

SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC
ATTORNEYS AT LAW

May 3, 2012

RECEIVED

MAY 04 2012

PUBLIC SERVICE
COMMISSION

Ronald M. Sullivan
Jesse T. Mountjoy
Frank Stainback
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R. Michael Sullivan
Bryan R. Reynolds
Tyson A. Kamuf
Mark W. Starnes

Via Federal Express

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

C. Ellsworth Mountjoy
Mary L. Moorhouse

Re: *In the Matter of: Application of Big Rivers Electric Corporation for Approval of its 2012 Environmental Compliance Plan, for Approval of its Amended Environmental Cost Recovery Surcharge Tariff, for Certificates of Public Convenience and Necessity, and for Authority to Establish a Regulatory Account, P.S.C. Case No. 2012-00063*

Dear Mr. DeRouen:

Enclosed for filing on behalf of Big Rivers Electric Corporation ("Big Rivers") are an original and ten copies of (i) a revised version of Big Rivers' proposed environmental surcharge tariff and related tariff sheets, and (ii) a revised version of a redline of the environmental surcharge tariff and related tariff sheets. The revised and redlined versions of the tariff sheets are being filed pursuant to the Commission's April 30, 2012, Order in this matter to show an effective date of October 2, 2012. The revised tariff sheets replace Exhibit Wolfram-2 to the Direct Testimony of John Wolfram, which was filed with Big Rivers' application in this matter. The redlined version of the tariff sheets replaces Exhibit Wolfram-3 to Mr. Wolfram's testimony. Also enclosed are an original and ten copies of a revised version of the second page of Big Rivers' tariff table of contents. This revised sheet incorporates the new effective date of the environmental surcharge tariff. A copy of this letter and a copy of the enclosures have been served on each person on the attached service list.

Sincerely,



Tyson Kamuf

TAK/ej
Enclosures

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

cc: Mark A. Bailey
Albert Yockey

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

Service List
PSC Case No. 2012-00063

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

Michael L. Kurtz, Esq.
Kurt J. Boehm, Esq.
Boehm, Kurtz and Lowry
36 East Seventh Street, Suite 1510
Cincinnati, OH 45202

David C. Brown, Esq.
Stites & Harbison PLLC
1800 Providian Center
400 West Market Street
Louisville, KY 40202

Case No. 2012-00063

Exhibit Wolfram-2 – Proposed Big Rivers ES Tariff (*Start*)

(*Updated May 4, 2012*)

Big Rivers Electric Corporation Table of Contents

[T]

Standard Electric Rate Schedules – Terms and Conditions

<u>Title</u>	<u>Sheet Number</u>	<u>Effective Date</u>
SECTION 2 – Adjustment Clauses and Service Riders (<i>continued</i>)		
ES Environmental Surcharge	46	10-02-2012
FAC Fuel Adjustment Clause	48	09-01-2011
MRSM Member Rate Stability Mechanism	51	09-01-2011
US Unwind Surcredit	55	09-01-2011
RER Rural Economic Reserve Rider	57	09-01-2011
NSNFP Non-Smelter Non-FAC PPA	59	09-01-2011
SECTION 3 – Special Rules Terms and Conditions		
Contract Demand	64	09-01-2011
Metering	64	09-01-2011
Electric Characteristics and Delivery Point(s)	64	09-01-2011
Substations	64	09-01-2011
Rate	64	09-01-2011
Discount Adjustment	65	09-01-2011
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Power Factor	66	09-01-2011
Right-of-Access	67	09-01-2011
Continuity of Service	67	09-01-2011
Payments of Bills	67	09-01-2011
Transmission Emergency Control Program	68	09-01-2011
Generation Deficiency Emergency Control Program	71	09-01-2011
Fuel Emergency Control Program	73	09-01-2011
SECTION 4 – Definitions		
	77	

DATE OF ISSUE May 4, 2012 DATE EFFECTIVE October 2, 2012

Mark A. Bailey

ISSUED BY

Mark A. Bailey, President and Chief Executive Officer
 Big Rivers Electric Corporation, 201 Third Street, Henderson, KY 42420

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

First Revised SHEET NO. 3

CANCELLING P.S.C. KY. No. 24

Original SHEET NO. 3

Big Rivers Electric Corporation
 (Name of Utility)

RATES, TERMS AND CONDITIONS – SECTION 1

**STANDARD RATE – RDS – Rural Delivery Service
 Billing Form**

BIG RIVERS ELECTRIC CORP.		INVOICE P. O. BOX 24 MONTH ENDING mm/dd/yy		HENDERSON, KY 42419-0024			
TO: Member's Name	ACCOUNT	BILLED PEAK		mm/dd	Time		
SERVICE FROM: mm/dd/yyyy	THRU mm/dd/yyyy						
SUBSTATION	BILLED 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	1000
Name	0,000	0,000,000	00 00	000000 000	000000 000	00000 000	1000
TOTAL	0,000	0,000,000					
ACTUAL DEMAND				KW TIMES	\$0.00	EQUALS	\$00 00
ADJUSTMENT				KW TIMES	\$0.00	EQUALS	\$00 00
ENERGY				KWh TIMES	\$0.00	EQUALS	\$00 00
FUEL ADJUSTMENT CLAUSE				KWh TIMES	\$0.00	EQUALS	\$00 00
NSNFP				KWh TIMES	\$0.00	EQUALS	\$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
MEMBER RATE STABILITY MECHANISM				AMOUNT			\$00 00
REBATE ADJUSTMENT				AMOUNT			\$00 00
RURAL ECONOMIC RESERVE				AMOUNT			\$00 00
CSR				AMOUNT			\$00 00
RRES				KWh TIMES	\$0.00	EQUALS	\$00 00
ADJUSTMENT				KWh TIMES	\$0.00	EQUALS	\$00 00
TOTAL AMOUNT DUE							\$00.00

[T]
↓

[T]
↓

[T]
↓

LOAD FACTOR COIN 00 00% BILLED 00 00% BASE 00 00% POWER FACTOR AVERAGE 00 00% @ PEAK 00 00% MILLS PER KWH 00 00

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

DATE OF ISSUE April 2, 2012 DATE EFFECTIVE October 2, 2012

ISSUED BY *Mark A. Bailey*

Mark A. Bailey, President and Chief Executive Officer
 Big Rivers Electric Corporation, 201 Third Street, Henderson, KY 42420

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

First Revised SHEET NO. 8

CANCELLING P.S.C. KY. No. 24

Original SHEET NO. 8

Big Rivers Electric Corporation
 (Name of Utility)

RATES, TERMS AND CONDITIONS – SECTION I

**STANDARD RATE – LIC – Large Industrial Customer
 Billing Form**

BIG RIVERS ELECTRIC CORP.		INVOICE P. O. BOX 24		HENDERSON, KY 42419-0024		
		MONTH ENDING mm/dd/yy				
TO:	Member's Name	ACCOUNT				
SUBSTATION	Substation Name	SERVICE FROM		mm/dd/yy	THRU	mm/dd/yy
USAGE	DEMAND	TIME	DAY	METER	MULT	KW DEMAND
		00:00 A (or P)	Mm/dd		1000	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	0000 000	1000	00,000,000
ACTUAL DEMAND	0,000	KW TIMES	\$00 0000000		EQUALS	\$ 00,000 00
ADJUSTMENT	0,000	KW TIMES	\$00 0000000		EQUALS	\$ 00,000 00
				SUB-TOTAL		\$ 00,000 00
ENERGY	0,000,000	KWh TIMES	\$0 0000000		EQUALS	\$ 00,000 00
FUEL ADJUSTMENT CLAUSE	0,000,000	KWh TIMES	\$0 0000000		EQUALS	\$ 00,000 00
NSNFP	0,000,000	KWh TIMES	\$0 0000000		EQUALS	\$ 00,000 00
				SUB-TOTAL		\$ 00,000 00
ENVIRONMENTAL SURCHARGE	\$0,000 00	TIMES	00%		EQUALS	\$ 00,000 00
POWER FACTOR PENALTY	0,000	KW TIMES	\$00 0000000		EQUALS	\$ 00,000 00
UNWIND SURCREDIT	0,000,000	KWh TIMES	\$0 0000000		EQUALS	\$ 00,000 00-
MEMBER RATE STABILITY MECHANISM	0,000,000	AMOUNT				0,000 00-
CSR	0,000,000	AMOUNT				\$ 00,000 00
RRES	0,000,000	KWh TIMES	\$0 0000000		EQUALS	\$ 00,000 00
REBATE ADJUSTMENT	0,000,000	AMOUNT				\$ 00,000 00
ADJUSTMENT	0,000,000	KWh TIMES	\$0 0000000		EQUALS	\$ 00,000 00
				SUB-TOTAL		\$ 00,000 00
				TOTAL AMOUNT DUE		\$ 00,000 00

[T]
↓

[T]
↓

----- LOAD FACTOR -----	----- POWER FACTOR -----	
ACTUAL	BILLED	BASE
00 00%	00 00%	00 00%
		AVERAGE
		00 00%
		@ PEAK
		00 00%
		MILLS PER KWH
		00 00

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

DATE OF ISSUE April 2, 2012 DATE EFFECTIVE October 2, 2012

ISSUED BY *Mark A. Bailey*

Mark A. Bailey, President and Chief Executive Officer
 Big Rivers Electric Corporation, 201 Third Street, Henderson, KY 42420

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

First Revised SHEET NO. 46

CANCELLING P.S.C. KY. No. _____ 24

Original SHEET NO. 46

Big Rivers Electric Corporation
(Name of Utility)

RATES, TERMS AND CONDITIONS – SECTION 2

ES - Environmental Surcharge: [T]

Applicability:
To all Big Rivers' Members. [T]

Availability:
The Environmental Surcharge ("ES") is mandatory to all Standard Rate Schedules listed in Section 1 of the General Index, and to the FAC and the Non-FAC PPA adjustment clauses, including service 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. [T]
[T]

Rate: [T]
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:

$$\text{CESF} = \text{Net Jurisdictional } E(m) / \text{Jurisdictional } R(m)$$

$$\text{MESF} = \text{CESF} - \text{BESF}$$

MESF = Monthly Environmental Surcharge Factor
CESF = Current Environmental Surcharge Factor
BESF = Base Environmental Surcharge Factor of \$0.00000/kWh

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. [T]

Definitions: [T][N]

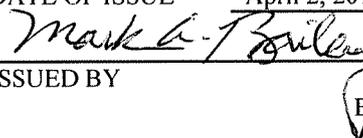
(1) $E(m) = [(RB/12)(RORB)] + OE - BAS$

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; [T]

DATE OF ISSUE April 2, 2012 DATE EFFECTIVE October 2, 2012

ISSUED BY



Mark A. Bailey, President and Chief Executive Officer
Big Rivers Electric Corporation, 201 Third Street, Henderson, KY 42420

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

First Revised SHEET NO. 47

CANCELLING P.S.C. KY. No. _____ 24

Original SHEET NO. 47

Big Rivers Electric Corporation
(Name of Utility)

RATES, TERMS AND CONDITIONS – SECTION 2

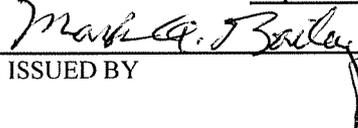
ES - Environmental Surcharge – (continued)

Definitions (continued):

- (b) RORB 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; [T] ↓
- (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 [T]
- (d) BAS is the net proceeds from By-Products and Emission Allowance Sales. [T]
- (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. [T] ↓
- (3) The revenue R(m) is the average monthly revenue, including base revenues and automatic adjustment clause revenue less Environmental Cost Recovery Surcharge revenues, for Big Rivers for the twelve months ending with the current expense month. [T] ↓
- (4) Jurisdictional E(m) is adjusted for Over/(Under) Recovery and, if ordered by the Public Service Commission, a Prior Period Adjustment to arrive at Net Jurisdictional E(m). [T]
- (5) The current expense month (m) shall be the second month preceding the month in which the ES is billed. [T]

DATE OF ISSUE April 2, 2012 DATE EFFECTIVE October 2, 2012

ISSUED BY



Mark A. Bailey, President and Chief Executive Officer
Big Rivers Electric Corporation, 201 Third Street, Henderson, KY 42420

Case No. 2012-00063

Exhibit Wolfram-2 – Proposed Big Rivers ES Tariff (*End*)

(*Updated May 4, 2012*)

**Big Rivers Electric Corporation
 Table of Contents**

[T]
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<u>Title</u>	<u>Sheet Number</u>	<u>Effective Date</u>
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SECTION 4 – Definitions	77	

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DATE OF ISSUE May 4, 2012 DATE EFFECTIVE October 2, 2012

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

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

Big Rivers Electric Corporation
 (Name of Utility)

First Revised SHEET NO. 3
 CANCELLING P.S.C. KY. No. 24
Original SHEET NO. 3

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RATES, TERMS AND CONDITIONS -- SECTION 1

**STANDARD RATE - RDS - Rural Delivery Service
 Billing Form**

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

TO: SERVICE FROM:	Member's Name mm/dd/yyyy	ACCOUNT THRU mm/dd/yyyy	L.F COIN	PREVIOUS READING	BILLED PEAK READING	DIFF.	Time KW / KWH MULT.
Name	0,000	0,000,000	00 00	000000 000	000000 000	00000 000	1000
Name	0,000	0,000,000	00 00	000000 000	000000 000	00000 000	1000
TOTAL	0,000	0,000,000					

ACTUAL DEMAND				KW TIMES	\$0.00	EQUALS	\$00.00
ADJUSTMENT				KW TIMES	\$0.00	EQUALS	\$00.00
ENERGY				kWh TIMES	\$0.00	EQUALS	\$00.00
FUEL ADJUSTMENT CLAUSE				kWh TIMES	\$0.00	EQUALS	\$00.00
NSNFP				kWh TIMES	\$0.00	EQUALS	\$00.00
						SUBTOTAL	\$00.00
ENVIRONMENTAL SURCHARGE	\$00.00			TIMES	0.00%	EQUALS	\$00.00
POWER FACTOR PENALTY				kWh TIMES	\$0.00	EQUALS	\$00.00
UNWIND SURCREDIT				kWh TIMES	\$0.00	EQUALS	\$00.00
MEMBER RATE STABILITY MECHANISM				AMOUNT			\$00.00
REBATE ADJUSTMENT				AMOUNT			\$00.00
RURAL ECONOMIC RESERVE				AMOUNT			\$00.00
CSR				AMOUNT			\$00.00
RRES				kWh TIMES	\$0.00	EQUALS	\$00.00
ADJUSTMENT				kWh TIMES	\$0.00	EQUALS	\$00.00
						TOTAL AMOUNT DUE	\$00.00

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

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

[T]

[T]

[T]

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Deleted: December 20, 2011

Deleted: September 1, 2011

Deleted: Issued by Authority of Orders of the Public Service Commission in Case No. 2011-00036 dated November 17, 2011, and December 14, 2011.

DATE OF ISSUE April 2, 2012 DATE EFFECTIVE October 2, 2012

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

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

Big Rivers Electric Corporation
 (Name of Utility)

First Revised SHEET NO. 8
 CANCELLING P.S.C. KY. No. 24
Original SHEET NO. 8

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RATES, TERMS AND CONDITIONS – SECTION I

**STANDARD RATE – LIC – Large Industrial Customer
 Billing Form**

BIG RIVERS ELECTRIC CORP.		INVOICE		HENDERSON, KY 42419-0024	
		P. O. BOX 24			
		MONTH ENDING mm/dd/yy			
TO:	Member's Name	ACCOUNT			
SUBSTATION	Substation Name	SERVICE FROM	mm/dd/yy	THRU	mm/dd/yy
USAGE	DEMAND	METER	MULT	KW DEMAND	
	TIME	DAY		1000	00,000
	00:00 A (or P)	Mm/dd			
	POWER FACTOR	BASE	PEAK	AVERAGE	BILLED
		00 00%	00 00%	00 00%	PEAK
ENERGY	PREVIOUS	PRESENT	DIFFERENCE	MULT.	KWH USED
	00000.000	00000.000	0000.000	1000	00,000,000
ACTUAL DEMAND	0.000	KW TIMES	\$00.00000000	EQUALS	\$ 00,000.00
ADJUSTMENT	0.000	KW TIMES	\$00.00000000	EQUALS	\$ 00,000.00
			SUB-TOTAL		\$ 00,000.00
ENERGY	0,000,000	KWh TIMES	\$0.00000000	EQUALS	\$ 00,000.00
FUEL ADJUSTMENT CLAUSE	0,000,000	KWh TIMES	\$0.00000000	EQUALS	\$ 00,000.00
NSNFP	0,000,000	KWh TIMES	\$0.00000000	EQUALS	\$ 00,000.00
			SUB-TOTAL		\$ 00,000.00
ENVIRONMENTAL SURCHARGE	\$0.0000.00	TIMES	00%	EQUALS	\$ 00,000.00
POWER FACTOR PENALTY	0.000	KW TIMES	\$00.00000000	EQUALS	\$ 00,000.00
UNWIND SURCREDIT	0,000,000	KWh TIMES	\$0.00000000	EQUALS	\$ 00,000.00-
MEMBER RATE STABILITY MECHANISM	0,000,000	AMOUNT			0,000.00-
CSR	0,000,000	AMOUNT			\$ 00,000.00
RRES	0,000,000	KWh TIMES	\$0.00000000	EQUALS	\$ 00,000.00
REBATE ADJUSTMENT	0,000,000	AMOUNT			\$ 00,000.00
ADJUSTMENT	0,000,000	KWh TIMES	\$0.00000000	EQUALS	\$ 00,000.00
			SUB-TOTAL		\$ 00,000.00
			TOTAL AMOUNT DUE		\$ 00,000.00

[T]

[T]

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Deleted: NSNFP

Deleted: December 20, 2011
 Deleted: September 1, 2011
 Deleted: Issued by Authority of Orders of the Public Service Commission in Case No. 2011-00036 dated November 17, 2011, and December 14, 2011.

DATE OF ISSUE April 2, 2012 DATE EFFECTIVE October 2, 2012

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

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

First Revised SHEET NO. 46

Big Rivers Electric Corporation
(Name of Utility)

CANCELLING P.S.C. KY. No. 24

Original SHEET NO. 46

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RATES, TERMS AND CONDITIONS – SECTION 2

ES - Environmental Surcharge:

[T]

Formatted: Footer distance from edge: 0.31"

Applicability:

To all Big Rivers' Members.

[T]

Availability:

The Environmental Surcharge ("ES") is mandatory to all Standard Rate Schedules listed in Section 1 of the General Index, and to the FAC and the Non-FAC PPA adjustment clauses, including service 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.

[T]

[T]

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Deleted: sales by Big Rivers to its Members, including Base Energy sales

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:

[T]

[T][N]

$$CESF = \text{Net Jurisdictional } E(m) / \text{Jurisdictional } R(m)$$

$$MESF = CESF - BESF$$

MESF = Monthly Environmental Surcharge Factor
CESF = Current Environmental Surcharge Factor
BESF = Base Environmental Surcharge Factor of \$0.00000/kWh

Deleted: , but excluding (i) Supplemental and Back-Up Energy sales to the Smelters under those two agreements and (ii) Backup Power Service and Energy Imbalance Service to Kenergy for Domtar Paper Company, LLC (in the aggregate, "Jurisdictional Sales")

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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.

[T]

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Deleted: kWh sales

Definitions:

(1) $E(m) = [(RB/12)(RORB)] + OE - BAS$

[T][N]

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;

[T]

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Deleted: December 20, 2011

Deleted: September 1, 2011

Deleted: Issued by Authority of Orders of the Public Service Commission in Case No. 2011-00036 dated November 17, 2011, and December 14, 2011.

DATE OF ISSUE April 2, 2012 DATE EFFECTIVE October 2, 2012

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

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

Big Rivers Electric Corporation
(Name of Utility)

First Revised SHEET NO. 47

CANCELLING P.S.C. KY. No. 24

Original SHEET NO. 47

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Deleted: First Revised

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RATES, TERMS AND CONDITIONS – SECTION 2

ES - Environmental Surcharge – (continued)

Definitions (continued):

(b) RORB 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 revenue less Environmental Cost Recovery 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 Public Service 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.

[T]

[T]

[T]

[T]

[T]

[T]

[T]

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Jurisdictional Sales

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Deleted: sum of kWh of (i) Jurisdictional Sales, (ii) off-system sales, (iii) ¶ Supplemental and Back-Up sales to the Smelters, and (iv) Backup Power Service and Energy Imbalance Service to Kenergy for Domtar Paper Company, LLC

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Deleted: September 1, 2011

Deleted: Issued by Authority of Orders of the Public Service Commission in Case No. 2011-00036 dated November 17, 2011, and December 14, 2011.

DATE OF ISSUE April 2, 2012 DATE EFFECTIVE October 2, 2012

ISSUED BY Mark A. Bailey, President and Chief Executive Officer
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