

SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC
ATTORNEYS AT LAW

ald M. Sullivan
Jesse T. Mountjoy
Frank Stainback
James M. Miller
Michael A. Fiorella
Allen W. Holbrook
R. Michael Sullivan
Bryan R. Reynolds
Tyson A. Kamuf
Mark W. Starnes
C. Ellsworth Mountjoy
Mary L. Moorhouse

July 1, 2011

Via Federal Express

Jeff DeRouen
Executive Director
Public Service Commission
211 Sower Boulevard, P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

JUL 01 2011

PUBLIC SERVICE
COMMISSION

Re: In the Matter of: Notice and Application of Big Rivers
Electric Corporation for a General Adjustment in Rates,
PSC Case No. 2011-00036

Dear Mr. DeRouen:

Enclosed for filing on behalf of Big Rivers Electric Corporation are an original and ten copies of its response to the Fourth Information Request of Commission Staff dated June 22, 2011. I certify that a copy of this letter and a copy of the response have been served on all parties to this proceeding.

Sincerely,



Tyson Kamuf

TAK/ej
Enclosures

cc: Mark A. Bailey
Albert Yockey
Douglas Beresford, Esq.
Service List

SERVICE LIST
BIG RIVERS ELECTRIC CORPORATION
PSC CASE NO. 2011-00036

Dennis G. Howard, II, Esq.
Lawrence W. Cook, Esq.
Assistant Attorneys General
1024 Capital Center Drive
Suite 200
Frankfort, KY 40601-8204

Sanford Novick
President and CEO
Kenergy Corp.
3111 Fairview Drive
P.O. Box 1389
Owensboro, Kentucky 42302-1389

Michael L. Kurtz, Esq.
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OH 45202
**COUNSEL FOR KENTUCKY
INDUSTRIAL UTILITY CUSTOMERS,
INC.**

G. Kelly Nuckols
President and CEO
Jackson Purchase Energy Corporation
2900 Irvin Cobb Drive
P.O. Box 4030
Paducah, KY 42002-4030

David C. Brown, Esq.
Stites & Harbison
1800 Providian Center
400 West Market Street
Louisville, KY 40202
**COUNSEL FOR ALCAN PRIMARY
PRODUCTS CORPORATION**

Burns E. Mercer
President/CEO
Meade County R.E.C.C.
1351 Highway 79
P.O. Box 489
Brandenburg, KY 40108-0489

J. Christopher Hopgood, Esq.
Dorsey, King, Gray, Norment & Hopgood
318 Second Street
Henderson, KY 42420
COUNSEL FOR KENERGY CORP.

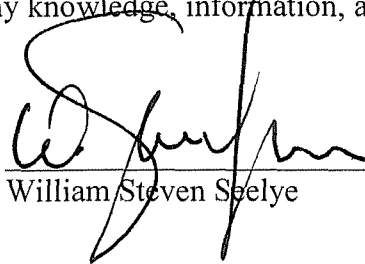
Melissa D. Yates
Denton & Keuler, LLP
555 Jefferson Street
P.O. Box 929
Paducah, KY 42002-0929
**COUNSEL FOR JACKSON PURCHASE
ENERGY CORPORATION**

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2011-00036**

VERIFICATION

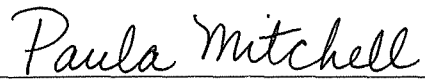
I, William Steven Seelye, verify, state, and affirm that I prepared or supervised the preparation of my data responses filed with this Verification, including the supplemental direct testimony and related exhibit, and that those data responses, supplemental direct testimony, and related exhibit are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



William Steven Seelye

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by William Steven Seelye on this the 1st
day of July, 2011.



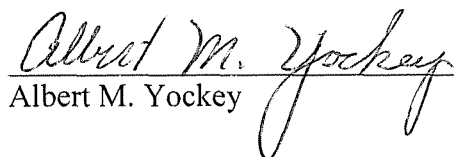
Notary Public, Ky. State at Large
My Commission Expires 1-12-13

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2011-00036**

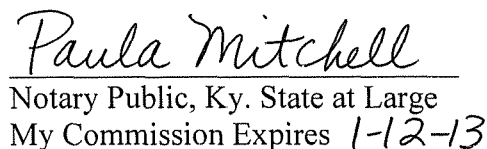
VERIFICATION

I, Albert M. Yockey, verify, state, and affirm that I prepared or supervised the preparation of my data responses filed with this Verification, and that those data responses are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.


Albert M. Yockey


COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Albert M. Yockey on this the 7st day
of July, 2011.


Notary Public, Ky. State at Large
My Commission Expires 1-12-13

ORIGINAL



Your Touchstone Energy® Cooperative 

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

APPLICATION OF BIG RIVERS
ELECTRIC CORPORATION FOR A
GENERAL ADJUSTMENT IN RATES

)
)
)
)

Case No. 2011-00036

Response to Commission Staff's Fourth Request for Information
dated
June 22, 2011

FILED: July 1, 2011

ORIGINAL

BIG RIVERS ELECTRIC CORPORATION
APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2011-00036

Response to Commission Staff's Fourth Request for Information
dated June 22, 2011

July 1, 2011

1 **Item 1)** *With the issuance of a final Order in Case No. 2010-00495, Big Rivers*
2 *experienced a change in rates due to a roll-in of fuel costs to its base rates. To the extent*
3 *applicable, provide a revised copy of testimony and exhibits for the instant proceeding that*
4 *reflects the updated rate schedules. All revised Excel spreadsheets should be filed in both*
5 *hard copy and electronic format with the formulas intact and unprotected.*

6
7 **Response)** Big Rivers has reviewed its application, including testimony and exhibits, for
8 any updates to reflect the Commission's issuance of its Final Order in Case No. 2010-00495
9 ("the FAC Roll-In Order"). Attached hereto are the following:

- 10
11 1. Supplemental Testimony of William Steven Seelye discussing the effects of
12 the Fuel Adjustment Clause roll-in implemented by the FAC Roll-In Order;
13 2. Supplemental Exhibit Seelye-6, an update to Exhibit Seelye-6, in both hard
14 copy and electronic format, reflecting the impact of the FAC Roll-In Order
15 including:
16 a. The Calculation of the Proposed rate Increase,
17 b. The Proposed Rates before and after the FAC Roll-In Order, and
18 c. The Proposed Smelter Rates before and after the FAC Roll-In Order;
19 3. Revisions to Tariff Sheet Nos. 1, 7, 24, and 48 of Big Rivers' Proposed
20 Tariff which was originally provided in Application Exhibit No. 7;
21 4. Revisions to Tariff Sheet Nos. 24, 29, 46, and 73 of Big Rivers' Existing
22 Tariff, plus revisions to Tariff Sheet Nos. 1, 7, 24, and 48 of Big Rivers'
23 Proposed Tariff, presented in a side-by-side comparison on facing pages as
24 originally provided in Application Exhibit No. 8.

Case No. 2011-00036
Response to Item PSC 4-1

Witnesses: W. Steven Seelye (Supplemental Testimony-Effect of FAC Roll-In Order) and
Albert M. Yockey (Changes to Exhibit 7 and Exhibit 8)

Page 1 of 2

BIG RIVERS ELECTRIC CORPORATION
APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2011-00036

Response to Commission Staff's Fourth Request for Information
dated June 22, 2011

July 1, 2011

25

26

27 **Witnesses)** W. Steven Seelye (Supplemental Testimony-Effect of FAC Roll-In Order) and
28 Albert M. Yockey (Changes to Exhibit 7 and Exhibit 8)

29

PSC 4-1 - Supplemental Testimony of William Steven Seelye

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

**APPLICATION OF BIG RIVERS
ELECTRIC CORPORATION FOR A
GENERAL ADJUSTMENT IN RATES**

)
)
)
)

Case No. 2011-00036

SUPPLEMENTAL DIRECT TESTIMONY

OF

**WILLIAM STEVEN SEELYE
PRINCIPAL & SENIOR CONSULTANT
THE PRIME GROUP, LLC**

ON BEHALF OF

BIG RIVERS ELECTRIC CORPORATION

FILED: July 1, 2011

**Case No. 2011-00036
Supplemental Direct Testimony of William Steven Seelye
Attachment for Response to Item PSC 4-1
Page 1 of 7**

**SUPPLEMENTAL DIRECT TESTIMONY
OF
WILLIAM STEVEN SEELYE**

Table of Contents

	Page
I. INTRODUCTION	3
II. EFFECTS OF FAC ROLL-IN	4
III. UPDATED EXHIBITS.....	6

SUPPLEMENTAL DIRECT TESTIMONY

**OF
WILLIAM STEVEN SEELYE**

1 **I. INTRODUCTION**

2

3 **Q. Please state your name and business address.**

4 A. My name is William Steven Seelye and my business address is The Prime Group, LLC,
5 6001 Claymont Village Drive, Suite 8, Crestwood, Kentucky, 40014.

6 **Q. By whom are you employed?**

7 A. I am a senior consultant and principal for The Prime Group, LLC, a firm located in
8 Crestwood, Kentucky, providing consulting and educational services in the areas of
9 utility marketing, regulatory analysis, cost of service, rate design and depreciation
10 studies.

11 **Q. On whose behalf are your testifying?**

12 A. I am testifying on behalf of Big Rivers Electric Corporation (“Big Rivers”).

13 **Q. Did you provide direct testimony in this proceeding?**

14 A. Yes.

15 **Q. What is the purpose of your supplemental direct testimony?**

16 A. The purpose of my testimony is to explain the effects of the Commission's Final Order
17 *In The Matter of: An Examination of the Application of the Fuel Adjustment Clause of*
18 *Big Rivers Electric Corporation from July 17, 2009 through October 31, 2010* in Case
19 No. 2010-00495 dated May 31, 2011, as they relate to the testimony and exhibits of Big
20 Rivers in the instant proceeding.

21 **Q. Please summarize your supplemental direct testimony.**

1 A. With the issuance of a Final Order in Case No. 2010-00495 ("Roll-In Order"), in which
2 the Commission reviewed Big Rivers' application of the Fuel Adjustment Clause
3 ("FAC"), Big Rivers experienced a change in rates due to roll-in of fuel costs to its base
4 rates. The testimony and exhibits filed by Big Rivers in its Application dated March 1,
5 2010 in the instant proceeding did not incorporate the effects of this roll-in because the
6 filing preceded the Commission's Roll-In Order.

7 The roll-in of fuel costs to base rates is a revenue neutral change that will
8 require Big Rivers to revise the energy rates proposed for its RDS, LIC, and QFS
9 tariffs. The roll-in will not have an impact on the revenue requirement, percentage
10 increase, or allocation of revenue increases by rate class that were proposed by Big
11 Rivers in this proceeding. Certain exhibits, including the actual proposed tariffs, which
12 reflect the energy charge or its effects, must be updated to account for the roll-in.
13 These are provided herein, in response to the Fourth Information Request of
14 Commission Staff to Big Rivers Electric Corporation, Item 1, dated June 22, 2011, in
15 this docket.

16
17 **II. EFFECTS OF FAC ROLL-IN**

18
19 **Q. How does the FAC roll-in affect the rates proposed by Big Rivers in this case?**

20 A. In the Roll-In Order, the Commission approved Big Rivers' proposal to increase the
21 base cost used in the FAC by \$0.010212 per kWh and increase the energy charges in
22 Big Rivers' tariff by a corresponding amount.

23 **Q. What is the magnitude of the roll-in?**

1 A. In its Roll-In Order, the Commission ordered the transfer of 10.212 mills per kWh of
2 fuel costs to Big Rivers' base rates that were being charged to customers through its
3 FAC. This amount is the differential between the old base fuel cost of 10.72 mills and
4 the new base fuel cost of 20.932 mills per kWh.

5 **Q. How does the roll-in change the energy rates that Big Rivers proposed in this**
6 **proceeding?**

7 A. Due to the roll-in into its existing rates, the energy rate included in Big Rivers'
8 proposed RDS, LIC, and QFS tariffs must be increased by 10.212 mills per kWh.
9 Additionally, the FAC base amount in the proposed FAC tariff must be set to reflect the
10 new base fuel cost of 20.932 mills per kWh approved in the Roll-In Order. The
11 specific changes to Big Rivers' proposed tariff sheets are summarized in the table
12 below.

13
14

Table 1. Revised Tariff Rates to Accommodate FAC Roll-In

Schedule	Description	Filed Energy Rate (\$/kWh)	Revised Energy Rate (\$/kWh)	Change in Rate (\$/kWh)
RDS	Rural Delivery Service	0.019524	0.029736	0.010212
LIC	Large Industrial Customer Service	0.014885	0.025097	0.010212
QFS	Cogeneration/Small Power Production Sales Tariff - Over 100 KW [Maintenance Energy Only]	0.019524	0.029736	0.010212
FAC	Fuel Adjustment Clause [Base Unit Cost]	0.010720	0.020932	0.010212

15

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

Q. Does the roll-in impact demand rates?

A. No. The effects of the roll-in are limited to base energy rates and the FAC base amount.

Q. Does the roll-in impact any other tariff rates not tabulated above?

A. No.

Q. Does the roll-in impact the revenue requirement, the total percentage increase, or the allocation of revenue increase among the rate classes that Big Rivers proposes in this proceeding?

A. No. These remain unchanged because, as noted above, the roll-in is revenue neutral.

III. UPDATED EXHIBITS

Q. Do you have any updated exhibits to your testimony?

A. Yes. The original Exhibit Seelye-6 filed with the Application in this proceeding listed the energy rates noted above and included data calculations based on those energy rates. This exhibit must be revised to reflect the roll-in amounts. I have prepared or supervised the preparation of the update to this exhibit, which I attach hereto as Supplemental Exhibit Seelye-6 – Summary of Revenue Increase. The first page of the exhibit was modified to add a column showing the impact of the FAC roll-in (or more specifically, the lack of impact) on the overall increase. The second and third pages of the exhibit were modified to show that the calculation of total revenues at the proposed rates for the Rurals, Large Industrials and Smelters has been updated to incorporate the effects of the FAC Roll-in. For the Rurals and Large Industrials on page 2, in the

1 columns labeled "Proposed Rates After FAC Roll-In," the base energy billings increase
2 and the FAC billings decrease by the same amount. For both pages 2 and 3, a column
3 has been added to show the variance between the calculations before the FAC roll-in
4 and after the FAC roll-in. This column verifies the revenue neutrality of the roll-in by
5 showing that the increase in base energy charges is offset by an equivalent decrease in
6 FAC charges for each rate class.

7 **Q. Are there updates to any Exhibits filed with the Application that were not exhibits**
8 **to your testimony?**

9 A. Yes. Exhibit 7 of the Application includes the proposed tariff in a form that complies
10 with 807 KAR 5:011. Exhibit 8 of the Application includes Big Rivers' present and
11 proposed tariffs in comparative form on facing sheets side-by-side. Both were
12 sponsored by Mr. Albert M. Yockey in the Application. The appropriate updates
13 showing the revised energy rates from the table above are filed concurrently with my
14 testimony, and these updates are sponsored by Mr. Yockey, in response to the Fourth
15 Information Request of Commission Staff to Big Rivers Electric Corporation, Item 1,
16 dated June 22, 2011, in this docket.

17

18 **Q. Does this conclude your testimony?**

19 A. Yes, it does.

PSC 4-1 - Supplemental Exhibit Selye-6

Big Rivers Electric Corporation
 Calculation of Proposed Rate Increase
 Based on the 12 Months Ended October 31, 2010

Proposed Rates

Class	Adjusted Revenue at Current Rates (\$)	Adjusted Revenue at Proposed Rates (\$)	Base Rate Revenue Increase (\$)	TIER Adjustment Decrease (\$)	Estimated Credits From Amortization of Non-FAC PPA Balance (\$)	Sum of Base Rate Increase, TIER Decrease and Amortization of Non-FAC PPA Balance (\$)	Sum of Base Rate Increase, TIER Decrease and Amortization of Non-FAC PPA Balance (%)	Impact of Lowering the Non-FAC PPA Base (\$)	Impact of FAC Roll-In (\$)	Net Increase (\$)	Net Increase (%)
Rural	110,513,089	124,685,092	14,172,003	-	(2,340,068)	11,831,935	10.71%	(2,145,453)	-	9,686,481	8.77%
Large Industrial	39,260,372	42,488,938	3,228,566	-	(896,009)	2,332,557	5.94%	(813,705)	-	1,518,852	3.87%
Non-Smelter	149,773,461	167,174,030	17,400,569	-	(3,236,077)	14,164,492	9.46%	(2,959,159)	-	11,205,333	7.48%
Smelters	282,391,841	297,830,583	22,553,396	(7,114,653)	-	15,438,743	5.47%	-	-	15,438,743	5.47%
Total	432,165,302	465,004,614	39,953,965	(7,114,653)	(3,236,077)	29,603,235	6.85%	(2,959,159)	-	26,644,076	6.17%

Big Rivers Electric Corporation
 Reconciliation of Billing Determinants
 For the 12 Months Ended October 31, 2010

Supplement to original Exhibit Seelye-6

Rate	Billing Determinants	Proposed Rate Before FAC Roll-in (1)		Proposed Rate After FAC PPA Roll-in (2)		Variance
		Charge	Billings	Charge	Billings	
<u>Rural Delivery Point Service</u>						
Demand Charge	NCP (current) CP (proposed)	5,227,727 kW-Mo 5,172,279 kW-Mo		10.1890	\$ 52,700,351	\$ -
Energy Charge		2,449,147,804 kWh	\$ 0.019524 /kWh		\$ 47,817,162	\$ 72,827,859
Total Demand and Energy Charges					<u>\$ 100,517,512</u>	<u>\$ 125,528,210</u>
Green Power					401.36	401.36
Fuel Adjustment Clause					25,166,503	155,806
Environmental Surcharge					5,315,462	5,315,462
Unwind Surcredit					(8,038,629)	(8,038,629)
Non-FAC PPA Accruals					2,145,453	2,145,453
Estimated Credits from Amort of NFPPA Balance					(2,340,068)	(2,340,068)
Temperature Normalization Adjustment		(20,667,174) kWh			(421,610)	(421,610)
Total					<u>\$ 122,345,024</u>	<u>\$ 122,345,024</u>
Increase					11,831,935	11,831,935
Percentage Increase					10.71%	10.71%

Big Rivers Electric Corporation
 Reconciliation of Billing Determinants
 For the 12 Months Ended October 31, 2010

Supplement to original Exhibit Seelye-6

Rate	Billing Determinants	Proposed Rate Before FAC Roll-In (1)		Proposed Rate After FAC PPA Roll-in (2)		Variance
		Charge	Billings	Charge	Billings	
<u>Large Industrial Customer Delivery Point Service</u>						
Demand Charge	1,743,869 kW-Mo	10.8975 /kW-Mo	\$ 19,003,812	10.8975 /kW-Mo	19,003,812 \$	-
Energy Charge	928,887,170 kWh	\$ 0.014885 /kWh	13,826,246 \$	0.025097 /kWh	23,312,042	9,485,796
Total Demand and Energy Charges			<u>\$ 32,830,059</u>		<u>\$ 42,315,855</u>	9,485,796
Green Power						
Power Factor Provision and Off-System Sales Credit			185,472		185,472	-
Fuel Adjustment Clause			9,525,471		39,676	(9,485,796)
Environmental Surcharge			2,025,233		2,025,233	-
Unwind Surcredit			(3,052,791)		(3,052,791)	-
Non-FAC PPA Accruals			813,705		813,705	-
Estimated Credits from Amort of NFPPA Balance			(896,009)		(896,009)	-
Current Industrial Customer Adjustment - Demand	13,437 kW-Mo		146,428		146,428	-
Current Industrial Customer Adjustment - Energy	974,674 kWh		15,362		15,362	-
Total	<u>3,358,342,474 kWh</u>		<u>\$ 41,592,929</u>		<u>\$ 41,592,929</u>	-
Increase			\$ 2,332,557		\$ 2,332,557	-
Percentage Increase			5.94%		5.94%	-

Notes

- (1) Proposed Rate after Non-FAC PPA Roll-In per original Exhibit Seelye-6
- (2) Rate in (1) reflecting addition of \$0.010212 to base energy rate and change of FAC Base from \$0.01072 to \$0.020932

	Billing Units	Proposed Rate Before FAC Roll-in (1)		Proposed Rate After FAC PPA Roll-in (2)		Variance
		Rate	Billings	Rate	Billings	
SMELTERS						
Base Energy Charge						
Base Fixed Energy Charge	7,297,080,000 kWh	0.030368 /kWh	\$ 221,595,846.76	\$ 0.040580 /kWh	\$ 296,113,627.72	\$ 74,517,780.96
Base Variable Energy Charge	(183,758,640) kWh	0.012470 /kWh	(2,291,470.24)	0.022682 /kWh	(4,168,013.47)	(1,876,543.23)
Total Base Energy Charge	7,113,321,360 kWh		<u>\$ 219,304,376.52</u>		<u>\$ 291,945,614.25</u>	\$ 72,641,237.73
Other Charges or Credits						
Supplemental Power (Section 4.3)			\$ -		\$ -	\$ -
Backup Energy Charge (Section 4.4)	8,151,430 kWh		353,379.80		353,379.80	-
Transmission Charge (Section 4.5)			-		-	-
Excess Reactive Demand Charge (Section 4.6)			7,114,653.00		7,114,653.00	-
TIER Adjustment Charge (Section 4.7.1)			73,123,202.72		481,964.99	(72,641,237.73)
FAC (Section 4.8.1)			54,282.20		54,282.20	-
Non-FAC PPA			15,493,537.87		15,493,537.87	-
Environmental Surcharge (Section 4.8.3)			-		-	-
Amortization of Restructuring Amount (Section 16.5.1)			-		-	-
Less: Rebate (Section 4.9)			-		-	-
Less: Equity Development Credit (Section 4.10)			11,466,492.00		11,466,492.00	-
Surcharge (Section 4.11)			(28,015,862.60)		(28,015,862.60)	-
Surplus Sales (Section 4.13.1)	(769,627,000) kWh		-		-	-
Undeliverable Energy Sales (Section 4.13.1)			-		-	-
Potline Reduction Sales (Section 4.13.1)			(1,717,347.75)		(1,717,347.75)	-
Curtailement of Purchased Power (Section 4.13.2)	incl w/SS kWh		-		-	-
Economic Sales (Section 4.13.3)			-		-	-
Other Credits (Section 4.14)			-		-	-
Taxes (Section 4.15)			(3,818.03)		(3,818.03)	-
Other Amounts (Section 5.1)			657,687.71		657,687.71	-
Billing Adjustments						-
Total	6,351,845,790		<u>\$ 297,830,583.43</u>		<u>\$ 297,830,583.43</u>	-
Increase (Decrease)			\$ 15,438,742.60		\$ 15,438,742.60	-
Percentage Increase (Decrease)			5.47%		5.47%	-

Notes

- (1) Proposed Rate after Non-FAC PPA Roll-In per original Exhibit Seelye-6
- (2) Rate in (1) reflecting addition of \$0.010212 to base energy rate and change of FAC Base from \$0.01072 to \$0.020932

**PSC 4-1 - Exhibit 7 Rate Application –
Updates to Selected Tariff Sheets of Proposed Tariff**

**Big Rivers Electric Corporation
Case No. 2011-00036
Historical Test Period Filing Requirements**

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

**Supplement to Filing Requirement
807 KAR 5:001 Section 10(1)(a)7
Sponsoring Witness: Albert M. Yockey**

Description of Filing Requirement:

The proposed tariff in a form which complies with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed.

Response:

Pursuant to the Commission's Final Order in Case No. 2010-00485, and its June 22, 2011, Order in Case No. 2011-00036, Big Rivers hereby provides revisions to proposed tariff sheet nos. 1, 7, 24, and 48. These revisions comply with 807 KAR 5:011. The effective date of these revised tariff sheets is April 1, 2011.

For All Territory Served By
Cooperative's Transmission System
P.S.C.KY.NO. 24

Original SHEET NO. 1

Big Rivers Electric Corporation
(Name of Utility)

CANCELLING P.S.C.KY.NO. 23

Original SHEET NO. 23

RATES, TERMS AND CONDITIONS - SECTION I

STANDARD RATE - RDS - Rural Delivery Service [r]

Applicable: [r]

In all territory served by Cooperative's transmission system.

Availability: [r]

Available only for service to Big Rivers' member rural electric 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 Public Service Commission of Kentucky. ↓

Term: [r]

This rate schedule shall take effect at 12:01 a.m.

Rates: [r]

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

A Demand Charge of: [r]

All kW of billing demand at \$10.1890 per kW. [x]

Plus,

An Energy Charge of: [r]

All kWh per month at \$0.029736 per kWh. [R]

DATE OF ISSUE March 1, 2011

DATE EFFECTIVE April 1, 2011

ISSUED BY

Mark E. Bailey

President and Chief Executive Officer

Big Rivers Electric Corporation, 201 3rd St., Henderson, KY 42420

For All Territory Served By
Cooperative's Transmission System
P.S.C.KY.NO. 24

Original SHEET NO. 7

Big Rivers Electric Corporation
(Name of Utility)

CANCELLING P.S.C.KY.NO. 23

First Revised SHEET NO. 29

RATES, TERMS AND CONDITIONS – SECTION I

STANDARD RATE – LIC – Large Industrial Customer - contd

An Energy Charge of:
All kWh per month at \$0.025097 per kWh.

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 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 Curtailment Services Riders
- Renewable Resource Energy Service Rider
- Rebate Adjustment
- Environmental Surcharge
- Fuel Adjustment Clause
- Member Rate Stability Mechanism
- Unwind Surcredit
- Non-Smelter Non-FAC PPA

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.

DATE OF ISSUE March 1, 2011 DATE EFFECTIVE April 1, 2011

ISSUED BY Mark T. Bailey President and Chief Executive Officer
Big Rivers Electric Corporation, 201 3rd St., Henderson, KY 42420

For All Territory Served By
Cooperative's Transmission System
P.S.C.KY.NO. 24

Original SHEET NO. 24

Big Rivers Electric Corporation
(Name of Utility)

CANCELLING P.S.C.KY.NO. 23

First Revised SHEET NO. 46

RATES, TERMS AND CONDITIONS – SECTION I

STANDARD RATE – OFS – Cogeneration/Small Power Production Sales Tariff – Over 100 KW contd.

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

Off-peak usage is defined as all power requirements not included in paragraph (i) or (ii).

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

\$2.351 per kW of Scheduled Maintenance Demand per week, plus

\$0.029736 per kWh of Maintenance Energy; or

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:

\$2.351 per kW of Scheduled Maintenance Demand per week, plus

According to 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:

DATE OF ISSUE March 1, 2011 DATE EFFECTIVE April 1, 2011

ISSUED BY Mark A. T. Bailey President and Chief Executive Officer
Big Rivers Electric Corporation, 201 3rd St., Henderson, KY 42420

For All Territory Served By
Cooperative's Transmission System
P.S.C.KY.NO. _____ 24 _____

Original SHEET NO. 48

Big Rivers Electric Corporation
(Name of Utility)

CANCELLING P.S.C.KY.NO. _____ 23 _____

First Revised SHEET NO. 73

RATES, TERMS AND CONDITIONS - SECTION 2

FAC - Fuel Adjustment Clause:

[T]

Applicability:

To all Big Rivers' Members.

[T]

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 two Wholesale Electric Service Agreements each dated as of July 1, 2009, between Big Rivers and Kenergy with respect to service by Kenergy to the Smelters but excluding Supplemental and Back-Up Energy sales to the Smelters under those two Agreements.

- (1) 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:

- (2) 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

DATE OF ISSUE March 1, 2011 DATE EFFECTIVE April 1, 2011

ISSUED BY *Mark A. Bailey* President and Chief Executive Officer
Big Rivers Electric Corporation, 201 3rd St., Henderson, KY 42420

**PSC 4-1 - Exhibit 8 Rate Application –
Updates to Selected Tariff Sheets
Present Tariff versus Proposed Tariff
in Comparative Form on Facing Sheets Side-by-Side**

Big Rivers Electric Corporation
Case No. 2011-00036
Historical Test Period Filing Requirements

Supplement to Filing Requirement
807 KAR 5:001 Section 10(1)(a)8
Sponsoring Witness: Albert M. Yockey

Description of Filing Requirement:

The utility's proposed tariff changes, identified in compliance with 807 KAR 5:011, shown either by:

- (a) Providing the present and proposed tariffs in comparative form on the same sheet side by side or on facing sheets side by side; or,*
- (b) Providing a copy of the present tariff indicating proposed additions by italicized inserts or underscoring and striking over proposed deletions.*

Response:

Attached hereto are copies selected revised tariff sheets of Big Rivers' present and proposed tariffs in comparative form on facing sheets side-by-side.

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A
GENERAL ADJUSTMENT IN RATES**

CASE NO. 2011-00036

Present Tariff versus Proposed Tariff

This page intentionally left blank to permit

Review of

Present Tariff versus Proposed Tariff

in Comparative Form

on Facing Sheets Side-by-Side

For All Territory Served By
Cooperative's Transmission System
P.S.C.KY.NO. 24

Original SHEET NO. 1

Big Rivers Electric Corporation
(Name of Utility)

CANCELLING P.S.C.KY.NO. 23

Original SHEET NO. 23

RATES, TERMS AND CONDITIONS – SECTION I

STANDARD RATE - RDS – Rural Delivery Service [r]

Applicable: [r]

In all territory served by Cooperative's transmission system.

Availability: [r]

Available only for service to Big Rivers' member rural electric 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 Public Service Commission of Kentucky. ↓

Term: [r]

This rate schedule shall take effect at 12:01 a.m.

Rates: [r]

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

A Demand Charge of: [r]

All kW of billing demand at \$10.1890 per kW. [r]

Plus,

An Energy Charge of: [r]

All kWh per month at \$0.029736 per kWh. [r]

DATE OF ISSUE March 1, 2011 DATE EFFECTIVE April 1, 2011

ISSUED BY Mark A. Bailey President and Chief Executive Officer
Big Rivers Electric Corporation, 201 3rd St., Henderson, KY 42420

For All Territory Served By
Cooperative's Transmission System
P.S.C.KY.NO. 24

Original SHEET NO. 2

Big Rivers Electric Corporation
(Name of Utility)

CANCELLING P.S.C.KY.NO. 23

First Revised SHEET NO. 24

RATES, TERMS AND CONDITIONS – SECTION I

STANDARD RATE - RDS – Rural Delivery Service - contd

[T]

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

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

[T]

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

[T]
↓

[T]
↓

Demand Charge

[T]

The demand charge in this RDS tariff shall apply to each rural delivery point's 30-minute clock-hour demand measured at the time of Big Rivers' Maximum Adjusted Net Local Load, as defined in this paragraph, determined on a 30-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 30-minute clock-hour interval in the month; (ii) the actual demand during each 30-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 30-minute interval of highest adjusted net local load in the month shall determine the Maximum Adjusted Net Local Load. The kW demand for a 30-minute interval shall be determined by multiplying the kWh measured at a rural delivery point during the interval by 2.

DATE OF ISSUE March 1, 2011 DATE EFFECTIVE April 1, 2011

ISSUED BY Mark A. Bailey President and Chief Executive Officer
Big Rivers Electric Corporation, 201 3rd St., Henderson, KY 42420

For All Territory Served By
Cooperative's Transmission System
P.S.C.KY.NO. 24

Original SHEET NO. 7

Big Rivers Electric Corporation
(Name of Utility)

CANCELLING P.S.C.KY.NO. 23

First Revised SHEET NO. 29

RATES, TERMS AND CONDITIONS – SECTION 1

STANDARD RATE – LIC – Large Industrial Customer - contd []

An Energy Charge of: []

All kWh per month at \$0.025097 per kWh. []

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 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 Curtailment Services Riders
 - Renewable Resource Energy Service Rider
 - Rebate Adjustment
 - Environmental Surcharge
 - Fuel Adjustment Clause
 - Member Rate Stability Mechanism
 - Unwind Surcredit
 - Non-Smelter Non-FAC PPA
- ↓
[]

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.

DATE OF ISSUE March 1, 2011 DATE EFFECTIVE April 1, 2011

ISSUED BY Mark T. Bailey President and Chief Executive Officer
Big Rivers Electric Corporation, 201 3rd St., Henderson, KY 42420

For All Territory Served By
Cooperative's Transmission System
P.S.C.KY.NO. 24

Original SHEET NO. 24

Big Rivers Electric Corporation
(Name of Utility)

CANCELLING P.S.C.KY.NO. 23

First Revised SHEET NO. 46

RATES, TERMS AND CONDITIONS – SECTION 1

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

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

Off-peak usage is defined as all power requirements not included in paragraph (i) or (ii).

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

\$2.351 per kW of Scheduled Maintenance Demand per week, plus

\$0.029736 per kWh of Maintenance Energy; or

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:

\$2.351 per kW of Scheduled Maintenance Demand per week, plus

According to 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:

DATE OF ISSUE March 1, 2011 DATE EFFECTIVE April 1, 2011

ISSUED BY Mark A. T. Bailey President and Chief Executive Officer
Big Rivers Electric Corporation, 201 3rd St., Henderson, KY 42420

For All Territory Served By
Cooperative's Transmission System
P.S.C.KY.NO. 24

Original SHEET NO. 48

Big Rivers Electric Corporation
(Name of Utility)

CANCELLING P.S.C.KY.NO. 23

First Revised SHEET NO. 73

RATES, TERMS AND CONDITIONS – SECTION 2

FAC - Fuel Adjustment Clause:

[T]

Applicability:

To all Big Rivers' Members.

[T]

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 two Wholesale Electric Service Agreements each dated as of July 1, 2009, between Big Rivers and Kenergy with respect to service by Kenergy to the Smelters but excluding Supplemental and Back-Up Energy sales to the Smelters under those two Agreements.

- (1) 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:

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

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:

- (2) 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

DATE OF ISSUE March 1, 2011 DATE EFFECTIVE April 1, 2011

ISSUED BY Mark A. Bailey President and Chief Executive Officer
Big Rivers Electric Corporation, 201 3rd St., Henderson, KY 42420