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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

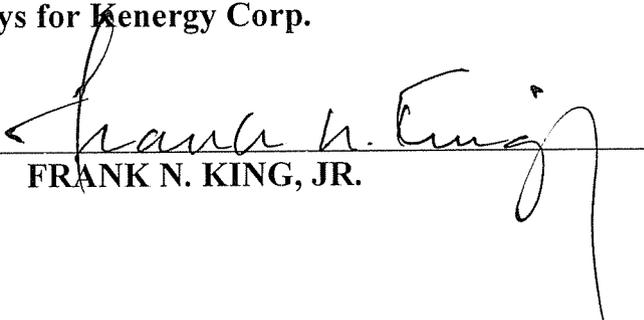
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:)
)
The Application of Kenergy Corp.) CASE NO. 2008-00009
for Approval of Retail Tariff Riders)
and Revised Tariffs; Approval of)
Smelter Agreements; and Approval of)
Amendment to Wholesale Agreement)

APPLICATION

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Attorneys for Kenergy Corp.

By


FRANK N. KING, JR.

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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:)
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The Application of Kenergy Corp.) CASE NO. 2008-00009
for Approval of Retail Tariff Riders)
and Revised Tariffs; Approval of)
Smelter Agreements; and Approval of)
Amendment to Wholesale Agreement)

APPLICATION

The application of KENERGY CORP. ("Kenergy") respectfully shows:

Introduction

Kenergy is a distribution cooperative and is a member of BIG RIVERS ELECTRIC CORPORATION ("Big Rivers"). Big Rivers is seeking approval of five (5) wholesale tariff riders in pending Cases Nos. 2007-00455 and 2007-00460. Big Rivers also is seeking approval to enter into an amended wholesale power agreement with Kenergy and to enter into wholesale power agreements with Kenergy to provide power for resale to Kenergy's two (2) smelter customers.

The purpose of the instant application is to obtain approvals as follows:

- Approval of five (5) corresponding retail tariff riders that will flow through to retail customers any credit or charge resulting from Big

Rivers' said wholesale tariff riders, and of a sixth retail tariff rider that will be used to confirm that the net effect of the five (5) corresponding riders is zero for a projected period of time expected to be approximately five (5) years;

- Approval to revise three (3) tariffs to accommodate the flow through;
- Approval to revise the tariff for Kenergy's two (2) smelter customers;
- Approval of smelter agreements, being two (2) wholesale agreements with Big Rivers and a retail agreement with each of Kenergy's smelter customers; and
- Approval of amendment to the wholesale agreement with Big Rivers.

The approvals sought herein are authorized pursuant to KRS 278.180, KRS 278.190, 807 KAR 5:011, 807 KAR 5:056 and all other applicable law. Notice of intent to file this application with respect to approvals of the new and revised tariffs was given to the Commission consistent with 807 KAR 5:011, Section 8(2).

* * * * *

(a) Kenergy is a nonprofit electric cooperative organized under KRS Chapter 279 and is engaged in the business of distributing retail electric power to member customers in the Kentucky counties of Daviess, Hancock, Henderson, Hopkins, McLean, Muhlenberg, Ohio, Webster, Breckinridge, Union, Crittenden, Caldwell, Lyon, and Livingston.

(b) The post office address of Kenergy is Post Office Box 18, Henderson, Kentucky 42419-018. The street address of Kenergy is 6402 Old Corydon Road, Henderson, Kentucky 42420.

(c) Kenergy is the consolidation successor of Green River Electric Corporation and Henderson Union Electric Cooperative Corp. A copy of the articles of consolidation is filed in Case No. 99-136.

(d) Kenergy requests the Commission to approve five (5) retail tariff riders that will flow through to retail customers any credit or charge resulting from the Big Rivers' wholesale tariff riders mentioned above. Kenergy further requests the Commission to approve a sixth retail tariff rider that may be used to confirm that the net effect of the aforementioned five (5) retail tariff riders is zero as long as funds referred to as Economic Reserve funds are available, which is expected to be for approximately five (5) years. These six (6) retail tariff riders are attached as exhibits as follows:

<u>Rider</u>	<u>Exhibit</u>
Fuel Adjustment Cause (FAC)	1
Environmental Surcharge (ES)	2
Unwind Surcredit (US)	3
Rebate Adjustment	4
Member Rate Stability Mechanism (MRSM)	5
Unwind Rider – Composite Factor (URCF)	6

(e) Kenergy further requests the Commission to approve the revision of three (3) existing tariff schedules in order to accommodate the desired flow through. These proposed revised tariffs, along with current tariffs and a comparison of said tariffs, are attached as exhibits as follows:

<u>Tariff</u>	<u>Exhibit</u>
Schedule 43 – Small Power Production or Cogeneration (Under 100 KW) (Customer Sells Power to Kenergy)	7A, 7B, 7C
Schedule 44 – Small Power and Cogeneration (Over 100 KW) (Customer Sells Power to Big Rivers)	8A, 8B, 8C
Schedule 45 – Small Power and Cogeneration (Over 100 KW) (Customer Buys Power from Kenergy)	9A, 9B, 9C

(f) Kenergy requests that, as long as the net effect of the five (5) Big Rivers tariff riders is zero, the Commission authorize Kenergy to show the retail tariff riders on customers' bills in any one of the three (3) following ways: (i) Each of the corresponding five (5) retail tariff riders without the sixth Composite Factor (URCF) rider; (ii) the Composite Factor (URCF) rider without the corresponding five (5) retail tariff riders, or (iii) each of the corresponding five (5) retail tariff riders and the sixth Composite Factor (URCF) rider setting the five (5) to zero. The Commission's requested authorization will, in effect, allow Kenergy to exercise discretion in choosing the option to insure the intended zero net effect of the five (5) corresponding retail tariff riders until their net effect is no longer zero and to simplify as much as reasonably possible the form and the content of the customers' bills. At that time the Composite Factor (URCF) rider will be obsolete and the five (5) corresponding retail tariff riders will be required to appear on customers' statements.

(g) Kenergy further requests the Commission to approve revision of Schedule 34 to reflect that retail service to Kenergy's two (2) smelter customers, Alcan Primary Products Corporation ("Alcan") and Century Aluminum of Kentucky General

Partnership (“Century”), will be pursuant to special contracts that will require Commission approval. The proposed revised Schedule 34, along with the current Schedule 34 tariff and a comparison of said tariffs, are attached as “Exhibits 10A, 10B, and 10C.”

(h) Kenergy submits that the foregoing tariff approvals sought herein, combined with existing rates, will result in rates that are fair, just and reasonable and Kenergy requests the Commission to make this determination.

(i) In support of the tariff approvals sought in this application Kenergy offers the prepared testimony of rate analyst Jack D. Gaines which is attached as “Exhibit 11.” This testimony supports the six (6) retail tariff riders; the revised rates for Small Power Production and Qualifying Facilities that will be needed to pass through the effects of the five (5) wholesale tariff riders and the changes to the wholesale tariffs for Small Power Production and Qualifying Facilities that Big Rivers is proposing in Case No. 2007-00455 and Case No. 2007-00460; and revised Schedule 34. Mr. Gaines also concludes that these riders and revised tariffs, combined with Kenergy’s existing rates, will result in rates that are fair, just and reasonable.

(j) Kenergy has given notice to its customers of the requested new and revised tariffs by publishing in a prominent manner in newspapers of general circulation in its service area a public notice, a copy of which is attached as “Exhibit 12.” This public notice is being published in this manner for three (3) consecutive weeks and proof of publication will be provided to the Commission when available.

(k) In paragraph 39 of the Application in Case No. 2007-00455 reference is made to proposed wholesale smelter agreements between Kenergy and Big Rivers and retail smelter agreements between Kenergy and its two (2) smelter customers, Alcan and Century. Copies of said smelter agreements in substantially complete form are included in Exhibit 20 of said Application, and same are incorporated herein by reference. Final versions of these smelter agreements will be submitted to the Commission for approval.

(l) In paragraph 50 of the Application in Case No. 2007-00455 reference is made to an amended wholesale agreement between Kenergy and Big Rivers, a copy of which is included in Exhibit 27 of said Application and incorporated herein by reference. Kenergy requests the Commission to approve said amended wholesale agreement.

(m) Attached as "Exhibit 13" is the prepared testimony of Sanford Novick, Kenergy's President and CEO, in support of this filing and the approvals sought herein.

(n) Kenergy will need to make non-substantive changes to some of its existing tariff schedules that are not mentioned herein, depending on the terms of the Commission's final order in this case. Kenergy will submit request for approval of such changes at the convenience of the Commission, and as directed.

WHEREFORE, Kenergy requests as follows:

(1) That the Commission make the determination that the proposed retail tariff riders and revised tariffs, in combination with the existing rates, will result in rates that are fair, just and reasonable;

(2) That the Commission approve the above mentioned six (6) retail tariff riders and the revisions of Schedules 34, 43, 44 and 45;

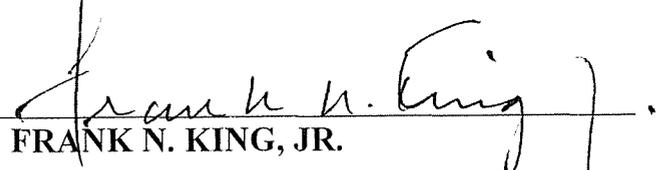
(3) That the Commission authorize Kenergy to show the retail tariff riders on its customers' bills in any one of the three (3) ways set forth above in paragraph (f); and

(4) That the Commission approve the wholesale and retail smelter agreements and the amendment to wholesale agreement; and

(5) That Kenergy be afforded all proper relief.

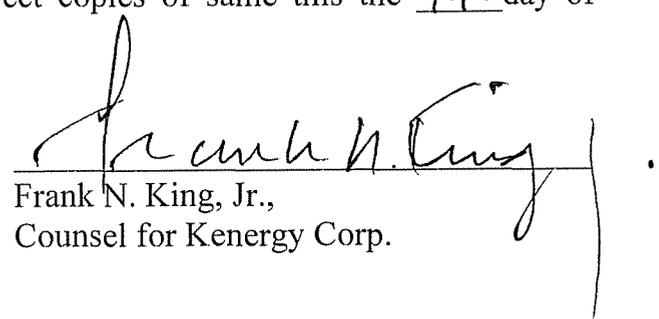
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(270) 826-6672 Telefax
Attorneys for Kenergy Corp.

By


FRANK N. KING, JR.

CERTIFICATE OF SERVICE

I hereby certify that the foregoing was served on the persons named in the attached service list by mailing true and correct copies of same this the 14th day of February, 2008.


Frank N. King, Jr.,
Counsel for Kenergy Corp.

Case No 2008-00009
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Corporation and Century Aluminum of
Kentucky General Partnership

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Attorney for Henderson Municipal
Power & Light

Hon. Dennis Howard
Assistant Attorney General
Office of the Attorney General
Utility & Rate Intervention Division
1024 Capital Center Drive-Suite 200
Frankfort, KY 40601-8204



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

Original SHEET NO. 24

CANCELLING PSC NO.

SHEET NO.

CLASSIFICATION OF SERVICE
Fuel Adjustment Clause

(N) AVAILABILITY

To the entire territory served.

APPLICABILITY

This Fuel Adjustment Clause ("FAC") is a rider to all rate schedules of Kenergy Corp. ("Kenergy" or "Corporation").

FUEL ADJUSTMENT RATE

SECTION 1

BILLINGS TO CUSTOMERS SERVED FROM NON-DEDICATED DELIVERY POINTS

Billings computed pursuant to rate schedules to which this section is applicable shall be adjusted based on the following formula where all references to costs and revenues will exclude amounts associated with customers served from Dedicated Delivery Points.

The fuel adjustment rate applicable to kWh sold in the current month under each rate to which this section applies shall be based upon the following formula:

$$F = \frac{W_FAC - O + U}{P(m) \times L} - F(b)$$

Where;

F = the fuel adjustment rate per kWh for the current month

W_FAC = the fuel adjustment amount charged by the Corporation's wholesale power supplier on the power bill for the second month preceding the month in which F is applied.

P(m) = the kWh purchased in the second month preceding the month in which F is applied.

L = One minus the percent system energy losses equal to the rolling twelve month average not to exceed ten percent (10%).

O = any over recovery amount from the second preceding month.

U = any under recovery amount from the second preceding month.

F(b) = Base fuel adjustment factor of \$.00000 per kWh..

DATE OF ISSUE February 11, 2008 DATE EFFECTIVE Per Order of Commission

ISSUED BY SIGNATURE OF OFFICER TITLE President and CEO

ISSUED BY AUTHORITY OF PSC ORDER NO.

EXHIBIT



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
Original SHEET NO. 24A
CANCELLING PSC NO.
SHEET NO.

Table with 1 row and 1 column: CLASSIFICATION OF SERVICE, Fuel Adjustment Clause

(N) SECTION 2

BILLINGS TO CUSTOMERS SERVED FROM DEDICATED DELIVERY POINTS (NO LINE LOSSES TO KENERGY)

Billings computed pursuant to rate schedules or special contracts to which this section is applicable shall be increased or decreased during the month equal to the amount charged or credited to Kenergy by the wholesale power supplier for the customer's dedicated delivery point.

RATE APPLICATION

Section 1 of this rider shall apply rate schedules residential, non-residential, three-phase demand (0-1000 kW), three-phase demand (1,000 kW & Over), lighting rates - individual, street, decorative, and commercial exterior. Section 2 of this rider shall apply to smelter sales pursuant to the Smelter Agreements and to rate schedules for service to customers when the wholesale rate paid by the Corporation for the load provided to the customer is either the Big Rivers Large Industrial Tariff or the Big Rivers Large Industrial Expansion Tariff.

DATE OF ISSUE February 11, 2008 DATE EFFECTIVE Per Order of Commission

ISSUED BY SIGNATURE OF OFFICER TITLE President and CEO

ISSUED BY AUTHORITY OF PSC ORDER NO.



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

Original SHEET NO. 25

CANCELLING PSC NO. _____

_____ SHEET NO. _____

CLASSIFICATION OF SERVICE
Environmental Surcharge

(N) AVAILABILITY

To the entire territory served.

APPLICABILITY

This Environmental Surcharge (“ES”) rider is applicable to all rate schedules of Kenergy Corp. (“Kenergy” or “Corporation”).

ENVIRONMENTAL SURCHARGE RATE

SECTION 1

BILLINGS TO CUSTOMERS SERVED FROM NON-DEDICATED DELIVERY POINTS

The environmental surcharge adjustment rate applicable to kWh sold in the current month under each rate to which this section applies shall be based upon the following formula:

$$MESF = \frac{(W_MESF) + O - U}{P(m) \times L} - BESF$$

Where;

MESF = the environmental surcharge adjustment rate per kWh for the current month

W_MESF = the environmental surcharge amount charged by the Corporation’s wholesale power supplier on the power bill for the second month preceding the month in which the MESF is applied.

P(m) = the kWh purchased in the second month preceding the month in which the MESF is applied.

L = One minus the percent system energy losses equal to the rolling twelve month average not to exceed ten percent (10%).

O = any over recovery amount from the second preceding month.

U = any under recovery amount from the second preceding month.

BESF = Base Environmental Surcharge Factor of \$.00000 per kWh

DATE OF ISSUE February 11, 2008 DATE EFFECTIVE Per Order of Commission

ISSUED BY _____ TITLE President and CEO

SIGNATURE OF OFFICER

ISSUED BY AUTHORITY OF PSC ORDER NO. _____.

EXHIBIT



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

Original SHEET NO. 25A

CANCELLING PSC NO. _____

_____ SHEET NO. _____

CLASSIFICATION OF SERVICE
Environmental Surcharge

(N) SECTION 2

**BILLINGS TO CUSTOMERS SERVED FROM DEDICATED DELIVERY POINTS
(NO LINE LOSSES TO KENERGY)**

Billings computed pursuant to rate schedules or special contracts to which this section is applicable shall be increased or decreased during the month equal to the amount charged or credited to Kenergy by the wholesale power supplier for the customer's dedicated delivery point.

RATE APPLICATION

Section 1 of this rider shall apply to rate schedules residential, non-residential, three-phase demand (0-1000 kW), three-phase demand (1,000 kW & Over), lighting rates – individual, street, decorative, and commercial exterior. Section 2 of this rider shall apply to smelter sales pursuant to the Smelter Agreements and to rate schedules for service to customers when the wholesale rate paid by the Corporation for the load provided to the customer is either the Big Rivers Large Industrial Tariff or the Big Rivers Large Industrial Expansion Tariff.

DATE OF ISSUE February 11, 2008 DATE EFFECTIVE Per Order of Commission

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SIGNATURE OF OFFICER

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Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

Original SHEET NO. 26

CANCELLING PSC NO.

SHEET NO.

CLASSIFICATION OF SERVICE
Unwind Surcredit Adjustment Clause

(N) AVAILABILITY

To the entire territory served.

APPLICABILITY

This Unwind Surcredit Adjustment Clause ("US") is a rider to all non-smelter rate schedules of Kenergy Corp. ("Kenergy" or "Corporation").

UNWIND SURCREDIT ADJUSTMENT RATE

SECTION 1

BILLINGS TO CUSTOMERS SERVED FROM NON-DEDICATED DELIVERY POINTS

Billings computed pursuant to rate schedules to which this section is applicable shall be adjusted based on the following formula where all references to costs and revenues will exclude amounts associated with customers served from Dedicated Delivery Points.

The unwind surcredit adjustment rate applicable to kWh sold in the current month under each rate to which this section applies shall be based upon the following formula:

$$US = \frac{W_{US} - O + U}{P(m) \times L}$$

Where;

US = the unwind surcredit adjustment rate per kWh for the current month.

W_{US} = the Unwind Surcredit amount charged by the Corporation's wholesale power supplier on the power bill for the second month preceding the month in which the US is applied.

P(m) = the kWh purchased in the second month preceding the month in which the US is applied.

L = One minus the percent system energy losses equal to the rolling twelve month average not to exceed ten percent (10%).

O = any over recovery amount from the second preceding month.

U = any under recovery amount from the second preceding month.

DATE OF ISSUE February 11, 2008 DATE EFFECTIVE Per Order of Commission

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ISSUED BY AUTHORITY OF PSC ORDER NO.

EXHIBIT



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
Original SHEET NO. 26A
CANCELLING PSC NO.
SHEET NO.

Table with 1 row and 1 column: CLASSIFICATION OF SERVICE, Unwind Surcredit Adjustment Clause

(N) SECTION 2

BILLINGS TO CUSTOMERS SERVED FROM DEDICATED DELIVERY POINTS (NO LINE LOSSES TO KENERGY)

Billings computed pursuant to rate schedules or special contracts to which this section is applicable shall be increased or decreased during the month equal to the amount credited to Kenergy by the wholesale power supplier for the customer's dedicated delivery point.

RATE APPLICATION

Section 1 of this rider shall apply to rate schedules residential, non-residential, three-phase demand (0-1000 kW), three-phase demand (1,000 kW & Over), lighting rates - individual, street, decorative, and commercial exterior. Section 2 of this rider shall apply to rate schedules for service to customers when the wholesale rate paid by the Corporation for the load provided to the customer is either the Big Rivers Large Industrial Tariff or the Big Rivers Large Industrial Expansion Tariff.

DATE OF ISSUE February 11, 2008 DATE EFFECTIVE Per Order of Commission

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ISSUED BY AUTHORITY OF PSC ORDER NO.



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

Original SHEET NO. 27

CANCELLING PSC NO.

SHEET NO.

CLASSIFICATION OF SERVICE
Rebate Adjustment

(N) AVAILABILITY

To the entire territory served.

APPLICABILITY

This Rebate Adjustment is applicable to all non-smelter rate schedules of Kenergy Corp. ("Kenergy" or "Corporation") for the purpose of passing through any wholesale Rebate Adjustment amounts received by the Corporation from its wholesale power supplier, Big Rivers Electric Corporation ("BREC").

SECTION 1

BILLINGS TO CUSTOMERS SERVED FROM NON-DEDICATED DELIVERY POINTS

Billings computed pursuant to rate schedules to which this section is applicable shall be adjusted based on the following formula where all references to costs and revenues will exclude amounts associated with customers served from Dedicated Delivery Points.

The wholesale Rebate Adjustment applicable to this section will be recorded in a payables account and returned in twelve equal installments without interest to the customers in accordance with the formula shown below. The Rebate Adjustment for this section will remain applicable for a twelve month period plus any additional months necessary to complete the over or under refunds or collections. The Corporation will synchronize application of the Rebate Adjustment per this Section with the application by BREC of the wholesale Rebate Adjustment for purposes of the BREC Member Rate Stability Mechanism.

Billings computed pursuant to rate schedules to which this section is applicable shall be decreased during each refund month by the following Rebate Adjustment factor applied to each kilowatt-hour sold:

$$RF = \frac{R - O + U}{P(m) \times L}$$

Where:

RF = the Rebate rate per kWh.

R = one-twelfth of the portion of the most recent Rebate Adjustment Amount received from the Corporation's wholesale power supplier for all non-dedicated delivery points.

DATE OF ISSUE February 11, 2008 DATE EFFECTIVE Per Order of Commission

ISSUED BY TITLE President and CEO

SIGNATURE OF OFFICER

ISSUED BY AUTHORITY OF PSC ORDER NO.

EXHIBIT



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
Original SHEET NO. 27A
CANCELLING PSC NO.
SHEET NO.

Table with 1 row and 1 column: CLASSIFICATION OF SERVICE, Rebate Adjustment

- (N) P(m) = the kWh purchased in the second month preceding the month in which RF is applied.
L = One minus the percent system energy losses equal to the rolling twelve month average not to exceed ten percent (10%).
O = any over recovery amount from the second preceding month.
U = any under recovery amount from the second preceding month.

SECTION 2

BILLINGS TO CUSTOMERS SERVED FROM DEDICATED DELIVERY POINTS
(NO LINE LOSSES TO KENERGY)

Billings computed pursuant to rate schedules or special contracts to which this section is applicable shall be decreased during the month following the receipt of the Rebate Adjustment Amount by the amount credited to Kenergy by the wholesale power supplier for the customer's dedicated delivery point.

RATE APPLICATION

Section 1 of this rider shall apply to rate schedules residential, non-residential, three-phase demand (0-1000 kW), three-phase demand (1,000 kW & Over), lighting rates - individual, street, decorative, and commercial exterior. Section 2 of this rider shall apply to rate schedules for service to customers when the wholesale rate paid by the Corporation for the load provided to the customer is either the Big Rivers Large Industrial Tariff or the Big Rivers Large Industrial Expansion Tariff.

DATE OF ISSUE February 11, 2008 DATE EFFECTIVE Per Order of Commission
ISSUED BY TITLE President and CEO
SIGNATURE OF OFFICER
ISSUED BY AUTHORITY OF PSC ORDER NO.



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
Original SHEET NO. 28
CANCELLING PSC NO.
SHEET NO.

Table with 1 row and 1 column: CLASSIFICATION OF SERVICE, Member Rate Stability Mechanism

(N) AVAILABILITY

To the entire territory served.

APPLICABILITY

This Member Rate Stability Mechanism ("MRSM") is a rider applicable to all non-smelter rate schedules of Kenergy Corp. ("Kenergy" or "Corporation").

SECTION 1

BILLINGS TO CUSTOMERS SERVED FROM NON-DEDICATED DELIVERY POINTS

Billings computed pursuant to rate schedules to which this section is applicable shall be adjusted based on the following formula where all references to costs and revenues will exclude amounts associated with customers served from Dedicated Delivery Points.

Billings computed pursuant to rate schedules to which this section is applicable shall be adjusted during each month by the following factor applied to each kilowatt-hour sold:

MRSM(m) = (W_MRSM - O + U) / (P(m) x L)

Where:

MRSM(m) = the monthly member rate stability mechanism rate per kWh for the current month.
W_MRSM = the Member Rate Stability Mechanism amount credited by the Corporation's wholesale power supplier for all non-dedicated delivery points on the power bill for the second month preceding the month in which the MRSM(m) is applied.

P(m) = the kWh purchased in the second month preceding the month in which MRSM(m) is applied.

L = One minus the percent system energy losses equal to the rolling twelve month average not to exceed ten percent (10%).

O = any over recovery amount from the second preceding month.

U = any under recovery amount from the second preceding month.

DATE OF ISSUE February 11, 2008 DATE EFFECTIVE Per Order of Commission

ISSUED BY SIGNATURE OF OFFICER TITLE President and CEO

ISSUED BY AUTHORITY OF PSC ORDER NO.



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

Original SHEET NO. 28A

CANCELLING PSC NO. _____

_____ SHEET NO. _____

CLASSIFICATION OF SERVICE

(N) SECTION 2

BILLINGS TO CUSTOMERS SERVED FROM DEDICATED DELIVERY POINTS
(NO LINE LOSSES TO KENERGY)

Billings computed pursuant to rate schedules or special contracts to which this section is applicable shall be decreased during the month equal to the amount credited to Kenergy by the wholesale power supplier for the customer's dedicated delivery point.

RATE APPLICATION

Section 1 of this rider shall apply to rate schedules residential, non-residential, three-phase demand (0-1000 kW), three-phase demand (1,000 kW & Over), lighting rates – individual, street, decorative, and commercial exterior. Section 2 of this rider shall apply to rate schedules for service to customers when the wholesale rate paid by the Corporation for the load provided to the customer is either the Big Rivers Large Industrial Tariff or the Big Rivers Large Industrial Expansion Tariff.

DATE OF ISSUE February 11, 2008 DATE EFFECTIVE Per Order of Commission

ISSUED BY _____ TITLE President and CEO

SIGNATURE OF OFFICER

ISSUED BY AUTHORITY OF PSC ORDER NO. _____.



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

Original SHEET NO. 29

CANCELLING PSC NO.

SHEET NO.

CLASSIFICATION OF SERVICE
Unwind Rider – Composite Factor

(N) AVAILABILITY

To the entire territory served.

APPLICABILITY

This Unwind Rider – Composite Factor (“URCF”) is applicable to all non-smelter rate schedules of Kenergy Corp. (“Kenergy” or “Corporation”) for billings to customers served from non-dedicated delivery points. The URCF is not applicable to sales pursuant to the Smelter Agreements and to rate schedules for service to customers when the wholesale rate paid by the Corporation for the load provided to the customer is either the Big Rivers Large Industrial Tariff or the Big Rivers Large Industrial Expansion Tariff.

The URCF is a composite of the FAC, the US, the ES, the MRSM, and the Rebate Adjustment. It will apply in lieu of the five specified individual riders so long as the net effect of the corresponding wholesale riders charged and credited by the Corporation’s wholesale power supplier for sales subject to this Rider is zero.

UNWIND RIDER RATE

Billings computed pursuant to rate schedules to which the URCF is applicable shall be adjusted based on the following formula where all references to costs and revenues will exclude amounts associated with customers served from Dedicated Delivery Points.

URCF = \$.00 per kWh if on the second preceding month’s wholesale power bill a) the sum of the FAC, US, ES, and MRSM; less b) one-twelfth of any Rebate used to adjust the wholesale MRSM is zero.

DATE OF ISSUE February 11, 2008 DATE EFFECTIVE Per Order of Commission

ISSUED BY TITLE President and CEO

SIGNATURE OF OFFICER

ISSUED BY AUTHORITY OF PSC ORDER NO.

EXHIBIT



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

First Revised SHEET NO. 43

CANCELLING PSC NO.

Original SHEET NO. 43

CLASSIFICATION OF SERVICE

(T)

Schedule 43 – Small Power Production or Cogeneration (100 KW or Less)
(Customer Sells Power to Kenergy)

AVAILABLE

Available only to qualifying small power production or cogeneration facilities, 100 KW or below, which have executed an "Agreement for Purchase of Electric Energy" with Cooperative.

RATE SCHEDULE

(N)

Base payment of \$.0204 per KWH, plus FAC, ES, US, and MRSM

DATE OF ISSUE February 11, 2008 DATE EFFECTIVE Per Order of Commission

ISSUED BY TITLE President and CEO

SIGNATURE OF OFFICER

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.

EXHIBIT

7A

Proposed



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
Original SHEET NO. 43
CANCELLING PSC NO.
SHEET NO.

CLASSIFICATION OF SERVICE
Schedule 43 – Small Power Production or Cogeneration (Under 100 KW) (Customer Sells Power to Kenergy)

AVAILABLE

Available only to qualifying small power production or cogeneration facilities, 100 KW or below, which have executed an "Agreement for Purchase of Electric Energy" with Cooperative.

RATE SCHEDULE

Base payment of \$.0204 per KWH.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 29 2001

DATE OF ISSUE July 16, 2001 DATE EFFECTIVE June 29, 2001
 ISSUED BY Dean Stanley TITLE President and CEO
 SIGNATURE OF OFFICER

PURSUANT TO 807 KAR 5:011-
 SECTION 9 (1)
 BY: Stanley
 President and CEO

EXHIBIT

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.

7B
Current



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

First Revised ~~Original~~ SHEET NO. 43

CANCELLING PSC NO. _____

Original SHEET NO. 43

CLASSIFICATION OF SERVICE
Schedule 43 – Small Power Production or Cogeneration (Under 100 KW or Less) (Customer Sells Power to Kenergy)

AVAILABLE

Available only to qualifying small power production or cogeneration facilities, 100 KW or below, which have executed an "Agreement for Purchase of Electric Energy" with Cooperative.

RATE SCHEDULE

Base payment of \$.0204 per KWH, plus
FAC, ES, US, and MRSM

DATE OF ISSUE ~~July 16, 2001~~ February 11, 2008 DATE EFFECTIVE ~~June 29, 2001~~ Per Order of Commission

ISSUED BY _____ TITLE President and CEO

SIGNATURE OF OFFICER

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.

EXHIBIT
7C
Comparison



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
First Revised SHEET NO. 44
CANCELLING PSC NO.
Original SHEET NO. 44

CLASSIFICATION OF SERVICE
Schedule 44 – Small Power and Cogeneration (Over 100 KW)
(Customer Sells Power to Big Rivers)

AVAILABLE

The Corporation shall not be required to purchase the energy output of a qualifying small power production or cogeneration facilities having a total design capacity over 100 KW. A qualifying cogeneration or small power production facility having a total design capacity over 100 KW may sell its output directly to Big Rivers Electric Corporation pursuant to rates, terms and conditions, offered by Big Rivers.

BIG RIVERS COGENERATION AND SMALL POWER PRODUCTION PURCHASE TARIFF – OVER 100 KW:

a. Availability:

Available to any customer of a Member Cooperative who qualifies as a cogenerator or small power producer pursuant to Regulation 807 KAR 5:054 of the Kentucky Public Service Commission.

(N) b. Applicability of Service:

Applicable to any small power production or cogeneration “qualifying facility” with capacity over 100 kW as defined by the Kentucky Public Service Commission Regulations 807 KAR 5:054, and which contracts to sell energy or capacity or both to Big Rivers.

c. Terms and Conditions:

- (1) The cogeneration or small power production facility must have a total design capacity over 100 kW.
(2) All power from a QF purchased under this tariff will be sold to Big Rivers.
(3) The QF must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.

DATE OF ISSUE February 11, 2008 DATE EFFECTIVE Per Order of Commission

ISSUED BY SIGNATURE OF OFFICER TITLE President and CEO

ISSUED BY AUTHORITY OF PSC ORDER NO.

EXHIBIT
8A
Proposed



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
First Revised SHEET NO. 44A
CANCELLING PSC NO.
Original SHEET NO. 44A

CLASSIFICATION OF SERVICE
Schedule 44 – Small Power and Cogeneration (Over 100 KW)
(Customer Sells Power to Big Rivers)

- (4) QF shall provide reasonable protection for Big Rivers and the Member Cooperative’s system.
(5) 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.
(6) QF shall reimburse Big Rivers and the Member Cooperative for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

(T) QF shall enter into a written contract with Big Rivers. All conditions applying to QF service shall be specified in the contract executed by the parties and are subject to the jurisdiction of the Kentucky Public Service Commission and to Big Rivers’ terms and conditions regarding a QF then in effect. For contracts which cover the purchase of energy only, the term shall be one year and shall be self-renewing from year-to-year thereafter unless cancelled by either party with not less than one year’s written notice. For contracts which cover the purchase of capacity and energy, the term shall be not less than 5 years and self-renewing from year-to-year thereafter unless cancelled by either party with not less than one year’s written notice.

d. Definitions:

- (1) Big Rivers – “Big Rivers” shall mean Big Rivers Electric Corporation.
(2) Member Cooperatives – As of the effective date of this tariff, “Member Cooperatives” means collectively, Kenergy Corp., Jackson Purchase Energy Corporation and Meade County Rural Electric Cooperative Corporation.

DATE OF ISSUE February 11, 2008 DATE EFFECTIVE Per Order of Commission

ISSUED BY TITLE President and CEO

SIGNATURE OF OFFICER

ISSUED BY AUTHORITY OF PSC ORDER NO.



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
First Revised SHEET NO. 44B
CANCELLING PSC NO.
Original SHEET NO. 44B

CLASSIFICATION OF SERVICE
Schedule 44 – Small Power and Cogeneration (Over 100 KW)
(Customer Sells Power to Big Rivers)

(3) QF – “QF” means a cogeneration or small power production facility meeting the criteria for Qualifying Facility of Section 4 of 807 KAR 5:054.

(N) (4) Inter-Utility Market – “Inter-Utility Market” means any supplier of wholesale electric service to Big Rivers other than SEPA and the City of Henderson’s Station Two.

e. Rates for Purchases from QFs:

(1) Capacity Purchase Rates:

(N) As long as Big Rivers has surplus generation from its owned coal fired generation and power available from SEPA and the City of Henderson’s Station Two, the Capacity Purchase Rate (CPR) will be zero. At such time Big Rivers has no surplus generation from its owned coal fired generation and power available from SEPA and the City of Henderson’s Station Two, the hourly avoided capacity cost (ACC) in \$ per megawatt hour, which is payable to a QF for delivery of capacity, shall be equal to the effective purchase price for power available to Big Rivers from the Inter-Utility Market (which includes both energy and capacity charges) less Big Rivers’ actual variable fuel expense (EPR). The total amount of the avoided capacity cost payment to be made to a QF in an hour is equal to [ACC x CAP], where CAP, the capacity delivered by the QF, is determined on the basis of the system demand and Big Rivers’ need for capacity in that hour to adequately serve the load.

Determination of CAP:

For the determination of CAP Big Rivers will determine at the time a QF signs a contract to deliver capacity the capacity proposed to be provided by the QF and will cause the QF to enter into a contract stating the CAP limits. Big Rivers will pay for CAP at the above stated rate only when Big Rivers’

DATE OF ISSUE February 11, 2008 DATE EFFECTIVE Per Order of Commission

ISSUED BY SIGNATURE OF OFFICER TITLE President and CEO

ISSUED BY AUTHORITY OF PSC ORDER NO.



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

First Revised SHEET NO. 44C

CANCELLING PSC NO.

Original SHEET NO. 44C

CLASSIFICATION OF SERVICE
Schedule 44 – Small Power and Cogeneration (Over 100 KW)
(Customer Sells Power to Big Rivers)

(N) owned and previously arranged for capacity is not sufficient to meet its system demand.

(2) Firm Energy Purchase Rates:

(T) The Energy Purchase Rates (EPR) in \$ per megawatt hour, which is payable to a QF for delivery of energy, shall be equal to Big Rivers’ actual variable fuel expenses for Big Rivers’ owned coal fired production facilities, divided by the associated megawatt-hours of generation, as determined for the previous month. The total amount of the avoided energy cost payment to be made to a QF in an hour is equal to [EPR x EQF] where EQF is the amount of megawatt-hours delivered by a QF in that hour and which are determined by suitable metering.

(N) f. Payment:

Big Rivers shall pay each bill for electric power rendered to it in accordance with the terms of the contract, within 30 days of the date the bill is rendered.

g. System Emergencies:

During system emergencies, Big Rivers may discontinue purchases or the QF may be required to provide energy or capacity in accordance with 807 KAR 5:054 – Section 6.

h. Interconnections:

Big Rivers requires a three party interconnection agreement between the QF Member, Big Rivers, and the Member Cooperative prior to service under this tariff. Big Rivers shall make interconnections with the Member Cooperative, the QF Member, or both as required and the QF Member will pay for the interconnection costs in accordance with 807 KAR 5:054 -

DATE OF ISSUE February 11, 2008 DATE EFFECTIVE Per Order of Commission

ISSUED BY SIGNATURE OF OFFICER TITLE President and CEO

ISSUED BY AUTHORITY OF PSC ORDER NO.



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

First Revised SHEET NO. 44D

CANCELLING PSC NO.

Original SHEET NO. 44D

CLASSIFICATION OF SERVICE
Schedule 44 – Small Power and Cogeneration (Over 100 KW) (Customer Sells Power to Big Rivers)

Section 6 and the interconnection agreement.

i. Loss Compensation:

Power and energy purchased by Big Rivers pursuant to this rate schedule which must be transmitted to Big Rivers' transmission system across or through utilities owned by a Member Cooperative shall be subject to an adjustment to reflect losses between the QF and the point of delivery to the Big Rivers transmission system.

DATE OF ISSUE February 11, 2008 DATE EFFECTIVE Per Order of Commission

ISSUED BY SIGNATURE OF OFFICER TITLE President and CEO

ISSUED BY AUTHORITY OF PSC ORDER NO.



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

Original SHEET NO. 44

CANCELLING PSC NO.

SHEET NO.

CLASSIFICATION OF SERVICE
Schedule 44 – Small Power and Cogeneration (Over 100 KW) (Customer Sells Power to Big Rivers)

AVAILABLE

The Corporation shall not be required to purchase the energy output of a qualifying small power production or cogeneration facilities having a total design capacity over 100 KW. A qualifying cogeneration or small power production facility having a total design capacity over 100 KW may sell its output directly to Big Rivers Electric Corporation pursuant to rates, terms and conditions, offered by Big Rivers.

BIG RIVERS COGENERATION AND SMALL POWER PRODUCTION PURCHASE TARIFF - OVER 100 KW

a. Availability:

Available to any customer of a Member Cooperative who qualifies as a cogenerator or small power producer pursuant to Regulation 807 KAR 5:054 of the Kentucky Public Service Commission.

b. Terms and Conditions:

- (1) The cogeneration or small power production facility must have a total design capacity over 100 KW.
- (2) All power from a QF purchased under this tariff will be sold to Big Rivers.
- (3) The QF must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
- (4) QF shall provide reasonable protection for Big Rivers and the Member Cooperative's system.
- (5) 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.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DATE OF ISSUE July 16, 2001 DATE EFFECTIVE JUN 29, 2001

ISSUED BY Dean Stanley TITLE President and CEO
SIGNATURE OF OFFICER PURSUANT TO SECTION 9 (1),

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.

BY Stephan B SECRETARY OF THE COMMISSION
EXHIBIT 8B Current



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
Original SHEET NO. 44A
CANCELLING PSC NO.
SHEET NO.

CLASSIFICATION OF SERVICE
Schedule 44 - Small Power and Cogeneration (Over 100 KW)
(Customer Sells Power to Big Rivers)

- (6) QF shall reimburse Big Rivers and the Member Cooperative for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.
(7) QF shall enter into a written contract with Big Rivers. Such contract shall set forth any specific arrangements between the parties based on the individual circumstances so involved.

c. Definitions:

- (1) Big Rivers - "Big Rivers" shall mean Big Rivers Electric Corporation.
(2) LEM - "LEM" means LG&E Energy Marketing, Inc.
(3) Member Cooperatives - As of the effective date of this tariff, "Member Cooperatives" means collectively, Kenergy Corp., Jackson Purchase Energy Corporation and Meade County Rural Electric Cooperative Corporation.
(4) Power Purchase Agreement - "Power Purchase Agreement" means the Power Purchase Agreement between Big Rivers and LEM dated July 1998.
(5) QF - "QF" means a cogeneration or small power production facility meeting the criteria for Qualifying Facility of Section 4 of 807 KAR 5:054.
(6) Third Party Supplier - "Third Party Supplier" means any supplier of wholesale electric service to Big Rivers other than SEPA or LEM pursuant to the Power Purchase Agreement.

d. Rates for Purchases from QFs:

(1) Capacity Purchase Rates:

Big Rivers presently has no avoided capacity costs and the Capacity Purchase Rate is, therefore, zero. At such time when it becomes necessary for Big Rivers to procure additional system capacity or energy beyond that available under the Power Purchase Agreement...

DATE OF ISSUE July 16, 2001 DATE EFFECTIVE June 29, 2001
ISSUED BY Dean Stanley SIGNATURE OF OFFICER TITLE President and CEO
ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395. BY Stephan D. Blevins SECRETARY OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE PURSUANT TO 807 KAR 5.011, SECTION 9 (1)



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
Original SHEET NO. 44B
CANCELLING PSC NO.
SHEET NO.

CLASSIFICATION OF SERVICE
Schedule 44 - Small Power and Cogeneration (Over 100 KW)
(Customer Sells Power to Big Rivers)

Agreement and from SEPA, then Big Rivers will determine its avoided costs for capacity, energy, or both for power requirements in excess of those amounts available under the Power Purchase Agreement and from SEPA.

(2) Firm Energy Purchase Rates:

The Energy Purchase Rates in each month shall be based upon Big Rivers' actual avoided cost for energy in each hour of the month, plus applicable losses, and shall be the lesser of:

- (i) The applicable Base Power rate as specified in Section 6.3(a) of the Power Purchase Agreement; plus Base Power Rate Adjustment; if any, as specified in Section 6.3(b) of the Power Purchase Agreement; minus, applicable penalty to the Base Power rate in any hour in which an Hourly Deficit occurs pursuant to Section 6.4(b) of the Power Purchase Agreement; or,
(ii) The actual price in S per MWH paid by Big Rivers for energy purchased from a Third Party Supplier in each hour of the month.

(e) Failure to Generate:

The QF shall indemnify Big Rivers for any and all additional costs incurred as a result of the QF's failure to generate, including without limitation, costs of ancillary services necessary to maintain reliability on the Big Rivers' system.

(f) System Emergencies:

During system emergencies, Big Rivers may discontinue purchases or the QF may be required to provide energy or capacity in accordance with 807 KAR 5:054 - Section 6.

(g) Interconnections:

Big Rivers requires a three-party interconnection agreement between the QF Member, Big Rivers, and the Member Cooperative prior to service under this tariff. Big Rivers shall make interconnections with the Member Cooperative, the QF Member, or both as required and the QF

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

DATE OF ISSUE July 16, 2001 DATE EFFECTIVE June 29, 2001

ISSUED BY Dean Handley SIGNATURE OF OFFICER TITLE President and CEO PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.

BY Stephan D. Blevins SECRETARY OF THE COMMISSION



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

Original SHEET NO. 44C

CANCELLING PSC NO. _____

_____ SHEET NO. _____

CLASSIFICATION OF SERVICE
Schedule 44 – Small Power and Cogeneration (Over 100 KW) (Customer Sells Power to Big Rivers)

Member will pay for the interconnection costs in accordance with 807 KAR 5:054 – Section 6 and the interconnection agreement.

(h) Loss Compensation:

Power and energy purchased by Big Rivers pursuant to this rate schedule which must be transmitted to Big Rivers' transmission system across or through utilities owned by a Member Cooperative shall be subject to an adjustment to reflect losses between the QF and the point of delivery to the Big Rivers transmission system.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 29 2001

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

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE July 16, 2001 DATE EFFECTIVE June 29, 2001

ISSUED BY Dean Stanley TITLE President and CEO
SIGNATURE OF OFFICER



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. I
First Revised Original SHEET NO. 44
CANCELLING PSC NO.
Original SHEET NO. 44

CLASSIFICATION OF SERVICE
Schedule 44 - Small Power and Cogeneration (Over 100 KW)
(Customer Sells Power to Big Rivers)

AVAILABLE

The Corporation shall not be required to purchase the energy output of a qualifying small power production or cogeneration facilities having a total design capacity over 100 KW. A qualifying cogeneration or small power production facility having a total design capacity over 100 KW may sell its output directly to Big Rivers Electric Corporation pursuant to rates, terms and conditions, offered by Big Rivers.

BIG RIVERS COGENERATION AND SMALL POWER PRODUCTION PURCHASE TARIFF - OVER 100 KW

a. Availability:

Available to any customer of a Member Cooperative who qualifies as a cogenerator or small power producer pursuant to Regulation 807 KAR 5:054 of the Kentucky Public Service Commission.

b. Applicability of Service:

Applicable to any small power production or cogeneration "qualifying facility" with capacity over 100 KW as defined by the Kentucky Public Service Commission Regulations 807 KAR 5:054, and which contracts to sell energy or capacity or both to Big Rivers.

bc. Terms and Conditions:

- (1) The cogeneration or small power production facility must have a total design capacity over 100 KW.
(2) All power from a QF purchased under this tariff will be sold to Big Rivers.
(3) The QF must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
(4) QF shall provide reasonable protection for Big Rivers and the Member Cooperative's system.

DATE OF ISSUE July 16, 2001 February 11, 2008 DATE EFFECTIVE June 29, 2001 Per Order of Commission

ISSUED BY SIGNATURE OF OFFICER TITLE President and CEO

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.

EXHIBIT 8C Comparison



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
First Revised Original SHEET NO. 44A
CANCELLING PSC NO.
Original SHEET NO. 44A

CLASSIFICATION OF SERVICE
Schedule 44 – Small Power and Cogeneration (Over 100 KW)
(Customer Sells Power to Big Rivers)

- (5) 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.
(6) QF shall reimburse Big Rivers and the Member Cooperative for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.
(7) QF shall enter into a written contract with Big Rivers. Such contract shall set forth any specific arrangements between the parties based on the individual circumstances so involved. All conditions applying to QF service shall be specified in the contract executed by the parties and are subject to the jurisdiction of the Kentucky Public Service Commission and to Big Rivers' terms and conditions regarding a QF then in effect. For contracts which cover the purchase of energy only, the term shall be one year and shall be self-renewing from year-to-year thereafter unless cancelled by either party with not less than one year's written notice. For contracts which cover the purchase of capacity and energy, the term shall be not less than 5 years and self-renewing from year-to-year thereafter unless cancelled by either party with not less than one year's written notice.

e d. Definitions:

- (1) Big Rivers – "Big Rivers" shall mean Big Rivers Electric Corporation.
(2) LEM – "LEM" means LG&E Energy Marketing, Inc.
(3)(2) Member Cooperatives – As of the effective date of this tariff, "Member Cooperatives" means collectively, Kenergy Corp., Jackson Purchase Energy Corporation and Meade County Rural Electric Cooperative Corporation.
(4) Power Purchase Agreement – "Power Purchase Agreement" means the Power Purchase Agreement between Big Rivers and LEM dated July 1998.
(5)(3) QF – "QF" means a cogeneration or small power production facility meeting the criteria for Qualifying Facility of Section 4 of 807 KAR 5:054.

DATE OF ISSUE July 16, 2001 February 11, 2008 DATE EFFECTIVE June 29, 2001 Per Order of Commission

ISSUED BY SIGNATURE OF OFFICER TITLE President and CEO

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
First Revised Original SHEET NO. 44B
CANCELLING PSC NO.
Original SHEET NO. 44B

CLASSIFICATION OF SERVICE
Schedule 44 – Small Power and Cogeneration (Over 100 KW)
(Customer Sells Power to Big Rivers)

- (6) Third Party Supplier – “Third Party Supplier” means any supplier of wholesale electric service to Big Rivers other than SEPA or LEM pursuant to the Power Purchase Agreement.
(4) Inter-Utility Market – “Inter-Utility Market” means any supplier of wholesale electric service to Big Rivers other than SEPA and the City of Henderson’s Station Two.

d.e. Rates for Purchases from QFs:

(1) Capacity Purchase Rates:

Big Rivers presently has no avoided capacity costs and the Capacity Purchase Rate is, therefore, zero. At such time when it becomes necessary for Big Rivers to procure additional system capacity or energy beyond that available under the Power Purchase Agreement and from SEPA, then Big Rivers will determine its avoided costs for capacity, energy, or both for power requirements in excess of those amounts available under the Power Purchase Agreement and from SEPA.

As long as Big Rivers has surplus generation from its owned coal fired generation and power available from SEPA and the City of Henderson’s Station Two, the Capacity Purchase Rate (CPR) will be zero. At such time Big Rivers has no surplus generation from its owned coal fired generation and power available from SEPA and the City of Henderson’s Station Two, the hourly avoided capacity cost (ACC) in \$ per megawatt hour, which is payable to a QF for delivery of capacity, shall be equal to the effective purchase price for power available to Big Rivers from the Inter-Utility Market (which includes both energy and capacity charges) less Big Rivers’ actual variable fuel expense (EPR). The total amount of the avoided capacity cost payment to be made to a QF in an hour is equal to [ACC x CAP], where CAP, the capacity delivered by the QF, is determined on the basis of the system demand and Big Rivers’ need for capacity in that hour to adequately serve the load.

Determination of CAP:

For the determination of CAP Big Rivers will determine at the time a QF signs a contract to deliver capacity the capacity proposed to be provided by the QF and will cause the QF to enter into a contract stating the CAP limits. Big Rivers will pay for CAP at the above stated rate only when Big Rivers’ owned and previously arranged for capacity is not sufficient to meet its system demand.

(2) Firm Energy Purchase Rates:

DATE OF ISSUE July 16, 2001 February 11, 2008 DATE EFFECTIVE June 29, 2001 Per Order of Commission

ISSUED BY SIGNATURE OF OFFICER TITLE President and CEO

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
First Revised Original SHEET NO. 44C
CANCELLING PSC NO.
Original SHEET NO. 44C

CLASSIFICATION OF SERVICE
Schedule 44 – Small Power and Cogeneration (Over 100 KW)
(Customer Sells Power to Big Rivers)

The Energy Purchase Rates (EPR) in \$ per megawatt hour, which is payable to a QF for delivery of energy, shall be equal to Big Rivers' actual variable fuel expenses for Big Rivers' owned coal fired production facilities, divided by the associated megawatt-hours of generation, as determined for the previous month. The total amount of the avoided energy cost payment to be made to a QF in an hour is equal to [EPR x EQF] where EQF is the amount of megawatt-hours delivered by a QF in that hour and which are determined by suitable metering. in each month shall be based upon Big Rivers' actual avoided cost for energy in each hour of the month, plus applicable losses, and shall be the lesser of:

- (i) The applicable Base Power rate as specified in Section 6.3(a) of the Power Purchase Agreement; plus Base Power Rate Adjustment; if any, as specified in Section 6.3(b) of the Power Purchase Agreement; minus, applicable penalty to the Base Power rate in any hour in which an Hourly Deficit occurs pursuant to Section 6.4(b) of the Power Purchase Agreement; or,
(ii) The actual price in \$ per MWH paid by Big Rivers for energy purchased from a Third Party Supplier in each hour of the month.

(e) Failure to Generate:

The QF shall indemnify Big Rivers for any and all additional costs incurred as a result of the QF's failure to generate, including without limitation, costs of ancillary services necessary to maintain reliability on the Big Rivers' system.

f. Payment:

Big Rivers shall pay each bill for electric power rendered to it in accordance with the terms of the contract, within 30 days of the date the bill is rendered.

(f) g. System Emergencies:

During system emergencies, Big Rivers may discontinue purchases or the QF may be required to provide energy or capacity in accordance with 807 KAR 5:054 – Section 6.

(g) h. Interconnections:

DATE OF ISSUE July 16, 2001 February 11, 2008 DATE EFFECTIVE June 29, 2001 Per Order of Commission

ISSUED BY SIGNATURE OF OFFICER TITLE President and CEO

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
First Revised Original SHEET NO. 44D
CANCELLING PSC NO.
Original SHEET NO. 44D

CLASSIFICATION OF SERVICE
Schedule 44 – Small Power and Cogeneration (Over 100 KW)
(Customer Sells Power to Big Rivers)

Big Rivers requires a three-party interconnection agreement between the QF Member, Big Rivers, and the Member Cooperative prior to service under this tariff. Big Rivers shall make interconnections with the Member Cooperative, the QF Member, or both as required and the QF Member will pay for the interconnection costs in accordance with 807 KAR 5:054 – Section 6 and the interconnection agreement.

(h) i. Loss Compensation:

Power and energy purchased by Big Rivers pursuant to this rate schedule which must be transmitted to Big Rivers’ transmission system across or through utilities owned by a Member Cooperative shall be subject to an adjustment to reflect losses between the QF and the point of delivery to the Big Rivers transmission system.

DATE OF ISSUE July 16, 2001 February 11, 2008 DATE EFFECTIVE June 29, 2001 Per Order of Commission

ISSUED BY SIGNATURE OF OFFICER TITLE President and CEO

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
First Revised SHEET NO. 45
CANCELLING PSC NO.
Original SHEET NO. 45

CLASSIFICATION OF SERVICE
Schedule 45 – Small Power and Cogeneration (Over 100 KW)
(Customer Buys Power from Kenergy)

AVAILABLE

This tariff is applicable to QF Members with a total capacity requirement of 100 KW or more with on-site generation of 100 KW or more operating in excess of 200 hours per year.

APPLICABLE

Applicable to any QF Members for which the Corporation is subject to the Big Rivers Cogeneration and Small Power Producer Sales Tariff for that energy sold to the QF Member.

DEFINITIONS

- (1) Big Rivers – “Big Rivers” shall mean Big Rivers Electric Corporation.
(2) QF – “QF” means a cogeneration or small power production facility meeting the criteria for Qualifying Facility of Section 4 of 807 KAR 5:054 and are certified or self-certified pursuant to FERC regulations.
(3) QF Member – “QF Member” means a member of a Member Cooperative with a QF.

CONDITIONS OF SERVICE

To receive services hereunder, the QF Member must 1) execute a written contract for electric service on terms acceptable to Big Rivers and the Cooperative and that allows the Cooperative to satisfy all of the requirements to obtain services from Big Rivers pursuant to the Big Rivers Cogeneration and Small Power Producer Sales Tariff – Over 100 KW.

MONTHLY RATE

A. Wholesale Power Cost:

An amount equal to all the monthly charges levied by Big Rivers pursuant to the Big Rivers Cogeneration and Small Power Producer Sales Tariff – Over 100 KW for wholesale electric service (including transmission service) hereunder.

DATE OF ISSUE February 11, 2008 DATE EFFECTIVE Per Order of Commission

ISSUED BY SIGNATURE OF OFFICER TITLE President and CEO

ISSUED BY AUTHORITY OF PSC ORDER NO.



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
First Revised SHEET NO. 45A
CANCELLING PSC NO.
Original SHEET NO. 45A

CLASSIFICATION OF SERVICE
Schedule 45 - Small Power and Cogeneration (Over 100 KW)
(Customer Buys Power from Kenergy)

B. Retail Adders:

Retail Adders shall be determined on a case-by-case basis for that portion of each consumer's load served under this tariff.

School Taxes added to bill if applicable.

Kentucky Sales Taxes added to bill if applicable.

(T) BIG RIVERS COGENERATION AND SMALL POWER PRODUCTION SALES TARIFF - OVER 100 KW

(a) Availability:

Available to any Member Cooperative for service to any member of the Member Cooperative with cogeneration and/or small power production facility (i) that has net output of less than 5,000 kW and (ii), which meets the criteria for Qualifying Facility of 807 KAR 5:054 - Section 4. Charges for the services under this tariff to any Member Cooperative for service to any member of the Member Cooperative with a cogeneration and/or small power production facility shall be established by contract.

(b) Applicability:

Applicable to purchases made by a Member Cooperative for service to any QF Member of a Member Cooperative with a total capacity requirement of 100 kW or more with on-site generation of 100 kW or more operating in excess of 200 hours per year, electrically engineered so that it can meet part or all of its load with its own generation, for service not covered by one of Big Rivers' other rates. The QF Member shall have the option to provide all or part of its load with its own generation in which case that portion of the QF Member's load requirements not met

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PSC NO. 1

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by the QF, shall be provided to the Member Cooperative under this tariff and all requirements for back-up or maintenance service for the QF Member shall be provided under this tariff. Otherwise, the QF Member may sell all of the output of its QF in which case the QF Member's load requirements shall be provided to the Member Cooperative under the terms and conditions of one or more of Big Rivers' standard rates applicable to the load requirements and type of service of the QF Member.

c. Definitions:

- (1) Big Rivers – "Big Rivers" shall mean Big Rivers Electric Corporation.
(2) Member Cooperative – As of the effective date of this tariff, "Member Cooperatives" means collectively, Kenergy Corp., Jackson Purchase Energy Corporation and Meade County Rural Electric Cooperative Corporation.
(T) (3) Off-System Sales Transaction – "Off-System Transaction" means sales of electric energy by Big Rivers other than to the Member Cooperatives and Henderson Municipal Power and Light.
(4) QF – "QF" means a cogeneration or small power production facility meeting the criteria for Qualifying Facility of Section 4 of 807 KAR 5:054.
(5) QF Member – "QF Member" means a member of a Member Cooperative with a QF.
(T) (6) Third Party Supplier – "Third Party Supplier" means any supplier of wholesale electric service to Big Rivers other than SEPA and Henderson Municipal Power and Light.

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d. Conditions of Service:

To receive service hereunder, the Member Cooperative must:

- (1) Obtain from the QF Member an executed, written contract for electric service hereunder on terms acceptable to Big Rivers. Such contract shall set forth any specific arrangements between the parties based on individual circumstances and shall:
 - (i) Specify the maximum capacity to be made available to the QF Member on an unscheduled basis in any hour (Maximum Unscheduled Capacity), and
 - (ii) If desired by the QF Member, specify the terms and conditions for the delivery of Maintenance Service, and
 - (iii) If desired by the QF Member, specify the capacity of on-site generation for which interruptible unscheduled back-up and interruptible scheduled maintenance power may be provided, and
 - (iv) Specify any other term or condition which the Member Cooperative or Big Rivers may require for service used by a QF Member, taking into account the nature of use, the quality used, the quantity used, the time when used, the purpose for which used, and any other reasonable consideration, and
- (2) Enter into a contact with Big Rivers, or amend an existing contract with Big Rivers, to specify the terms and conditions of service between Big Rivers and the Member Cooperative regarding the power supply for the QF Member.

e. For each QF Member, the Member Cooperative will be billed monthly for:

- (1) Supplementary Service (capacity and energy).
- (2) Unscheduled Back-Up Service, if any (capacity charge only).

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- (3) Maintenance Service (capacity and energy), if any.
(4) Excess Demand, if any.
(5) Additional charges, if any.

f. Monthly Charges for Sales to a Member Cooperative for Service to a QF Member:

- (1) Supplementary Service:

(T) Supplementary demand shall be the QF Member’s highest actual demand (adjusted for distribution losses if applicable) measured during the month, excluding Scheduled Maintenance Demand up to but not exceeding the actual measured demands in each demand interval during a Maintenance Schedule, and supplementary energy shall be the actual measured energy (adjusted for distribution losses if applicable), excluding Maintenance Energy sold to the QF by the Member Cooperative in each month. The monthly charges for supplementary demand and energy shall be according to the rates set forth in Big Rivers’ rate schedule C.4.d.

- (2) Unscheduled Back-Up Service:

Unscheduled Back-up Demand is the QF Member’s Maximum Unscheduled Capacity minus the Supplementary Billing Demand for the month. In months in which Maintenance Service has been Scheduled, appropriate credit for Scheduled Maintenance Demand shall be applied to the Unscheduled Back-up Demand such that the Member Cooperative will not be charged for Unscheduled Back-up Demand in addition to Scheduled Maintenance Demand when Scheduled Maintenance Service is being provided. The monthly charges to a Member Cooperative for Unscheduled Back-up Demand shall be:

(N) One hundred-ten percent (110%) of Big Rivers’ actual cost, including transmission service, to import energy from a Third Party supplier to supply the Unscheduled Back-up Service for the QF Members:

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Maximum Unscheduled Capacity shall initially be the amount as specified by the QF Member per contract with the Member Cooperative, but in no case less than the actual demand delivered in any month, including the current month. Big Rivers will accept a reduction in the Maximum Unscheduled Capacity upon twelve (12) months advance notice from the Member Cooperative. Said notice must specify the reduction in KWs and the basis for the lower requirement. All energy shall be billed as either supplementary energy or maintenance energy.

(3) Maintenance Service:

Maintenance Service shall be available to a Member Cooperative to back-up a QF Member's QF only if the Member Cooperative has scheduled delivery of the maintenance services in advance with Big Rivers. The Member Cooperative may schedule up to four weeks of seven consecutive days each per year of such service for a QF Member, subject to scheduling of such usage by Big Rivers. The Member Cooperative may reschedule at any time by giving forty-eight (48) hours notice to Big Rivers. Scheduled Maintenance Demand may not exceed the design capacity of the QF Member's QF. Maintenance Service will be available on an on-peak or off-peak basis. The selection of on-peak Maintenance Service entitles the Member Cooperative to schedule the service for the QF Member at any time. The selection of off-peak Maintenance Service entitles the Member Cooperative to schedule the service for the QF Member only during those hours not designated as on-peak. The designated on-peak hours are as follows:

- (i) Summer 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 May 1 through September 30.
(ii) 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.
(iii) Off-peak usage is defined as all power requirements not included in paragraph (i) or (ii).

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

- (1) \$1.835 per KW of Scheduled Maintenance Demand per week, plus \$0.0204 per KWH of Maintenance Energy; or
(2) 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:

\$1.835 per KW of Scheduled Maintenance Demand per week, plus

(T) According to schedule C.4.d. (2) 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.

(4) 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 Demand shall be in addition to the charges for Supplementary Service and shall be either:

- (i) One hundred-ten percent (110%) of Big Rivers' actual cost, including transmission service, to import energy from a Third Party supplier to supply the Excess Demand of the Member Cooperative for the QF Member; or
(ii) If it is not necessary for Big Rivers to import energy from a Third Party Supplier, charges for Excess Demand shall be the greater of: a) \$7.37 per KW times the highest Excess Demand recorded during the month; or b) 110% of the highest price received by Big Rivers during an Off-System Sales

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Transaction during the month times the sum of the Excess Demands measured during the month. Big Rivers shall be the sole determinant of when and under what circumstances it is required to import energy from a Third Party Supplier to provide Excess Demand.

(5) Additional Charges:

Any and all costs incurred by Big Rivers as a result of the QF's failure to generate, including, without limitation, ancillary services necessary to maintain reliability on the Big Rivers' system, shall be charged to the Member Cooperative in addition to all other charges.

(6) Interruptible Service:

Interruptible Supplementary Service or Interruptible Back-up Service will be made available, upon request. Terms and conditions of interruptible service will be as negotiated under special contract according to the terms of 807 KAR 5:054.

g. Interconnections:

Big Rivers requires a three-party interconnection agreement between the QF Member, Big Rivers, and the Member Cooperative prior to service under this tariff. Big Rivers shall make interconnections with the Member Cooperative, or the QF Member, or both as required and the QF Member will pay for the interconnection costs in accordance with 807 KAR 5:054 – Section 6 and the interconnection agreement.

h. System Emergencies:

During System Emergencies, Big Rivers may discontinue sales in accordance with 807 KAR 5:054 – Section 6.

i. Loss Compensation:

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Power and energy delivered by Big Rivers pursuant to this rate schedule shall be metered at or compensated to Big Rivers' point of delivery to the Member Cooperative. Where metering of the QF Member's load is at a point of delivery on a Member Cooperative's distribution system, metered demand and energy shall be adjusted to compensate for distribution losses prior to billing hereunder.

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BILLING FORM

INVOICE

BIG RIVERS ELECTRIC CORP., P.O. BOX 24, HENDERSON, KY 42419-0024

TO: COGENERATOR AND SMALL POWER PRODUCER SALES ACCOUNT
DELIVERY POINTS SERVICE FROM THRU

Table with columns for USAGE, DEMAND, TIME, DAY, METER MULT., KW DEMAND BILLED, etc.

SUPPLEMENTARY SERVICE

Table for supplementary services: DEMAND, P/F PENALTY, ENERGY, SUBTOTAL

INSCHEDULED BACK-UP SERVICE

Table for inscheduled back-up service: DEMAND

MAINTENANCE SERVICE ON-PEAK

Table for maintenance service on-peak: DEMAND PER-WEEK, ENERGY

SCHEDULED ENERGY BLOCK (IF APPLICABLE)

TOTAL AMOUNT DUE \$

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OFF-PEAK
DEMAND PER-WEEK ENERGY KW TIMES \$ EQUALS \$
KWH TIMES \$ EQUALS \$
SUBTOTAL \$

EXCESS SERVICE
EXCESS DEMAND (IF APPLICABLE) KW TIMES \$ EQUALS \$
CUMMULATIVE EXCESS DEMAND (IF APPLICABLE) KW TIMES \$ EQUALS \$
IMPORTED EXCESS ENERGY (IF APPLICABLE) KWH TIMES \$ EQUALS \$
TOTAL AMOUNT DUE \$

ADDITIONAL CHARGES
TOTAL AMOUNT DUE \$

RESTITUTION ADJUSTMENT
HISTORIC KWH TIMES \$ EQUALS \$
TOTAL AMOUNT DUE \$

LOAD FACTOR ACTUAL MILLS PER KWH

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

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AVAILABLE

This tariff is applicable to QF Members with a total capacity requirement of 100 KW or more with on-site generation of 100 KW or more operating in excess of 200 hours per year.

APPLICABLE

Applicable to any QF Members for which the Corporation is subject to the Big Rivers Cogeneration and Small Power Producer Sales Tariff for that energy sold to the QF Member.

DEFINITIONS

- (1) Big Rivers - "Big Rivers" shall mean Big Rivers Electric Corporation.
(2) QF - "QF" means a cogeneration or small power production facility meeting the criteria for Qualifying Facility of Section 4 of 807 KAR 5:054 and are certified or self-certified pursuant to FERC regulations.
(3) QF Member - "QF Member" means a member of a Member Cooperative with a QF.

CONDITIONS OF SERVICE

To receive services hereunder, the QF Member must 1) execute a written contract for electric service on terms acceptable to Big Rivers and the Cooperative and that allows the Cooperative to satisfy all of the requirements to obtain services from Big Rivers pursuant to the Big Rivers Cogeneration and Small Power Producer Sales Tariff - Over 100 KW.

MONTHLY RATE

A. Wholesale Power Cost:

An amount equal to all the monthly charges levied by Big Rivers pursuant to the Big Rivers Cogeneration and Small Power Producer Sales Tariff - Over 100 KW for wholesale electric service (including transmission service) hereunder.

DATE OF ISSUE July 16, 2001 DATE EFFECTIVE June 29, 2001

ISSUED BY Dean Stanley SIGNATURE OF OFFICER TITLE President and CEO

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JUN 29 2001 EXHIBIT 9B Current SECRETARY OF THE COMMISSION



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B. Retail Adders:

Retail Adders shall be determined on a case-by-case basis for that portion of each consumer's load served under this tariff.

School Taxes added to bill if applicable.

Kentucky Sales Taxes added to bill if applicable.

BIG RIVERS COGENERATOR AND SMALL POWER PRODUCER SALES TARIFF - OVER 100 KW

(a) Availability

Available to any Member Cooperative for service to any member of the Member Cooperative with a cogeneration and/or small power production facility (i) that has a net output of less than 5,000 KW and (ii) which meets the criteria for Qualifying Facility of 807 KAR 5:054 - Section 4 and are certified or self-certified pursuant to FERC regulations. Charges for the services under this tariff to any Member Cooperative for service to any member of the Member Cooperative with a cogeneration and/or small power production facility which equals or exceeds 5,000 KW in net output shall be established by special contract. Big Rivers encourages, as an alternative to this tariff and the charges provided herein, that a Member Cooperative negotiate a special contract with Big Rivers to meet the requirements of any retail member for the services provided for in this tariff.

(b) Applicability:

Applicable to purchases made by a Member Cooperative for service to any QF Member of a Member Cooperative with a total capacity requirement of 100 KW or more with on-site generation of 100 KW or more operating in excess of 200 hours per year, electrically engineered so that it can meet part or all of its load with its own generation, for service not covered by one of Big Rivers' other rates. The QF Member shall have the option to provide all or part of its load with its own generation in which case that portion of the QF Member's load requirements not met by the QF, shall be provided to the Member Cooperative under this tariff and all requirements for back-up or maintenance service for the QF Member shall be provided under this tariff. Otherwise, the QF

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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ISSUED BY Dean Stanley SIGNATURE OF OFFICER TITLE PRESIDENT AND CEO PURSUANT TO 807 KAR 5.011, SECTION 9 (1)

BY Stephan Bue SECRETARY OF THE COMMISSION



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Member may sell all of the output of its QF in which case the QF Member's load requirements shall be provided to the Member Cooperative under the terms and conditions of one or more of Big Rivers' standard rates applicable to the load requirements and type of service of the QF Member.

c. Definitions:

- (1) Big Rivers – "Big Rivers" shall mean Big Rivers Electric Corporation.
- (2) LEM – "LEM" means LG&E Energy Marketing, Inc.
- (3) Member Cooperative – As of the effective date of this tariff, "Member Cooperatives" means collectively, Kenergy Corp., Jackson Purchase Energy Corporation and Meade County Rural Electric Cooperative Corporation.
- (4) Off-System Sales Transaction – "Off-System Transaction" means sales of electric energy by Big Rivers other than to the Member Cooperatives, Oglethorpe Power, HMP&L, and Hoosier Energy pursuant to the Power Purchase Agreement.
- (5) Power Purchase Agreement – "Power Purchase Agreement" means the Power Purchase Agreement between Big Rivers and LEM dated July 1998.
- (6) QF – "QF" means a cogeneration or small power production facility meeting the criteria for Qualifying Facility of Section 4 of 807 KAR 5:054 and are certified or self-certified pursuant to FERC regulations.
- (7) QF Member – "QF Member" means a member of a Member Cooperative with a QF.
- (8) Third Party Supplier – "Third Party Supplier" means any supplier of wholesale electric service to Big Rivers other than SEPA or LEM pursuant to the Power Purchase Agreement.

d. Conditions of Service:

To receive service hereunder, the Member Cooperative must:

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ISSUED BY Dean Stanley TITLE President and CEO BY Stephan D. Bell SECRETARY OF THE COMMISSION

SIGNATURE OF OFFICER



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- (1) Obtain from the QF Member an executed, written contract for electric service hereunder on terms acceptable to Big Rivers. Such contract shall set forth any specific arrangements between the parties based on individual circumstances and shall:
(i) Specify the maximum capacity to be made available to the QF Member on an unscheduled basis in any hour (Maximum Unscheduled Capacity), and
(ii) If desired by the QF Member, specify the terms and conditions for the delivery of Maintenance Service, and
(iii) If desired by the QF Member, specify the capacity of on-site generation for which interruptible unscheduled back-up and interruptible scheduled maintenance power may be provided, and
(iv) Specify any other term or condition which the Member Cooperative or Big Rivers may require for service used by a QF Member, taking into account the nature of use, the quality used, the quantity used, the time when used, the purpose for which used, and any other reasonable consideration, and
(2) Enter into a contact with Big Rivers, or amend an existing contract with Big Rivers, to specify the terms and conditions of service between Big Rivers and the Member Cooperative regarding the power supply for the QF Member.

3. For each QF Member, the Member Cooperative will be billed monthly for:

- (1) Supplementary Service (capacity and energy).
(2) Unscheduled Back-Up Service, if any (capacity charge only).
(3) Maintenance Service (capacity and energy), if any.
(4) Excess Demand, if any.
(5) Additional charges, if any.

PUBLIC SERVICE COMMISSION
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EFFECTIVE

JUN 29 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)
BY Stephan D. Bell
SECRETARY OF THE COMMISSION

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SIGNATURE OF OFFICER



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f. Monthly Charges for Sales to a Member Cooperative for Service to a QF Member:

(1) Supplementary Service:

Supplementary demand shall be the QF Member's highest actual demand (adjusted for distribution losses if applicable) measured during the month, excluding Scheduled Maintenance Demand up to but not exceeding the actual measured demands in each demand interval during a Maintenance Schedule, and supplementary energy shall be the actual measured energy (adjusted for distribution losses if applicable), excluding Maintenance Energy sold to the QF by the Member Cooperative in each month. The monthly charges for supplementary demand and energy shall be:

\$7.37 per KW of Supplementary Demand

\$0.0204 per KWH of Supplementary Energy

(2) Unscheduled Back-Up Service:

Unscheduled Back-Up Demand is the QF Member's Maximum Unsheduled Capacity minus the Supplementary Billing Demand for the month. In months in which Maintenance Service has been Scheduled, appropriate credit for Scheduled Maintenance Demand shall be applied to the Unsheduled Back-Up Demand such that the Member Cooperative will not be charged for Unsheduled Back-Up Demand in addition to Scheduled Maintenance Demand when Scheduled Maintenance Service is being provided. The monthly charges to a Member Cooperative for Unsheduled Back-Up Demand shall be:

\$7.37 per KW of Unsheduled Back-Up Demand

Maximum Unsheduled Capacity shall initially be the amount as specified by the QF Member per contract with the Member Cooperative, but in no case less than the actual demand delivered in any month, including the current month. Big Rivers will accept a reduction in the Maximum Unsheduled Capacity upon twelve (12) months advance notice from the Member Cooperative. Said notice must specify the reduction of KW's and the basis EFFECTIVE

DATE OF ISSUE July 16, 2001 DATE EFFECTIVE JUN 29 2001 June 29, 2001
ISSUED BY Dean Stanley SIGNATURE OF OFFICER TITLE PURSUANT TO 807 KAR 5011, SECTION 9 (1) BY Stephan D. Bell SECRETARY OF THE COMMISSION
ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.



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for the lower requirement. All energy shall be billed as either supplementary energy or maintenance energy.

(3) Maintenance Service:

Maintenance Service shall be available to a Member Cooperative to back-up a QF Member's QF only if the Member Cooperative has scheduled delivery of the maintenance services in advance with Big Rivers. The Member Cooperative may schedule up to four weeks of seven consecutive days each per year of such service for a QF Member, subject to scheduling of such usage by Big Rivers. The Member Cooperative may reschedule at any time by giving forty-eight (48) hours notice to Big Rivers. Scheduled Maintenance Demand may not exceed the design capacity of the QF Member's QF. Maintenance Service will be available on an on-peak or off-peak basis. The selection of on-peak Maintenance Service entitles the Member Cooperative to schedule the service for the QF Member at any time. The selection of off-peak Maintenance Service entitles the Member Cooperative to schedule the service for the QF Member only during those hours not designated as on-peak. The designated on-peak hours are as follows:

- (i) Summer 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 May 1 through September 30.
(ii) 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.
(iii) 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:

- (1) \$1.835 per KW of Scheduled Maintenance Demand per week, plus \$0.0204 per KWH of Maintenance Energy; or

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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ISSUED BY Dean Stanley TITLE President and CEO
SIGNATURE OF OFFICER
ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.
Pursuant to PSC 5011, SECTION 9(1) by Stephan R. Secretary of the Commission



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- (2) 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:

\$1.835 per KW of Scheduled Maintenance Demand per week, plus
\$0.0204 per KWH of Maintenance Energy.

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.

- (4) 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 Demand shall in addition to the charges for Supplementary Service and shall be either:

- (i) One hundred-ten percent (110%) of Big Rivers' actual cost, including transmission service, to import energy from a Third Party supplier to supply the Excess Demand of the Member Cooperative for the QF Member; or
(ii) If it is not necessary for Big Rivers to import energy from a Third Party Supplier, charges for Excess Demand shall be the greater of: a) \$7.37 per KW times the highest Excess Demand recorded during the month; or b) 110% of the highest price received by Big Rivers during an Off-System Sales Transactions during the month times the sum of the Excess Demands measured during the month.

Big Rivers shall be the sole determinant of when and under what circumstances it is required to import energy from a Third Party Supplier to provide Excess Demand.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DATE OF ISSUE July 16, 2001 DATE EFFECTIVE JUN 29, 2001
ISSUED BY Dean Stanley SIGNATURE OF OFFICER TITLE President and CEO
ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395. BY Stephan Buss



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
Original SHEET NO. 45G
CANCELLING PSC NO.
SHEET NO.

CLASSIFICATION OF SERVICE
Schedule 45 - Small Power and Cogeneration (Over 100 KW)
(Customer Buys Power from Kenergy)

(5) Additional Charges:

Any and all costs incurred by Big Rivers as a result of the QF's failure to generate, including, without limitation, ancillary services necessary to maintain reliability on the Big Rivers' system, shall be charged to the Member Cooperative in addition to all other charges.

(6) Interruptible Service:

Interruptible Supplementary Service or Interruptible Back-up Service will be made available, upon request. Terms and conditions of interruptible service will be as negotiated under special contract according to the terms of 807 KAR 5:054.

g. Interconnections:

Big Rivers requires a three-party interconnection agreement between the QF Member, Big Rivers, and the Member Cooperative prior to service under this tariff. Big Rivers shall make interconnections with the Member Cooperative, or the QF Member, or both as required and the QF Member will pay for the interconnection costs in accordance with 807 KAR 5:054 - Section 6 and the interconnection agreement.

h. System Emergencies:

During System Emergencies, Big Rivers may discontinue sales in accordance with 807 KAR 5:054 - Section 6.

i. Loss Compensation:

Power and energy delivered by Big Rivers pursuant to this rate schedule shall be metered at or compensated by Big Rivers' point of delivery to the Member Cooperative. Where metering of the QF Member's load is at a point of delivery on a Member Cooperative's distribution system, metered demand and energy shall be adjusted to compensate for distribution losses prior to billing hereunder.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DATE OF ISSUE July 16, 2001 DATE EFFECTIVE JUN 29 2001 June 29, 2001
ISSUED BY Dean Stanley SIGNATURE OF OFFICER TITLE PURSUANT TO 807 KAR 5:011, SECTION 9(1) President and CEO
BY Stephen D. Bell SECRETARY OF THE COMMISSION
ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

Original SHEET NO. 45H

CANCELLING PSC NO.

SHEET NO.

CLASSIFICATION OF SERVICE
Schedule 45 - Small Power and Cogeneration (Over 100 KW)
(Customer Buys Power from Kenergy)

BILLING FORM

INVOICE

BIG RIVERS ELECTRIC CORP., P.O. BOX 24, HENDERSON, KY 42419-0024

TO: COGENERATOR AND SMALL POWER PRODUCER SALES ACCOUNT
DELIVERY POINTS SERVICE FROM THRU

USAGE: DEMAND / TIME / DAY METER MULT. KW DEMAND
POWER FACTOR BASE PEAK AVERAGE BILLED
SUPPLEMENTAL DEMAND KW DEMAND
UNSCHEDULED BACK-UP DEMAND KW DEMAND
MAINTENANCE DEMAND KW DEMAND
EXCESS DEMAND KW DEMAND
CUMULATIVE EXCESS DEMAND KW DEMAND
ENERGY PREVIOUS PRESENT DIFFERENCE MULT. KWH USED
SUPPLEMENTAL ENERGY KWH USED
MAINTENANCE ENERGY KWH USED

SUPPLEMENTARY SERVICE

DEMAND KW TIMES \$ EQUALS \$
P/F PENALTY KW TIMES \$ EQUALS \$
ENERGY KWH TIMES \$ EQUALS \$
SUBTOTAL \$

UNSCHEDULED BACK-UP SERVICE

DEMAND KW TIMES \$ EQUALS \$

MAINTENANCE SERVICE ON-PEAK

DEMAND PER-WEEK (IF APPLICABLE) KW TIMES \$ EQUALS \$

ENERGY (IF APPLICABLE) KWH TIMES \$ EQUALS \$

SCHEDULED ENERGY BLOCK (IF APPLICABLE)

TOTAL AMOUNT DUE

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DATE OF ISSUE July 16, 2001 DATE EFFECTIVE JUN 29 2001

ISSUED BY Dean Stanley SIGNATURE OF OFFICER TITLE President and CEO
PURSUANT TO 807 KAR 5:011, SECTION 9(1)

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.

BY Stephan B... SECRETARY OF THE COMMISSION



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

Original SHEET NO. 45I

CANCELLING PSC NO. _____

_____ SHEET NO. _____

CLASSIFICATION OF SERVICE

**Schedule 45 – Small Power and Cogeneration (Over 100 KW)
(Customer Buys Power from Kenergy)**

OFF-PEAK

DEMAND PER-WEEK ENERGY

KW TIMES \$ _____
KWH TIMES \$ _____

EQUALS \$ _____
EQUALS \$ _____

SUBTOTAL

\$ _____

EXCESS SERVICE

EXCESS DEMAND (IF APPLICABLE)
CUMMULATIVE EXCESS DEMAND (IF APPLICABLE)
IMPORTED EXCESS ENERGY (IF APPLICABLE)
TOTAL AMOUNT DUE

KW TIMES \$ _____
KW TIMES \$ _____
KWH TIMES \$ _____

EQUALS \$ _____
EQUALS \$ _____
EQUALS \$ _____
\$ _____

ADDITIONAL CHARGES

TOTAL AMOUNT DUE

\$ _____

RESTITUTION ADJUSTMENT

HISTORIC
TOTAL AMOUNT DUE

KWH TIMES \$ _____

EQUALS \$ _____
\$ _____

LOAD FACTOR

ACTUAL

MILLS PER KWH

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 29 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: Stephan O Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE January 4, 2001 DATE EFFECTIVE July 1, 2001

ISSUED BY Dean Stanley TITLE President and CEO

SIGNATURE OF OFFICER

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
First Revised Original SHEET NO. 45
CANCELLING PSC NO.
Original SHEET NO. 45

CLASSIFICATION OF SERVICE
Schedule 45 – Small Power and Cogeneration (Over 100 KW)
(Customer Buys Power from Kenergy)

AVAILABLE

This tariff is applicable to QF Members with a total capacity requirement of 100 KW or more with on-site generation of 100 KW or more operating in excess of 200 hours per year.

APPLICABLE

Applicable to any QF Members for which the Corporation is subject to the Big Rivers Cogeneration and Small Power Producer Sales Tariff for that energy sold to the QF Member.

DEFINITIONS

- (1) Big Rivers – “Big Rivers” shall mean Big Rivers Electric Corporation.
(2) QF – “QF” means a cogeneration or small power production facility meeting the criteria for Qualifying Facility of Section 4 of 807 KAR 5:054 and are certified or self-certified pursuant to FERC regulations.
(3) QF Member – “QF Member” means a member of a Member Cooperative with a QF.

CONDITIONS OF SERVICE

To receive services hereunder, the QF Member must 1) execute a written contract for electric service on terms acceptable to Big Rivers and the Cooperative and that allows the Cooperative to satisfy all of the requirements to obtain services from Big Rivers pursuant to the Big Rivers Cogeneration and Small Power Producer Sales Tariff – Over 100 KW.

MONTHLY RATE

A. Wholesale Power Cost:

An amount equal to all the monthly charges levied by Big Rivers pursuant to the Big Rivers Cogeneration and Small Power Producer Sales Tariff – Over 100 KW for wholesale electric service (including transmission service) hereunder.

DATE OF ISSUE July 16, 2001 February 11, 2008 DATE EFFECTIVE June 29, 2001 Per Order of Commission
ISSUED BY SIGNATURE OF OFFICER TITLE President and CEO

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.

EXHIBIT
9C
Comparison



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

First Revised ~~Original~~ SHEET NO. 45A

CANCELLING PSC NO. _____

Original SHEET NO. 45A

CLASSIFICATION OF SERVICE
Schedule 45 – Small Power and Cogeneration (Over 100 KW)
(Customer Buys Power from Kenergy)

B. Retail Adders:

Retail Adders shall be determined on a case-by-case basis for that portion of each consumer’s load served under this tariff.

School Taxes added to bill if applicable.

Kentucky Sales Taxes added to bill if applicable.

BIG RIVERS COGENERATION AND SMALL POWER PRODUCER SALES TARIFF – OVER 100 KW

(a) Availability

Available to any Member Cooperative for service to any member of the Member Cooperative with a cogeneration and/or small power production facility (i) that has a net output of less than 5,000 KW and (ii), which meets the criteria for Qualifying Facility of 807 KAR 5:054 – Section 4. ~~and are certified or self-certified pursuant to FERC regulations.~~ Charges for the services under this tariff to any Member Cooperative for service to any member of the Member Cooperative with a cogeneration and/or small power production facility ~~which equals or exceeds 5,000 KW in net output~~ shall be established by special contract. ~~Big Rivers encourages, as an alternative to this tariff and the charges provided herein, that a Member Cooperative negotiate a special contract with Big Rivers to meet the requirements of any retail member for the services provided for in this tariff.~~

(b) Applicability:

Applicable to purchases made by a Member Cooperative for service to any QF Member of a Member Cooperative with a total capacity requirement of 100 KW or more with on-site generation of 100 KW or more operating in excess of 200 hours per year, electrically engineered so that it can meet part or all of its load with its own generation, for service not covered by one of Big Rivers’ other rates. The QF Member shall have the option to provide all or part of its load with its own generation in which case that portion of the QF Member’s load requirements not met by the QF, shall be provided to the Member Cooperative under this tariff and all requirements for back-up or maintenance service for the QF Member shall be provided under this tariff. Otherwise, the QF

DATE OF ISSUE ~~July 16, 2001~~ February 11, 2008 DATE EFFECTIVE ~~June 29, 2001~~ Per Order of Commission

ISSUED BY _____ TITLE President and CEO

SIGNATURE OF OFFICER

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
First Revised Original SHEET NO. 45B
CANCELLING PSC NO.
Original SHEET NO. 45B

CLASSIFICATION OF SERVICE
Schedule 45 - Small Power and Cogeneration (Over 100 KW)
(Customer Buys Power from Kenergy)

Member may sell all of the output of its QF in which case the QF Member's load requirements shall be provided to the Member Cooperative under the terms and conditions of one or more of Big Rivers' standard rates applicable to the load requirements and type of service of the QF Member.

c. Definitions:

- (1) Big Rivers - "Big Rivers" shall mean Big Rivers Electric Corporation.
(2) LEM - "LEM" means LG&E Energy Marketing, Inc.
(3)(2) Member Cooperative - As of the effective date of this tariff, "Member Cooperatives" means collectively, Kenergy Corp., Jackson Purchase Energy Corporation and Meade County Rural Electric Cooperative Corporation.
(4)(3) Off-System Sales Transaction - "Off-System Transaction" means sales of electric energy by Big Rivers other than to the Member Cooperatives and Henderson Municipal Power and Light.
(5) Power Purchase Agreement - "Power Purchase Agreement" means the Power Purchase Agreement between Big Rivers and LEM dated July 1998.
(6)(4) QF - "QF" means a cogeneration or small power production facility meeting the criteria for Qualifying Facility of Section 4 of 807 KAR 5:054 and are certified or self-certified pursuant to FERC regulations.
(7)(5) QF Member - "QF Member" means a member of a Member Cooperative with a QF.
(8)(6) Third Party Supplier - "Third Party Supplier" means any supplier of wholesale electric service to Big Rivers other than SEPA or LEM pursuant to the Power Purchase Agreement and Henderson Municipal Power and Light.

d. Conditions of Service:

DATE OF ISSUE July 16, 2001 February 11, 2008 DATE EFFECTIVE June 29, 2001 Per Order of Commission
ISSUED BY TITLE President and CEO
SIGNATURE OF OFFICER

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

First Revised ~~Original~~ SHEET NO. 45C

CANCELLING PSC NO. _____

Original SHEET NO. 45C

CLASSIFICATION OF SERVICE

**Schedule 45 -- Small Power and Cogeneration (Over 100 KW)
(Customer Buys Power from Kenergy)**

To receive service hereunder, the Member Cooperative must:

- (1) Obtain from the QF Member an executed, written contract for electric service hereunder on terms acceptable to Big Rivers. Such contract shall set forth any specific arrangements between the parties based on individual circumstances and shall:
 - (i) Specify the maximum capacity to be made available to the QF Member on an unscheduled basis in any hour (Maximum Unscheduled Capacity), and
 - (ii) If desired by the QF Member, specify the terms and conditions for the delivery of Maintenance Service, and
 - (iii) If desired by the QF Member, specify the capacity of on-site generation for which interruptible unscheduled back-up and interruptible scheduled maintenance power may be provided, and
 - (iv) Specify any other term or condition which the Member Cooperative or Big Rivers may require for service used by a QF Member, taking into account the nature of use, the quality used, the quantity used, the time when used, the purpose for which used, and any other reasonable consideration, and
- (2) Enter into a contact with Big Rivers, or amend an existing contract with Big Rivers, to specify the terms and conditions of service between Big Rivers and the Member Cooperative regarding the power supply for the QF Member.

3e. For each QF Member, the Member Cooperative will be billed monthly for:

- (1) Supplementary Service (capacity and energy).
- (2) Unscheduled Back-Up Service, if any (capacity charge only).
- (3) Maintenance Service (capacity and energy), if any.
- (4) Excess Demand, if any.

DATE OF ISSUE July 16, 2001 February 11, 2008 DATE EFFECTIVE June 29, 2001 Per Order of Commission

ISSUED BY _____ TITLE President and CEO

SIGNATURE OF OFFICER

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

First Revised ~~Original~~ SHEET NO. 45D

CANCELLING PSC NO. _____

Original SHEET NO. 45D

CLASSIFICATION OF SERVICE
Schedule 45 – Small Power and Cogeneration (Over 100 KW)
(Customer Buys Power from Kenergy)

(5) Additional charges, if any.

f. Monthly Charges for Sales to a Member Cooperative for Service to a QF Member:

(1) Supplementary Service:

Supplementary demand shall be the QF Member’s highest actual demand (adjusted for distribution losses if applicable) measured during the month, excluding Scheduled Maintenance Demand up to but not exceeding the actual measured demands in each demand interval during a Maintenance Schedule, and supplementary energy shall be the actual measured energy (adjusted for distribution losses if applicable), excluding Maintenance Energy sold to the QF by the Member Cooperative in each month. The monthly charges for supplementary demand and energy shall be:

~~\$7.37 per KW of Supplementary Demand~~

~~\$0.0204 per KWH of Supplementary Energy~~ according to the rates set forth in Big Rivers’ rate schedule C.4.d.

(2) Unscheduled Back-Up Service:

Unscheduled Back-Up Demand is the QF Member’s Maximum Unscheduled Capacity minus the Supplementary Billing Demand for the month. In months in which Maintenance Service has been Scheduled, appropriate credit for Scheduled Maintenance Demand shall be applied to the Unscheduled Back-Up Demand such that the Member Cooperative will not be charged for Unscheduled Back-Up Demand in addition to Scheduled Maintenance Demand when Scheduled Maintenance Service is being provided. The monthly charges to a Member Cooperative for Unscheduled Back-Up Demand shall be:

~~\$7.37 per KW of Unscheduled Back-Up Demand~~ One hundred-ten percent (110%) of Big Rivers’ actual cost, including transmission service, to import energy from a Third Party supplier to supply the Unscheduled Back-up Service for the QF Members:

Maximum Unscheduled Capacity shall initially be the amount as specified by the QF Member per contract with the Member Cooperative, but in no case less than the actual

DATE OF ISSUE July 16, 2001 February 11, 2008 DATE EFFECTIVE June 29, 2001 Per Order of Commission

ISSUED BY _____ TITLE President and CEO

SIGNATURE OF OFFICER

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

First Revised Original SHEET NO. 45E

CANCELLING PSC NO. _____

Original SHEET NO. 45E

CLASSIFICATION OF SERVICE

**Schedule 45 – Small Power and Cogeneration (Over 100 KW)
(Customer Buys Power from Kenergy)**

demand delivered in any month, including the current month. Big Rivers will accept a reduction in the Maximum Unscheduled Capacity upon twelve (12) months advance notice from the Member Cooperative. Said notice must specify the reduction in KWs and the basis for the lower requirement. All energy shall be billed as either supplementary energy or maintenance energy.

(3) Maintenance Service:

Maintenance Service shall be available to a Member Cooperative to back-up a QF Member's QF only if the Member Cooperative has scheduled delivery of the maintenance services in advance with Big Rivers. The Member Cooperative may schedule up to four weeks of seven consecutive days each per year of such service for a QF Member, subject to scheduling of such usage by Big Rivers. The Member Cooperative may reschedule at any time by giving forty-eight (48) hours notice to Big Rivers. Scheduled Maintenance Demand may not exceed the design capacity of the QF Member's QF. Maintenance Service will be available on an on-peak or off-peak basis. The selection of on-peak Maintenance Service entitles the Member Cooperative to schedule the service for the QF Member at any time. The selection of off-peak Maintenance Service entitles the Member Cooperative to schedule the service for the QF Member only during those hours not designated as on-peak. The designated on-peak hours are as follows:

- (i) Summer 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 May 1 through September 30.
- (ii) 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.
- (iii) 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:

DATE OF ISSUE ~~July 16, 2001~~ February 11, 2008 DATE EFFECTIVE ~~June 29, 2001~~ Per Order of Commission

ISSUED BY _____ TITLE President and CEO

SIGNATURE OF OFFICER

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

First Revised ~~Original~~ SHEET NO. 45F

CANCELLING PSC NO. _____

Original SHEET NO. 45F

CLASSIFICATION OF SERVICE

**Schedule 45 – Small Power and Cogeneration (Over 100 KW)
(Customer Buys Power from Kenergy)**

- (1) \$1.835 per KW of Scheduled Maintenance Demand per week, plus
\$0.0204 per KWH of Maintenance Energy; or
- (2) 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:

\$1.835 per KW of Scheduled Maintenance Demand per week, plus

~~\$0.0204 per KWH of Maintenance Energy.~~

According to schedule C.4.d. (2) 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.

- (4) 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 Demand shall in addition to the charges for Supplementary Service and shall be either:

- (i) One hundred-ten percent (110%) of Big Rivers' actual cost, including transmission service, to import energy from a Third Party supplier to supply the Excess Demand of the Member Cooperative for the QF Member; or
- (ii) If it is not necessary for Big Rivers to import energy from a Third Party Supplier, charges for Excess Demand shall be the greater of: a) \$7.37 per KW times the highest Excess Demand recorded during the month; or b) 110% of the highest price received by Big Rivers during an Off-System Sales

DATE OF ISSUE ~~July 16, 2001~~ February 11, 2008 DATE EFFECTIVE ~~June 29, 2001~~ Per Order of Commission

ISSUED BY _____ TITLE President and CEO

SIGNATURE OF OFFICER

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
First Revised Original SHEET NO. 45G
CANCELLING PSC NO.
Original SHEET NO. 45G

CLASSIFICATION OF SERVICE
Schedule 45 – Small Power and Cogeneration (Over 100 KW)
(Customer Buys Power from Kenergy)

Transactions during the month times the sum of the Excess Demands measured during the month. Big Rivers shall be the sole determinant of when and under what circumstances it is required to import energy from a Third Party Supplier to provide Excess Demand.

(5) Additional Charges:

Any and all costs incurred by Big Rivers as a result of the QF's failure to generate, including, without limitation, ancillary services necessary to maintain reliability on the Big Rivers' system, shall be charged to the Member Cooperative in addition to all other charges.

(6) Interruptible Service:

Interruptible Supplementary Service or Interruptible Back-up Service will be made available, upon request. Terms and conditions of interruptible service will be as negotiated under special contract according to the terms of 807 KAR 5:054.

g. Interconnections:

Big Rivers requires a three-party interconnection agreement between the QF Member, Big Rivers, and the Member Cooperative prior to service under this tariff. Big Rivers shall make interconnections with the Member Cooperative, or the QF Member, or both as required and the QF Member will pay for the interconnection costs in accordance with 807 KAR 5:054 – Section 6 and the interconnection agreement.

h. System Emergencies:

During System Emergencies, Big Rivers may discontinue sales in accordance with 807 KAR 5:054 – Section 6.

i. Loss Compensation:

DATE OF ISSUE July 16, 2001 February 11, 2008 DATE EFFECTIVE June 29, 2001 Per Order of Commission
ISSUED BY SIGNATURE OF OFFICER TITLE President and CEO

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
First Revised Original SHEET NO. 45H
CANCELLING PSC NO.
Original SHEET NO. 45H

Table with 1 row and 1 column: CLASSIFICATION OF SERVICE, Schedule 45 - Small Power and Cogeneration (Over 100 KW), (Customer Buys Power from Kenergy)

Power and energy delivered by Big Rivers pursuant to this rate schedule shall be metered at or compensated by Big Rivers' point of delivery to the Member Cooperative. Where metering of the QF Member's load is at a point of delivery on a Member Cooperative's distribution system, metered demand and energy shall be adjusted to compensate for distribution losses prior to billing hereunder.

DATE OF ISSUE July 16, 2001 February 11, 2008 DATE EFFECTIVE June 29, 2001 Per Order of Commission

ISSUED BY SIGNATURE OF OFFICER TITLE President and CEO

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
Original SHEET NO. 45I

CANCELLING PSC NO.
SHEET NO.

CLASSIFICATION OF SERVICE
Schedule 45 - Small Power and Cogeneration (Over 100 KW)
(Customer Buys Power from Kenergy)

BILLING FORM

INVOICE
BIG RIVERS ELECTRIC CORP., P.O. BOX 24, HENDERSON, KY 42419-0024

TO: COGENERATOR AND SMALL POWER PRODUCER SALES ACCOUNT
DELIVERY POINTS SERVICE FROM THRU
USAGE:
DEMAND / TIME / DAY METER MULT. KW DEMAND
POWER FACTOR BASE PEAK AVERAGE BILLED
SUPPLEMENTAL DEMAND KW DEMAND
UNSCHEDULED BACK-UP DEMAND KW DEMAND
MAINTENANCE DEMAND KW DEMAND
EXCESS DEMAND KW DEMAND
CUMULATIVE EXCESS DEMAND KW DEMAND
ENERGY PREVIOUS PRESENT DIFFERENCE MULT. KWH USED
SUPPLEMENTAL ENERGY KWH USED
MAINTENANCE ENERGY KWH USED

SUPPLEMENTARY SERVICE

DEMAND KW TIMES \$ EQUALS \$
P/F PENALTY KW TIMES \$ EQUALS \$
ENERGY KWH TIMES \$ EQUALS \$
SUBTOTAL \$

UNSCHEDULED BACK-UP SERVICE

DEMAND KW TIMES \$ EQUALS \$

MAINTENANCE SERVICE ON-PEAK

DEMAND PER-WEEK (IF APPLICABLE) KW TIMES \$ EQUALS \$

ENERGY (IF APPLICABLE) KWH TIMES \$ EQUALS \$

SCHEDULED ENERGY BLOCK (IF APPLICABLE)

TOTAL AMOUNT DUE \$

DATE OF ISSUE July 16, 2001 February 11, 2008 DATE EFFECTIVE June 29, 2001 Per Order of Commission

ISSUED BY SIGNATURE OF OFFICER TITLE President and CEO

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
Original SHEET NO. 45J
CANCELLING PSC NO.
SHEET NO.

CLASSIFICATION OF SERVICE
Schedule 45 - Small Power and Cogeneration (Over 100 KW)
(Customer Buys Power from Kenergy)

OFF-PEAK
DEMAND PER-WEEK KW TIMES \$ EQUALS \$
ENERGY KWH TIMES \$ EQUALS \$
SUBTOTAL \$

EXCESS SERVICE
EXCESS DEMAND (IF APPLICABLE) KW TIMES \$ EQUALS \$
CUMMULATIVE EXCESS DEMAND (IF APPLICABLE) KW TIMES \$ EQUALS \$
IMPORTED EXCESS ENERGY (IF APPLICABLE) KWH TIMES \$ EQUALS \$
TOTAL AMOUNT DUE \$

ADDITIONAL CHARGES
TOTAL AMOUNT DUE \$

RESTITUTION ADJUSTMENT
HISTORIC KWH TIMES \$ EQUALS \$
TOTAL AMOUNT DUE \$

LOAD FACTOR
ACTUAL MILLS PER KWH

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

DATE OF ISSUE July 16, 2001 February 11, 2008 DATE EFFECTIVE June 29, 2001 Per Order of Commission
ISSUED BY SIGNATURE OF OFFICER TITLE President and CEO

ISSUED BY AUTHORITY OF PSC ORDER NO. 2000-395.



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

Fourth Revised SHEET NO. 34

CANCELLING PSC NO.

Third Revised SHEET NO. 34

CLASSIFICATION OF SERVICE
Schedule 34 – Smelter Customers Served Under Special Contracts – Class A

- (T) The Kenergy Corp. Smelter Tariffs for service to (i) Alcan Primary Products Corporation, assignee of
- (I) Alcan Aluminum Corporation, shall consist of the Retail Electric Service Agreement, dated as of _____, 2008, between Kenergy Corp. and Alcan Primary Products Corporation and (ii) Century Aluminum of Kentucky General Partnership shall consist of the Retail Electric Service Agreement, dated as of _____, 2008, between Kenergy Corp. and Century Aluminum of Kentucky General Partnership. Such agreements are hereby incorporated by reference as though fully set out herein. Alcan Primary Products Corporation and Century Aluminum of Kentucky General Partnership shall each respectively be obligated to pay in accordance with the rates, charges and other terms and conditions set forth in said agreements, including the applicable retail fee.

DATE OF ISSUE February 11, 2008 DATE EFFECTIVE Per Order of Commission

ISSUED BY _____ TITLE President and CEO

SIGNATURE OF OFFICER

ISSUED BY AUTHORITY OF PSC ORDER NO. _____.

EXHIBIT
10A
Proposed



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

Third Revised SHEET NO. 34

CANCELLING PSC NO. _____

Second Revised SHEET NO. 34

CLASSIFICATION OF SERVICE
Schedule 34 – Smelter Customers Served Under Special Contracts – Class A

(T) The Kenergy Corp. Smelter Tariffs for service to Alcan Primary Products Corporation, assignee of Alcan Aluminum Corporation, and Century Aluminum shall consist of Schedule A to the Agreement for Electric Service between Kenergy Corp. and Alcan Aluminum Corporation and Century Aluminum dated July 15, 1998, which Schedule A is hereby incorporated by reference as though fully set out herein. Alcan Primary Products Corporation and Century Aluminum shall be obligated to pay in accordance with the rates, charges and other terms and conditions set forth in said Schedule A including the applicable retail fee.

Notwithstanding any provision to the contrary contained in the attached Schedule A to the Agreement for Electric Service, Alcan Primary Products Corporation and Century Aluminum may be obligated to pay to Kenergy Corp. a transmission surcharge if necessary to recover a portion of any unforeseen increases in Big Rivers' transmission costs due to the Smelters' load, as set forth in the Commission's Order dated July 14, 1998, in Case No. 98-267.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 6/14/2005 PURSUANT TO 807 KAR 5:011 SECTION 9 (1) June 14, 2005

DATE OF ISSUE June 27, 2005

ISSUED BY *Mark A. Bailey*
 SIGNATURE OF OFFICER

DATE EFFECTIVE June 14, 2005

TITLE and CEO
 By *[Signature]*
 Executive Director

ISSUED BY AUTHORITY OF PSC ORDER NO. 2004-00446.



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

~~Third~~ Fourth Revised SHEET NO. 34

CANCELLING PSC NO. _____

~~Second~~ Third Revised SHEET NO. 34

CLASSIFICATION OF SERVICE
Schedule 34 – Smelter Customers Served Under Special Contracts – Class A

The Kenergy Corp. Smelter Tariffs for service to (i) Alcan Primary Products Corporation, assignee of Alcan Aluminum Corporation, and ~~Century Aluminum~~ shall consist of the Retail Electric Service Agreement, dated as of _____, 2008 ~~Schedule A to the Agreement for Electric Service~~ between Kenergy Corp. and Alcan ~~Aluminum~~ Primary Products Corporation and (ii) Century Aluminum of Kentucky General Partnership shall consist of the Retail Electric Service Agreement, dated as of _____, 2008 between Kenergy Corp. and Century Aluminum of Kentucky General Partnership. Such agreements are hereby incorporated by reference as though fully set out herein. ~~July 15, 1998, which Schedule A is hereby incorporated by reference as though fully set out herein.~~ Alcan Primary Products Corporation and Century Aluminum of Kentucky General Partnership shall each respectively be obligated to pay in accordance with the rates, charges and other terms and conditions set forth in said ~~Schedule A~~ agreements, including the applicable retail fee.

Notwithstanding any provision to the contrary contained in the attached ~~Schedule A to the Agreement for Electric Service~~, Alcan Primary Products Corporation and Century Aluminum may be obligated to pay to Kenergy Corp. a transmission surcharge if necessary to recover a portion of any unforeseen increases in Big Rivers' transmission costs due to the Smelters' load, as set forth in the Commission's Order dated July 14, 1998, in Case No. 98-267.

DATE OF ISSUE ~~June 27, 2005~~ February 11, 2008 DATE EFFECTIVE ~~June 14, 2005~~ Per Order of Commission

ISSUED BY _____ TITLE President and CEO

SIGNATURE OF OFFICER

EXHIBIT

ISSUED BY AUTHORITY OF PSC ORDER NO. 2004-00446.

10C
Comparison

1 Commission, the Georgia Public Service Commission, the Illinois
2 Commerce Commission, the New York Public Service Commission, the
3 West Virginia Public Service Commission, the Public Service
4 Commission of Maryland, the Delaware Public Service Commission and
5 the Federal Energy Regulatory Commission.

6 5. Q. ARE YOU REPRESENTING THE OTHER BREC MEMBERS IN
7 THEIR TARIFF FILINGS?

8 A. Yes, in addition to representing Kenergy Corp. (“Kenergy”) in this
9 proceeding, I am representing Jackson Purchase Energy Corporation
10 (“JPEC”) and Meade County RECC (“Meade County”) in their filings. All
11 three are hereinafter collectively “the BREC Members”.

12 6. Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

13 A. The purpose of my testimony is to introduce and support six retail tariff
14 riders, a revised Schedule 34-Smelter Customers Served Under Special
15 Contract – Class A, and rates for Small Power Production and Qualifying
16 Facilities that will be needed by Kenergy to pass through the effects of the
17 five tariff riders and changes to the wholesale tariffs for Small Power
18 Production and Qualifying Facilities that Big Rivers EC (“BREC”) is
19 proposing in PSC Case No. 2007-00455 and PSC Case No. 2007-00460.

20 7. Q. OTHER THAN THE REVISIONS TO SCHEDULE 34 AND TARIFFS
21 FOR SMALL POWER PRODUCTION AND QUALIFYING
22 FACILITIES, IS KENERGY PROPOSING ANY CHANGES TO
23 MODIFY EXISTING BASE RATES OR THE WHOLESALE

1 DISCOUNT ADJUSTMENT?

2 A. No. Kenergy’s current base rates and the Wholesale Discount Adjustment
3 (“WDAR”) will continue in effect unchanged.

4 8. Q. PLEASE IDENTIFY THE SIX PROPOSED RETAIL TARIFF RIDERS
5 AND THEIR PURPOSE.

6 A. The six proposed retail tariff riders are included with the Application and
7 are:

8 1. Fuel Adjustment Clause (FAC) which will be used to pass
9 through wholesale charges or credits incurred under the
10 BREC Fuel Adjustment Clause.

11 2. Environmental Surcharge (ES) which will be used to pass
12 through wholesale charges or credits incurred under the
13 BREC Environmental Surcharge.

14 3. Unwind Surcredit (US) which will be used to pass through
15 wholesale charges or credits incurred under the BREC
16 Unwind Surcredit.

17 4. Rebate Adjustment – a rebate mechanism which will be used
18 to pass through the rebates paid by BREC pursuant to the
19 BREC Rebate Adjustment.

20 5. Member Rate Stability Mechanism (MRSM) which will be
21 used to pass through wholesale credits from the BREC
22 Member Rate Stability Mechanism.

23 6. Unwind Rider - Composite Factor (URCF) which at

1 kWh data for a 24 month period ending November 2007 and hypothetical
2 wholesale factors or amounts for the wholesale riders.

3 **III. Tariff Riders**

4 11. Q. PLEASE DESCRIBE AND EXPLAIN THE FIVE TARIFF RIDERS
5 THAT ARE SPECIFICALLY LINKED TO THE FIVE
6 CORRESPONDING RIDERS PROPOSED BY BREC.

7 A. All are designed to flow through the corresponding amounts charged
8 or credited by BREC. Each rider has two sections. Section 1 of each
9 is applicable to kWh sales made under Kenergy's tariff for non-
10 direct served customers, schedules residential, non-residential, three-
11 phase demand (0-1000 kW), three-phase demand (1,000 kW &
12 Over), and lighting rates – individual, street, decorative, and
13 commercial exterior. For each rider except the Rebate Adjustment
14 the current month retail charge or credit is based on the amounts
15 charged or credited by BREC on the power bill for the second month
16 preceding the current month, plus or minus over and under
17 correction amounts. The over and under correction for all five riders
18 including the rebate is based on the preceding month's charges or
19 refunds versus the amount calculated to be recoverable. Section 2 of
20 the FAC, the ES, the US, the Rebate Adjustment, and the MRSM is
21 applicable to customers when the wholesale rate paid by Kenergy for
22 the load provided to the customer is either the Big Rivers Large
23 Industrial Tariff or the Big Rivers Large Industrial Expansion Tariff.

1 Section 2 of the FAC and the ES also is applicable to smelter sales
2 pursuant to the Smelter Agreements. Under Section 2, actual BREC
3 charges and credits by customer are known and can be directly
4 assigned with no lag and no losses applicable. Retail over and under
5 mechanisms are not needed for Section 2 customers.

6 12. Q. PLEASE EXPLAIN THE REBATE ADJUSTMENT AND WHAT
7 MAKES IT DIFFERENT.

8 A. As explained in the direct testimony of BREC witnesses filed in PSC Case
9 No. 2007-00460, BREC may pay rebates to the BREC Members in
10 conjunction with rebates made pursuant to the Smelter Agreements. If
11 there is a rebate from BREC, it will be paid to the BREC Members in the
12 form of a lump sum credit to one month's power bills. The Kenergy
13 Rebate Adjustment is different from the other Kenergy riders because the
14 rebate paid by BREC is a lump sum and because of its accounting
15 treatment. Rebates paid by BREC will be accrued by BREC to its revenue
16 in the prior year. Kenergy will correspondingly credit power cost and debit
17 revenue for the prior year by the amount of the wholesale Rebate
18 Adjustment if it is known before closing the books for the prior year or by
19 an estimated amount if not known. If an estimated amount is accrued for
20 the prior year any correction amount will be accrued in the current year. In
21 either case the accruals of revenue and power cost will cancel each other
22 and not create a margin. Upon receipt of the Rebate Adjustment from
23 BREC, Kenergy will also debit cash and credit accounts payable. Kenergy

1 will then credit the rebate to the Section 1 customers over twelve months
2 without interest based on monthly per kWh credit factors. Rebates will be
3 directly passed through to Section 2 customers. Kenergy will debit
4 accounts payable as the rebates are returned.

5 13. Q. PLEASE EXPLAIN THE REASONS FOR REFUNDING THE REBATE
6 ADJUSTMENT WITHOUT INTEREST.

7 A. BREC and the BREC Members have carefully structured the five
8 wholesale riders and corresponding retail riders to have zero effect on
9 customers' bills so long as sufficient funds are available from the BREC
10 Economic Reserve currently estimated to be five years. The zero effect
11 would not occur if an interest component was added to the Rebate
12 Adjustment although the net rate adjustment would be a credit.
13 Nevertheless, to maintain simplicity and as will be explained in testimony
14 that follows, to allow for the use of the Unwind Rider – Composite Factor
15 the Rebate Adjustment will be refunded without an interest adder. Any
16 associated interest that is earned and accrued during period of Rebate
17 Adjustment will benefit the Kenergy customers when allocated in the form
18 of patronage capital.

19 14. Q. PLEASE EXPLAIN HOW THE REBATE CREDIT FACTOR
20 APPLICABLE TO SECTION 1 CUSTOMERS IS TO BE
21 CALCULATED.

22 A. Section 1 customers will be credited rebates in a manner similar to that
23 used for the Member Discount Adjustment presently in effect. One twelfth

1 of any rebate not directly applicable to Section 2 along with any over or
2 under recovery amount from the prior month will be converted to a kWh
3 credit factor and applied to the kWh of Section 1 customers. Following a
4 rebate from BREC, the 12 months of the Rebate Adjustment will
5 commence with the second month following the month in which BREC
6 applies the corresponding one-twelfth of the wholesale rebate to the
7 wholesale Member Rate Stability Mechanism. In this way, the retail credit
8 will correspond with the effect of BREC's application through the
9 wholesale MRSM and it will achieve the desired result of a zero net billing
10 factor so long as the combined effect of the BREC riders produces a net
11 zero charge on the wholesale bills.

12 15. Q. PLEASE EXPLAIN THE INTERRELATIONSHIP BETWEEN THE
13 REBATE ADJUSTMENT, MRSM, AND THE OTHER THREE FLOW-
14 THROUGH RIDERS, FAC, ES, and US.

15 A. As explained by BREC witnesses in PSC Case No. 2007-00455 and PSC
16 Case No. 2007-00460, BREC will draw funds from the Economic Reserve
17 to offset net charges made under BREC's FAC, ES and Unwind Surcredit
18 so long as the Economic Reserve funds are available. However, to
19 preserve the Economic Reserve, BREC will not draw funds from the
20 Economic Reserve to otherwise offset the FAC, ES and US to the extent
21 of one-twelfth of the most recent rebate. Therefore, in the 12 months
22 following a rebate, the BREC MRSM will not fully offset the FAC, ES,
23 and US resulting in a net charge or charges from BREC. Correspondingly,

1 there would be a net charge on the retail bills of the customers of Kenergy.
2 That charge amount on the retail bills will be neutralized by the
3 application of the retail Rebate Rider since the pass through of one-twelfth
4 of the rebate will correspond to the way BREC applies one-twelfth of the
5 wholesale rebate to the BREC MRSM.

6 16. Q. PLEASE EXPLAIN THE PURPOSE OF THE SIXTH PROPOSED
7 RIDER, THE UNWIND RIDER-COMPOSITE FACTOR.

8 A. As illustrated on Exhibit JDG-8, application of Section 1 of the FAC, the
9 ES, the US, the Rebate Adjustment, and MRSM is expected to result in a
10 zero net retail charge until the expiration of the MRSM so long as the net
11 of the riders reflected on the wholesale bills is zero. For billing purposes
12 while the net of the riders reflected on the wholesale bills is zero, an
13 alternative to applying each of the five riders is proposed as a sixth rider,
14 the Unwind Rider-Composite Factor (URCF). The URCF could be used to
15 consolidate the FAC, the US, the ES, the MRSM, and the Rebate
16 Adjustment to simplify the bill while ensuring that a zero net retail charge
17 is applied when the corresponding wholesale net is zero. If used, it would
18 apply in lieu of the five specified individual riders as a single factor of
19 zero on the customers' bills. For Section 2 customers, the net effect of the
20 wholesale riders will be automatic as a result of the direct pass through of
21 all riders. Therefore Schedule URCF is only applicable for Section 1
22

1 customers and the operative provision is as follows:

2 URCF = \$.00 per kWh if on the preceding month's wholesale
3 power bill a) the sum of the FAC, US, ES, and MRSM; less b)
4 one-twelfth of any Rebate used to adjust the wholesale MRSM is
5 zero.

6
7 17. Q. HOW WILL KENERGY APPLY THE REBATE ADJUSTMENT WHEN
8 THE URCF RIDER IS ACTIVATED?

9 A. As previously explained, BREC rebates, if any, will be credited in lump
10 sum by BREC. BREC will in turn displace the amounts drawn from the
11 Economic Reserve for calculating the MRSM credit by one-twelfth of the
12 rebate that was paid. As a result of using the rebate to displace funds that
13 would otherwise be drawn from the Economic Reserve, there will be a net
14 positive charge to the BREC Members for the FAC, ES and US equal to
15 one-twelfth of the rebate. If Schedule URCF is used and in effect, Kenergy
16 will debit accounts payable and credit Other Electric Revenue by an
17 amount equal to one-twelfth of the rebate as an exact offset to the net
18 charge applied by BREC. In this way, the net charges under the riders will
19 remain zero for as long as the net charges from BREC are zero.

20 **VI. Schedule 34-Smelter Customers Served Under Special Contract – Class A**

21 18. Q. PLEASE DESCRIBE THE PROPOSED CHANGES TO SCHEDULE 34.

22 A. Schedule 34-Smelter Smelter Customers Served Under Special Contract --
23 Class A has been revised as necessary to make the proper references to the
24 new Retail Electric Service Agreements between Kenergy and the smelters
25 that are pending approval of the Commission. As with the currently

1 effective Schedule 34, the proposed Schedule 34 provides that the smelters
2 pay Kenergy's actual costs incurred to purchase power on behalf of the
3 smelters including additional transmission costs, if any, plus a retail adder.

4 **V. Small Power Production and Qualifying Facilities**

5 19. Q. PLEASE DESCRIBE THE PROPOSED CHANGES TO THE SMALL
6 POWER PRODUCTION AND QUALIFYING FACILITIES TARIFFS.

7 A. Schedule 43 - Small Power Production or Cogeneration (100 kW or less)
8 is modified to reflect a revised Kenergy purchase rate equal to the BREC
9 base energy rate of \$.0204 per kWh plus the FAC, the ES, the US, and the
10 MRSM. Schedule 44 - Small Power Production or Cogeneration (Over
11 100 kW) provides that BREC will purchase the output of the customer's
12 generation at the rates set forth in the corresponding BREC tariffs. In
13 addition, Schedule 45 - Small Power Production or Cogeneration (Over
14 100 kW) for sales to customers provides that the wholesale charges will be
15 passed through and a retail adder will be determined on a case by case
16 basis. Schedules 44 and 45 are modified to incorporate the changes made
17 by BREC to its corresponding wholesale tariffs.

18 20. Q. ARE THERE ANY EXISTING CUSTOMERS TO WHICH SCHEDULE
19 43, SCHEDULE 44 OR SCHEDULE 45 APPLY?

20 A. No.

21 21. Q. IN YOUR OPINION, ARE THE TARIFFS PROPOSED BY KENERGY
22 FAIR, JUST, AND REASONABLE AND IN THE PUBLIC INTEREST?

23 A. Yes, they are.

1 22. Q. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?

2 A. Yes, it does.

KENERGY CORP.
12 Month Average System Line Losses-Excluding Section 2 Customers

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26	Month a	Non-Direct Served kWh		Non-Direct Served kWh Sold c	Own-Use kWh d	Losses e	Cumulative kWh Purchased f	Cumulative kWh Losses g	12 Month Average % Losses h
		Purchased b	Served kWh						
	Nov-05	86,355,268	83,846,132	164,606	2,344,530				
	Dec-05	119,485,444	101,966,362	281,834	17,237,248				
	Jan-06	101,006,322	99,161,692	315,874	1,528,756				
	Feb-06	99,225,903	98,561,021	223,983	440,899				
	Mar-06	91,418,910	84,344,193	207,090	6,867,627				
	Apr-06	74,304,453	78,886,866	170,807	(4,753,220)				
	May-06	82,191,270	73,112,056	164,512	8,914,702				
	Jun-06	100,767,926	91,154,416	181,961	9,431,549				
	Jul-06	119,220,378	106,771,497	234,138	12,214,743				
	Aug-06	121,926,429	116,519,055	168,033	5,239,341				
	Sep-06	81,689,003	93,411,713	168,891	(11,891,601)				
	Oct-06	85,960,730	80,793,473	223,668	4,943,589		1,163,552,036	52,518,163	4.51%
	Nov-06	91,320,600	87,796,575	254,303	3,269,722		1,168,517,368	53,443,355	4.57%
	Dec-06	106,953,840	94,999,736	273,279	11,680,825		1,155,985,764	47,886,932	4.14%
	Jan-07	113,291,610	100,608,142	388,570	12,294,898		1,168,271,052	58,653,074	5.02%
	Feb-07	115,227,419	115,348,928	234,813	(356,322)		1,184,272,568	57,855,853	4.89%
	Mar-07	86,959,025	86,689,604	234,216	35,205		1,179,812,683	51,023,431	4.32%
	Apr-07	83,377,794	82,335,977	144,541	897,276		1,188,886,024	56,673,927	4.77%
	May-07	91,209,325	82,773,663	188,917	8,246,745		1,197,904,079	56,005,970	4.68%
	Jun-07	104,786,520	98,344,472	184,145	6,257,903		1,201,922,673	52,832,324	4.40%
	Jul-07	114,314,911	104,388,321	192,982	9,733,608		1,197,017,206	50,351,189	4.21%
	Aug-07	136,053,010	121,160,513	176,819	14,715,678		1,211,143,787	59,827,526	4.94%
	Sep-07	100,886,480	108,893,801	175,426	(8,182,747)		1,230,341,264	63,536,380	5.16%
	Oct-07	87,340,280	88,748,814	200,074	(1,608,608)		1,231,720,814	56,984,183	4.63%
	Nov-07	91,538,170	86,438,524	264,838	4,834,808		1,231,938,384	58,549,269	4.75%

FUEL ADJUSTMENT CLAUSE SCHEDULE

Disposition of Energy (kWh) - Month of:

1	Total Purchased kWh		_____
2	kWh Sales (Ultimate Consumer)		_____
3	Company Use - kWh		_____
4	kWh Sales (L2 + L3)		_____
5	Line Loss & Unaccounted for - kWh		_____

(Over) or Under Recovery - Month of:

6	Last FAC Rate Billed	\$/kWh	_____
7	Gross kWh Billed at Rate on L6		_____
8	Adjustments to Billed kWh		_____
9	Net kWh Billed at Rate on L6 (L7 + L8)		_____
10	Fuel Charge (Credit) used to Compute L6 (L13D from prior month)	\$	_____
11	FAC Revenue (Refund) Resulting from line L6 (net of billing adjustment)	\$	_____
12	Total (Over) or Under Recovery (L10 less L 11)	\$	_____

Purchased Power - Month of:

13	Fuel Adjustment Charge (Credit):		
	A. Billed by supplier	\$	_____
	B. (over) or Under Recovery (L12)	\$	_____
	C. Unrecoverable - Schedule 2	\$	_____
	D. Recoverable Fuel Cost (L13 A+B-C)	\$	_____
14	Number of kWh Purchased		_____
15	Supplier's FAC: (L13A ÷ L14)	\$/kWh	_____

Line Loss

16	Last 12 Months Actual	%	_____
17	Last Month Used to Compute L16		_____
18	Line Loss for Month on L17 (L5 ÷ L 1)	%	_____

Calculation of FAC to Bill Consumers

19	Sales as a Percent of Purchases (100% minus L 16)	%	_____
20	Recovery Rate (L13D ÷ L14)	\$/kWh	_____
21	L20 ÷ L 19: FAC Applicable to to Billing Month: _____	\$/kWh	_____

ENVIRONMENTAL SURCHARGE

Disposition of Energy (kWh) - Month of: _____

1	Total Purchased kWh		_____
2	kWh Sales (Ultimate Consumer)		_____
3	Company Use - kWh		_____
4	kWh Sales (L2 + L3)		_____
5	Line Loss & Unaccounted for - kWh		_____

(Over) or Under Recovery - Month of: _____

6	Last MESF Rate Billed	\$/kWh	
7	Gross kWh Billed at Rate on L6		_____
8	Adjustments to Billed kWh		_____
9	Net kWh Billed at Rate on L6 (L7 + L8)		_____
10	ES Charge (Credit) used to Compute L6 (L13D from prior month)	\$	_____
11	ES Revenue (Refund) Resulting from line L6 (net of billing adjustment)	\$	_____
12	Total (Over) or Under Recovery (L10 less L 11)	\$	_____

Purchased Power - Month of: _____

13	Environmental Surcharge Charge (Credit):		
	A. Billed by supplier	\$	_____
	B. (over) or Under Recovery (L12)	\$	_____
	C. Unrecoverable - Schedule 2	\$	_____
	D. Recoverable ES Cost (L13 A+B-C)	\$	_____
14	Number of kWh Purchased		_____
15	Supplier's MESF: (L13A ÷ L14)	\$/kWh	_____

Line Loss

16	Last 12 Months Actual	%	_____
17	Last Month Used to Compute L16		_____
18	Line Loss for Month on L17 (L5 ÷ L 1)	%	_____

Calculation of MESF to Bill Consumers

19	Sales as a Percent of Purchases (100% minus L 16)	%	_____
20	Recovery Rate (L13D ÷ L14)	\$/kWh	_____
21	L20 ÷ L 19: MESF Applicable to to Billing Month: _____	\$/kWh	_____

UNWIND SURCREDIT

Disposition of Energy (kWh) - Month of:

1	Total Purchased kWh		_____
2	kWh Sales (Ultimate Consumer)		_____
3	Company Use - kWh		_____
4	kWh Sales (L2 + L3)		_____
5	Line Loss & Unaccounted for - kWh		_____

(Over) or Under Recovery - Month of:

6	Last US Rate Billed	\$/kWh	
7	Gross kWh Billed at Rate on L6		_____
8	Adjustments to Billed kWh		_____
9	Net kWh Billed at Rate on L6 (L7 + L8)		_____
10	Unwind Surcredit Charge (Credit) used to Compute L6 (L13D from prior month)	\$	_____
11	US Revenue (Refund) Resulting from line L6 (net of billing adjustment)	\$	_____
12	Total (Over) or Under Recovery (L10 less L 11)	\$	_____

Purchased Power - Month of:

13	Unwind Surcredit Charge (Credit):		
	A. Billed by supplier	\$	_____
	B. (over) or Under Recovery (L12)	\$	_____
	C. Unrecoverable - Schedule 2	\$	_____
	D. Recoverable Unwind Surcredit (L13 A+B-C)	\$	_____
14	Number of kWh Purchased		_____
15	Supplier's US: (L13A ÷ L14)	\$/kWh	_____

Line Loss

16	Last 12 Months Actual	%	_____
17	Last Month Used to Compute L16		_____
18	Line Loss for Month on L17 (L5 ÷ L 1)	%	_____

Calculation of US to Bill Consumers

19	Sales as a Percent of Purchases (100% minus L 16)	%	_____
20	Recovery Rate (L13D ÷ L14)	\$/kWh	_____
21	L20 ÷ L 19: US Applicable to Billing Month: _____	\$/kWh	_____

MEMBER RATE STABILITY MECHANISM - SECTION 1

Disposition of Energy (kWh) - Month of: _____

1	Total Purchased kWh	_____
2	kWh Sales (Ultimate Consumer)	_____
3	Company Use - kWh	_____
4	kWh Sales (L2 + L3)	_____
5	Line Loss & Unaccounted for - kWh	_____

(Over) or Under Recovery - Month of: _____

6	Last MRSM(m) Rate Billed	\$/kWh	_____
7	Gross kWh Billed at Rate on L6		_____
8	Adjustments to Billed kWh		_____
9	Net kWh Billed at Rate on L6 (L7 + L8)		_____
10	MRSM Charge (Credit) used to Compute L6 (L13D from prior month)	\$	_____
11	MRSM Revenue (Refund) Resulting from line L6 (net of billing adjustment)	\$	_____
12	Total (Over) or Under Recovery (L10 less L 11)	\$	_____

Purchased Power - Month of: _____

13	Member Rate Stability Mechanism Charge (Credit):		
	A. Billed by supplier	\$	_____
	B. (over) or Under Recovery (L12)	\$	_____
	C. Unrecoverable - Schedule 2	\$	_____
	D. Recoverable MRSM Amount (L13 A+B-C)	\$	_____
14	Number of kWh Purchased		_____
15	Supplier's MRSM rate per kWh: (L13A ÷ L14)	\$/kWh	_____

Line Loss

16	Last 12 Months Actual	%	_____
17	Last Month Used to Compute L16		_____
18	Line Loss for Month on L17 (L5 ÷ L 1)	%	_____

Calculation of MRSM to Bill Consumers

19	Sales as a Percent of Purchases (100% minus L 16)	%	_____
20	Recovery Rate (L13D ÷ L14)	\$/kWh	_____
21	L20 ÷ L 19: MRSM(m) Applicable to to Billing Month: _____	\$/kWh	_____

REBATE ADJUSTMENT - SECTION 1

Disposition of Energy (kWh) - Month of: _____

1	Total Purchased kWh		_____
2	kWh Sales (Ultimate Consumer)		_____
3	Company Use - kWh		_____
4	kWh Sales (L2 + L3)		_____
5	Line Loss & Unaccounted for - kWh		_____

(Over) or Under Recovery - Month of: _____

6	Last RF Rate Billed	\$/kWh	
7	Gross kWh Billed at Rate on L6		_____
8	Adjustments to Billed kWh		_____
9	Net kWh Billed at Rate on L6 (L7 + L8)		_____
10	Rebate Charge (Credit) used to Compute L6 (L13D from prior month)	\$	_____
11	Rebate Charge or (Refund) Amount Resulting from line L6 (net of billing adjustment)	\$	_____
12	Total (Over) or Under Recovery (L10 less L 11)	\$	_____

Line Loss

13	Last 12 Months Actual	%	_____
14	Last Month Used to Compute L16		_____
15	Line Loss for Month on L14 (L5 ÷ L 1)	%	_____

Calculation of Rebate Adjustment to Bill Consumers

16	Last Rebate From Supplier	\$	_____
17	Less: Rebate Applicable to Section 2 Sales	\$	_____
18	Net Rebate to be refunded to Section 1 Sales		_____
19	Monthly Section 1 Rebate L18 ÷ 12		_____
19	Plus: (Over) or Under Recovery from L12		_____
20	Current Month Rebate Amount		_____
21	Sales as a Percent of Purchases (100% minus L 16)	%	_____
22	Recovery Rate (L20 ÷ L1)	\$/kWh	_____
23	L20 ÷ L 19: RF Applicable to to Billing Month: _____	\$/kWh	_____

UNWIND SURCAHRGE - COMPOSITE FACTOR SCHEDULE

Section 1 Rider Amounts billed by Big Rivers - Month of:

1	FAC	\$	_____
2	ES	\$	_____
3	US	\$	_____
4	MRSM	\$	_____
5	On-twelfth of Rebate Adjustment Applied	\$	_____
6	FAC	\$	_____
7	Total	\$	=====

(Over) or Under Recovery - Month of:

6	Last FAC Rate Billed	\$/kWh	_____
7	Gross kWh Billed at Rate on L6		_____
8	Adjustments to Billed kWh		_____
9	Net kWh Billed at Rate on L6 (L7 + L8)		=====
10	Fuel Charge (Credit) used to Compute L6 (L13D from prior month)	\$	_____
11	FAC Revenue (Refund) Resulting from line L6 (net of billing adjustment)	\$	_____
12	Total (Over) or Under Recovery (L10 less L 11)	\$	=====

Purchased Power - Month of:

13	Fuel Adjustment Charge (Credit):		
	A. Billed by supplier	\$	_____
	B. (over) or Under Recovery (L12)	\$	_____
	C. Unrecoverable - Schedule 2	\$	_____
	D. Recoverable Fuel Cost (L13 A+B-C)	\$	=====
14	Number of kWh Purchased		_____
15	Supplier's FAC: (L13A ÷ L14)	\$/kWh	=====

Line Loss

16	Last 12 Months Actual	%	_____
17	Last Month Used to Compute L16		_____
18	Line Loss for Month on L17 (L5 ÷ L 1)	%	_____

Calculation of FAC to Bill Consumers

19	Sales as a Percent of Purchases (100% minus L 16)	%	_____
20	Recovery Rate (L13D ÷ L14)	\$/kWh	_____
21	L20 ÷ L 19: FAC Applicable to to Billing Month: _____	\$/kWh	=====

KENERGY CORP

Sample Calculation of FAC, ES, US, MRSMS & Rebate

Hypothetical Charges and Credits

Month	Rate FAC	Rate MESF	Rate US	Non-Direct Served kWh Purchased	Wholesale Amount FAC	Wholesale Amount ES	Wholesale Amount US	Wholesale Amount MRSMS	Wholesale Amount MRSMS	Wholesale Sum
a	b	c	d	e	f	g	h	i	j	k
1 Dec-05	\$ 0.0050	\$ 0.00033	\$ (0.0030)	119,485,444	\$ 597,427	\$ 39,430	\$ (358,456)	\$ (278,401)	\$ (278,401)	\$ -
2 Jan-06	\$ 0.0060	\$ 0.00038	\$ (0.0030)	101,006,322	\$ 606,038	\$ 38,382	\$ (303,019)	\$ (341,401)	\$ (341,401)	\$ -
3 Feb-06	\$ 0.0070	\$ 0.00043	\$ (0.0030)	99,225,903	\$ 694,581	\$ 42,667	\$ (297,678)	\$ (439,571)	\$ (439,571)	\$ -
4 Mar-06	\$ 0.0080	\$ 0.00048	\$ (0.0030)	91,418,910	\$ 731,351	\$ 43,881	\$ (274,257)	\$ (500,976)	\$ (500,976)	\$ -
5 Apr-06	\$ 0.0090	\$ 0.00053	\$ (0.0030)	74,304,453	\$ 668,740	\$ 39,381	\$ (222,913)	\$ (100,000)	\$ (385,208)	\$ 100,000
6 May-06	\$ 0.0100	\$ 0.00068	\$ (0.0030)	82,191,270	\$ 821,913	\$ 47,671	\$ (246,674)	\$ (100,000)	\$ (568,091)	\$ 100,000
7 Jun-06	\$ 0.0090	\$ 0.00063	\$ (0.0030)	100,767,926	\$ 906,911	\$ 63,484	\$ (302,304)	\$ (100,000)	\$ (577,172)	\$ 100,000
8 Jul-06	\$ 0.0080	\$ 0.00068	\$ (0.0030)	119,220,378	\$ 953,763	\$ 81,070	\$ (357,661)	\$ (100,000)	\$ (476,712)	\$ 100,000
9 Aug-06	\$ 0.0070	\$ 0.00073	\$ (0.0030)	121,926,429	\$ 853,485	\$ 89,006	\$ (245,067)	\$ (100,000)	\$ (208,784)	\$ 100,000
10 Sep-06	\$ 0.0060	\$ 0.00078	\$ (0.0030)	81,689,003	\$ 490,134	\$ 63,717	\$ (257,882)	\$ (100,000)	\$ (143,269)	\$ 100,000
11 Oct-06	\$ 0.0050	\$ 0.00083	\$ (0.0030)	85,960,730	\$ 428,804	\$ 71,347	\$ (273,962)	\$ (100,000)	\$ (71,683)	\$ 100,000
12 Nov-06	\$ 0.0040	\$ 0.00088	\$ (0.0030)	91,320,600	\$ 365,282	\$ 80,362	\$ (320,862)	\$ (100,000)	\$ (213,375)	\$ 100,000
13 Dec-06	\$ 0.0050	\$ 0.00093	\$ (0.0030)	106,953,840	\$ 534,769	\$ 99,467	\$ (339,875)	\$ (100,000)	\$ (350,901)	\$ 100,000
14 Jan-07	\$ 0.0060	\$ 0.00098	\$ (0.0030)	113,291,610	\$ 679,760	\$ 111,026	\$ (345,682)	\$ (100,000)	\$ (479,594)	\$ 100,000
15 Feb-07	\$ 0.0070	\$ 0.00103	\$ (0.0030)	115,227,419	\$ 806,592	\$ 118,684	\$ (260,877)	\$ (100,000)	\$ (428,711)	\$ 100,000
16 Mar-07	\$ 0.0080	\$ 0.00108	\$ (0.0030)	86,959,025	\$ 695,672	\$ 93,916	\$ (250,133)	\$ (594,484)	\$ (594,484)	\$ -
17 Apr-07	\$ 0.0090	\$ 0.00113	\$ (0.0030)	83,377,794	\$ 750,400	\$ 94,217	\$ (273,628)	\$ (563,674)	\$ (563,674)	\$ -
18 May-07	\$ 0.0080	\$ 0.00118	\$ (0.0030)	91,209,325	\$ 729,675	\$ 107,627	\$ (314,360)	\$ (548,033)	\$ (548,033)	\$ -
19 Jun-07	\$ 0.0070	\$ 0.00123	\$ (0.0030)	104,786,520	\$ 733,506	\$ 128,887	\$ (342,945)	\$ (489,268)	\$ (489,268)	\$ -
20 Jul-07	\$ 0.0060	\$ 0.00128	\$ (0.0030)	114,314,911	\$ 685,889	\$ 146,323	\$ (408,159)	\$ (453,057)	\$ (453,057)	\$ -
21 Aug-07	\$ 0.0050	\$ 0.00133	\$ (0.0030)	136,053,010	\$ 680,265	\$ 180,951	\$ (302,659)	\$ (441,883)	\$ (441,883)	\$ -
22 Sep-07	\$ 0.0060	\$ 0.00138	\$ (0.0030)	100,886,480	\$ 605,319	\$ 139,223	\$ (262,021)	\$ (474,258)	\$ (474,258)	\$ -
23 Oct-07	\$ 0.0070	\$ 0.00143	\$ (0.0030)	87,340,280	\$ 611,382	\$ 124,897	\$ (274,615)	\$ (583,167)	\$ (583,167)	\$ -
24 Nov-07	\$ 0.0080	\$ 0.00148	\$ (0.0030)	91,538,170	\$ 732,305	\$ 135,476				

KENERGY CORP

Sample Calculation of FAC, ES, US, MRSM & Rebate

Hypothetical Charges and Credits

Retail Summary

Retail Month	FAC Rate	MESF Rate	Retail US Rate	Retail MRSM(m) Rate	Retail RF Rate	Composite Factor	Retail Amount FAC	Retail Amount ES	Retail Amount US	Retail Amount MRSM	Retail Amount Rebate	Retail Sum
a	b	c	d	e	f	g	h	i	j	k	l	m
1 Feb-06	\$ 0.005243	\$ 0.000346	\$ (0.003146)	\$ (0.002443)	\$ -	\$ 0.000000	\$ 521,515	\$ 34,420	\$ (312,909)	\$ (243,026)	\$ -	\$ 0
2 Mar-06	\$ 0.007088	\$ 0.000451	\$ (0.003623)	\$ (0.003916)	\$ -	\$ (0.000000)	\$ 700,232	\$ 44,556	\$ (357,911)	\$ (386,877)	\$ -	\$ (0)
3 Apr-06	\$ 0.007110	\$ 0.000436	\$ (0.003031)	\$ (0.004515)	\$ -	\$ 0.000000	\$ 601,185	\$ 36,894	\$ (256,308)	\$ (381,770)	\$ -	\$ 0
4 May-06	\$ 0.009288	\$ 0.000568	\$ (0.003527)	\$ (0.006319)	\$ -	\$ (0.000000)	\$ 734,284	\$ 44,151	\$ (278,868)	\$ (499,567)	\$ -	\$ (0)
5 Jun-06	\$ 0.010484	\$ 0.000619	\$ (0.003542)	\$ (0.006145)	\$ (0.001415)	\$ -	\$ 768,202	\$ 45,331	\$ (259,543)	\$ (450,308)	\$ (103,682)	\$ 0
6 Jul-06	\$ 0.010105	\$ 0.000586	\$ (0.003018)	\$ (0.006448)	\$ (0.001225)	\$ -	\$ 922,964	\$ 53,500	\$ (275,690)	\$ (688,901)	\$ (111,873)	\$ (0)
7 Aug-06	\$ 0.008113	\$ 0.000584	\$ (0.002751)	\$ (0.005057)	\$ (0.000880)	\$ (0.000000)	\$ 868,161	\$ 62,493	\$ (294,343)	\$ (542,150)	\$ (94,161)	\$ (0)
8 Sep-06	\$ 0.007604	\$ 0.000657	\$ (0.002880)	\$ (0.004566)	\$ (0.000794)	\$ (0.000000)	\$ 887,304	\$ 76,518	\$ (336,046)	\$ (535,176)	\$ (92,700)	\$ (0)
9 Oct-06	\$ 0.007123	\$ 0.000746	\$ (0.003063)	\$ (0.003970)	\$ (0.000837)	\$ -	\$ 666,620	\$ 69,852	\$ (286,620)	\$ (371,511)	\$ (78,341)	\$ -
10 Nov-06	\$ 0.008356	\$ 0.001034	\$ (0.004031)	\$ (0.003834)	\$ (0.001524)	\$ -	\$ 676,975	\$ 83,732	\$ (326,614)	\$ (310,638)	\$ (123,456)	\$ -
11 Dec-06	\$ 0.004977	\$ 0.000838	\$ (0.003020)	\$ (0.001624)	\$ (0.001172)	\$ 0.000000	\$ 438,243	\$ 73,801	\$ (265,871)	\$ (142,968)	\$ (103,215)	\$ 0
12 Jan-07	\$ 0.003854	\$ 0.000867	\$ (0.002942)	\$ (0.000709)	\$ (0.001069)	\$ -	\$ 376,894	\$ 84,754	\$ (287,775)	\$ (69,333)	\$ (104,541)	\$ -
13 Feb-07	\$ 0.004820	\$ 0.000880	\$ (0.002823)	\$ (0.002014)	\$ (0.000863)	\$ -	\$ 486,758	\$ 88,876	\$ (286,068)	\$ (203,405)	\$ (87,161)	\$ -
14 Mar-07	\$ 0.006344	\$ 0.001037	\$ (0.003176)	\$ (0.003271)	\$ (0.000935)	\$ (0.000000)	\$ 733,316	\$ 119,875	\$ (367,104)	\$ (378,040)	\$ (108,047)	\$ -
15 Apr-07	\$ 0.010378	\$ 0.001423	\$ (0.002909)	\$ (0.004115)	\$ (0.000840)	\$ -	\$ 596,434	\$ 87,135	\$ (252,854)	\$ (367,666)	\$ (73,050)	\$ 0
16 May-07	\$ 0.009477	\$ 0.001190	\$ (0.003160)	\$ (0.006363)	\$ (0.001450)	\$ -	\$ 858,957	\$ 117,343	\$ (328,875)	\$ (524,814)	\$ (119,611)	\$ (0)
17 Jun-07	\$ 0.007964	\$ 0.001183	\$ (0.003003)	\$ (0.007505)	\$ (0.000002)	\$ (0.000000)	\$ 786,238	\$ 98,731	\$ (262,142)	\$ (622,656)	\$ (171)	\$ 0
18 Jul-07	\$ 0.006451	\$ 0.001158	\$ (0.002811)	\$ (0.006145)	\$ (0.000000)	\$ (0.000000)	\$ 784,716	\$ 116,504	\$ (295,896)	\$ (605,432)	\$ 9	\$ 0
19 Aug-07	\$ 0.006011	\$ 0.001158	\$ (0.002811)	\$ (0.004798)	\$ (0.000000)	\$ 0.000000	\$ 674,599	\$ 121,104	\$ (293,998)	\$ (501,803)	\$ (1)	\$ 0
20 Sep-07	\$ 0.004658	\$ 0.001268	\$ (0.003024)	\$ (0.004279)	\$ (0.000000)	\$ (0.000000)	\$ 729,322	\$ 156,753	\$ (366,872)	\$ (519,203)	\$ 0	\$ (0)
21 Oct-07	\$ 0.004658	\$ 0.001268	\$ (0.003024)	\$ (0.003076)	\$ (0.000000)	\$ 0.000000	\$ 508,088	\$ 138,335	\$ (310,897)	\$ (335,526)	\$ (0)	\$ 0
22 Nov-07	\$ 0.007276	\$ 0.001716	\$ (0.003751)	\$ (0.005241)	\$ (0.000000)	\$ (0.000000)	\$ 647,181	\$ 152,658	\$ (333,667)	\$ (466,172)	\$ (0)	\$ (0)

**KENERGY CORP.
PUBLIC NOTICE
PSC CASE NO. 2008-00009**

**THE APPLICATION OF KENERGY CORP.
FOR NEW TARIFFS AND ADJUSTMENTS TO EXISTING TARIFFS**

Kenergy Corp., 6402 Old Corydon Road, Henderson, KY 42420, is applying to the Kentucky Public Service Commission for new tariffs and adjustments to existing tariffs. The rates contained in this notice, which are the rates contained in the application, are rates proposed by Kenergy Corp.; however, the Kentucky Public Service Commission may order rates to be charged that differ from the rates contained therein.

The proposed new and revised tariffs are necessary to reflect and pass through changes in the wholesale rates proposed by our wholesale power supplier, Big Rivers Electric Corporation, in PSC Cases No. 2007-00455 and No. 2007-00460.

The proposed new tariffs, applicable to kWh sales made under all non-smelter Kenergy tariffs are as follows:

- Fuel Adjustment Clause – FAC
- Environmental Surcharge – ES
- Unwind Surcredit – US
- Rebate Adjustment
- Member Rate Stability Mechanism – MRSM
- Unwind Rider – Composite Factor – URCF

The revenue impacts of the new tariffs by rate class are:

<u>Annual Impact by Rate Class - Non-Direct Serve</u>							
<u>Class</u>	<u>FAC</u>	<u>ES</u>	<u>US</u>	<u>Rebate</u>	<u>MRSM</u>	<u>Combined Net Effect</u>	<u>URCF</u>
Residential:							
Amount	\$ 4,736,292	\$ 393,353	\$ (3,211,045)	\$ (200,690)	\$ (1,717,909)	\$ -	\$ -
Percent	9.60%	0.80%	-6.51%	-0.41%	-3.48%	0.00%	0.00%
Non-residential Single Phase:							
Amount	\$ 728,077	\$ 60,467	\$ (493,611)	\$ (30,851)	\$ (264,082)	\$ -	\$ -
Percent	8.79%	0.73%	-5.96%	-0.37%	-3.19%	0.00%	0.00%
3 Phase 1,000 kW or Less:							
Amount	\$ 1,258,195	\$ 104,494	\$ (853,013)	\$ (53,313)	\$ (456,362)	\$ -	\$ -
Percent	10.71%	0.89%	-7.26%	-0.45%	-3.89%	0.00%	0.00%
3 Phase Over 1,000 kW:							
Amount	\$ 528,483	\$ 43,891	\$ (358,293)	\$ (22,393)	\$ (191,687)	\$ -	\$ -
Percent	14.24%	1.18%	-9.65%	-0.60%	-5.17%	0.00%	0.00%

<u>Annual Impact by Rate Class - Direct Serve</u>						
<u>Class</u>	<u>FAC</u>	<u>ES</u>	<u>US</u>	<u>Rebate</u>	<u>MRSM</u>	<u>Combined Net Effect</u>
Direct Serve Class B						
Amount	\$ 4,104,985	\$ 340,922	\$ (2,783,040)	\$ (173,940)	\$ (1,488,927)	\$ -
Percent	20.37%	1.69%	-13.81%	-0.86%	-7.39%	0.00%
Direct Serve Class C						
Amount	\$ 1,244,173	\$ 103,331	\$ (843,508)	\$ (52,718)	\$ (451,278)	\$ -
Percent	14.12%	1.17%	-9.58%	-0.60%	-5.11%	0.00%

The average bill impacts of the new tariffs by rate class are:

<u>Average Monthly Bill Impact by Rate Class - Non-Direct Serve</u>								
<u>Class</u>	<u>FAC</u>	<u>ES</u>	<u>US</u>	<u>Rebate</u>	<u>MRSM</u>	<u>Combined Net Effect</u>	<u>URCF</u>	
Residential:								
Amount	\$ 8.82	\$ 0.73	\$ (5.98)	\$ (0.37)	\$ (3.20)	\$ -	\$ -	
Percent	9.60%	0.80%	-6.51%	-0.41%	-3.48%	0.00%	0.00%	
Non-residential Single Phase:								
Amount	\$ 6.99	\$ 0.58	\$ (4.74)	\$ (0.30)	\$ (2.53)	\$ -	\$ -	
Percent	8.79%	0.73%	-5.96%	-0.37%	-3.19%	0.00%	0.00%	
3 Phase 1,000 kW or Less:								
Amount	\$ 122.19	\$ 10.15	\$ (82.84)	\$ (5.18)	\$ (44.32)	\$ -	\$ -	
Percent	10.71%	0.89%	-7.26%	-0.45%	-3.89%	0.00%	0.00%	
3 Phase Over 1,000 kW:								
Amount	\$ 3,644.71	\$ 302.70	\$ (2,470.99)	\$ (154.44)	\$ (1,321.98)	\$ -	\$ -	
Percent	14.24%	1.18%	-9.65%	-0.60%	-5.17%	0.00%	0.00%	

<u>Average Monthly Bill Impact by Rate Class - Direct Serve</u>							
<u>Class</u>	<u>FAC</u>	<u>ES</u>	<u>US</u>	<u>Rebate</u>	<u>MRSM</u>	<u>Combined Net Effect</u>	
Direct Serve Class B							
Amount	\$ 114,027	\$ 9,470	\$ (77,307)	\$ (4,832)	\$ (41,359)	\$ -	
Percent	20.37%	1.69%	-13.81%	-0.86%	-7.39%	0.00%	
Direct Serve Class C							
Amount	\$ 7,406	\$ 615	\$ (5,021)	\$ (314)	\$ (2,686)	\$ -	
Percent	14.12%	1.17%	-9.58%	-0.60%	-5.11%	0.00%	

The proposed new tariffs applicable to sales made under the Class A smelter tariff are as follows:

**Schedule 34 – Smelter Customers Served Under Special Contracts – Class A
Fuel Adjustment Clause – FAC
Environmental Surcharge – ES**

Schedule 34, including the effects of the FAC and the ES, is expected to result in an average monthly increase in the bills to the Class A smelter customers of \$286,521, or 2.7%.

Revisions to the following tariffs are:

**Schedule 43 - Small Power and Cogeneration (100 KW or less)(Customer Sells Power to Kenergy)
Schedule 44 - Small Power and Cogeneration (Over 100 KW)(Customer Sells Power to Big Rivers)
Schedule 45 - Small Power and Cogeneration (Over 100 KW)(Customer Buys Power from Kenergy)**

No customers presently take service under any of these three tariffs.

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication of this notice request to intervene in the proceeding. That written request must be submitted to the Kentucky Public Service Commission, Post Office Box 615, 211 Sower Boulevard, Frankfort, KY 40601, and should set forth the grounds for the request, including the status and interest of the party. Intervention may be granted beyond the thirty (30) day period for good cause shown. Intervenors may obtain copies of the application by contacting Kenergy Corp., 6402 Old Corydon Road, Henderson, KY 42420, or by calling (270) 826-3991.

A copy of the application and any other filing is available for public inspection at Kenergy’s office at the above stated address or at one of its branch offices at 315 Hawes Blvd., Hawesville, KY 42348; 1441 U. S. Highway 231 North, Hartford, KY 42347; 2620 Brown Badgett Loop, Hanson, KY 42413; 703 South Main Street, Marion, KY 42064; or 3111 Fairview Drive, Owensboro, KY 42303.

By: Sanford Novick, President and CEO

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CASE NO. 2008-00009

**DIRECT TESTIMONY OF SANFORD NOVICK
ON BEHALF OF
KENERGY CORP.**

1. Q: Please state your name, job description, and business address.

A: My name is Sanford Novick. I am President and CEO of Kenergy Corp. My business address is Post Office Box 18, Henderson, KY 42419-0018.

2. Q: What is the purpose of your testimony?

A: The purpose of my testimony is to support the instant filing being made by Kenergy.

3. Q: Why is Kenergy seeking Commission approval of new rate riders, modifications to its existing tariffs, new retail contracts with Alcan and Century Aluminum (“smelters”) along with new wholesale contracts for the smelters’ power, and an amended wholesale power supply agreement with Big Rivers Electric Corporation (“BREC”)?

A: As one of the three electric distribution cooperative member-owners of BREC, Kenergy has been intimately involved in the “unwind” initiatives of BREC as presented for Commission approval in its filing in Cases 2007-00455 and 2007-00460. Testimony presented by Mr. Burns Mercer in the BREC filing articulates the reasons behind Kenergy’s support of the filings.

Assuming the Commission approves BREC’s requests in Cases 2007-00455 and 2007-00460, Kenergy’s new contracts with the smelters and with BREC for the smelters’ power, and its amended wholesale power agreement with BREC are necessary conditions for the unwind to proceed. Additionally, in order for Kenergy to properly and in a timely manner flow through to its members the various charges and credits contemplated in the BREC filings, its requested new rate riders and tariff modifications are also necessary.

4. Q: Following implementation of the foregoing do you believe that Kenergy will continue to have rates that are fair, just and reasonable?

1 A: Yes, I do.

2

3 5. Q: Do you have anything additional to add?

4

5 A: Not at this time.

**KENERGY CORP.
PUBLIC NOTICE
PSC CASE NO. 2008-00009**

**THE APPLICATION OF KENERGY CORP.
FOR NEW TARIFFS AND ADJUSTMENTS TO EXISTING TARIFFS**

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The proposed new and revised tariffs are necessary to reflect and pass through changes in the wholesale rates proposed by our wholesale power supplier, Big Rivers Electric Corporation, in PSC Cases No. 2007-00455 and No. 2007-00460.

The proposed new tariffs, applicable to kWh sales made under all non-smelter Kenergy tariffs are as follows:

- Fuel Adjustment Clause – FAC**
- Environmental Surcharge – ES**
- Unwind Surcredit – US**
- Rebate Adjustment**
- Member Rate Stability Mechanism – MRSM**
- Unwind Rider – Composite Factor – URCF**

The revenue impacts of the new tariffs by rate class are:

<u>Annual Impact by Rate Class - Non-Direct Serve</u>								
<u>Class</u>	<u>FAC</u>	<u>ES</u>	<u>US</u>	<u>Rebate</u>	<u>MRSM</u>	<u>Combined Net Effect</u>	<u>URCF</u>	
Residential:								
Amount	\$ 4,736,292	\$ 393,353	\$ (3,211,045)	\$ (200,690)	\$ (1,717,909)	\$ -	\$ -	
Percent	9.60%	0.80%	-6.51%	-0.41%	-3.48%	0.00%	0.00%	
Non-residential Single Phase:								
Amount	\$ 728,077	\$ 60,467	\$ (493,611)	\$ (30,851)	\$ (264,082)	\$ -	\$ -	
Percent	8.79%	0.73%	-5.96%	-0.37%	-3.19%	0.00%	0.00%	
3 Phase 1,000 kW or Less:								
Amount	\$ 1,258,195	\$ 104,494	\$ (853,013)	\$ (53,313)	\$ (456,362)	\$ -	\$ -	
Percent	10.71%	0.89%	-7.26%	-0.45%	-3.89%	0.00%	0.00%	
3 Phase Over 1,000 kW:								
Amount	\$ 528,483	\$ 43,891	\$ (358,293)	\$ (22,393)	\$ (191,687)	\$ -	\$ -	
Percent	14.24%	1.18%	-9.65%	-0.60%	-5.17%	0.00%	0.00%	

<u>Annual Impact by Rate Class - Direct Serve</u>							
<u>Class</u>	<u>FAC</u>	<u>ES</u>	<u>US</u>	<u>Rebate</u>	<u>MRSM</u>	<u>Combined Net Effect</u>	
Direct Serve Class B							
Amount	\$ 4,104,985	\$ 340,922	\$ (2,783,040)	\$ (173,940)	\$ (1,488,927)	\$ -	
Percent	20.37%	1.69%	-13.81%	-0.86%	-7.39%	0.00%	
Direct Serve Class C							
Amount	\$ 1,244,173	\$ 103,331	\$ (843,508)	\$ (52,718)	\$ (451,278)	\$ -	
Percent	14.12%	1.17%	-9.58%	-0.60%	-5.11%	0.00%	

The average bill impacts of the new tariffs by rate class are:

<u>Average Monthly Bill Impact by Rate Class - Non-Direct Serve</u>								
<u>Class</u>	<u>FAC</u>	<u>ES</u>	<u>US</u>	<u>Rebate</u>	<u>MRSM</u>	<u>Combined Net Effect</u>	<u>URCF</u>	
Residential:								
Amount	\$ 8.82	\$ 0.73	\$ (5.98)	\$ (0.37)	\$ (3.20)	\$ -	\$ -	\$ -
Percent	9.60%	0.80%	-6.51%	-0.41%	-3.48%	0.00%	0.00%	0.00%
Non-residential Single Phase:								
Amount	\$ 6.99	\$ 0.58	\$ (4.74)	\$ (0.30)	\$ (2.53)	\$ -	\$ -	\$ -
Percent	8.79%	0.73%	-5.96%	-0.37%	-3.19%	0.00%	0.00%	0.00%
3 Phase 1,000 kW or Less:								
Amount	\$ 122.19	\$ 10.15	\$ (82.84)	\$ (5.18)	\$ (44.32)	\$ -	\$ -	\$ -
Percent	10.71%	0.89%	-7.26%	-0.45%	-3.89%	0.00%	0.00%	0.00%
3 Phase Over 1,000 kW:								
Amount	\$ 3,644.71	\$ 302.70	\$ (2,470.99)	\$ (154.44)	\$ (1,321.98)	\$ -	\$ -	\$ -
Percent	14.24%	1.18%	-9.65%	-0.60%	-5.17%	0.00%	0.00%	0.00%

<u>Average Monthly Bill Impact by Rate Class - Direct Serve</u>							
<u>Class</u>	<u>FAC</u>	<u>ES</u>	<u>US</u>	<u>Rebate</u>	<u>MRSM</u>	<u>Combined Net Effect</u>	
Direct Serve Class B							
Amount	\$ 114,027	\$ 9,470	\$ (77,307)	\$ (4,832)	\$ (41,359)	\$ -	\$ -
Percent	20.37%	1.69%	-13.81%	-0.86%	-7.39%	0.00%	0.00%
Direct Serve Class C							
Amount	\$ 7,406	\$ 615	\$ (5,021)	\$ (314)	\$ (2,686)	\$ -	\$ -
Percent	14.12%	1.17%	-9.58%	-0.60%	-5.11%	0.00%	0.00%

The proposed new tariffs applicable to sales made under the Class A smelter tariff are as follows:

**Schedule 34 – Smelter Customers Served Under Special Contracts – Class A
Fuel Adjustment Clause – FAC
Environmental Surcharge – ES**

Schedule 34, including the effects of the FAC and the ES, is expected to result in an average monthly increase in the bills to the Class A smelter customers of \$286,521, or 2.7%.

Revisions to the following tariffs are:

**Schedule 43 - Small Power and Cogeneration (100 KW or less)(Customer Sells Power to Kenergy)
Schedule 44 - Small Power and Cogeneration (Over 100 KW)(Customer Sells Power to Big Rivers)
Schedule 45 - Small Power and Cogeneration (Over 100 KW)(Customer Buys Power from Kenergy)**

No customers presently take service under any of these three tariffs.

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication of this notice request to intervene in the proceeding. That written request must be submitted to the Kentucky Public Service Commission, Post Office Box 615, 211 Sower Boulevard, Frankfort, KY 40601, and should set forth the grounds for the request, including the status and interest of the party. Intervention may be granted beyond the thirty (30) day period for good cause shown. Intervenors may obtain copies of the application by contacting Kenergy Corp., 6402 Old Corydon Road, Henderson, KY 42420, or by calling (270) 826-3991.

A copy of the application and any other filing is available for public inspection at Kenergy's office at the above stated address or at one of its branch offices at 315 Hawes Blvd., Hawesville, KY 42348; 1441 U. S. Highway 231 North, Hartford, KY 42347; 2620 Brown Badgett Loop, Hanson, KY 42413; 703 South Main Street, Marion, KY 42064; or 3111 Fairview Drive, Owensboro, KY 42303.

By: Sanford Novick, President and CEO

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CASE NO. 2008-00009

**DIRECT TESTIMONY OF SANFORD NOVICK
ON BEHALF OF
KENERGY CORP.**

1. Q: Please state your name, job description, and business address.

A: My name is Sanford Novick. I am President and CEO of Kenergy Corp. My business address is Post Office Box 18, Henderson, KY 42419-0018.

2. Q: What is the purpose of your testimony?

A: The purpose of my testimony is to support the instant filing being made by Kenergy.

3. Q: Why is Kenergy seeking Commission approval of new rate riders, modifications to its existing tariffs, new retail contracts with Alcan and Century Aluminum (“smelters”) along with new wholesale contracts for the smelters’ power, and an amended wholesale power supply agreement with Big Rivers Electric Corporation (“BREC”)?

A: As one of the three electric distribution cooperative member-owners of BREC, Kenergy has been intimately involved in the “unwind” initiatives of BREC as presented for Commission approval in its filing in Cases 2007-00455 and 2007-00460. Testimony presented by Mr. Burns Mercer in the BREC filing articulates the reasons behind Kenergy’s support of the filings.

Assuming the Commission approves BREC’s requests in Cases 2007-00455 and 2007-00460, Kenergy’s new contracts with the smelters and with BREC for the smelters’ power, and its amended wholesale power agreement with BREC are necessary conditions for the unwind to proceed. Additionally, in order for Kenergy to properly and in a timely manner flow through to its members the various charges and credits contemplated in the BREC filings, its requested new rate riders and tariff modifications are also necessary.

4. Q: Following implementation of the foregoing do you believe that Kenergy will continue to have rates that are fair, just and reasonable?

1 A: Yes, I do.

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3 5. Q: Do you have anything additional to add?

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5 A: Not at this time.