

**INTERIM RATES**

BIG RIVERS ELECTRIC CORPORATION

OF

HENDERSON, KENTUCKY

RATES, RULES AND ADMINISTRATIVE REGULATIONS FOR FURNISHING

ELECTRIC SERVICE

AT

BRECKINRIDGE, CALDWELL, CRITTENDEN, DAVIESS, GRAYSON, HANCOCK,  
HARDIN, HENDERSON, HOPKINS, LYON, MCLEAN, MEADE, MUHLENBERG, OHIO,  
UNION, MCCRACKEN, LIVINGSTON, BALLARD, CARLISLE, MARSHALL, GRAVES  
AND WEBSTER COUNTIES

FILED WITH PUBLIC SERVICE COMMISSION  
OF KENTUCKY

Issued September 17, 1997

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

SEP 02 1997

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY: Stephan D. Bell  
SECRETARY OF THE COMMISSION

Effective September 2, 1997

By Big Rivers Electric Corporation

By: 

09/98

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A. SPECIAL RULES - ELECTRICAL SERVICE

1. Billing Demand:

a. For purposes of establishing billing demands, all delivery points shall be classified into one of three categories, as follows:

- (1) Smelter Delivery Points (i.e., Southwire and Alcan)
- (2) Large Industrial Customer Delivery Points (i.e., a single large industrial customer with a load of one (1) MW or greater taking service as described in Section 7.a).
- (3) Rural Delivery Points (i.e. all delivery points not described in (1) or (2) of this paragraph 1.a.)

b. Unless specifically stated otherwise in a rate schedule to this tariff, Billing Demands shall be determined as follows:

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(1) Smelter Delivery Points -- As provided in the individual contracts with Southwire and Alcan, using, where applicable, the maximum integrated thirty-minute demand at each delivery point.

(2) Large Industrial Customer Delivery Points -- The maximum integrated thirty-minute demand at each delivery point during each month, or the Base Contract Demand, whichever is greater.

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(3) Rural Delivery Points -- The monthly rural Billing Demand for each distribution cooperative shall be the maximum integrated thirty-minute coincident demand of its rural delivery points, excluding those delivery points dedicated to serving a single customer. For those dedicated delivery points, not described in 1 or 2 of Paragraph 1.a., the monthly billing demand will be the maximum integrated thirty-minute demand at each delivery point during each month or the contract demand, whichever is greater.

2. Contract Demand:

Upon mutual agreement with Member, a Contract Demand may be established for certain customers requiring special investments by Seller.

3. Metering:

The Seller shall meter all power and energy at voltage as mutually agreed to with Member. Meters and metering equipment shall be furnished, maintained and read, or caused to be furnished, maintained and read, by the Seller.

4. Electric Characteristics and Delivery Point(s):

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Electric power and energy to be furnished hereunder shall be alternating current, three-phase, sixty Hertz. The Seller shall make and pay for all final connections between the systems of the Seller and the Member at the point(s) of delivery. The parties will specify the initial points of delivery, delivery voltages and capacity prior to the commencement of service hereunder. Additional points shall be agreed upon by the Seller and the Member from time to time.

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5. Substations:

The Member shall install, own and maintain the necessary substation equipment at the point(s) of connection unless otherwise agreed to by Seller. The Seller shall own and maintain switching and protective equipment which may be reasonably necessary to enable the Member to take and use the electric power and energy hereunder and to protect the system of the Seller.

6. Rate:

The Board of Directors of the Seller at such intervals as it shall deem appropriate, but in any event not less frequently than once in each calendar year, shall review the rate for electric power and energy furnished hereunder and, if necessary, shall revise such rate so that it shall produce revenues which shall be sufficient, but only sufficient, to meet the cost of operation and maintenance (including without limitation, replacements, insurance, taxes, and administrative and general overhead expenses) of the generating plant, transmission system and related facilities of the Seller, the cost of any power and energy purchased for resale hereunder by the Seller, the cost of transmission service, make payments on account of principal and interest on all indebtedness of the Seller, and to provide for the establishment and maintenance of reasonable reserves. The Seller shall cause a notice in writing to be given to the Member, which shall set out all the proposed revisions of the rate.

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7. Discount Adjustment:

At the discretion of the Board of Directors, and with the prior approval of the Public Service Commission, an appropriate discount may be authorized at

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such time as substantial application of the rate indicates revenues in excess of projected and relative levels of the rate design.

8. Meter Testing and Billing Adjustment:

Unless specifically stated otherwise in a contract or rate schedule to this tariff, the Seller shall test and calibrate meters in accordance with the provisions of 807 KAR 5:041, Sections 15 and 17. The Seller shall also make special meter tests at any time at the Member's request. The costs of all tests shall be borne by the Seller; provided, however, that if any special meter test made at the Member's request shall disclose that the meters are recording accurately, the Member shall reimburse the Seller for the cost of such test. Meters registering not more than two percent (2%) above or below normal shall be deemed to be accurate. The readings of any meter which shall have been disclosed by test to be inaccurate shall be corrected for the ninety (90) days previous to such test in accordance with the percentage of inaccuracy found by such test. If any meter shall fail to register for any period, the Member and the Seller shall agree as to the amount of energy furnished during such period and the Seller shall render a bill therefor.

9. Monitoring Uses:

Seller shall review members' usage by comparing the metered energy and demand for the current month to the previous month's metered amounts. Consideration is given for monthly deviations due to temperature related increases or decreases, along with a comparison to other sites with similar load patterns. A second comparison is made between the current month's usage and the previous year's data, when demand or energy levels appear to be out of line. Additionally, three of the member cooperatives have SCADA systems which provide hourly printouts of usage and at times are used for comparison whenever there appears to be a metering deviation.

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A meter test is performed whenever there appears to be a potential metering problem. Seller has in place a Billing Review Committee consisting of representatives from Energy Control, Engineering and Transmission, and Accounting. This committee reviews all special metering situations which affect demand and energy quantities applicable to the billing period. A written letter of explanation accompanies the bill explaining any adjustment or calculation that was made.

10. Notice of Meter Reading or Test:

The Seller shall notify the Member in advance of the time of any meter reading or test so that the Member's representative may be present at such meter reading or test.

11. Power Factor:

Unless specifically stated otherwise in a Rate Schedule to this tariff, the Member shall at all times take and use power in such manner that the power factor at the time of maximum demand shall not be less than 90 percent (90%) leading or lagging.

12. Right of Access:

Duly authorized representatives of either party hereto shall be permitted to enter the premises of the other party hereto at all reasonable times in order to carry out the provisions hereof.

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13. Continuity of Service:

The Seller shall use all reasonable diligence to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail or be interrupted, in whole or in part, or become defective, by reason of any cause beyond the control of Seller (an "Uncontrollable Force"), which, despite the exercise of due diligence and foresight, Seller could not reasonably have been expected to avoid, and which, despite the exercise of due diligence, it has been unable to overcome, the Seller shall not be liable therefor, or for damages caused thereby. The term "uncontrollable force", as used herein, shall mean Acts of God, strikes or other labor troubles, acts of the public enemy, wars, blockages, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of the government, whether federal, state or local, civil or military, civil disturbances, explosions, breakage of or accident to machinery, equipment or transmission lines, inability to obtain necessary materials, supplies or permits due to existing or future rules, regulations, orders, laws, or proclamations of governmental authorities, whether federal, state or local, civil or military, and any other forces which are not reasonably within the control of the Seller, whether like or unlike those herein enumerated.

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14. Payment of Bills:

The Seller shall read meters monthly. Unless specifically stated otherwise in a rate schedule to this tariff, electric power and energy furnished hereunder shall be paid for at the Seller's designated office monthly, in immediately available funds, on or before the first working day after the twenty-fourth (24<sup>th</sup>) day of the month following service. If the Member shall fail to pay any such bill within such prescribed period, the Seller may discontinue delivery of electric

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power and energy hereunder upon five (5) days' written notice to Member of its intention to do so. Such discontinuance for non-payment shall not in any way affect the obligation of the Member to pay the minimum bill.

15. Transmission Emergency Control Program:

a. Purpose:

To provide a plan for the systematic expeditious restoration of electric service following a transmission system disturbance.

b. Procedures:

(1) Awareness:

The first indication of a transmission system disturbance will most likely be displayed on Big Rivers' system supervisor's SCADA system. From the SCADA alarms, the system supervisor can determine the general nature and extent of the disturbance.

(2) Localized Emergency:

If the disturbance is localized, the system supervisor will proceed to sectionalize the faulted line sections by use of his SCADA system, radio controlled switches and manually operated line switches. Big Rivers' Transmission Department personnel, as well as the local member cooperative personnel, will be dispatched to carry out any required manual switching operations.

The Transmission Department is notified of the

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faulted line sections and performs the required line repairs and releases the line to the system supervisor for reenergization.

(3) Widespread Emergency:

When the system supervisor recognizes widespread transmission disturbances or the loss of service to multiple distribution substations, he declares an "extreme transmission emergency".

Upon declaration of an extreme transmission emergency, the service restoration coordinator (SRC) is notified and immediately assumes an operating position in the energy control area.

The system supervisor proceeds to sectionalize the line sections and restore service to as many substations as possible.

The SRC establishes and maintains contact with the appropriate personnel from the affected member cooperative(s), appropriate Big Rivers' Transmission Department personnel, and the system supervisor. Restoration continues with the following steps:

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- (a) The SRC coordinates the efforts of the Transmission Department and member cooperatives(s) to determine the full extent of system damage. An estimate is made of the time to restore full service to the distribution substations using only Big Rivers and available cooperative work forces.

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- (b) If the system damages are so extensive that restoration with local or system labor only would result in prohibitively long outages, the SRC along with the Transmission Department and the Member Cooperative Coordinator(s), determines what additional equipment and labor is needed.
  - (c) The SRC conveys to the western area Regional Work Plan coordinator the time, place and amount of needed equipment and labor. The coordinator arranges to meet these needs from neighboring utilities.
  - (d) The SRC establishes a sequence of repair. This sequence is determined by working with the affected member cooperative coordinators who will have prioritized the restoration of their affected substations. The member cooperatives have chosen to determine case specific restoration priorities due to the number of variables that are unpredictable (i.e. weather, restoration times for various subs, time of day, personnel available, etc.). They maintain a list of critical consumers and this list helps determine the sequence of restoration.
  - (e) The SRC monitors the progress of the restoration effort and conveys this information to the appropriate individuals for public dissemination.
- Upon completion of restoration of service, the emergency is declared ended.

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- (g) Effectiveness and timeliness of the restoration is reviewed by the Big Rivers' Operation Committee for possible procedural improvements.

16. Purchase Power Deficiency Emergency Control Program:

a. Purpose:

To provide a plan to recover from purchase power deficiencies from LG&E Energy Corp. ("LEC").

(b) Procedures:

(1) Awareness:

When the level of available purchase power becomes insufficient to meet the projected total system sales, the following steps will be followed in the sequence listed until the purchase power and load are equal.

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Sequential Steps of Action:

- (a) Determine capacity shortage based on purchase power limitations, pending weather forecast conditions and forecasted load requirements.
- (b) Arrange economic power purchases from off-system sources as required to serve firm load commitments (and non-firm commitments if economically feasible).

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- (c) Reduce or completely curtail non-firm power sales starting with the lowest price transactions as influenced by term of commitment.
- (d) Curtail off-system short-term capacity sales.
- (e) Implement a request to other utilities for emergency power purchases to meet firm load requirements.
- (f) Issue public appeals to all member cooperative consumers to reduce power usage on a voluntary basis, including direct calls to large industrial consumers.
- (g) Initiate a voltage reduction action through Big Rivers' facilities as well as working with the member cooperative representatives to accomplish this action.
- (j) Implement curtailment of off-system firm power sales.
- (i) Implement curtailment of power to industrial consumers (on a rotating type basis as needed).
- (j) Request load curtailment of member cooperatives. Determine amounts of load reduction required of each cooperative and the anticipated length of curtailment. The member cooperatives will reduce load in accordance with their curtailment plan. Their curtailment will be developed considering the essential loads on their systems.

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B. SPECIAL RULES - CABLE TELEVISION ATTACHMENT

1. Establishing Pole Use:

- a. Before a CATV operator shall make use under this tariff of any of the facilities of Big Rivers, it shall notify Big Rivers in writing of its intent and shall comply with the procedures established by Big Rivers. The CATV operator shall furnish Big Rivers detailed construction plans and drawings, together with necessary maps, indicating the specific poles of Big Rivers upon which attachments are proposed, the number and character of the attachments to be on such poles, the rearrangements of Big Rivers' fixtures and equipment necessary for the attachments, and relocations or replacements of existing poles, and any additional poles required by the CATV operator.

- b. Big Rivers shall, on the basis of such detailed construction plans and drawings, submit to the CATV operator a cost estimate (including overhead and less salvage value of materials) of all changes that may be required.

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Upon written notice by the CATV operator to Big Rivers that the cost estimate is approved, Big Rivers shall proceed with the necessary changes. Upon completion of all changes, the CATV operator shall have the right hereunder to make attachments in accordance with the terms of this tariff. The CATV operator shall, at its own expense, make attachments in such manner as not to interfere with the service requirements of Big Rivers.

Upon completion of all changes, the CATV operator shall pay Big Rivers the actual cost (including overhead and less salvage value of materials) of making such changes. The obligations of the CATV

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operator hereunder shall not be limited to amounts shown on estimates made by Big Rivers hereunder.

- d. Any reclearing of existing rights-of-way and any tree trimming necessary for the establishment of attachments hereunder shall be performed by the CATV operator.
- e. All poles and appurtenances to which attachments have been made under this tariff shall remain the property of Big Rivers, and any payments made by the CATV operator under this tariff for changes in Big Rivers' facilities shall not entitle the CATV operator to the ownership of any of said facilities.
- f. Any changes necessary for correction of a substandard installation made by the CATV operator, where notice of intent had not been given, shall be billed at an amount equal to twice the charges that would have been imposed if the attachment had been properly authorized.

2. Easements and Rights-of-Way:

Big Rivers does not warrant nor assure to the CATV operator any rights-of-way privileges or easements, and should the CATV operator at any time be prevented from placing or maintaining its attachments on Big Rivers' poles, no liability on account thereof shall attach to Big Rivers. Each party shall be responsible for obtaining its own easements and rights-of-way.

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3. Maintenance of Poles, Attachments and Operation:

- a. Whenever right-of-way considerations or public regulations make relocation of a pole or poles necessary, such relocation shall be made by Big Rivers at its own expense, except that each party shall bear the cost of transferring its own attachments.
- b. Whenever it is necessary to replace or relocate a pole, Big Rivers shall, before making such replacement or relocation, give forty-eight (48) hours' notice (except in cases of emergency) to the CATV operator, specifying in said notice the time of such proposed replacement or relocation, and the CATV operator shall, at the time so specified, transfer its attachments to the new or relocated pole. Should the CATV operator fail to transfer its attachments to the new or relocated pole at the time specified, Big Rivers may elect to do such work and the CATV operator shall pay Big Rivers the cost thereof. Big Rivers shall not be liable for any consequential damages which may result therefrom.
- c. Any attachment of CATV which does not conform to the specifications set out in this tariff shall be brought into conformity herewith as soon as practical. Big Rivers reserves the right to inspect each new installation on its poles and in the vicinity of its lines or appurtenances. Such inspection made or not, shall not operate to relieve the CATV operator of any responsibility, obligation or liability assumed under this tariff.
- d. Big Rivers reserves to itself, its successor and assigns, the right to maintain its poles and to operate its facilities thereon in such manner as will, in its own judgment, best enable it to fulfill its own service

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requirements. Big Rivers shall not be liable to the CATV operator for any interruption of service or for interference with the operation of its cables, wire and appliances when such conditions are caused by situations beyond Big Rivers' control.

4. Inspections:

- a. Periodic Inspection: Any unauthorized or unreported attachment by a CATV operator will be billed at two times the amount that would have been due had the installation been made the day after the last inspection preceding discovery of the attachment.
- b. Make-Ready Inspection: Actual expenses, plus appropriate overhead charges, incurred by Big Rivers in any "make-ready" or "walk-through" inspection required of Big Rivers will be paid for by the CATV operator.

5. Insurance or Bond:

- a. The CATV operator shall defend, indemnify and save harmless Big Rivers from any and all damage, loss, claim, demand, suit, liability, penalty or forfeiture of every kind and nature, including, but not limited to, costs and expenses of defending against the same and payment of any settlement or judgment therefor, by reason of (1) injuries or deaths to persons, (2) damages to or destruction of properties, (3) pollutions, contaminations of or other adverse effects on the environment or (4) violations of governmental laws, regulations or orders whether suffered directly by Big Rivers itself, or indirectly by reason of claims, demands or suits against it by third parties, resulting or alleged to have resulted from acts or omissions of the CATV operator, its employees, agents, or other representatives or from their presence on the premises of Big Rivers, either solely or in

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concurrence with any alleged joint negligence of Big Rivers. Big Rivers shall be liable for its sole active negligence.

- b. The CATV operator will provide coverage as follows from a company authorized to do business in the commonwealth of Kentucky:
- (1) Protection for its employees to the extent required by Workers' compensation Laws of Kentucky.
  - (2) Public liability coverage with separate coverage for each town or city in which the CATV operator operates under this contract to a minimum amount of \$1,000,000 for each person and \$1,000,000 for each accident or personal injury or death, and \$25,000 as to the property of any one person, and \$100,000 as to any one accident of property damage.
  - (3) Naming Big Rivers Electric Corporation as an additional insured.
- c. Before beginning operations under this tariff, the CATV operator shall cause to be furnished to Big Rivers a certificate evidencing the existence of such coverage. Each policy required hereunder shall contain a contractual endorsement written as follows:

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The insurance or bond provided herein shall also be for the benefit of Big Rivers Electric Corporation, so as to guarantee, within the coverage limits, the performance by the insured of any indemnity agreement set forth in this tariff. This insurance or bond

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may not be canceled for any cause  
without thirty (30) days' advance  
notice being first given to Big Rivers  
Electric Corporation.

6. Change of Use Provision:

When Big Rivers requires a change in its facilities for reasons unrelated to CATV operations, the CATV operator shall be given forty-eight (48) hours' notice (except in cases of emergency) in order to accomplish the CATV-related changes. If the CATV operator is unable or unwilling to meet Big Rivers' time schedule for such changes. Big Rivers may do the work and charge the CATV operator its reasonable costs for performing the change of CATV attachments.

7. Abandonment:

- a. Should Big Rivers decide to abandon any pole which the CATV operator is utilizing, it shall give the CATV operator notice in writing to that effect at least thirty (30) days prior to the date on which it intends to abandon such pole. If, at the expiration of said period, Big Rivers has no attachments on such pole, but the CATV operator has not removed all of its attachments therefrom, such pole shall thereupon become the property of the CATV operator, and the CATV operator shall save harmless Big Rivers from all obligation, liability, damages, cost, expenses or charges incurred thereafter, and shall pay Big Rivers

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for such pole an amount equal to Big Rivers' depreciated cost thereof. Big Rivers shall further evidence transfer to the CATV operator of title to the pole by means of a bill of sale. Big Rivers reserves the right to abandon and salvage any power line free and clear of any obligations to the CATV operator and upon one year's notice to the CATV operator.

- b. The CATV operator may at any time abandon the use of any pole by giving due notice thereof in writing to Big Rivers and by removing therefrom any and all attachment it may have thereon. The CATV operator shall in such case pay Big Rivers the pro rata rental for said pole for the then current billing period.

8. Right of Others:

Upon notice from Big Rivers to the CATV operator that the use of any pole is forbidden by municipal or other public authorities or by property owners, the permit governing the use of such pole shall immediately terminate and the CATV operator shall remove its facilities from the affected pole at once. No refund of any rental will be due on account of any removal under these circumstances.

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Payment of Taxes:

SEP 02 1997 Each party shall pay all taxes and assessments lawfully levied on its own property upon said attached facilities, and the taxes and the assessments which are levied on said property shall be paid by the owner thereof, but any tax, fee or charge levied on Big Rivers' facilities solely because of their use by the CATV operator shall be paid by the CATV operator.

PIURSUANT TO 807 KAR 50.01,  
SECTION 9 (1)  
BY: Stephan D. Brant  
SECRETARY OF THE COMMISSION

Date of Issue September 17, 1997 Date Effective September 2, 1997

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

Issued By Authority of PSC in Case No. 97-204, Order dated August 29, 1997

**INTERIM RATES SUBJECT TO CHANGE**

C9/98

Cancelling \_\_\_\_\_

RULES AND REGULATIONS

10. Bond or Deposit for Performance:

The CATV operator shall furnish bond or satisfactory evidence of contractual insurance coverage for the purposes thereafter specified in the amount of Five Thousand Dollars (\$5,000), evidence of which shall be presented to Big Rivers fifteen (15) days prior to beginning construction. Such bond or insurance shall contain the provision that it shall not be terminated prior to three (3) months after receipt by Big Rivers of written notice of the desire of the bonding or insurance company to terminate such bond or insurance. Upon receipt of such notice, Big Rivers shall request the CATV operator to immediately remove its cables, wires and all other facilities from all poles of Big Rivers. If the CATV operator should fail to complete the removal of all its facilities from the poles of Big Rivers within thirty (30) days after receipt of such request from Big Rivers, then Big Rivers shall have the right to remove them at the cost and expense of the CATV operator and without being liable for any damage to the CATV operator's wires, cables, fixtures or appurtenances. Such bond or insurance shall guarantee the payment of any sums which may become due to Big Rivers for rentals, inspections or work performed for the benefit of the CATV operator under this tariff, including the removal of attachments upon termination of service by any of its provisions.

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

BY: Stephan B. Bell  
SECRETARY OF THE COMMISSION

11. Use of Anchors:

Big Rivers reserves the right to prohibit the use of any anchors by the CATV operator where conditions warrant such action.

12. Discontinuance of Service:

Big Rivers may refuse or discontinue serving an applicant as a customer under the conditions set out in 807 KAR 5:006 Section 11.

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**INTERIM RATES SUBJECT TO CHANGE**

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RULES AND REGULATIONS

C. ELECTRIC SERVICE

1. APPLICABLE:

In all territory served by Cooperative's transmission system.

2. AVAILABILITY:

Available only for service to Big Rivers' member rural electric cooperatives subject to the special terms and conditions hereinafter set forth and to such of Big Rivers' general rules and regulations on file with the Public Service Commission of Kentucky.

3. TERM:

This Interim Tariff shall take effect on 12:01 a.m. on September 2, 1997, and shall terminate at the earlier of midnight on August 31, 1998 or 12:01 a.m. on the day after the date of closing (the "Closing Date") of the transaction between Big Rivers and LG&E Energy Corp. ("LEC"). The existing wholesale power supply contracts, as amended, between Big Rivers Electric Corporation and each of its distribution cooperative members shall remain in effect during the term of the Interim Tariff.

RATES:

- a. For all Alcan smelter delivery points, a Monthly Delivery Point Rate consisting of the Big Rivers Henderson Union Smelter Rate as described in Item (5) herein.

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PURSUANT TO 807 KAR 5.011,  
SECTION 9(1)

BY: Stephan B. Bell  
SECRETARY OF THE COMMISSION

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RULES AND REGULATIONS

- b. For all Southwire smelter delivery points, a Monthly Delivery Point Rate consisting of the Big Rivers Green River Smelter Rate as described in Item (6) herein.
- c. For all Large Industrial Customer delivery points, a Monthly Delivery Point Rate consisting of the Big Rivers Large Industrial Customer Rate as described in Item (7) herein.
- d. For all other delivery points, a Monthly Delivery Point Rate consisting of:
- (1) A Demand Charge of:  
  
All kW of billing demand at \$7.37 per kilowatt.  
  
Plus,
  - (2) An Energy Charge of:  
  
All kWh per month at \$0.02040 per kWh.
  - (3) No separate transmission or ancillary services charges shall apply to these rates.
  - (4) The Demand and Energy Charges under this Interim Tariff shall not be subject to adjustment for increases or decreases in fuel costs whether under 807 KAR 5:056 or otherwise, or by any adjustment for an environmental surcharge, whether under KRS 278.183 or otherwise.

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

BY: Stephan D. Bell  
SECRETARY OF THE COMMISSION

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Date Effective September 2, 1997

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**INTERIM RATES SUBJECT TO CHANGE**

C9/98

RULES AND REGULATIONS

5. INTERIM BIG RIVERS HENDERSON UNION SMELTER RATE

a. AVAILABILITY:

This tariff applies to Henderson Union Electric Cooperative Corporation ("HU") for sales to Alcan Aluminum Corporation ("Alcan") for use at the Alcan primary aluminum smelter located in Sebree, Kentucky. The maximum demand associated with Tier 1 and Tier 2 Energy hereunder shall be 233,000 kilowatts.

b. TERM OF THE RATE:

This tariff shall take effect at 12:01 a.m. on September 2, 1997 and shall terminate at the earlier of midnight August 31, 1998 or the Closing Date of the transaction between Big Rivers and LG&E Energy Corp. ("LEC") and its affiliates. This tariff shall remain in effect during the entire term hereof.

c. RATES:

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

BY: Stephan Bue  
SECRETARY OF THE COMMISSION

The Tier 1 Energy Rate and the Tier 2 Energy Rate as set forth in Sections 5.c.(2) and (3), are the rates inclusive of all expenses of providing an aggregate 233,000 kilowatts of firm electric service at a 98% load factor for total Tier 1 and Tier 2 kilowatt hours each month equal to 5,480,160 kWh multiplied by the number of days in that month. Accordingly, no separate demand charge is applicable to electric service under Tier 1 or Tier 2.

Date of Issue September 17, 1997

Date Effective September 2, 1997

Issued By John J. [Signature] Big Rivers Electric Corporation, P.O. Box 24, Henderson, KY 42420

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**INTERIM RATES SUBJECT TO CHANGE**

C9198

Cancelling \_\_\_\_\_

RULES AND REGULATIONS

Expenses covered in the Tier 1 and Tier 2 Energy Rates include, but are not limited to the fixed, semi-variable, and variable costs of owning, operating, or acquiring all facilities necessary for the generation and associated transmission and distribution of the quantities of energy set forth in this Section 5.c. The semi-variable and variable expenses include, but are not limited to, all fuel and non-fuel operational, maintenance and environmental expenses associated with producing and/or acquiring and transmitting and distributing energy, including the cost of all associated administrative and ancillary services.

(2) Tier 1 Energy Rate:

The Tier 1 Energy Rate for firm power is \$0.0307 per kWh.

(3) Tier 2 Energy Rate:

The Tier 2 Energy Rate for firm power is \$0.02098 per kWh.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY (4)  
EFFECTIVE

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

BY: Stephan Bee  
SECRETARY OF THE COMMISSION

(a) Tier 3 Energy Rate:

The Tier 3 Energy Rate for firm power shall be \$0.0192 per kWh, plus a 2% factor for system

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**INTERIM RATES SUBJECT TO CHANGE**

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losses supplied by Big Rivers to HU for a total rate, excluding transmission, of \$0.01958 per kWh.

(b) Tier 3 Transmission Rate:

The Tier 3 Transmission Rate applicable to all transmission services provided by or through Big Rivers with respect to Tier 3 energy, shall be fixed at \$0.98 per Kilowatt per month of Tier 3 Demand.

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OF KENTUCKY  
EFFECTIVE

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(c) Tier 3 Ancillary Services Rate:

Ancillary services shall not be separately charged by Big Rivers during this interim period, but instead shall be supplied to HU and bundled as part of the power sales rate from Big Rivers to HU as set forth in Section 5.c.4(a).

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

BY: Stephan Bue  
SECRETARY OF THE COMMISSION

d. CHARGES:

(1) Definitions

The Minimum Purchase Obligation in each month shall be the amount calculated by multiplying 2,304,960 kWh by the number of days in the billing month. The Tier 2 Purchase Allowance in each month shall be the difference between the Minimum Purchase Obligation and the amount calculated by multiplying 5,480,160 kWh by the number of days in the billing month. The Tier 3 Demand shall be determined as

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**INTERIM RATES SUBJECT TO CHANGE**

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Cancelling \_\_\_\_\_

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ancillary services for this power to be resold, subject to its availability on Big Rivers' OASIS, at HU's or the purchaser's expense, from Big Rivers, at rates as they are then in effect according to the type and amount of transmission and ancillary services used on Big Rivers' transmission system to accomplish this sale for resale. In the event of a shutdown of the Sebree Smelter of at least 30 days' duration, to the extent transmission and ancillary services charges are incurred by HU on Big Rivers' transmission system to effect this resale of Tier 1 energy, this amount shall be credited against the amount owed for the Minimum Purchase Obligation. In all other circumstances, HU shall be required to pay Big Rivers separately for all such transmission and ancillary services associated with the resale of Tier 1 Energy as set forth above.

(3) Tier 2

Each calendar month, HU shall pay a Tier 2 Energy Charge computed by multiplying the applicable rate set forth in Section 5.c.(3) of this Tariff by the number of kilowatt hours consumed by Alcan under the Tier 2 Purchase Allowance.

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(4) Tier 3

Each calendar month HU shall pay a Tier 3 Energy Charge computed by multiplying the applicable Tier 3 Energy Rate set forth in Section 5.c.(4)(a) of this tariff

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

BY: Stephan D. Blue  
SECRETARY OF THE COMMISSION

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**INTERIM RATES SUBJECT TO CHANGE**

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by the number of kilowatt hours consumed by Alcan in excess of the amount calculated by multiplying 5,480,160 kWh by the number of days in the billing month, plus a separate Tier 3 Transmission Charge computed by multiplying the Tier 3 Transmission Rate set forth in Section 5.c.4(b) of this Interim Tariff by the Tier 3 Demand.

e. (1) NO ADJUSTMENTS FOR LEGISLATION, REGULATORY OR LEGAL ACTION:

The Rates under this Interim Tariff are fixed during the applicable period.

(2) NO ADJUSTMENTS FOR FUEL PURCHASES:

The Rates under this Interim Tariff shall not be increased or decreased by any adjustment for the cost of fuel, whether under 807 KAR 5:056 or otherwise.

(3) NO ADJUSTMENT FOR ENVIRONMENTAL SURCHARGE:

The Rates under this Interim Tariff shall not be increased or decreased by any adjustment for an environmental surcharge, whether under KRS 278.183, or otherwise.

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

BY: Stephan Bull  
SECRETARY OF THE COMMISSION

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**INTERIM RATES SUBJECT TO CHANGE**

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PSC No. 21  
Original Sheet No. 30  
Cancelling \_\_\_\_\_ Sheet No. \_\_\_\_\_

RULES AND REGULATIONS

f. BILLING

Big Rivers shall bill HU on the first working day after the 13<sup>th</sup> of the month for the previous month's service hereunder. HU shall pay Big Rivers in immediately payable funds on or before the first working day after the 24<sup>th</sup> of the month. If HU shall fail to pay any such bill within such prescribed period, Big Rivers may discontinue delivery of electric power and energy hereunder upon five (5) days' written notice to HU of its intention to do so. Such discontinuance for non-payment shall not in any way affect the obligation of HU to pay the Minimum Purchase Obligation or the right of HU on behalf of Alcan to resell Tier 1 Energy, provided that any such purchases of the Minimum Purchase Obligation for resale must be paid for in immediately payable funds in advance by HU on behalf of Alcan.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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PURSUANT TO 807 KAR 5:011,  
SECTION 9(1)  
BY: Stephan D. Bell  
SECRETARY OF THE COMMISSION

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**INTERIM RATES SUBJECT TO CHANGE**

C9/98



For All Territory Served By  
Cooperative's Transmission System

PSC No. 21

Original Sheet No. 31

Cancelling \_\_\_\_\_ Sheet No. \_\_\_\_\_

RULES AND REGULATIONS

g. BILLING FORM:

BIG RIVERS ELECTRIC CORP., P.O. BOX 24, HENDERSON, KY 42420

MONTH ENDING

TO HENDERSON-UNION

ACCOUNT 82

HU

SUBSTATION ALCAN  
THRU

SERVICE FROM

USAGE DEMAND TIME DAY METER MULT  
KW DEMAND

ENERGY PREVIOUS PRESENT DIFFERENCE MULT KWH  
USED

TIER 1 ENERGY  
ENERGY

KWH TIMES \$0.0307 EQUALS \$ \_\_\_\_\_

TAKE OR PAY(IF ANY)

KWH TIMES \$0.0135 EQUALS \$ \_\_\_\_\_

ADJUSTMENT

KWH TIMES \$0.0307 EQUALS \$ \_\_\_\_\_

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

SUBTOTAL \$ \_\_\_\_\_

TIER 2 ENERGY

SEP 02 1997

ENERGY

KWH TIMES \$0.02098 EQUALS \$ \_\_\_\_\_

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

ADJUSTMENT

KWH TIMES \$0.02098 EQUALS \$ \_\_\_\_\_

BY: Stephan D Bell  
SECRETARY OF THE COMMISSION

SUBTOTAL \$ \_\_\_\_\_

TIER 3 ENERGY  
ENERGY

KWH TIMES \$0.01958 EQUALS \$ \_\_\_\_\_

Date of Issue September 17, 1997 Date Effective September 2, 1997

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

Issued By Authority of PSC in Case No. 97-204, Order dated August 29, 1997

**INTERIM RATES SUBJECT TO CHANGE**

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For All Territory Served By  
Cooperative's Transmission System

PSC No. 21  
Original Sheet No. 32  
Sheet No. \_\_\_\_\_

Cancelling \_\_\_\_\_

RULES AND REGULATIONS

ADJUSTMENT KWH TIMES \$0.01958 EQUALS \$ \_\_\_\_\_

SUBTOTAL \$ \_\_\_\_\_

TIER 3 TRANSMISSION

DEMAND KW TIMES \$0.98 EQUALS \$ \_\_\_\_\_

ADJUSTMENT KW TIMES \$0.98 EQUALS \$ \_\_\_\_\_

SUBTOTAL \$ \_\_\_\_\_

TOTAL AMOUNT DUE \$ \_\_\_\_\_

LOAD FACTOR MILLS PER KWH  
ACTUAL BILLED

**DUE IN IMMEDIATELY AVAILABLE FUNDS ON OR BEFORE THE FIRST WORKING DAY AFTER THE 24<sup>TH</sup> OF THE MONTH.**

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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SEP 02 1997

PURSUANT TO 807 KAR 5:011,  
SECTION 9(1)  
BY: Stephan Bue  
SECRETARY OF THE COMMISSION

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**INTERIM RATES SUBJECT TO CHANGE**

*c9/98*

RULES AND REGULATIONS

6. INTERIM BIG RIVERS GREEN RIVER SMELTER RATE

a. AVAILABILITY:

This tariff applies to Green River Electric Corporation ("GREC") for sales to Southwire Company ("Southwire") for use at the NSA, Inc. primary aluminum smelter and the Southwire Rod & Cable Mill located in Hancock County, Kentucky. The maximum demand associated with Tier 1 and Tier 2 Energy hereunder shall be 339,000 kilowatts. .

b. TERM OF THE RATE:

This tariff shall take effect at 12:01 a.m. on September 2, 1997 and shall terminate at the earlier of midnight August 31, 1998 or the Closing Date of the transaction between Big Rivers and LG&E Energy Corp. ("LEC") and its affiliates. This tariff shall remain in effect during the entire term hereof.

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OF KENTUCKY<sup>C.</sup>  
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SEP 02 1997

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

BY: Stephan O Bell  
SECRETARY OF THE COMMISSION

RATES:

- (1) The Tier 1 Energy Rate and the Tier 2 Energy Rate as set forth in Sections 6.c.(2) and (3), are the rates inclusive of all expenses of providing an aggregate 339,000 kilowatts of firm electric service at a 98% load factor for total Tier 1 and Tier 2 kilowatt hours each month equal to 7,973,280 kWh multiplied by the number of days in that month.

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**INTERIM RATES SUBJECT TO CHANGE**

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RULES AND REGULATIONS

Accordingly, no separate demand charge is applicable to electric service under Tier 1 or Tier 2.

Expenses covered in the Tier 1 and Tier 2 Energy Rates include, but are not limited to the fixed, semi-variable, and variable costs of owning, operating, or acquiring all facilities necessary for the generation and associated transmission and distribution of the quantities of energy set forth in this Section 6.c. The semi-variable and variable expenses include, but are not limited to, all fuel and non-fuel operational, maintenance and environmental expenses associated with producing and or acquiring and transmitting and distributing energy, including the cost of all associated administrative and ancillary services.

(2) Tier 1 Energy Rate:

The Tier 1 Energy Rate for firm power is \$0.0307 per kWh.

(3) Tier 2 Energy Rate:

The Tier 2 Energy Rate for firm power is \$0.02098 per kWh.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

SEP 02 1997

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

BY: Stephan D. Bee  
SECRETARY OF THE COMMISSION

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**INTERIM RATES SUBJECT TO CHANGE**

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RULES AND REGULATIONS

(4) Tier 3 Rates:

(a) Tier 3 Energy Rate:

The Tier 3 Energy Rate for firm power shall be \$0.0192 per kWh, plus a 2% factor for system losses supplied by Big Rivers to GREC for a total rate, excluding transmission, of \$0.01958 per kWh.

(b) Tier 3 Transmission Rate:

The Tier 3 Transmission Rate applicable to all transmission services provided by or through Big Rivers with respect to Tier 3 energy, shall be fixed at \$0.98 per Kilowatt per month of Tier 3 Demand.

(c) Tier 3 Ancillary Services Rates:

Ancillary services shall not be separately charged by Big Rivers during this interim period, but instead shall be supplied to GREC and bundled as part of the power sales rate from Big Rivers to GREC as set forth in Section 6.c.4(a).

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SECTION 9 (1)

By: Stephan B. Bee  
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**INTERIM RATES SUBJECT TO CHANGE**

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RULES AND REGULATIONS

d. CHARGES:

(1) Definitions

The Minimum Purchase Obligation in each month shall be the amount calculated by multiplying 3,045,840 kWh by the number of days in that billing month. The Tier 2 Purchase Allowance shall be the difference between the Minimum Purchase Obligation and the amount calculated by multiplying 7,973,280 kWh by the number of days in the billing month. The Tier 3 Demand shall be determined as the metered maximum demand in each month less 339,000 kilowatts, but not less than zero.

(2) Tier 1

Each calendar month, GREC shall pay a Tier 1 Energy Charge that shall be the sum of (i) the rate set forth in Section 6.c.(2) of this Interim Tariff multiplied by the number of kilowatt hours purchased by GREC for resale to Southwire, but no more than the amount of the Minimum Purchase Obligation, and (ii) a rate of \$0.0135 per kWh multiplied by the number of kilowatt hours, if any, by which the Minimum Purchase obligation exceeds the actual number of kilowatt hours purchased by Southwire from GREC for consumption or resale in such month. Payment of the Tier 1 Energy Charge is the only take-or-pay obligation of GREC to Big Rivers.

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

BY: Stephan D. Bell  
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RULES AND REGULATIONS

At its sole discretion, GREC on behalf of Southwire may purchase all or any portion, up to a maximum demand of 129,500 kilowatts, of the Minimum Purchase Obligation for resale to third-party consumers, utilities, power marketers, power brokers, or any other party to which power can be legally sold at times and under terms and conditions determined by Southwire, provided that the resale by GREC on behalf of Southwire of such Tier 1 energy shall not preclude Southwire from purchasing and consuming Tier 2 energy, and provided further that GREC shall arrange for transmission and associated ancillary services for this power to be resold, subject to its availability on Big Rivers' OASIS, at GREC's or the purchaser's expense, from Big Rivers, at rates as they are then in effect on Big Rivers' system according to the type and amount of transmission and ancillary services used on Big Rivers' transmission system to accomplish this sale for resale. In the event of a shutdown of the NSA smelter of at least 30 days' duration, to the extent transmission and ancillary services charges are incurred by GREC on Big Rivers' transmission system to effect this resale of Tier 1 energy, this amount shall be credited against the amount owed for the Minimum Purchase Obligation. In all other circumstances, GREC shall be required to pay Big Rivers separately for all such transmission and ancillary services associated with the resale of Tier 1 Energy as set forth above.

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

BY: Stephan D. Bell  
SECRETARY OF THE COMMISSION

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**INTERIM RATES SUBJECT TO CHANGE**

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Cancelling \_\_\_\_\_

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(3) Tier 2

Each calendar month, GREC shall pay a Tier 2 Energy Charge computed by multiplying the applicable rate set forth in Section 6.c.(3) of this Tariff by the number of kilowatt hours consumed by Southwire under the Tier 2 Purchase Allowance.

(4) Tier 3

Each calendar month, GREC shall pay a Tier 3 Energy Charge computed by multiplying the applicable Tier 3 Energy Rate set forth in Section 6.c.(4)(a) of this tariff by the number of kilowatt hours consumed by Southwire in excess of the amount calculated by multiplying 7,973,280 kWh by the number of days in the billing month, plus a separate Tier 3 Transmission Charge computed by multiplying the Tier 3 Transmission Rate set forth in 6.c.4(b) of this Interim Tariff by Tier 3 Demand.

e. (1) NO ADJUSTMENTS FOR LEGISLATION,  
REGULATORY OR LEGAL ACTION:

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

The Rates under this Interim Tariff are fixed during the applicable period.

SEP 02 1997

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

BY: Stephan D. Bell  
SECRETARY OF THE COMMISSION

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(2) NO ADJUSTMENTS FOR FUEL PURCHASES:

The Rates under this Interim Tariff shall not be increased or decreased by any adjustment for the cost of fuel, whether under 807 KAR 5:056 or otherwise.

(3) NO ADJUSTMENT FOR ENVIRONMENTAL SURCHARGE:

The Rates under this Interim Tariff shall not be increased or decreased by any adjustment for an environmental surcharge, whether under KRS 278.183, or otherwise.

f. BILLING

Big Rivers shall bill GREC on the first working day after the 13<sup>th</sup> of the month for the previous month's service hereunder. GREC shall pay Big Rivers in immediately available funds on or before the first working day after the 24<sup>th</sup> of the month. If GREC shall fail to pay any such bill within such prescribed period, Big Rivers may discontinue delivery of electric power and energy hereunder upon five (5) days' written notice to GREC of its intention to do so. Such discontinuance for non-payment shall not in any way affect the obligation of GREC to pay the Minimum Purchase Obligation or the right of GREC on behalf of Southwire to resell Tier 1 Energy, provided that any such purchases of the Minimum Purchase Obligation for resale must be paid for in immediately available funds in advance by GREC on behalf of Southwire. .

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EFFECTIVE

SEP 02 1997

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

BY: Stephan D. Bell  
SECRETARY OF THE COMMISSION

Date of Issue September 17, 1997

Date Effective September 2, 1997

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

Issued By Authority of PSC in Case No. 97-204, Order dated August 29, 1997

**INTERIM RATES SUBJECT TO CHANGE**

C9198



For All Territory Served By  
Cooperative's Transmission System

PSC No. 21  
Original Sheet No. 40  
Sheet No. \_\_\_\_\_

Cancelling \_\_\_\_\_

RULES AND REGULATIONS

g. BILLING FORM:

INVOICE  
BIG RIVERS ELECTRIC CORP., P.O. BOX 24, HENDERSON, KY 42420

MONTH ENDING

TO GREEN RIVER

ACCOUNT 82

GR

SUBSTATION NSA  
THRU

SERVICE FROM

USAGE DEMAND  
KW DEMAND

TIME DAY

METER

MULT

ENERGY PREVIOUS  
USED

PRESENT DIFFERENCE

MULT KWH

TIER 1 ENERGY  
ENERGY

KWH TIMES \$0.0307

EQUALS

\$ \_\_\_\_\_

TAKE OR PAY (IF ANY)

KWH TIMES \$0.01350

EQUALS

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

ADJUSTMENT

KWH TIMES \$0.0307

EQUALS

\$ \_\_\_\_\_

SUBTOTAL

\$ ~~SEP 02~~ 1997

TIER 2 ENERGY  
ENERGY

KWH TIMES \$0.02098 EQUALS

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

ADJUSTMENT

KWH TIMES \$0.02098 EQUALS

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SUBTOTAL

\$ \_\_\_\_\_

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CA198



For All Territory Served By  
Cooperative's Transmission System

PSC No. 21

Original Sheet No. 41

Cancelling \_\_\_\_\_ Sheet No. \_\_\_\_\_

RULES AND REGULATIONS

TIER 3 ENERGY

ENERGY KWH TIMES \$0.01958 EQUALS \$ \_\_\_\_\_

ADJUSTMENT KWH TIMES \$0.01958 EQUALS \$ \_\_\_\_\_

SUBTOTAL \$ \_\_\_\_\_

TIER 3 TRANSMISSION

DEMAND KW TIMES \$0.98 EQUALS \$ \_\_\_\_\_

ADJUSTMENT KW TIMES \$0.98 EQUALS \$ \_\_\_\_\_

SUBTOTAL \$ \_\_\_\_\_

TOTAL AMOUNT DUE \$ \_\_\_\_\_

LOAD FACTOR MILLS PER KWH

ACTUAL BILLED

**DUE IN IMMEDIATELY AVAILABLE FUNDS ON OR BEFORE THE FIRST WORKING DAY AFTER THE 24<sup>TH</sup> OF THE MONTH.**

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

SEP 02 1997

PURSUANT TO 807 KAR 5.011,  
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Cancelling \_\_\_\_\_

RULES AND REGULATIONS

7. BIG RIVERS INTERIM LARGE INDUSTRIAL CUSTOMER TARIFF

a. Availability:

This schedule is available to any of Big Rivers' member rural electric distribution cooperatives for service to certain large industrial customers with peak demands of one (1) MW or greater contracting for terms of not less than five years with established Base Contract Demands of not less than 75% of their Maximum Contract Demand and minimum monthly contractual load factors of 70%.

b. Terms of the Rate Schedule:

This rate schedule shall take effect at 12:01 a.m. on September 2, 1997, and shall terminate at the earlier of midnight on August 31, 1998 or the Closing Date of the transaction between Big Rivers and LG&E Energy Corp. ("LEC") and its affiliates. This tariff shall remain in effect during the entire term hereof.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY c.  
EFFECTIVE

SEP 02 1997

PURSUANT TO 807 KAR 5:011.  
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Rates:

(1) Rates Separate for Each Large Industrial Customer:

Each month each Member Cooperative shall be required to pay separately for each of its qualifying Large Industrial Customers taking service under this tariff, in each case using that Large Industrial Customer's individual

Date of Issue September 17, 1997

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Issued By John Gustaf

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

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