P.S.C. KY NO. 8

CANCELS P.S.C. KY NO. 7

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

OF

PAINTSVILLE, KENTUCKY

RATES, RULES, AND REGULATIONS FOR PURCHASING ELECTRIC POWER AND ENERGY AT VARIOUS LOCATIONS THROUGHOUT KENTUCKY FROM QUALIFIED COGENERATION AND SMALL POWER PRODUCTION FACILITIES

FILED WITH THE PUBLIC SERVICE COMMISSION
OF KENTUCKY

ISSUED March 29, 2013 EFFECTIVE June 1, 2013

ISSUED BY BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

BY

David Estepp
President and General Manager

BIG SANDY RURAL ELECTRIC COOPERATIVE CORP.

COGENERATION AND SMALL POWER PRODUCTION POWER PURCHASE RATE SCHEDULE OVER 100 kW

AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of over 100 kW which have executed a contract with Big Sandy RECC and EKPC for the purchase of electric power by Big Sandy RECC.

RATES

The rates set forth below shall be used as the basis for negotiating a final purchase rate with qualifying facilities pursuant to Section 7 of 807 KAR 5:054.

1. Capacity

   a. $1.52 per kW per year is applicable if cogenerator or small power producer is dispatched by Big Sandy RECC.

   b. $0.00017 per kWh is applicable if cogenerator or small power producer is not dispatched by Big Sandy RECC.

2. Energy – A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.

   a. Time Differentiated Rates:

	Winter		Summer		
Year	On-Peak	Off-Peak	On-Peak	Off-Peak	
2013	$0.03578	$0.02816	$0.03898*	$0.02851	(R) (I)*
2014	$0.03795	$0.02985	$0.04042	$0.02955	(R)
2015	$0.03998	$0.03143	$0.04167	$0.03062	(R)
2016	$0.04131	$0.03244	$0.04379	$0.03211	(R)
2017	$0.03780	$0.03926	$0.04082	$0.03727	(N)

   b. Non-Time Differentiated Rates:

Year	2013	2014	2015	2016	2017*	
Rate	$0.03290	$0.03455	$0.03608	$0.03753	$0.03881*	(R) (N)*

DATE OF ISSUE March 29, 2013 DATE EFFECTIVE June 1, 2013

ISSUED BY David Estepp TITLE President & General Manager

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00128 Dated August 20, 2008

The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

Winter (October - April)

On-Peak	7:00 a.m. - 12:00 noon 5:00 p.m. - 10:00 p.m.
Off-Peak	12:00 noon - 5:00 p.m. 10:00 p.m. - 7:00 a.m.

Summer (May - September)

On-Peak	10:00 a.m. - 10:00 p.m.
Off-Peak	10:00 p.m. - 10:00 a.m.

TERMS AND CONDITIONS

1. All power from a Qualifying Facility (QF) will be sold only to Big Sandy RECC.
2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
3. Qualifying Facility (QF) shall provide reasonable protection for Big Sandy RECC and EKPC.
4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the Qualifying Facility in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
5. Qualifying Facility shall reimburse Big Sandy RECC and EKPC for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

6. Qualifying Facility shall obtain insurance in the following minimum amounts for each occurrence:

   a. Public Liability for Bodily Injury - $1,000,000.00

   b. Property Damage - $500,000.00

7. Initial contract term shall be for a minimum of five years.

8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.

9. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff.

10. Updated rates will be filed with the Public Service Commission of Kentucky by March 31 of each year.

COGENERATION AND SMALL POWER PRODUCTION
POWER PURCHASE RATE SCHEDULE
LESS THAN 100 kW

AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of less than 100 kW which have executed a contract with Big Sandy RECC and EKPC for the purchase of electric power by Big Sandy RECC

RATES

1. Capacity

   a. $1.52 per kW per year is applicable if cogenerator or small power producer is dispatched by Big Sandy RECC.

   b. $0.00017 per kWh is applicable if cogenerator or small power producer is not dispatched by Big Sandy RECC.

2. Energy – A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.

   a. Time Differentiated Rates:

	Winter		Summer		
Year	On-Peak	Off-Peak	On-Peak	Off-Peak	
2013	$0.03578	$0.02816	$0.03898*	$0.02851	(R) (I)*
2014	$0.03795	$0.02985	$0.04042	$0.02955	(R)
2015	$0.03998	$0.03143	$0.04167	$0.03062	(R)
2016	$0.04131	$0.03244	$0.04379	$0.03211	(R)
2017	$0.03780	$0.03926	$0.04082	$0.03727	(N)

   b. Non-Time Differentiated Rates:

Year	2013	2014	2015	2016	2017*	
Rate	$0.03290	$0.03455	$0.03608	$0.03753	$0.03881*	(R) (N)*

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Winter (October - April)

On-Peak 7:00 a.m. - 12:00 noon
5:00 p.m. - 10:00 p.m.

Off-Peak 12:00 noon - 5:00 p.m.
10:00 p.m. - 7:00 a.m.

Summer (May - September)

On-Peak 10:00 a.m. - 10:00 p.m.

Off-Peak 10:00 p.m. - 10:00 a.m.

TERMS AND CONDITIONS

1. All power from a Qualifying Facility (QF) will be sold only to Big Sandy RECC.
2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
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   a. Public Liability for Bodily Injury - $1,000,000.00

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8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.

9. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff.

10. Updated rates will be filed with the Public Service Commission of Kentucky by March 31 of each year.