Member, the Member Cooperative Will be Billed Monthly for:

Supplementary Service (capacity and energy).

Unscheduled Back-up Service, if any (capacity charge only).

Maintenance Service (capacity and energy), if any.

Excess Demand, if any.

Additional charges, if any.

Monthly Charges for Sales to a Member Cooperative for Service to a QF Member:

Supplementary Service:

Supplementary demand shall be the QF Member's highest actual demand (adjusted for distribution losses if applicable) measured during the month, excluding Scheduled Maintenance Demand up to but not exceeding the actual measured demands in each demand interval during a Maintenance Schedule, and supplementary energy shall be the actual measured energy (adjusted for distribution losses if applicable), excluding Maintenance Energy sold to the QF by the Member Cooperative in each month. The monthly charges for supplementary demand and energy shall be according to the rates set forth in Big Rivers' Standard Rate Schedule RDS.

Unscheduled Back-up Service:

Unscheduled Back-up Demand is the QF Member's Maximum Unscheduled Capacity minus the Supplementary Billing Demand for the month. In months in which Maintenance Service has been Scheduled, appropriate credit for Scheduled Maintenance Demand shall be applied to the Unscheduled Back-up Demand such that the Member Cooperative will not be charged for Unscheduled Back-up Demand in addition to Scheduled Maintenance Demand when Scheduled

STANDARD RATE – QFS – Cogeneration/Small Power Production Sales Tariff – Over 100 KW – (*continued*)

Maintenance Service is being provided. The monthly charges to a Member Cooperative for Unscheduled Back-up Demand shall be:

One hundred-ten percent (110%) of Big Rivers' actual cost, including transmission service, to import energy from a Third Party supplier to supply the Unscheduled Back-up Service for the QF Members:

Maximum Unscheduled Capacity shall initially be the amount as specified by the QF Member per contract with the Member Cooperative, but in no case less than the actual demand delivered in any month, including the current month. Big Rivers will accept a reduction in the Maximum Unscheduled Capacity upon twelve (12) months advance notice from the Member Cooperative. Said notice must specify the reduction in kWs and the basis for the lower requirements. All energy shall be billed as either supplementary energy or maintenance energy.

Maintenance Service:

Maintenance Service shall be available to a Member Cooperative to back-up a QF Member's QF only if the Member Cooperative has scheduled delivery of the maintenance services in advance with Big Rivers. The Member Cooperative may schedule up to four weeks of seven consecutive days each per year of such service for a QF Member, subject to scheduling of such usage by Big Rivers. The Member Cooperative may reschedule at any time by giving a forty-eight (48) hour notice to Big Rivers. Scheduled Maintenance Demand may not exceed the design capacity of the QF Member's QF. Maintenance Service will be available on an on-peak or off-peak basis. The selection of on-peak Maintenance Service entitles the Member Cooperative to schedule the service for the QF Member at any time. The selection of off-peak Maintenance Service entitles the Member Cooperative to schedule the service for the QF Member only during those hours not designated as on-peak. The designated on-peak hours are as follows:

Summer on-peak usage is defined as power requirements occurring between the hours beginning 6:00 AM CPT and ending 10:00 PM CPT on any weekday from May 1 through September 30.

STANDARD RATE – QFS – Cogeneration/Small Power Production Sales Tariff – Over 100 KW – (*continued*)

Winter on-peak usage is defined as power requirements occurring between the hours beginning 6:00 AM CPT and ending 10:00 PM CPT on any weekday from December 1 through March 31.

Off-peak usage is defined as all power requirements not included in "Summer on-peak usage" or "Winter on-peak usage" as defined in the two preceding paragraphs, respectively.

The charges for On-peak Maintenance Service shall be the greater of:

$3.2200 per kW of Scheduled Maintenance Demand per week, plus **[R]**

$0.045000 per kWh of Maintenance Energy; or **[I]**

110% of the price at the time of scheduling of a block of energy obtainable by Big Rivers in the futures market which is sufficient to meet the Member Cooperative's scheduled Maintenance Service requirements.

The charges for Off-peak Maintenance Service shall be:

$3.2200 per kW of Scheduled Maintenance Demand per week, plus **[R]**

According to Standard Rate Schedule RDS per kWh of maintenance energy shall be the amount of energy purchased by the Member Cooperative for the QF Member in each hour during Scheduled Maintenance Service up to but not exceeding the Scheduled Maintenance Demand in each hour.

Excess Demand:

Excess demand is the amount in any hour by which the actual demand, less any Maintenance Demand, exceeds the previously established Maximum Unscheduled Capacity. Charges for Excess Energy Demand shall be in addition to the charges for Supplementary Service and shall be either:

STANDARD RATE – QFS – Cogeneration/Small Power Production Sales Tariff – Over 100 KW – (*continued*)

One hundred-ten percent (110%) of Big Rivers' actual cost, including transmission service, to import energy from a third Party supplier to supply the Excess Demand of the Member Cooperative for the QF Member; or import energy from a Third Party Supplier to supply the Excess Demand of the Member Cooperative for the QF Member; *or*

If it is not necessary for Big Rivers to import energy from a Third Party Supplier, charges for Excess Demand shall be the greater of: a) the applicable demand charge in Standard Rate Schedule RDS times the highest Excess Demand recorded during the month; or b) 110% of the highest price received by Big Rivers during an Off-System Sales Transaction during the month times the sum of the Excess Demands measured during the month.

Big Rivers shall be the sole determinant of when and under what circumstances it is required to import energy from a Third-Party Supplier to provide Excess Demand.

Additional Charges:

Any and all costs incurred by Big Rivers as a result of the QF's failure to generate, including, without limitation, ancillary services necessary to maintain reliability on the Big Rivers' system, shall be charged to the Member Cooperative in addition to all other charges.

Interruptible Service:

Interruptible Supplementary Service or Interruptible Back-up Service will be made available, upon request. Terms and conditions of interruptible service will be as negotiated under special contract according to the terms of 807 KAR 5:054.

STANDARD RATE – QFS – Cogeneration/Small Power Production Sales Tariff – Over 100 KW – (*continued*)

Interconnections:

Big Rivers requires a three-party interconnection agreement between the QF Member, Big Rivers, and the Member Cooperative prior to service under this tariff. Big Rivers shall make inter-connections with the Member Cooperative, or the QF Member, or both as required and the QF Member will pay for the inter-connection costs in accordance with 807 KAR 5:054 Section 6 and the interconnection agreement.

System Emergencies:

During System Emergencies, Big Rivers may discontinue sales in accordance with 807 KAR 5:054 Section 6.

Loss Compensation:

Power and energy delivered by Big Rivers pursuant to this rate schedule shall be metered at or compensated to Big Rivers' point of delivery to the Member Cooperative. Where metering of the QF Member's load is at a point of delivery on a Member Cooperative's distribution system, metered demand and energy shall be adjusted to compensate for distribution losses prior to billing hereunder.

Big Rivers ELECTRIC CORPORATION
Your Touchstone Energy® Cooperative

(Name of Utility)

RATES, TERMS AND CONDITIONS – SECTION 1

STANDARD RATE – QFS – Cogeneration/Small Power Production Sales – Over 100 KW
Billing Form

INVOICE
BIG RIVERS ELECTRIC CORP. P. O. BOX 24 HENDERSON, KY 42419-0024
MONTH ENDING mm/dd/yy

TO: COGENERATOR AND SMALL POWER PRODUCER SALES ACCOUNT

DELIVERY POINTS SERVICE FROM mm/dd/yy THRU mm/dd/yy
USAGE:

USAGE	DEMAND	TIME	DAY	METER	MULT	KW DEMAND
		00:00 A (or P)	mm/dd		1000	00,000

POWER FACTOR	BASE	PEAK	AVERAGE	kW DEMAND BILLED
SUPPLEMENTAL DEMAND	00.00%	00.00%	00.00%	000,000
UNSCHEDULED BACKUP DEMAND	00.00%	00.00%	00.00%	000,000
EXCESS DEMAND	00.00%	00.00%	00.00%	000,000
CUMULATIVE EXCESS DEMAND	00.00%	00.00%	00.00%	000,000

	PREVIOUS	PRESENT	DIFFERENCE	MULT.	KWH USED
ENERGY	00000.000	00000.000	0000.000	1000	00,000,000
SUPPLEMENTAL ENERGY	00000.000	00000.000	0000.000	1000	00,000,000
MAINTENANCE ENERGY	00000.000	00000.000	0000.000	1000	00,000,000

SUPPLEMENTARY SERVICE					
DEMAND	kW	TIMES	$	EQUALS	$
P/F PENALTY	kW	TIMES	$	EQUALS	$
ENERGY	kWh	TIMES	$	EQUALS	$
SUBTOTAL					$
UNSCHEDULED BACK-UP SERVICE					
DEMAND	kW	TIMES	$	EQUALS	$
MAINTENANCE SERVICE ON-PEAK					
DEMAND PER-WEEK (IF APPLICABLE)	kW	TIMES	$	EQUALS	$
ENERGY (IF APPLICABLE)	kWh	TIMES	$	EQUALS	$
SCHEDULE ENERGY BLOCK (IF APPLICABLE)					
TOTAL AMOUNT DUE					$
OFF-PEAK					
DEMAND PER-WEEK	kW	TIMES	$	EQUALS	$
ENERGY	kWh	TIMES	$	EQUALS	$
SUBTOTAL					$
EXCESS SERVICE					
EXCESS DEMAND (IF APPLICABLE)	kW	TIMES	$	EQUALS	$
CUMULATIVE EXCESS DEMAND (IF APPLICABLE)	kW	TIMES	$	EQUALS	$
IMPORTED EXCESS ENERGY (IF APPLICABLE)	kWh	TIMES	$	EQUALS	$
TOTAL AMOUNT DUE					$
				TOTAL AMOUNT DUE	$ 00,000.00

---------- LOAD FACTOR ----------

ACTUAL	BILLED	MILLS PER KWH
00.00%	00.00%	00.00

DUE IN IMMEDIATELY AVAILABLE FUNDS ON OR BEFORE THE FIRST WORKING DAY AFTER THE 24TH OF THE MONTH

DATE OF ISSUE May 15, 2014
DATE EFFECTIVE February 1, 2014

/s/ Billie J. Richert

ISSUED BY: Billie J. Richert,
Vice President Accounting, Rates, and
Chief Financial Officer
Big Rivers Electric Corporation, 201 Third Street, Henderson, KY 42420
Issued by Authority of an Order of the Commission, dated April 25, 2014, in Case No. 2013-00199

KENTUCKY
PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH
Bunt Kirtley
EFFECTIVE
2/1/2014
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

STANDARD RATE - SET – Supplemental Energy Transactions

Applicability:

In all territory served by Big Rivers' transmission system.

Availability:

This tariff provides a regulatory path for timely implementation of Supplemental Energy transactions requested by Kenergy under the terms of the Smelter Agreements (as amended), which are approved by and are on file with the Commission.

Rates and Terms:

This tariff shall not alter or amend, whether directly or by implication, any term, covenant or condition of a Smelter Agreement. Capitalized terms used in this tariff and not defined in this tariff have the meanings given in the Smelter Agreements.

"Supplemental Energy" consists of (i) Interruptible Energy, (ii) Buy-Through Energy, and (iii) Market Energy.

Interruptible Energy. Kenergy may purchase from Big Rivers on a System Firm basis up to 10 MW per Hour of Interruptible Energy for resale to a Smelter in accordance with the terms and conditions set forth in Section 2.3.2(a) of a Smelter Agreement. Under the Smelter Agreements, Big Rivers provides Kenergy and each Smelter a confirmation setting forth the price or prices and other terms and conditions ("Interruptible Energy Terms") under which Interruptible Energy may be available during each Hour of a fiscal quarter. If Big Rivers fails to provide a timely confirmation with respect to any fiscal quarter, the Interruptible Energy Terms for the prior fiscal quarter remain in effect. The Interruptible Energy Charge is calculated in accordance with Section 4.3.1 of the Smelter Agreements.

STANDARD RATE - SET – Supplemental Energy Transactions – (*continued*)

Buy-Through Energy. Upon each Notice of Interruption in the delivery to a Smelter of Interruptible Energy, as provided for in Section 2.3.2(a) of the Smelter Agreement, Big Rivers may in its sole discretion as provided in Section 2.3.2(b) offer to sell to Kenergy Firm Energy purchased from Third Party Suppliers for resale to a Smelter in lieu of the interrupted Scheduled Interruptible Energy ("Buy Through Energy"). The Buy-Through Energy Charge is calculated in accordance with Section 4.3.2 of the Smelter Retail Agreements.

Market Energy. Big Rivers may, in its sole discretion, supply Market Energy to Kenergy in response to a request from Kenergy for Market Energy, as provided in Section 2.3.2(c) of the Smelter Agreement, on terms and conditions as Big Rivers and Kenergy shall agree. The Market Energy Charge is calculated in accordance with Section 4.3.3 of the Smelter Agreements.

Big Rivers will provide Kenergy with the information from the MISO and other sources necessary for Kenergy to file with the Commission by the twentieth day of each month a schedule identifying the details of each Supplemental Energy transaction with Big Rivers for the prior month that are supplemental to the terms included in the Smelter Agreements for that type of Supplemental Energy transaction, including but not limited to the category of Supplemental Energy transaction, and the duration, price, quantity and supplier in each such transaction.

CSR - Voluntary Price Curtailable Service Rider:

Availability:

This Rider is available to the Member Cooperatives of Big Rivers to be used in conjunction with any of Big Rivers' standard tariffs or special contracts, for Curtailable Service offered by a Member Cooperative to an individual customer ("CS Customer") capable of curtailing at least 1,000 kW of load upon request.

Conditions of Service:

(1) Any request for curtailment under this Rider shall be made by Big Rivers through its Members Cooperatives. Each request for curtailment made by Big Rivers shall set forth the Terms of Curtailment in accordance with this Rider.

(2) Each curtailment will be voluntary and the Member Cooperative may accept or decline the Terms of Curtailment offered by Big Rivers.

(3) Big Rivers and the Member Cooperative shall mutually agree upon the method which shall be used to notify each CS Customer of a curtailment request under the provisions of this Rider. The method shall specify the means of communicating such curtailment (e.g., telephone, pager) and shall designate the CS Customer's representative(s) to receive said notification. The Member Cooperative is ultimately responsible for delivering and acting upon a curtailment notification from Big Rivers.

(4) Big Rivers will endeavor to provide as much advance notice as possible of requests for curtailments under this Rider including an estimate of the duration of such curtailments. However, upon acceptance of the Terms of Curtailment, the load of the CS Customer, subject to those terms, shall be curtailed with as little as one (1) hour of advance notification.

CSR - Voluntary Price Curtailable Service Rider – (*continued*)

Conditions of Service (*continued*):

(5) No responsibility or liability of any kind shall attach to or be incurred by Big Rivers for, or on account of, any loss, cost, expense or damage caused by or resulting from, either directly or indirectly, any notice of curtailment or curtailment of service under the provisions of this Rider.

(6) Big Rivers reserves the right to require verification of a CS Customer's ability to curtail its load. Inability to provide verification will be considered by Big Rivers when prioritizing requests for curtailment.

(7) The Member Cooperative shall not receive a Curtailment Savings Payment for any curtailment period in which a CS Customer's curtailable load is already down for an extended period due to a planned or unplanned outage as a result of vacation, renovation, repair, refurbishment, force majeure, strike or any event other than the customer's normal operating conditions.

CS Curtailment Profiles:

For each of its CS Customers, the Member Cooperatives shall submit a CS Curtailment Profile Form. CS Curtailment Profiles shall include such information as:

(1) The maximum number of hours per day that the CS Customer has the ability to curtail.

(2) The maximum number of days and maximum number of consecutive days by month that the CS Customer has the ability to curtail.

(3) The Minimum Curtailment Price at which each CS Customer is willing to Curtail.

(4) The Minimum Curtailable Demand and the Maximum Curtailable Demand curtailable by the CS Customer upon request.

CSR - Voluntary Price Curtailable Service Rider – (*continued*)

CS Curtailment Profiles (*continued*):

(5) The Member Cooperative may modify the Curtailment Profile for a CS Customer upon thirty (30) days notice in writing.

Curtailed Demand and Energy:

Hourly Curtailed Demands of a CS Customer shall be determined for each curtailment period for which the CS Customer has accepted Big Rivers' Terms of Curtailment.

For each curtailment period, Hourly Curtailed Demands for each CS Customer shall be defined as the differences between the CS Customer's Demand Requirements and the actual demands measured in each hour of the curtailment period. The Demand Requirements may generally be the average of the CS Customer's demands measured in the four hours prior to the hour immediately preceding the curtailment period, provided that Big Rivers may use an average of the demands measured in any two or more of the four hours to provide a more representative estimate of the CS Customer's Hourly Curtailed Demands. The Curtailment Energy of each curtailment period shall be the sum of the Hourly Curtailed Demands.

Terms of Curtailment:

For each curtailment request, Big Rivers shall identify the CS Customer(s) (when so directed by the Member Cooperative) to be curtailed. Big Rivers shall inform the Member Cooperative or each CS Customer of a curtailment request in accordance with the agreed upon method of notification, at which time the Terms of Curtailment shall be defined. The Terms of Curtailment shall include the following:

(1) The time at which each curtailment period shall begin is to be established by Big Rivers. At least one (1) hour advance notice of each request for curtailment shall be provided.

CSR - Voluntary Price Curtailable Service Rider – (*continued*)

Terms of Curtailment (*continued*):

(2) The requested curtailment duration in clock hours to be established by Big Rivers.

(3) The Curtailment Price to be paid by Big Rivers for each curtailment. The Curtailment Price shall be determined by Big Rivers on a case by case basis but in each case shall not be less than the Minimum Curtailment Price.

(4) The Member Cooperative shall specify or arrange for the CS Customer to specify:

a. The demand in kW (Curtailable Demand) that will be curtailed during the curtailment period, which shall not be less than the Minimum Curtailable Demand.
b. The Maximum Curtailment Period Demand (MCPD) to be purchased by the CS Customer during the curtailment period, which shall be the maximum hourly demand to be delivered by Big Rivers to the Member Cooperative for resale to the CS Customer.

Curtailment Savings Payment:

The Curtailment Savings Payment for each curtailment period shall be equal to the product of the Curtailment Energy times the Curtailment Price for each respective curtailment period.

Monthly Savings Payment:

The Member Cooperative's Monthly Savings Payment shall be equal to the sum of the Curtailment Savings Payments for the calendar month, less any charges computed for Excess Energy. The Monthly Savings Payment will be paid directly to the Member Cooperative by check or billing credit. A Statement will be provided with each Monthly Savings Payment showing the amounts attributable to each CS Customer. This amount will be recorded in the Rural Utilities Service's Uniform System of Accounts – Electric under Other Power Supply Expenses, Account 557 – Other Expenses, such that the separate identity of this cost is preserved.

CSR - Voluntary Price Curtailable Service Rider – (*continued*)

Charges for Excess Energy:

For any CS Customer whose Curtailable Demand is equal to or greater than 5,000 kW, should the Hourly Curtailed Demand be less than 75% of the Curtailable Demand in any hour of the curtailment period, then the Excess Demand for that hour shall be the difference between the Hourly Curtailed Demand and 75% of the Curtailable Demand. There will be no Excess Demand for any CS Customer whose Curtailable Demand is less than 5,000 kW. Excess Energy is the sum of any hourly Excess Demands.

Any Excess Energy recorded during a curtailment period shall be charged at 150% of the Curtailment Price, in addition to the charges contained in the standard applicable rate for electric service. For any CS Customer whose Hourly Curtailed Demand is less than 75% of their Curtailable Demand, Big Rivers may not, at its discretion, allow such CS Customer to benefit from future curtailment opportunities.

Term:

Contracts under this Rider may be made for an initial period of one (1) year and shall remain in effect thereafter until either party provides to the other at least 30 days' written notice prior to the start of the next year of its intention to discontinue service under the terms of this Rider.

Special Terms and Conditions:

CS Customer Information, including, but not limited to, CS Curtailment Profiles, shall remain confidential.

RRES - Renewable Resource Energy Service:

Applicability:

Applicable in all territory served by Big Rivers' Member Cooperatives.

Availability:

Renewable Resource Energy service is available in accordance with the terms of this tariff rider to any Big Rivers' Member purchasing wholesale power for delivery at any Rural Delivery Point or Large Industrial Customer Delivery Point on its system under Standard Rate Schedule RDS or Standard Rate Schedule LIC, subject to Big Rivers' general rules and regulations on file with the Commission. For purposes of this renewable resource energy service tariff rider, (i) the term "Renewable Resource Energy" means electric energy generated from solar, wind, ocean, geothermal energy, biomass, or landfill gas, and (ii) the term "biomass" means any organic material that is available on a renewable or recurring basis, including dedicated energy crops, trees grown for energy production, wood waste and wood residues, plants (including aquatic plant grasses, and agricultural crops), residues, fibers, animal wastes and other organic waste materials (but not including unsegregated municipal solid waste (garbage)), and fats and oils.

Conditions of Service:

(1) Renewable Resource Energy service availability is contingent upon Big Rivers' ability to purchase a wholesale supply of Renewable Resource Energy in the quantity and at the quality requested by a Member Cooperative.

RRES - Renewable Resource Energy Service – (*continued*)

Conditions of Service (*continued*):

(2) Big Rivers will make Renewable Resource Energy service available to a Member to support a contract for Renewable Resource Energy service entered into between a Member and one of its retail members, and approved by Big Rivers. That contract must commit the Member to sell, and the retail member to buy, Renewable Resource Energy in a specified number of 100 kWh blocks per month for a period for not less than one year. Upon approval of the contract by Big Rivers, the purchase and payment obligations of the retail member stated in that contract (less any retail mark-up of the Member) will become the wholesale take-or-pay obligation of the Member to Big Rivers, until (i) the retail member contract expires by its own terms, or (ii) the termination date for the contract of the retail member specified in a written notice from the Member to Big Rivers, which date is a date no earlier than the date on which the written notice from the Member is received by Big Rivers.

Monthly Rate:

The monthly rate for Renewable Resource Energy is the rate in the rate schedule under which the Member is purchasing electricity for its retail member who contracts to purchase Renewable Resource Energy, except that the energy rate is: $5.50 per 100 kWh block ($0.055 per kWh), subject to any adjustment, surcharge or surcredit that is or may become applicable under that wholesale rate schedule. This rate charged to a Member for a kWh of Renewable Resource Energy is in lieu of the energy rate that would otherwise be applicable to that energy purchase under Standard Rate Schedule RDS or Standard Rate Schedule LIC. Renewable Resource Energy purchased by a Member in any month will be conclusively presumed to be the first kWh delivered to that Member in that month.

Billing:

Sales of Renewable Resource Energy are subject to the terms of service and payment of the wholesale rate schedule under which Renewable Resource Energy is purchased.

RA - Rebate Adjustment:

Applicability:

Applicable in all territory served by Big Rivers' Member Cooperatives.

Availability:

Available pursuant to Section 3 – Special Rules, Terms, and Conditions: Discount Adjustment of this tariff for all service under Standard Rate Schedule RDS and Standard Rate Schedule LIC.

Definitions:

Please see Section 4 for definitions common to all tariffs.

Rebate Adjustment:

In the event that there is a Rebate to the Smelters during a fiscal year under Section 4.9 of the Smelter Agreements, then Big Rivers, subject to approval from its Board of Directors, may request Commission authorization to provide a cash rebate to its Members pursuant to of KRS 278.455(1). The amount of a Rebate Adjustment, if any, will be the amount approved by the order of the Commission. The Rebate Adjustment will be provided as a lump-sum credit to Members. Any rebate would be credited to the power bills to Members during a single month of the year. Rebates to Members shall be computed by allocating the total rebate amount to each Member system on the basis of total Unadjusted Billing Revenues received from each Member during the fiscal year for which the rebate amount was established. Unadjusted Billing Revenues shall equal the total of all bills issued to Members for service under Standard Rate Schedule RDS, Standard Rate Schedule LIC, and RRES. Big Rivers will apply to the Commission for authorization to provide a rebate to Members within six months after the end of the fiscal year. The rebate would then be provided to Members upon receipt of Commission approval.

ES - Environmental Surcharge:

Applicability:

To all Big Rivers' Members.

Availability:

The Environmental Surcharge ("ES") is mandatory to Standard Rate Schedule RDS, Standard Rate Schedule LIC, and to the FAC and the Non-FAC PPA adjustment clauses, including service to the Smelters under the Smelter Agreements.

Rate:

The ES shall provide for monthly adjustments based on a percent of revenues equal to the difference between the environmental compliance costs in the base period and in the current period based on the following formula:

CESF = Net Jurisdictional E(m)/Jurisdictional R(m)

MESF = CESF – BESF

MESF = Monthly Environmental Surcharge Factor
CESF = Current Environmental Surcharge Factor
BESF = Base Environmental Surcharge Factor (presently equal to zero)

Where E(m) is the total of each approved environmental compliance plan revenue requirement of environmental costs for the current expense month and R(m) is the revenue for the current expense month as set forth below.

Definitions:

Please see Section 4 for definitions common to all tariffs.

(1) E(m) = [(RB/12)(RORORB)] + OE – BAS

Where:

(a) RB is the Environmental Compliance Rate Base, defined as electric plant in service for applicable environmental projects adjusted for accumulated depreciation, cash working capital, spare parts inventory, and limestone inventory, and emission allowance inventory;

ES - Environmental Surcharge – (*continued*)

Definitions (*continued*):

(b) RORORB is the Rate of Return on the Environmental Compliance Rate Base, designated as the average cost of debt for environmental compliance plan projects approved by the Commission plus application of a Times Interest Earned Ratio of 1.24;

(c) OE represents the Monthly Pollution Control Operating Expenses, defined as the operating and maintenance expense and emission allowance expense of approved environmental compliance plans; and

(d) BAS is the net proceeds from By-Products and Emission Allowance Sales.

(2) Total E(m) is multiplied by the Jurisdictional System Allocation Ratio to arrive at Jurisdictional E(m). The Jurisdictional Allocation Ratio is the ratio of the 12-month total revenue from sales to Members to which the ES will be applied ending with the current expense month, divided by the 12-month total revenue from sales to Members and off-system sales for the current expense month.

(3) The revenue R(m) is the average monthly revenue, including base revenues and automatic adjustment clause charges or credits less Environmental Surcharge revenues, for Big Rivers for the twelve months ending with the current expense month.

(4) Jurisdictional E(m) is adjusted for Over/(Under) Recovery and, if ordered by the Commission, a Prior Period Adjustment to arrive at Net Jurisdictional E(m).

(5) The current expense month (m) shall be the second month preceding the month in which the ES is billed.

FAC - Fuel Adjustment Clause:

Applicability:

To all Big Rivers' Members.

Availability:

The Fuel Adjustment Clause ("FAC") is a mandatory rider to all wholesale sales by Big Rivers to its Members, including Base Energy sales to the Smelters under the Smelter Agreements but excluding Supplemental and Back-Up Energy sales to the Smelters under those two Agreements.

Rate:

The FAC shall provide for periodic adjustment per kWh of sales when the unit cost of fuel [F(m)/S(m)] is above or below the base unit cost of $0.020932 per kWh [F(b)/S(b)]. The current monthly charges shall be increased or decreased by the product of the kWh furnished during the current month and the FAC factor for the preceding month where the FAC factor is defined below:

$$\text{FAC Factor} = \frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$$

Where "F" is the expense of fossil fuel in the base (b) and current (m) periods; and S is sales in the base (b) and current (m) periods as defined in 807 KAR 5:056, all defined below:

Definitions:

Please see Section 4 for definitions common to all tariffs.

(1) Fuel cost (F) shall be the most recent actual monthly cost of:

(a) Fossil fuel consumed in the utility's own plants, and the utility's share of fossil and nuclear fuel consumed in jointly owned or leased plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation, *plus*

FAC - Fuel Adjustment Clause – (*continued*)

Definitions (*continued*):

(b) The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute the forced outages, *plus*

(c) The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis and exclusive of energy purchases directly related to Supplemental and Back-Up Energy sales to the Smelters. Included therein may be such costs as the charges for economy energy purchased and the charges as a result of scheduled outages, also such kinds of energy being purchased by the buyer to substitute for its own higher cost energy; and *less*

(d) The cost of fossil fuel, as denoted in (1)(a) above, recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis; and *less*

(e) A monthly credit of $311,111.11 for each month from the November 2015 service month, through the January 2017 service month, except as follows: **[T]**

(i) If the Commission orders Big Rivers to change its FAC methodology to a stacking methodology prior to February 1, 2017, or if Big Rivers is ordered to refund amounts collected through its FAC based on its allocation methodology prior to February 1, 2017, the monthly credit shall be zero.

(ii) If Big Rivers voluntarily changes its FAC methodology to a stacking methodology effective prior to November 1, 2016, the monthly credit shall be $311,111.11 for the first three service months the change is effective, after which the monthly credit shall be zero. **[N]**

In all other months, the monthly credit shall be zero.

FAC - Fuel Adjustment Clause – (*continued*)

Definitions (*continued*):

All fuel costs shall be based on weighted average inventory costing. **[T]**

(2) Forced outages are all non-scheduled losses of generation or transmission which require substitute power for a continuous period in excess of six (6) hours. Where forced outages are not a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of public enemy, the utility may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment.

(3) Sales (S) shall be kWh sold, excluding inter-system sales and Supplemental and Back-Up Energy sales to the Smelters. Where for any reason, billed system sales cannot be coordinated with fuel costs for the billing period, sales may be equated to the sum of:

(i) generation, *plus*
(ii) purchases, *plus*
(iii) interchange in, *less*
(iv) energy associated with pumped storage operations, *less*
(v) inter-system sales referred to in subsection (1)(d) above, *less*
(vi) total system losses.

Utility-used energy shall not be excluded in the determination of sales (S).

(4) The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of the FERC Uniform System of Accounts for Public Utilities and Licenses.

(5) Current (m) period shall be the second month preceding the month in which the FAC factor is billed.

(Name of Utility)

RATES, TERMS AND CONDITIONS – SECTION 2

MRSM – Member Rate Stability Mechanism

Applicability:

Applicable in all territory served by Big Rivers' Member Cooperatives.

Availability:

Available pursuant to Section 3 – Special Rules, Terms, and Conditions: Discount Adjustment of this tariff for all service under Standard Rate Schedule RDS and Standard Rate Schedule LIC, provided that this MRSM shall terminate on the last to occur of (i) the first day of the month following the month in which the balance in the Rural Economic Reserve Fund (as described in the RER rider) equals zero, (ii) the first month in which no additional transmission revenues from Century-Hawesville are forthcoming, and (iii) the first month in which no additional Nebraska Margin deposits are anticipated. **[T]**

Definitions:

Please see Section 4 for definitions common to all tariffs.

Member Rate Stability Mechanism:

Big Rivers originally established an Economic Reserve of $157 million pursuant to the Commission's Order dated March 6, 2009, in Case No. 2007-00455. Pursuant to the Commission's Order dated April 25, 2014, in Case No. 2013-00199, Big Rivers shall also deposit the transmission revenues it receives from Century-Hawesville into the Economic Reserve. Pursuant to the Commission's Order dated July 21, 2015, in Case No. 2014-00134, Big Rivers shall also deposit margins from certain wholesale sales contracts ("Nebraska Margins") into the Economic Reserve, as described in the "Nebraska Margins" section of this schedule. The Economic Reserve is established as five stand-alone investment accounts, each accruing interest: the first account is for the original fund, the second is for transmission revenues allocated to the Rural class (customers served under Standard Rate Schedule RDS), the third is for transmission revenues allocated to the Large Industrial class (customers served under Standard Rate Schedule LIC), the fourth is for Nebraska Margins allocated to the Rural class, and the fifth is for Nebraska Margins allocated to the Large Industrial class. The transmission revenues are allocated 79.2% to the Rural class and 20.8% to the Large Industrial class. The Nebraska Margins are allocated between the Rural class and the Large Industrial class based upon the total revenues received from each class during the calendar year in which Big Rivers earns the margins. **[T]** **[T]**

KENTUCKY
PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH
Bunt Kirtley
EFFECTIVE
9/29/2015
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

MRSM – Member Rate Stability Mechanism – (*continued*)

Member Rate Stability Mechanism (*continued*):

The MRSM will draw on the Economic Reserve to mitigate the monthly impacts of the FAC, the ES, and the base rate increase awarded by the Commission in Case No. 2013-00199 on each non-Smelter Member's bill, net of the credits received under the Unwind Surcredit and Rebate Adjustment. Each month the MRSM will mitigate the dollar impact of billings under the FAC and ES *less* the total dollar amounts received under the Unwind Surcredit, *less* a monthly pro-rata portion of any lump sum rebates provided under the Rebate Adjustment, *less* the Expense Mitigation Adjustment ("EMA") which is defined below, *plus* the total dollar amounts of the base rate increase awarded by the Commission in Case No. 2013-00199. **[T]**

Until the account containing the original fund is exhausted, the amount of the MRSM credit provided to each Member during a month will each equal

(i) the total amount of FAC charges billed to the Member during the month, *plus*
(ii) the total dollar amount of ES charges billed to the Member during the month, *less*
(iii) the total dollar amount of the Unwind Surcredits credited to the Member during the month, *less*
(iv) one-twelfth (1/12) of any rebates provided under the Rebate Adjustment during the current month or during any of the 11 preceding months, *less*
(v) the total dollar amount of the EMA charged to the Member during the month; provided that the amounts subtracted in items (iii), (iv) and (v) cannot exceed the total of items (i) and (ii) in which case the monthly MRSM adjustment would be zero, *plus*
(vi) the Member's share of the total dollar amount of the base rate increase awarded by the Commission in Case No. 2013-00199 applicable to the month. **[T]**

MRSM – Member Rate Stability Mechanism – (*continued*)

Member Rate Stability Mechanism (*continued*):

After the account containing the original fund is exhausted, the MRSM credit will draw first from the **[T]**
account containing Nebraska Margins and then from the applicable account containing transmission **[T]**
revenues to provide a credit to each Member during a month that will equal **[T]**

(i) the total amount of FAC charges associated with the applicable customer class and billed to the Member during the month, *plus*
(ii) the total dollar amount of ES charges associated with the applicable customer class and billed to the Member during the month, *less*
(iii) the total dollar amount of the Unwind Surcredits associated with the applicable customer class and credited to the Member during the month, *less*
(iv) one-twelfth (1/12) of any rebates associated with the applicable customer class and provided under the Rebate Adjustment during the current month or during any of the 11 preceding months, *less*
(v) the total dollar amount of the EMA associated with the applicable customer class and charged to the Member during the month; provided that the amounts subtracted in items (iii), (iv) and (v) cannot exceed the total of items (i) and (ii) in which case the monthly MRSM adjustment would be zero, *plus*
(vi) the Member's share of the total dollar amount of the base rate increase associated with the applicable customer class and awarded by the Commission in Case No. 2013-00199 applicable to the month.

MRSM – Member Rate Stability Mechanism – (*continued*)

Expense Mitigation Factor ("EMF") and Expense Mitigation Adjustment ("EMA"):

The EMF shall be the following:

I. $0.000 per kWh for the first twelve (12) months following July 17, 2009;

II. $0.002 per kWh for months 13 through 24 following July 17, 2009;

III. $0.004 per kWh for months 25 through 36 following July 17, 2009;

IV. $0.006 per kWh for months 37 through 48 following July 17, 2009;

V. $0.007 per kWh for months 49 through 60 following July 17, 2009; and

VI. $0.009 per kWh for months 61 through the termination of this MRSM tariff.

The EMA for the month shall be the EMF multiplied by the S (m) which is the jurisdictional sales for Standard Rate Schedule RDS and/or Standard Rate Schedule LIC to which this tariff applies for the current expense month. The EMF and EMA will expire after both the Economic Reserve and the Rural Economic Reserve funds have been exhausted and no additional transmission revenues from Century-Hawesville or Nebraska Margins are forthcoming. **[T]**

If any portion of FAC or ES costs is transferred to or from base rates after July 17, 2009, then the MRSM will account for any effect of such transfers so that the Members will not see any impact on their bills, either positive or negative, of such transfers.

MRSM – Member Rate Stability Mechanism – (*continued*)

Expense Mitigation Factor ("EMF") and Expense Mitigation Adjustment ("EMA") (*continued*):

The MRSM adjustment shall be no longer applicable once the Economic Reserve is exhausted and no additional transmission revenues from Century-Hawesville or Nebraska Margins are forthcoming, but **[T]** the MRSM shall remain a schedule in this tariff until the Rural Economic Reserve Fund is depleted and no additional transmission revenues from Century-Hawesville or Nebraska Margins are **[T]** forthcoming, as described in the "Availability" section of this schedule. During the last month of this MRSM, or in any month that the amount remaining in the Economic Reserve does not fully fund the MRSM credit for a customer class, the amount remaining in the Economic Reserve for that class will be prorated to each Member on the basis of the total FAC and ES charges applicable to that class' non-Smelter sales less credits under the Unwind Surcredits, less monthly prorated amounts under the Rebate Adjustment and less the EMA as applicable, *plus* the prorated base rate increase awarded by the Commission in Case No. 2013-00199.

Nebraska Margins: **[N]**

The Nebraska Margins shall be the margins resulting from the wholesale contracts approved in Case No. 2014-00134. Pursuant to the Commission's Order in that case dated July 21, 2015, each January, Big Rivers shall compare its margins for the previous year to the margins that would have provided the Times Interest Earned Ratio ("TIER") that the Commission used to establish the revenue requirement in Big Rivers' most recent general rate proceeding (the "Revenue Requirement TIER").

MRSM – Member Rate Stability Mechanism – (*continued*) **[N]**

Nebraska Margins (*continued*):

Big Rivers shall also compare its average daily balance of unrestricted cash and temporary investments for the last three calendar months of the previous calendar year (the "Average Cash Balance") to the Cash Balance Threshold, as defined below.

(1) If for the previous year:

(a) Big Rivers' actual margins are greater than the margins at the Revenue Requirement TIER;
(b) the Nebraska Margins are greater than zero; and
(c) the Average Cash Balance is greater than $60,000,000 (the "Cash Balance Threshold"),

then Big Rivers shall deposit into the Economic Reserve each month for twelve (12) consecutive months one-twelfth (1/12) of the lesser of:

(d) the portion of the Nebraska Margins from the previous calendar year that would reduce Big Rivers' actual TIER to the Revenue Requirement TIER; and
(e) the positive difference between the Average Cash Balance and the Cash Balance Threshold.

(2) If one or more of (a), (b), and (c) above are not satisfied, then no Nebraska Margins for that year shall be deposited into the Economic Reserve.

(3) If Big Rivers is required by this schedule to deposit all or a portion of the Nebraska Margins for a year into the Economic Reserve, it shall do so no later than the last business day of each month, beginning in February of the following year.

(4) Each such deposit of Nebraska Margins shall be expensed in the prior calendar year in which Big Rivers earned those margins.

US -Unwind Surcredit:

Applicability:

Available pursuant to Section 3 – Special Rules, Terms, and Conditions: Discount Adjustment of this tariff for all service under the Standard Rate Schedule RDS and Standard Rate Schedule LIC.

Availability:

This Unwind Surcredit (US) schedule is a rider for application to non-Smelter wholesale sales by Big Rivers under the Big Rivers' Standard Rate Schedule RDS and Standard Rate Schedule LIC. The funding for the Unwind Surcredit is made available through the Surcredit provisions of the Smelter Agreements at Sections 4.11.

Definitions:

Please see Section 4 for definitions common to all tariffs.

Determination of the Unwind Surcredit:

(1) The billing amount computed for all non-smelter wholesale sales to which this US is applicable shall be decreased at a rate per kWh in accordance with the following formula:

US = Surcredit + Actual Adjustment + Balance Adjustment

Where Surcredit is the per kWh factor calculated by *dividing* (a) the estimated Surcharge value for the upcoming calendar year (or for remaining months in the current calendar year for the initial implementation of this Unwind Surcredit) *by* (b) Big Rivers' estimated non-smelter sales (NSS) to its Members for the corresponding calendar year. The Surcredit factor shall be re-determined annually with an effective date of January 1 of each calendar year.

US-Unwind Surcredit – (*continued*)

Determination of the Unwind Surcredit (*continued*):

Actual Adjustment is an adjustment which compensates for the *difference between* (a) the amount returned to Members through the application of the Surcredit factor *and* (b) the Surcharge amounts paid by the Smelters during the preceding calendar year as adjusted for any over-or-under-recoveries as specified in the Smelter Agreements. The Actual Adjustment factor shall be re-determined annually with an effective date of April 1 of each calendar year.

Balance Adjustment is an adjustment that compensates for any over-or-under-recoveries through application of the previous Actual Adjustment and previous Balance Adjustments. The Balance Adjustment factor shall be re-determined annually with an effective date of July 1 of each calendar year.

(2) The estimated Surcharge value is the annual payments that Big Rivers expects to receive from the Smelters during the upcoming calendar year in accordance with the Wholesale Smelter Agreements at Section 4.11.

(3) Non-Smelter Sales ("NSS") shall be the estimated kWh sales for the upcoming calendar year made at wholesale by Big Rivers to its Members under Big Rivers' Standard Rate Schedule RDS and Standard Rate Schedule LIC, for resale to Kentucky ratepayers specifically excluding all sales for resale to the Smelters.

(4) The applicability of the US shall terminate when the funds provided under Section 4.11 of the Smelter Agreements are exhausted.

RER - Rural Economic Reserve Rider:

Applicability:

Applicable in all territory served by Big Rivers' Member Cooperatives.

Availability:

Available pursuant to Section 3 – Special Rules, Terms, and Conditions: Discount Adjustment of this tariff for electric service provided by Big Rivers to its Members for all Delivery Points served under Standard Rate Schedules RDS and LIC. **[T]** **[T]**

Definitions:

Please see Section 4 for definitions common to all tariffs.

"Rural Customers" are retail customers of Members served under Standard Rate Schedule RDS.

"Large Industrial Customers" are retail customers of Members served under Standard Rate Schedule LIC. **[T]** **[T]**

RER Adjustment:

Big Rivers has established a Rural Economic Reserve ("RER") regulatory liability account of $60,855,790.94 ("RER Fund") which was originally used to credit the bills rendered to the Rural Customers pursuant to the Commission's Order, dated March 6, 2009, in Case No. 2007-00455. The RER was originally established as a stand-alone investment account, accruing interest, and was invested in interest-bearing U.S. Treasury notes. **[T]** **[T]** **[T]**

Pursuant to the Commission's Order, dated April 25, 2014, in Case No. 2013-00199, $46.89 million of the RER Fund shall be used for the benefit of the Member's Rural Residential, School, Church, and Farm customers. The remaining balance of the RER shall be used for the benefit of the remaining Rural Customers and the Large Industrial Customers. **[T]** ↓

RER - Rural Economic Reserve Rider – (*continued*) **[T]**

RER Adjustment (*continued*):

The RER is established as two stand-alone investment accounts, each accruing interest and each invested in interest-bearing U.S. Treasury notes. The two accounts will be separately applied to the "customer subsets" described above. The first account is the Rural Economic Reserve-Residential account, established in the initial amount of $46.89 million, and the second account is the Rural Economic Reserve-Business account.

Because the monthly usage of the Rural Residential, School, Church, and Farm customers will not be known at the time Big Rivers renders its Members' monthly bills, Big Rivers shall estimate the amount of the RER credit and true-up that estimate in subsequent bills.

The RER Rider will draw on the RER Fund to mitigate the monthly impacts of the FAC, the ES, and the base rate increase awarded by the Commission in Case No. 2013-00199 on each Member's bill, net **[T]** of the credits received under the Unwind Surcredit and the Rebate Adjustment. Each month the RER will mitigate the dollar impact of billings under the FAC and ES *less* the total dollar amounts received under the Unwind Surcredit, *less* a monthly pro-rata portion of any lump sum rebates provided under the Rebate Adjustment, *less* the EMA defined in the MRSM, *plus* the base rate increase awarded by the **[T]** Commission in Case No. 2013-00199. The amount of the RER Rider credit provided to each Member system during the month for each customer subset will equal: **[T]**

RER - Rural Economic Reserve Rider – (*continued*)

RER Adjustment (*continued*):

(i) the total amount of FAC charges associated with the RDS or LIC billing to the Member during the month, *plus* **[T]**

(ii) the total dollar amount of the ES associated with the RDS or LIC billing to the Member during the month, *less* **[T]**

(iii) the total dollar amount of the Unwind Surcredits associated with the RDS or LIC credited to the member during the month, *less* **[T]**

(iv) one-twelfth (1/12) of any rebates associated with the Standard Rate Schedule RDS or Standard Rate Schedule LIC provided under the Rebate Adjustment during the current month or during any of the 11 preceding months, *less* **[T] [T]**

(v) the total dollar amount of the Expense Mitigation Adjustment ("EMA") associated with the RDS or LIC charged to the Member during the month; provided that the amounts subtracted in items (iii), (iv) and (v) cannot exceed the total of items (i) and (ii) in which case the monthly RER Rider adjustment would be zero, *plus* **[T]**

(vi) the Member's share of the total dollar amount of the base rate increase associated with the RDS or LIC awarded by the Commission in Case No. 2013-00199, *plus* **[T]**

(vii) the true-up amount from billing from the previous months (where the true-up amount shall equal the difference between the estimated amount of the RER credit and the actual amount of the RER credit for the Member for the same time period, by customer subset), *less*

(viii) any MRSM credit for the month for the applicable customer subset.

If any portion of FAC or ES costs is transferred to or from base rates after July 17, 2009, then the RER Rider will account for any effect of such transfers so that the Members will not see any impact on their bills, either positive or negative, of such transfers. **[T]**

RER - Rural Economic Reserve Rider – (*continued*)

RER Adjustment (*continued*): **[T]**

During the last month of the RER Rider for each customer subset, the amount remaining in the applicable Rural Economic Reserve Fund account will be prorated to each Member on the basis of the total FAC and ES charges applicable to Rural or Large Industrial sales *less* credits under the Unwind Surcredit, *less* monthly prorated amounts under the Rebate Adjustment, and *less* the EMA as applicable, *plus* the prorated base rate increase awarded by the Commission in Case No. 2012-00199, **[T]** for the RER-Residential or RER-Business customer subsets, respectively. **[T]**

Expense Mitigation Adjustment ("EMA"):

The EMA for each month shall be the Expense Mitigation Factor ("EMF") multiplied by the Rural or **[T]** Large Industrial jurisdictional sales for the current expense month. The EMF used to calculate the **[T]** EMA during any month in which the RER Rider is billed will be based on the EMF schedule established in the MRSM. Therefore, the appropriate EMF for a given month will be determined based on the original effective date of the MRSM (July 17, 2009) and the number of months the current month is past that date.

Term of RER Rider:

This RER Rider shall be effective beginning in the month in which the amounts in the Non-Smelter Economic Reserve (as described in the MRSM) are insufficient to fully fund the MRSM credit.

NSNFP - Non-Smelter Non-FAC PPA

Applicability:

Applicable in all territory served by Big Rivers' Member Cooperatives.

Availability:

To all sales under Big Rivers' Standard Rate Schedule RDS and Standard Rate Schedule LIC.

Definitions:

Please see Section 4 for definitions common to all tariffs.

Description:

The Non-Smelter Non-FAC PPA ("NSNFP") Factor shall be calculated as a per-kWh billing credit or charge applied on a monthly basis, for each applicable rate schedule as follows:

$$\text{NSNFP Factor} = RA_1 / kWh_1$$

Where

RA_1 is the balance in the NSNFP Regulatory Account, established pursuant to the March 6, 2009 Order of the Commission in Case No. 2007-00455, as of June 30th of the current year and determined as provided below in the "Calculation of Purchased Power Expense" section; and

kWh_1 is the estimated Non-Smelter Applicable Sales ("NSS"), defined below, for the twelve month service period beginning September 1st of the current year through and including August 31st of the following year.

NSNFP - Non-Smelter Non-FAC PPA – (*continued*)

Description (*continued*):

The NSNFP Factor shall be calculated based upon the June 30th balance and applied to bills for service beginning September 1st of the current year. The current NSNFP Factor shall remain in place for service through and including August 31st of the following year, at which time it will be updated in accordance with the formula above.

An over- or under- recovery shall be calculated using actual amounts and shall be included in the NSNFP Regulatory Account balance for recovery in the subsequent period.

Special Conditions:

(1) First Twelve Months

For the initial implementation of this rate mechanism, the NSNFP Factor shall be designed to return the Regulatory Liability balance as of June 30, 2011, over twenty-four (24) months beginning with the bills for September 2011 service. After this factor has been in place for twenty-four (24) months, any remaining over- or under- recovery shall be included in the Non-FAC PPA Regulatory Account balance for recovery in the subsequent period.

(2) Second Twelve Months

For the service periods beginning September 1, 2012, and ending August 31, 2013, two NSNFP Factors shall be in place. The first is the credit for months thirteen (13) through month twenty-four (24) of the credit noted in the First Twelve Months section above. The second is the NSNFP Factor calculated in accordance with the standard formula:

$$\text{NSNFP Factor} = RA_2 / kWh_2$$

Where

RA_2 is the Non-FAC PPA Regulatory Account balance as of June 30, 2012, and

kWh_2 is the estimated Non-Smelter Applicable Sales ("NSS") for the twelve (12) months beginning September 1, 2012, through and including August 31, 2013.

NSNFP - Non-Smelter Non-FAC PPA - (*continued*)

The two NSNFP Factors will be applied simultaneously over the twelve month service period from September 1, 2012 to August 31, 2013.

(3) Third Twelve Months and Subsequent Twelve-Month Periods

For the service periods beginning September 1, 2013, only one NSNFP Factor shall be in place, calculated in accordance with the standard formula noted herein.

Calculation of Purchased Power Expense:

The monthly amount of Purchased Power Expense that is recorded in the NSNFP Regulatory Account (PP(x)) is determined as outlined below.

Definitions:

Please see Section 4 for definitions common to all tariffs.

"Account" is the specified numbered account as set forth in the Uniform System of Accounts – Electric, promulgated under Bulletin 1767B-1 by the Rural Utilities Service, an agency of the U.S. Department of Agriculture.

NSNFP - Non-Smelter Non-FAC PPA – (*continued*)

Determination of the PP(x):

The PP(x) shall be determined in accordance with the following formula:

$$PP(x) = (PP(m)/S(m) - PP(b)/S(b)) \times NSS(m)$$

Where PP(m) is the current Purchased Power Costs for the month; S(m) is the current Applicable Sales; PP(b) is the Purchase Power Cost for the base period; and S(b) is the sales in the base period.

For the initial base period, PP(b)/S(b) (the "Purchased Power Base") is $0.000874.

Purchased Power Costs (PP) shall be the sum of:

(a) The total cost of power purchased (including purchases from SEPA) that is expensed by Big Rivers to Account 555 (excluding those costs that are recovered through Big Rivers' FAC and excluding costs expensed to Account Nos. 555.150, 555.151, 555.152 and related accounts regarding Big Rivers' cost share of Henderson Municipal Power and Light's Station Two, and to Account No. 555.188 and related accounts regarding Big Rivers' purchase of back-up power for the Domtar cogenerator) including transmission and related costs that are expensed to Account 565.

(b) The total amount of any adjustments to Purchased Power Costs attributable to prior months, whether positive or negative; *and*

(c) The total cost of amounts credited by Big Rivers to Kenergy with respect to voluntary curtailments under Section 4.13.2 of either Smelter Agreement to allow Big Rivers to avoid market priced purchases of power.

Less:

(d) The total cost of power purchased directly associated with sales (including related system energy losses) by Big Rivers either to non-Member purchasers of power or to Kenergy under either Smelter Agreement for resale to either Smelter as energy products other than Base Monthly Energy, assuming SEPA power followed by the lowest cost power, whether generated or purchased, shall be allocated to Applicable Sales.

NSNFP - Non-Smelter Non-FAC PPA – (*continued*)

Applicable Sales (S) shall be all kilowatt-hours sold at wholesale by Big Rivers (a) to its Members under all electric rate schedules, including Standard Rate Schedule LIC, for resale to members of Members (other than by Kenergy to the Smelters and to Domtar for Backup Power Service), and (b) to Kenergy as Base Monthly Energy as defined in each of the Smelter Agreements.

Non-Smelter Applicable Sales (NSS) shall be all kilowatt-hours sold at wholesale by Big Rivers to its Members under all electric rate schedules, including Standard Rate Schedule LIC, for resale to members of Member Cooperatives (other than by Kenergy to the Smelters and to Domtar for Backup Power Service).

Special Rules Terms and Conditions

Contract Demand:

Upon mutual agreement with Member, a Contract Demand may be established for certain customers.

Metering:

The Seller shall meter all power and energy at voltage as mutually agreed to with the Member. Meters and metering equipment shall be furnished, maintained and read or caused to be furnished, maintained and read by the Seller.

Electric Characteristics and Delivery Point(s):

Electric power and energy to be furnished hereunder shall be alternating current, three-phase, sixty Hertz. The Seller shall make and pay for all final connections between the systems of the Seller and the Member at the point(s) of delivery. The parties will specify the initial points of delivery, delivery voltages and capacity prior to the commencement of service hereunder. Additional points shall be agreed upon by the Seller and the Member from time to time.

Substations:

The Member shall install, own and maintain the necessary substation equipment at the point(s) of connection unless otherwise agreed to by Seller. The Seller shall own and maintain switching and protective equipment which may be reasonably necessary to enable the Member to take and use the electric power and energy hereunder and to protect the system of the Seller.

Rate:

The Board of Directors of the Seller at such intervals as it shall deem appropriate, but in any event not less frequently than once in each calendar year, shall review the rate for electric power and energy furnished hereunder and, if necessary, shall revise such rate so that it shall produce revenues which shall be sufficient, but only sufficient, to meet the cost of operation and maintenance (including without limitation, replacements, insurance, taxes, and administrative and general overhead expenses) of the generating plant, transmission system and related facilities of the Seller, the cost of any power and energy purchased for resale hereunder by the Seller, the cost of transmission service, make payments on account of principal of and interest on all indebtedness of the Seller, and to provide for

Special Rules Terms and Conditions – (*continued*)

Rate (*continued*):

the establishment and maintenance of reasonable reserves. The Seller shall cause a notice in writing to be given to the Member, which shall set out all the proposed revisions of the rate.

Discount Adjustment:

At the discretion of the Seller's Board of Directors, and with the prior approval of the Commission, an appropriate discount may be authorized at such time as substantial application of the rate indicates revenues in excess of projected and relative levels of the rate design.

Meter Testing and Billing Adjustment:

Unless specifically stated otherwise in a contract or rate schedule to this tariff, the Seller shall test and calibrate meters in accordance with the provisions of 807 KAR 5:041, Sections 15 and 17. The Seller shall also make special meter tests at any time at the Member's request. The costs of all tests shall be borne by the Seller; provided, however, that if any special meter test made at the Member's request shall disclose that the meters are recording accurately, the Member shall reimburse the Seller for the cost of such test. Meters registering not more than two percent (2%) above or below normal shall be deemed to be accurate. The readings of any meter which shall have been disclosed by test to be inaccurate shall be corrected for the ninety (90) days previous to such test in accordance with the percentage of inaccuracy found by such test. If any meter shall fail to register for any period, the Member and the Seller shall agree as to the amount of energy furnished during such period and the Seller shall render a bill therefore.

Monitoring Uses:

Seller shall review Member's usage by comparing the metered energy and demand for the current month to the previous month's metered amounts. Consideration is given for monthly deviations due to temperature related increases or decreases, along with a comparison to other sites with similar load patterns. A second comparison is made between the current month's usage and the previous year's data, when demand or energy levels appear to be out of line. Additionally, two of the Member Cooperatives have SCADA systems which provide values of usage and, at times, are used for comparison whenever there appears to be a metering deviation.

Special Rules Terms and Conditions – (*continued*)

Monitoring Uses: (*continued*)

A meter test is performed whenever there appears to be a potential metering problem. Seller shall review all special metering situations which affect demand and energy quantities applicable to the billing period. A written determination shall accompany the bill explaining any adjustment or calculation that was made.

Notice of Meter Reading or Test:

The Seller shall notify the Member in advance of the time of any meter reading or test so that the Member's representative may be present at such meter reading or test.

Power Factor:

Unless specifically stated otherwise in a rate schedule to this tariff, the Member shall at all times take and use power in such manner that the power factor at the time of maximum demand shall not be less than 90 percent (90%) leading or lagging.

If, at the time of maximum demand, power is taken at a power factor less than 90 percent (90%) leading or lagging, the Seller may adjust the maximum measured demand for billing purposes in accordance with the following formula:

$$\frac{\text{Maximum Measured KW x 90\%}}{\text{Power Factor (\%)}}$$

The power factor shall be measured at the time of maximum demand.

Right of Access:

Duly authorized representatives of either the Seller or Member shall be permitted to enter the premises of the other at all reasonable times in order to carry out the provisions of these Rates, Terms and Conditions for Furnishing Electric Service.

Special Rules Terms and Conditions – (*continued*)

Continuity of Service:

The Seller shall use all reasonable diligence to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail or be interrupted, or become defective, by reason of force majeure, the Seller shall not be liable therefor, or for damages caused thereby. The term "force majeure", as used herein, shall mean Acts of God, accidents, strikes or other labor troubles, acts of the public enemy, wars, blockages, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of the government, whether federal, state or local, civil or military, civil disturbances, explosions, breakage of or accident to machinery, equipment or transmission lines, inability to obtain necessary materials, supplies or permits due to existing or future rules, regulations, orders, laws, or proclamations of governmental authorities, whether federal, state or local, civil or military, and any other forces which are not reasonably within the control of the Seller, whether like or unlike those herein enumerated.

Payment of Bills:

The Seller shall read meters monthly. Unless stated otherwise by a rate schedule to this tariff, electric power and energy furnished hereunder shall be paid for in Seller's designated office in immediately available funds monthly on or before the first working day after the twenty-fourth (24th) day of the month following service. If the Member shall fail to pay any such bill within such prescribed period, the Seller may discontinue delivery of electric power and energy hereunder upon five (5) days' written notice to Member of its intention to do so. Such discontinuance for non-payment shall not in any way affect the obligation of the Member to pay the minimum bill.

Special Rules Terms and Conditions – (*continued*)

Transmission Emergency Control Program:

As a member of the MISO, Big Rivers is bound by the Emergency Operating Procedures ("EOPs") established and communicated by the MISO. Big Rivers relies on the MISO to determine and communicate directives or instructions when a transmission emergency is occurring in the Bulk Power System affecting Big Rivers' transmission system operated at 100 kV or above. Big Rivers is obligated to follow the MISO EOPs. However, Big Rivers may also be required to implement the following Transmission Emergency Control Program in order to safely deliver power to its Members especially for the Big Rivers transmission system operated at below 100 kV.

a. Purpose:

To provide a plan for the systematic expeditious restoration of electric service following a transmission system disturbance.

b. Procedures:

(1) Awareness:

The first indication of a transmission system disturbance will most likely be displayed on Big Rivers' SCADA system available to its system supervisors in the energy control center. From the SCADA alarms, the system supervisor can determine the general nature and extent of the disturbance.

Special Rules Terms and Conditions – (*continued*)

Transmission Emergency Control Program: **(*continued*)**

(2) Localized Emergency:

If the disturbance is localized, the system supervisor will proceed to sectionalize the faulted line sections by use of the SCADA system, radio controlled switches and manually operated line switches. In sectionalizing faulted line sections, the system supervisor will attempt to sectionalize in such a way to minimize the interruption of electric energy provided to the Member Cooperatives and any other wholesale customers in a manner consistent with the MISO's OATT curtailment provisions. Big Rivers' transmission department personnel, as well as the Members' personnel, will be dispatched to carry out any required manual switching operations. When the faulted line section has been isolated, the transmission department is notified of the faulted line section and performs the required line repairs and releases the line to the system supervisor for re-energization.

(3) Widespread Emergency:

If a widespread transmission disturbance or the loss of service to multiple distribution substations exists, the system supervisor will declare an "extreme transmission emergency".

Upon the declaration of an extreme transmission emergency, the Service Restoration Coordinator ("SRC") will be notified and immediately will assume an operating position in the energy control center area.

The system supervisor will proceed to sectionalize the line sections and restore service to as many substations as possible in a similar fashion as described in the Localized Emergency Section. In sectionalizing faulted line sections, the system supervisor will attempt to sectionalize in such way to minimize the interruption of electric service provided to the Member Cooperatives and other transmission customers.

Special Rules Terms and Conditions – (*continued*)

Transmission Emergency Control Program: **(*continued*)**

The SRC will establish and maintain contact with the appropriate personnel from each affected Member Cooperative, Big Rivers' transmission department personnel, and the system supervisor. Restoration efforts will continue with the following steps:

(a) The SRC coordinates the efforts of the transmission department and Member Cooperatives to determine the full extent of system damage. An estimate is made of the time to restore full service to the distribution substations using only Big Rivers and available Member Cooperative work forces.

(b) If the system damages are so extensive that restoration with local labor only would result in prohibitively long outages, the SRC along with the transmission department and the Member Cooperatives' coordinator(s), will determine what additional equipment and labor is needed.

(c) The SRC will convey to the western area regional work plan coordinator the time, place and amount of needed equipment and labor. The coordinator will arrange to meet these needs from neighboring utilities.

(d) The SRC will establish a sequence of repair. This sequence is determined by working with the affected Member Cooperatives' coordinators who will have prioritized the restoration of their affected substations. The Member Cooperatives have chosen not to determine case specific restoration priorities due to the number of variables that are unpredictable (*i.e.*, weather, restoration times for various distribution substations, time of day, personnel available, *etc.*). The Member Cooperatives maintain a list of critical customers. This list will be used to help determine the sequence of restoration.

(e) The SRC will monitor the progress of the restoration effort and will convey this information to the appropriate individuals for public dissemination.

(f) Effectiveness and timeliness of the restoration is reviewed after-the-fact by the Big Rivers' Operation Committee for possible procedural improvements.

Special Rules Terms and Conditions – (*continued*)

Generation Deficiency Emergency Control Program:

As a member of the MISO, Big Rivers is bound by the Emergency Operating Procedures ("EOPs") established and communicated by the MISO. Big Rivers relies on the MISO to determine, declare and communicate when a capacity or energy emergency is forecasted, occurring or has ended in the MISO Balancing Authority Area. The MISO provides instructions to Big Rivers to manage capacity and energy emergencies. Big Rivers is obligated to follow the MISO EOPs. However, should Big Rivers' interconnection to the MISO be severed, by uncontrollable forces, Big Rivers may be required to implement the following Generation Deficiency Emergency Control Program in order to safely deliver power to its Members.

a. Purpose:

To provide a plan to recover from generation deficiencies other than deficiencies caused by fuel shortages.

b. Procedures:

(1) Awareness:

When the level of available generation power becomes insufficient to meet the projected total system sales, the following steps will be followed in the sequence listed until the generation and load are equal

(2) Sequential Steps of Action:

(a) Determine capacity shortage based on generation limitations, pending weather forecast conditions, and forecasted load requirements.

(b) Arrange economic power purchases from off-system sources as required to serve firm load commitments (and non-firm commitments if economically feasible).

(c) Reduce or completely curtail non-firm power sales starting with the lowest price transactions as influenced by term of commitment.

(d) Curtail off-system short-term capacity sales.

Special Rules Terms and Conditions – (*continued*)

Generation Deficiency Emergency Control Program: (*continued*)

(e) Initiate startup of standby or reserved coal-fired generation if purchase power is unavailable. Startup or reserve generation (if any) will be initiated only to serve firm load requirements.

(f) Start combustion turbine.

(g) Implement a request to other utilities for emergency power purchases to meet firm load requirements.

(h) Implement corporate energy conservation measures in the generating plants, transmission system, and office buildings.

(i) Issue public appeals for all Member Cooperatives' consumers to reduce power usage on a voluntary basis, make direct calls to large industrial consumers, and implement procedures of the Seller's Voluntary Price Curtailable Service Rider.

(j) Initiate a voltage reduction action through Big Rivers' transmission facility control as well as working with the Member Cooperatives' representatives to accomplish this action at the distribution substations.

(k) Implement curtailment of off-system firm power sales.

(l) Implement curtailment of power to Members' industrial consumers (on a rotating type basis as needed.)

(m) Request load curtailment of Member Cooperatives. Determine amounts of load reduction required of each Member Cooperative and the anticipated length of curtailment. The Member Cooperatives will reduce load in accordance with their curtailment plans. Their curtailment plans will be developed considering the critical customers' loads on their systems.

Special Rules Terms and Conditions – (*continued*)

Fuel Emergency Control Program:

a. Purpose:

To provide a plan for reducing the consumption of electric energy on Big Rivers' system in the event of a severe coal shortage, such as might result from a general strike in the coal mines, or severe weather.

b. Procedures:

In the event of a potential severe coal shortage, such as one resulting from a general coal strike, Big Rivers shall review the inventory of its fuel stock to determine the quantity and quality of the recoverable fuel. This review shall be completed within the thirty (30) day period prior to the anticipated start of the emergency and the following steps will be implemented. These steps will be carried out to the extent not prohibited by contractual commitments or by order of the regulatory authorities having jurisdiction. After each curtailment of electric service, the generation levels will be adjusted to the new, reduced level in the calculation of the "day's operation" of remaining coal inventory.

(1) To be initiated when fuel supplies are less than 30 days' operation of coal-fired generation and a continued downward trend in coal stock is anticipated:

(a) Advise all Member Cooperatives of the number of day's burn remaining.

(b) Optimize the use of non-coal-fired generation to the extent possible.

(c) For individual plants with coal inventories significantly under Big Rivers' average days supply, modify economic dispatch procedures to conserve coal at those locations.

(d) Reduce or completely curtail non-firm power sales starting with the lowest price transactions as influenced by term of commitment.

Special Rules Terms and Conditions – (*continued*)

Fuel Emergency Control Program: (*continued*)

(e) Implement corporate energy conservation measures in the generating plants, transmission system, and office buildings.

(2) To be initiated when fuel supplies are less than 25 days' operation at the daily burn rate resulting after implementation of the actions in the above Section (1) of coal-fired generation and a continued downward trend in coal stocks is anticipated:

(a) Advise all Member Cooperatives of the number of days' burn remaining.

(b) At coal-fired generating plants, substitute the use of oil or natural gas for coal as permitted by plant design, oil storage facilities and oil/natural gas availability.

(c) Curtail off-system short-term capacity sales.

(d) Arrange economic power purchases from off-system sources as required to serve firm load commitments (and non-firm commitments if economically feasible).

(e) Investigate possible fuel exchanges/purchases with neighboring utilities.

(f) Through use of the news media, and working with the Member Cooperatives, directly appeal to all consumers to voluntarily reduce their use of electric energy as much as possible, and in any case endeavor to reduce the non-essential usage of electricity.

Special Rules Terms and Conditions – (*continued*)

Fuel Emergency Control Program: (*continued*)

(3) To be initiated – in the order indicated below – when fuel supplies are less than 20 days' operation of coal-fired plants at the daily burn rate resulting after implementation of the actions in the above Sections (1) and (2) and continued downward trend in coal stocks is anticipated:

(a) Advise all Member Cooperatives of the number of days' burn remaining.

(b) Reduce or completely curtail all non-firm power sales starting with the lowest price transactions as influenced by term of commitment.

(c) Implement curtailment of off-system firm power sales.

(4) To be initiated when fuel supplies are less than 15 days' operation of coal- fired generation at the daily burn rate resulting after implementation of the actions in the above Sections (1), (2) and (3) and a continued downward trend in coal stocks is anticipated.

(a) Advise all Member Cooperatives of number of days' burn remaining.

(5) To be initiated when fuel supplies are less than 10 days' operation of coal-fired generation at the daily burn rate resulting after implementation of the actions in the above Sections (1), (2), (3), and (4) and a continued downward trend in coal stocks is anticipated:

(a) Advise all Member Cooperatives that this level of fuel supplies has been reached.

(b) Discontinue all emergency deliveries to neighboring utilities unless so ordered otherwise by the Commission or the FERC.

(c) Implement rolling native load curtailments.

Special Rules Terms and Conditions – (*continued*)

Fuel Emergency Control Program: (*continued*)

(d) Member Cooperatives are requested to maintain a minimum service level which is not greater than that required for protection of human life and safety, protection of plant facilities, and employees' security.

(6) To be initiated as a measure of last resort when fuel supplies are decreased to 5 days' operation of coal-fired generation at the daily burn rate resulting after implementation of the actions in the above Sections (1), (2), (3), (4), and (5) and a continued downward trend in coal stocks is anticipated:

(a) Advise all Member Cooperatives that this level of fuel supplies has been reached.

(b) As a last resort, implement load shedding procedures for both Member Cooperatives and off-system customers as required to preserve the integrity of the electrical system. This procedure shall be coordinated with the Member Cooperatives in order to assure the minimum impact upon those services which are necessary for the protection of physical facilities.

c. Termination of Fuel Emergency:

The Fuel Emergency Control Program shall be terminated upon notice to the Commission, when the remaining days of operation of coal-fired generation is at least 30 days, coal deliveries have been resumed, and there is reasonable assurance the coal stocks are being restored to adequate levels.

Definitions -

Unless stated otherwise within these Rates, Terms and Conditions, the following abbreviations and phrases will have the following meanings as of the effective date of this tariff –

1. "Big Rivers" shall mean Big Rivers Electric Corporation.

2. "Business Customer Subset" shall include **[T]**
   (i) the retail customers of the Members served under Standard Rate Schedule LIC, and
   (ii) Rural Customers other than the Members' Rural Residential, School, Church, and Farm customers.

3. "Century-Hawesville" shall mean the aluminum reduction facility of Century Aluminum of Kentucky General Partnership located in Hawesville, Kentucky. **[T]** **[T]**

4. "Commission" shall mean the Kentucky Public Service Commission. **[T]**

5. "CPT" shall mean the prevailing time in the Central Time Zone of the United States. **[T]**

6. "DSM" shall mean Demand-Side Management. **[T]**

7. "FERC" shall mean the Federal Energy Regulatory Commission. **[T]**

8. "Kenergy" shall mean Kenergy Corp. **[T]**

9. "Member" shall mean Jackson Purchase Energy Corporation, Kenergy Corp., or Meade County Rural Electric Cooperative Corporation. **[T]**

10. "Member Cooperative" shall mean Jackson Purchase Energy Corporation, Kenergy Corp., or Meade County Rural Electric Cooperative Corporation. **[T]**

11. "Member Cooperatives" shall mean, collectively, Jackson Purchase Energy Corporation, Kenergy Corp., and Meade County Rural Electric Cooperative Corporation. **[T]**

Definitions – (*continued*)

12. "Members" shall mean, collectively, Jackson Purchase Energy Corporation, Kenergy Corp., and Meade County Rural Cooperative Corporation. **[T]**

13. "MRSM Adjustment," as used in the RDS and LIC Bill Formats, shall mean the portion of the MRSM credit taken from the Economic Reserve account containing the original Economic Reserve fund and used to mitigate FAC and ES billings to the Rural and Large Industrial classes. **[T]**

14. "MRSM – Base Rate Credit," as used in the RDS and LIC bill formats, shall mean the portion of the MRSM credit taken from the Economic Reserve account containing the original Economic Reserve fund and used to offset the base rate increase to the Rural and Large Industrial classes awarded by the Commission in Case No. 2013-00199.

15. "MRSM – Transmission Rural Adjustment," as used in the RDS bill format, shall mean the portion of the MRSM credit taken from the Economic Reserve account containing transmission revenues from Century-Hawesville allocated to the Rural class and used to mitigate FAC and ES billings to the Rural class.

16. "MRSM – Transmission Rural Base Rate Credit," as used in the RDS bill format, shall mean the portion of the MRSM credit taken from the Economic Reserve account containing transmission revenues from Century-Hawesville allocated to the Rural class and used to offset the base rate increase to the Rural class awarded by the Commission in Case No. 2013-00199.

17. "MRSM – Transmission Large Industrial Adjustment," as used in the LIC bill format, shall mean the portion of the MRSM credit taken from the Economic Reserve account containing transmission revenues from Century-Hawesville allocated to the Large Industrial class and used to mitigate FAC and ES billings to the Large Industrial class.

18. "MRSM – Transmission Large Industrial Base Rate Credit," as used in the LIC bill format, shall mean the portion of the MRSM credit taken from the Economic Reserve account containing transmission revenues from Century-Hawesville allocated to the Large Industrial class and used to offset the base rate increase to the Large Industrial class awarded by the Commission in Case No. 2013-00199.

Definitions – (*continued*) **[T]**

19. "MISO" shall mean the Midcontinent Independent System Operator, Inc., or any successor entity. **[T]**

20. "OATT" shall mean the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff, as revised from time to time. **[T]**

21. "RER – Residential Adjustment," as used in the RDS bill format, shall mean the portion of the RER credit taken from the Rural Economic Reserve-Residential account and used to mitigate FAC and ES billings to the Residential Customer Subset. **[T]**

22. "RER – Residential Base Rate Credit," as used in the RDS bill format, shall mean the portion of the RER credit taken from the Rural Economic Reserve-Residential account and used to offset the base rate increase to the Residential Customer Subset awarded by the Commission in Case No. 2013-00199.

23. "RER – Business Adjustment," as used in the RDS and LIC bill formats, shall mean the portion of the RER credit taken from the Rural Economic Reserve-Business account and used to mitigate FAC and ES billing to the Business Customer Subset.

24. "RER – Business Base Rate Credit," as used in the RDS and LIC bill formats, shall mean the portion of the RER credit taken from the Rural Economic Reserve-Business account and used to offset the base rate increase to the Business Customer Subset awarded by the Commission in Case No. 2013-00199.

25. "Residential Customer Subset" shall mean the Members' Rural Residential, School, Church, and Farm customers.

26. "Rural Customers" are retail customers of Members served under Standard Rate Schedule RDS. **[T]**

27. "SEPA" shall mean the Southeastern Power Administration, an agency of the U.S. Department of Energy or any successor agency. **[T]**

28. "Seller" shall mean Big Rivers Electric Corporation. **[T]**

Definitions – (*continued*) **[T]**

29. "Smelter" is the aluminum reduction facility of Century Aluminum Sebree LLC or Century Aluminum of Kentucky General Partnership. **[T]**

30. "Smelter Agreement" is any one of the two Wholesale Electric Service Agreements each dated as of July 1, 2009, between Big Rivers and Kenergy with respect to service by Kenergy to a Smelter. **[T]**

31. "Smelter Agreements" are the two Wholesale Electric Service Agreements each dated as of July 1, 2009, between Big Rivers and Kenergy with respect to service by Kenergy to a Smelter. **[T]**

32. "Smelters" are the aluminum reduction facilities of Century Aluminum Sebree LLC and Century Aluminum of Kentucky General Partnership, as further described under the Smelter Agreements. **[T]**

33. "Third-Party Supplier" or "Third-Party Suppliers" shall mean any supplier of wholesale electric service to Big Rivers other than SEPA and Henderson Municipal Power and Light. **[T]**