

First Revised Sheet No. 18

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be the product of the "Adjustment Factor" for the preceding month as defined above and the kilowatt hours consumed by the Member in the preceding month.

d. Taxes:

If there shall be imposed by federal, state or other governmental authority, any tax payable by the Seller upon the gross revenue or earnings, or upon the production, transmission or sale of electric energy, a pro rata share of such additional tax or taxes shall be added to the monthly bill payable by the Member to the Seller. The sales tax of the Commonwealth of Kentucky is not included in the Monthly Rate, but if applicable, will be paid by Member.

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(N) e. Economic Development:

To encourage better utilization of the existing system and to promote economic expansion within the service area, an Economic Development Rate (EDR) is available to distribution cooperatives for industrial development purposes. Any member cooperative customer who enters into a 10-year contract for a new service, or an increase in existing contract demand, which will increase Big Rivers' load by at least 1,000 kW of Billing Demand each month, will be eligible for the EDR. The EDR will consist of a Demand Credit determined as follows:

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Y. *[Signature]*  
PUBLIC SERVICE COMMISSION MANAGER

For sixty consecutive months, beginning with the first month that customer's increased metered demand exceeds 1,000 kW, or at a date specified in the contract, whichever shall first occur, a Demand Credit will be applicable to customer's power usage, and will be equal to the product of the increased metered demand times the Demand Charge as stated in Section 3b(1) of this rate schedule, as it may be modified from time to time, multiplied by the following applicable percentage:

- (1) 50% for the first twelve consecutive months of the credit period.
- (2) 40% for the second twelve consecutive months of the credit period.

Date of Issue May 3, 1989 Date Effective May 3, 1989

Issued By *W. H. Thayer* General Manager P.O. Box 24, Henderson, KY 42420  
Name Title Address

Issued By Authority of PSC Order No. 10424

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- (3) 30% for the third twelve consecutive months of the credit period.
- (4) 20% for the fourth twelve consecutive months of the credit period.
- (5) 10% for the fifth twelve consecutive months of the credit period, and none thereafter.

Big Rivers reserves the right to terminate the availability of this EDR at any time, upon its determination that it no longer has sufficient available capacity, or that the EDR no longer serves a useful purpose, but such termination shall not impair the EDR previously granted by contract.

4. MINIMUM BILL:

The minimum monthly bill for each delivery point shall not be less than the Demand Charge multiplied by the Billing Demand.

5. TERM:

The wholesale power supply contracts dated January 11, 1962, between Big Rivers Electric Corporation and its distribution cooperative members shall remain in effect until January 1, 2023, and thereafter until terminated by either party giving to the other not less than six months' written notice of its intention to terminate.

(D)

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PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)

BY: *George S. Liles*  
PUBLIC SERVICE COMMISSION MANAGER

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5. TERM:

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BY: George Sallee  
PUBLIC SERVICE COMMISSION MANAGER

6. VARIABLE ALUMINUM SMELTER RATE:

a. Availability:

The schedule is available to cooperatives for sales for resale to primary aluminum smelters within the service territory of Big Rivers Electric Corporation ("Big Rivers") and its member cooperatives. This schedule only covers purchases for primary aluminum reduction and associated administrative facilities. It does not cover purchases for later resale or use in fabrication.

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b. Terms of the Rate:

This rate schedule shall take effect on September 1, 1987, and shall terminate at midnight August 31, 1997. The rate schedule shall be subject to two reviews, commencing July 1, 1988 and July 1, 1990, as provided for in the August 10, 1987, Order in Case 9885, and such other reviews as may from time to time be established by the Public Service Commission. Upon termination of this rate schedule, the rates applicable to non-smelter customers shall apply to the aluminum smelters.

c. Rate:

(1) Initial Rate Charges Subject to Adjustments:

The following rates shall apply to sales for resale to primary aluminum smelter customers that purchase power under the Variable Aluminum Smelter Power Rate Schedule.

(a) Base Variable Aluminum Smelter Rate:

1. Demand Charge:

(I) \$8.80 per kilowatt of contract demand.

2. Pivot Energy Charge:

32.0 mills per kilowatt-hour of billing energy.

(b) Lower Rate Limit:

18.1 mills per kilowatt-hour of billing energy.

(c) Upper Rate Limit:

44.0 mills per kilowatt-hour of billing energy.

(2) Initial Rate Parameters Subject to Adjustments:

The following rate parameter shall be used in determining the power bills for customers purchasing power under the Variable

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BY: George A. Hill  
PUBLIC SERVICE COMMISSION MANAGER

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Aluminum Smelter Rate Schedule.

Pivot Aluminum Price

62 cents per pound

**JAN 1 1989**

**PURSUANT TO 207 KAR 5:011,  
SECTION 9(1)**

**BY: *James A. Hill*  
PUBLIC SERVICE COMMISSION MANAGER**

d. Formula:

The Variable Aluminum Smelter Power Rate is a formula tied to the average monthly "MW U.S. Trans" price of aluminum as reported in Metals Week, for the month prior to the month charges are incurred ("monthly billing aluminum price"). Under this rate schedule, the monthly energy charge varies in response to changes in the monthly billing aluminum price.

(1) Demand Charge:

(a) Each month the smelters purchasing under the Variable Aluminum Smelter Power Rate Schedule shall pay a Demand Charge, as stated in Section c.(1)(a)1. of this rate schedule, times the contracted capacity, pursuant to current contracts. For the amount of energy consumed in each month, the smelters shall pay the Energy Charge, as stated in Section d.(2) of this rate schedule, minus a Demand Charge Credit for each kilowatt-hour, computed as the Demand Charge rate converted to mills per kilowatt-hour at a 99 percent load factor.

(2) Energy Charge:

(a) Pivot Point Charge:

When the monthly billing aluminum price (described in Section f. of this schedule) is equal to the Pivot Aluminum Price (as stated in Section c.(2) of this rate schedule), the monthly energy charge shall be the Pivot Energy Charge as stated in Section c.(1)(a)2. of this rate schedule.

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(b) Reductions to Pivot Energy Charge:

When the monthly billing aluminum price is less than the Pivot Aluminum Price, the monthly energy charge shall be the greater of:

1. The Pivot Energy Charge minus  $(P-MAP) \times LS$  where:

P = the Pivot Aluminum Price as stated in Section c.(2) of this rate schedule.

MAP = the monthly billing aluminum price in cents per pound determined pursuant to Section f. of this schedule.

LS = the lower slope or 0.8 mills per kilowatt-hour.

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or

2. The Lower Rate Limit as stated in Section c.(1)(b) of this rate schedule.

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(c) Increases to Pivot Energy Charge:

When the monthly billing aluminum price is greater than the Pivot Aluminum Price, the monthly energy charge shall be the lesser of:

1. The Pivot Energy Charge plus  $(MAP-P) \times US$  where:

P = the Upper Pivot Aluminum Price as stated in Section c.(2) of this rate schedule.

MAP = the monthly billing aluminum price in cents per pound determine pursuant to Section d.(1)(a) of this schedule.

US = the upper slope or 0.7 mills per kilowatt-hour.

or

BY: [Signature]  
PUBLIC SERVICE COMMISSION MANAGER

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2. the Upper Rate Limit, as stated in Section c.(1)(c) of this rate schedule.

e. Adjustments For Legislation or Regulatory Action:

Upon payment by Big Rivers for new, sudden expenditures required by legislation or regulatory action (e.g., acid rain, taxes), the Pivot Energy Charge and the Upper Rate Limit shall be adjusted to reflect these increased legislation or regulatory costs. The new Pivot Energy Charge and Upper Rate Limit shall supersede in every way the Pivot Energy Charge and Upper Rate Limit set out in Sections c.(1)(a)2. and c(1)(c) of this schedule.

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f. Rate Parameters and Adjustments:

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(1) Monthly Average Aluminum Price Determination:

PURSUANT TO 207 KAR 5:011,  
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(a) Calculation of the Monthly Billing Aluminum Price:

BY: Thomas A. Kelly  
COMMISSION MANAGER

The monthly billing aluminum price shall be determined monthly. For purposes of this rate schedule, the monthly billing aluminum price shall be the average U.S. Mid West Transactions Price reported for the previous month by Metals Week, in cents per pound.

(b) Changes in Aluminum Price Indicators:

In the event that Big Rivers Electric Corporation determines that factors outside its control have rendered Section f.(1)(a) unusable as an approximation of the U.S. market price for aluminum, Big Rivers Electric Corporation shall develop and submit to the appropriate regulatory bodies a substitute indicator for determining the Monthly Billing Aluminum Price.

g. Fuel Adjustment Clause:

The energy charge shall be increased or decreased by a fuel adjustment factor as follows:

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$\frac{F}{S}$  - \$0.1295

- (1) The fuel clause shall provide for periodic adjustment per kWh of sales equal to the difference between the fuel costs per kWh sales in the base period and in the current period according to the following formula:

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

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, all defined below:

- (2) FB/SB shall be so determined that on the effective date of the Commission's approval of the utility's application of the formula, the resultant adjustment will be equal to zero (0).
- (3) Fuel costs (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 and/or transmission outages, but less the cost of fuel related to substitute generation, plus
  - (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. Included therein may be such costs as the charges for

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SECTION 11  
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economy energy purchases and the charges as a result of scheduled outage, all 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 recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.
- (e) All fuel costs shall be based on weighted average inventory costing.
- (4) Forced outages are all nonscheduled losses of generation or transmission which require (purchase of) substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as 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 the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment.
- (5) Sales (S) shall be all kWhs sold, excluding inter-system sales. 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, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) inter-system sales referred to in subsection (3)(d) above, less (vi) total system losses. Utility-used energy shall not be excluded in the determination of sales (S).
- (6) 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

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BY: *[Signature]*  
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Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees.

To facilitate the prompt mailing of bills, the fuel adjustment amount for any billing month shall be the product of the "Adjustment Factor" for the preceding month as defined above and the kilowatt-hours consumed by the Member in the preceding month.

B. CABLE TELEVISION ATTACHMENT

1. Applicability:

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

2. Availability:

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

3. 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

4. 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

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BY: Shays A. Lee  
PUBLIC SERVICE COMMISSION MANAGER

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fifteen (15) days' written notice to the CATV operator of its intention to do so.

5. Specifications:

- a. 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.
- b. 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.

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RULES & REGULATIONS

A. SPECIAL RULES - ELECTRIC SERVICE

1. Billing Demand:

For each delivery point for which there is an established Contract Demand, where demand cannot by contract exceed the Contract Demand level by more than two percent without Big Rivers' permission, the Billing Demand in kilowatts shall be Member's maximum integrated thirty-minute demand at such delivery point during each billing month, determined by meters which record at the end of each thirty-minute period the integrated kilowatt demand during the preceding thirty minutes, or the Contract Demand, whichever shall be greater. For all other delivery points, the Billing Demand in kilowatts shall be Member's maximum integrated thirty-minute demand at such delivery point during each billing month, determined by meters which record at the end of each thirty-minute period the integrated kilowatt demand during the preceding thirty minutes, or such maximum integrated thirty-minute demand achieved during any one of the eleven preceding months, or the Contract Demand, whichever shall be greater.

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2. Contract Demand:

Upon mutual agreement with Member, a Contract Demand may be established for delivery points requiring special investments by Seller.

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3. Metering:

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

BY: George Miller  
PUBLIC SERVICE COMMISSION MANAGER

4. 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.

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