SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC

ATTORNEYS AT LAW

Ronald M. Sullivan Jesse T. Mountjoy Frank Stainback James M. Miller

February 20, 2008

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PUBLIC SERVICE COMMISSION

Michael A. Fiorella William R. Dexter Allen W. Holbrook R. Michael Sullivan Bryan R. Reynolds Tyson A. Kamuf Mark W. Starnes C. Ellsworth Mountjoy Susan Montalvo-Gesser

Via Federal Express

Ms. Elizabeth O'Donnell **Executive Director Public Service Commission** 211 Sower Boulevard, P.O. Box 615 Frankfort, Kentucky 40602-0615

> Notice of Amendments to Existing Tariffs of Big Rivers Re: Electric Corporation and Kenergy Corp. to Implement a

Voluntary Real-Time Pricing Pilot Program for Large Commercial and Industrial Customers, Case No. 2007-

00164

Dear Ms. O'Donnell:

Enclosed, pursuant to the Public Service Commission's Order dated February 1, 2008, in the above-referenced matter, are the revised tariff sheets as approved by the Commission for Big Rivers Electric Corporation and Kenergy Corp. I certify that a copy of this letter and the enclosures have been served on the attached service list.

Sincerely,

Tyson Kamuf

TAK/ej **Enclosures**

David Spainhoward (w/enclosure) cc: Steve Thompson (w/enclosure) Sandy Novick (w/enclosure) Service List

Telephone (270) 926-4000 Telecopier (270) 683-6694

> 100 St. Ann Building PO Box 727 Owensboro, Kentucky 42302-0727

SERVICE LIST PSC CASE NO. 2007-00164

Dennis Howard, II, Esq.
Paul D. Adams, Esq.
Assistant Attorneys General
Utility & Rate Intervention Division
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601-8204

Michael L. Kurtz, Esq. BOEHM, KURTZ & LOWRY 36 East Seventh Street, Suite 1510 Cincinnati, Ohio 45202



(T)

For All Territory Served By Cooperative's Transmission System

PSC No. 22
Third Revised Sheet No. 60
Cancelling Second Revised Sheet No. 60

RULES AND REGULATIONS

10. BIG RIVERS LARGE INDUSTRIAL CUSTOMER EXPANSION RATE

a. <u>Availability:</u>

This schedule is available to any of the Member Cooperatives of Big Rivers for service to certain large industrial or commercial loads as specified in item (b) defining applicability. For all loads meeting the applicability criteria below, no other Big Rivers tariff rate will be available. As an alternative to this rate schedule, the Member Cooperative may negotiate a "Special Contract Rate" with Big Rivers for application on a case by case basis for loads meeting the applicability criteria below.

b. <u>Applicability:</u>

This schedule shall be applicable as follows:

- (1) To purchases made by a Member Cooperative for service to any New Customer initiating service after August 31, 1999, including New Customers with a QF as defined in Rate Schedule 9, that either initially contracts for five (5) MWs or more of capacity or whose aggregate peak load at any time amounts to five (5) MWs or greater (including any later increases to such load) in which case the entire load shall be thereafter subject to this rate schedule.
- (2) To purchases made by a Member Cooperative for expanded load requirements of Existing Customers, including Existing Customers with a QF as defined in Rate Schedule 9, where:
 (i) the customer was in existence and served under the then effective Big Rivers Large Industrial Customer Rate Schedule any time during the Base Year and, (ii) the

Date of Issue February 20, 2008 Date Effective February 25, 2000

Issued By Big Rivers Electric Corporation, P.O. Box 24, Henderson, KY 42420

Issued By Authority of PSC in Case No. 2007-00164, Order Dated February 1, 2008



PSC No. 22
Third Revised Sheet No. 63
Cancelling Second Revised Sheet No. 63

RULES AND REGULATIONS

(T) (9) Real Time Pricing — "Real Time Pricing" shall mean market pricing scheduled a day or week ahead, as requested by the Distribution Cooperative on behalf of the retail customer. (T) (10) SEPA — "SEPA" shall mean the Southeastern Power Administration. (T) (11) Special Contract Rate — "Special Contract Rate" shall mean a rate negotiated with a Distribution Cooperative to serve the load requirements of a New Customer or an Existing Customer, whice will include, upon request by the Distribution Cooperative, rates based on Real Time Pricing. (T) (12) Third-party Supplier — "Third-party Supplier" shall mean any supplier of wholesale electric service to Big Rivers other than LEM pursuant to the Power Purchase Agreement or SEPA. e. Expansion Demand and Expansion Energy: (1) Expansion Demand and Expansion Energy for the load requirements of a New Customer shall be the Member Cooperative's total demand and energy requirements for the New Customer, including amounts sufficient to compensate for losses on the Big Rivers' transmission system as set forth in Big Rivers' OATT. (2) Expansion Demand for the expanded load requirements of an Existing Customer shall be the amount in kW by which the customer's Base Year peak demand, plus an additional amount of demand sufficient to compensate for losses on the Big Rivers' OATT. In those months in which there is Expansion Demand, Expansion Energy shall be the amount in kWh by which the customer's kWh usage			
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		(2)	of an Existing Customer shall be the amount in kW by which the customer's Billing Demand exceeds the customer's Base Year peak demand, plus an additional amount of demand sufficient to compensate for losses on the Big Rivers' transmission system as set forth in Big Rivers' OATT. In those months in which there is Expansion Demand, Expansion Energy shall be the

Date of Issue February 20, 2008 Date Effective February 25, 2000

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PSC No. 22
Third Revised Sheet No. 64
Cancelling Second Revised Sheet No. 64

RULES AND REGULATIONS

for the current month exceeds the customer's actual kWh usage for the corresponding month of the Base Year, plus an additional amount of kWh sufficient to compensate for losses on the Big Rivers' transmission system as set forth in Big Rivers' OATT.

f. Rates and Charges:

(T) Expansion rate and charges shall be the sum of the following, including but not limited to Real-Time pricing:

(1) Expansion Demand and Expansion Energy Rates:

The Expansion Demand rates, Expansion Energy rates, or both shall be established to correspond to the actual costs of power purchased by Big Rivers from Third-Party Suppliers selected by Big Rivers from which Big Rivers procures the supply and delivery of the type and quantity of service required by the Member Cooperative for resale to its customer. Such monthly costs shall include the sum of all Third-Party Supplier charges, including capacity and energy charges, charges to compensate for transmission losses on Third-Party transmission systems, and all transmission and ancillary services charges on Third-Party transmission systems paid by Big Rivers to purchase such Expansion Demand and Expansion Energy and have it delivered to Big Rivers' transmission system.

(2) Expansion Demand Transmission Rate:

Big Rivers shall assess unbundled charges for network transmission service on the Big Rivers' Transmission System according to the rates in Big Rivers' OATT applied to each kW taken as Expansion Demand.

Date of Issue February 20, 2008 Date Effective February 25, 2000
Issued By February 20, 2008 Big Rivers Electric Corporation, P.O. Box 24, Henderson, KY 42420



PSC No. <u>22</u>
Third Revised Sheet No. <u>65</u>
Cancelling Second Revised Sheet No. <u>65</u>

RULES AND REGULATIONS

(3) <u>Ancillary Services Rates for Expansion Demand and Expansion Energy</u>:

Big Rivers shall assess unbundled rates for all ancillary services required to serve load served under this rate schedule. Big Rivers shall supply the following six ancillary services as defined and set forth in Big Rivers' OATT: (1) Scheduling, System Control and Dispatch; (2) Reactive Supply and Voltage Control from Generation Sources Services; (3) Regulation and Frequency Response Service; (4) Energy Imbalance Service; (5) Operating Reserve - Spinning Reserve Service; and (6) Operating Reserve - Supplemental Reserve Service. Generationbased ancillary services required to serve customers may, at Big Rivers' option, be purchased separately from Third-Party Suppliers other than LEM, in which case the actual costs of such ancillary services shall be passed through to the respective Member Cooperative. Alternatively, where Big Rivers supplies such ancillary services from its own resources (including additional purchases from LEM), such services will be provided under Big Rivers' tariff rates for such services as contained in Big Rivers' OATT.

(4) Big Rivers Adder

In addition to the charges contained in Items 10(f)(1), (2) and (3), Big Rivers shall charge \$.38 per kW/month for each kW billed to the Member Cooperative under this tariff for resale by the Member Cooperative to the qualifying customer.

(T) Big Rivers shall provide an appropriate meter to all Large Industrial

(T) Customer Delivery Point customers served under this rate schedule.

Date of Issue,,	, February 20, 2	008	Date Effective		uary 25, 200	
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PSC No. 22
Third Revised Sheet No. 66
Cancelling Second Revised Sheet No. 66

RULES AND REGULATIONS

(T)	h. BII	LING FORM:				
		INVOICE				
ВІ		P.O. BOX 24, HENDERSON, KY 42	420			
TO: LARGE INDUSTRI DELIVERY POINTS USAGE:	AL CUSTOMER EXPANSION SERV	ACCOUNT /ICE FROM / / THRU /	/			
	TIME / DAY BASE PEAR		kW DEMAND BILLED kW BILLED			
	PREVIOUS PRESENT	DIFFERENCE MULT.	kWh USED kWh USED			
EXPANSION DEMAND	& EXPANSION ENERGY					
EXPANSION DE	EMAND, INCLUDING LOSSES	kw TIMES \$ EQUAL	.s \$			
P/F PENALTY		kW TIMES \$ EQUAL	S \$			
	NERGY, INCLUDING LOSSES SION SERVICE CHARGES	kWh TIMES \$ EQUA				
EXPANSION DEMAND T	RANSMISSION SHARE OF NETWORK LOAD		\$			
EXPANSION DEMAND & EXPANSION ENERGY ANCILLARY SERVICES SCHEDULING, SYSTEM CONTROL & DISPATCH SERVICE REACTIVE SUPPLY & VOLTAGE CONTROL FROM GENERATION SOURCES SERVICE REGULATION & FREQUENCY RESPONSE SERVICE ENERGY IMBALANCE SERVICE OPERATING RESERVE-SPINNING RESERVE SERVICE OPERATING RESERVE-SUPPLEMENTAL RESERVE SERVICE \$						
BIG RIVERS ADDER EXPANSION DE	EMAND	kw TIMES \$ EQU	ALS \$			
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Issued By Authority of PSC in Case No. 2007-00164, Order Dated February 1, 2008



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CLASSIFICATION OF SERVICE

Schedule 41 – Large Industrial Customers Served Under Special Contract for All Loads Subject to the Big Rivers Large Industrial Customer Expansion Rate

BIG RIVERS LARGE INDUSTRIAL CUSTOMER EXPANSION RATE

Availability a.

This schedule is available to any of the Member Cooperatives of Big Rivers for certain large industrial or commercial loads as specified in item (b) defining applicability. For all loads meeting the applicability criteria below, no other Big Rivers tariff rate will be available. As an alternative to this rate schedule, the Member Cooperative may negotiate a "Special Contract Rate" with Big Rivers for application on a case-by-case basis for loads

(T) meeting the applicability criteria below.

Applicability: b.

This schedule shall be applicable as follows:

- To purchases made by a Member Cooperative for service to any New Customer (1) initiating service after August 31, 1999, including New Customers with a QF as defined in Rate Schedule 9, that either initially contracts for five (5) MWs or more of capacity or whose aggregate peak load at any time amounts to five (5) MWs or greater (including any later increases to such load) in which case the entire load shall be thereafter subject to this rate schedule.
- To purchases made by a Member Cooperative for expanded load requirements of (2)Existing Customers, including Existing Customers with a QF as defined in Rate Schedule 9, where: (i) the customer was in existence and served under the then effective Big Rivers Large Industrial Customer Rate Schedule any time during the Base Year and, (ii) the expanded load requirements are increases in peak load which in the aggregate result in a peak demand which is at least five (5) MWs greater than the customer's Base Year peak demand.
- To purchases made by a Member Cooperative for the expanded load requirements of (3) Existing Customers, including Existing Customers with a QF as defined in Rate Schedule 9. where: (i) the customer's load was in existence and served through a Rural Delivery Point

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ISSUED BY AUTHORITY OF PSC ORDER NO. 2007-00164.



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CLASSIFICATION OF SERVICE

Schedule 41 – Large Industrial Customers Served Under Special Contract for All Loads Subject to the Big Rivers Large Industrial Customer Expansion Rate

- (6) New Customer "New Customer" shall mean any customer of a Member Cooperative commencing service on or after September 1, 1999.
- (7) OATT "OATT" shall mean Big Rivers' effective Open Access Transmission Tariff filed at the Federal Energy Regulatory Commission and/or the Kentucky Public Service Commission.
- (8) Power Purchase Agreement "Power Purchase Agreement" shall mean the Power Purchase Agreement between Big Rivers and LEM dated July 1998.
- (T) (9) Real Time Pricing "Real Time Pricing" shall mean market pricing scheduled a day or week ahead, as requested by the Distribution Cooperative on behalf of the retail customer.
- (T) (10) SEPA "SEPA" shall mean the Southeastern Power Administration.
- (T) Special Contract Rate "Special Contract Rate" shall mean a rate negotiated with a Distribution Cooperative to serve the load requirements of a New Customer or an Existing Customer, which will include, upon request by the Distribution Cooperative, rates based on Real Time Pricing.
- (T) (12) Third-Party Supplier "Third-Party Supplier" shall mean any supplier of wholesale electric service to Big Rivers other than LEM pursuant to the Power Purchase Agreement or SEPA.
- e. Expansion Demand and Expansion Energy:
 - (1) Expansion Demand and Expansion Energy for the load requirements of a New Customer shall be the Member Cooperative's total demand and energy requirements for the New Customer, including amounts sufficient to compensate for losses on the Big Rivers' transmission system as set forth in Big Rivers' OATT.
 - (2) Expansion Demand for the expanded load requirements of an Existing Customer shall be the amount in KW by which the customer's Billing Demand exceeds the customer's Base Year peak demand, plus an additional amount of demand sufficient to compensate for

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CLASSIFICATION OF SERVICE

Schedule 41 – Large Industrial Customers Served Under Special Contract for All Loads Subject to the Big Rivers Large Industrial Customer Expansion Rate

- losses on the Big Rivers' transmission system as set forth in Big Rivers' OATT. In those months in which there is Expansion Demand, Expansion Energy shall be the amount in KWH by which the customer's KWH usage for the current month exceeds the customer's actual KWH usage for the corresponding month of the Base Year, plus an additional amount of KWH sufficient to compensate for losses on the Big Rivers' transmission system as set forth in Big Rivers' OATT.
 - f. Rates and Charges:
- (T) Expansion rate and charges shall be the sum of the following, including but not limited to Real-Time pricing:
 - (1) <u>Expansion Demand and Expansion Energy Rates</u>:

The Expansion Demand rates, Expansion Energy rates, or both shall be established to correspond to the actual costs of power purchased by Big Rivers from Third-Party Suppliers selected by Big Rivers from which Big Rivers procures the supply and delivery of the type and quantity of service required by the Member Cooperative for resale to its customer. Such monthly costs shall include the sum of all Third-Party Supplier charges, including capacity and energy charges, charges to compensate for transmission losses on Third-Party transmission systems, and all transmission and ancillary services charges on Third-Party transmission systems paid by Big Rivers to purchase such Expansion Demand and Expansion Energy and have it delivered to Big Rivers' transmission system.

(2) Expansion Demand Transmission Rate:

Big Rivers shall assess unbundled charges for network transmission service on the Big Rivers' Transmission System according to the rates in Big Rivers' OATT applied to each KW taken as Expansion Demand.

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CLASSIFICATION OF SERVICE

Schedule 41 – Large Industrial Customers Served Under Special Contract for All Loads
Subject to the Big Rivers Large Industrial Customer Expansion Rate

(T) (3) <u>Ancillary Services Rates for Expansion Demand and Expansion Energy</u>:

Big Rivers shall assess unbundled rates for all ancillary services required to serve load served under this rate schedule. Big Rivers shall supply the following six ancillary services as defined and set forth in Big Rivers' OATT: (1) Scheduling, System Control and Dispatch; (2) Reactive Supply and Voltage Control from Generation Sources Services; (3) Regulation and Frequency Response Service; (4) Energy Imbalance Service; (5) Operating Reserve – Spinning Reserve Service; and (6) Operating Reserve – Supplemental Reserve Service. Generation-based ancillary services required to serve customers may, at Big Rivers' option, be purchased separately from Third-Party Suppliers other than LEM, in which case the actual costs of such ancillary services shall be passed through to the respective Member Cooperative. Alternatively, where Big Rivers supplies such ancillary services from its own resources (including additional purchases from LEM), such services will be provided under Big Rivers' tariff rates for such services as contained in Big Rivers' OATT.

(4) <u>Big Rivers Adder</u>

In addition to the charges contained in Items 10(f)(1), (2) and (3), Big Rivers shall charge \$.38 per KW/month for each KW billed to the Member Cooperative under this tariff for resale by the Member Cooperative to the qualifying customer.

(N) g. Meters

Big Rivers shall provide an appropriate meter to all Large Industrial Customer Delivery Point customers served under this rate schedule.

(T)	h.	Billing Form:				
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