CANCELLED
September 1, 2026
KENTUCKY PUBLIC SERVICE COMMISSION

RATES, TERMS AND CONDITIONS – SECTION 2

FAC - Fuel Adjustment Clause:

Applicability:

To all Big Rivers' Members.

Availability:

The Fuel Adjustment Clause ("FAC") is a mandatory rider to all wholesale sales by Big Rivers to its Members, including Base Energy sales to the Smelters under the Smelter Agreements but excluding Supplemental and Back-Up Energy sales to the Smelters under those two Agreements.

Rate:

The FAC shall provide for periodic adjustment per kWh of sales when the unit cost of fuel [F(m)/S(m)] is above or below the base unit cost of $0.020932 per kWh [F(b)/S(b)]. The current monthly charges shall be increased or decreased by the product of the kWh furnished during the current month and the FAC factor for the preceding month where the FAC factor is defined below:

$$\text{FAC Factor} = \frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$$

Where "F" is the expense of fossil fuel in the base (b) and current (m) periods; and S is sales in the base (b) and current (m) periods as defined in 807 KAR 5:056, all defined below:

Definitions:

Please see Section 4 for definitions common to all tariffs.

(1) Fuel cost (F) shall be the most recent actual monthly cost of:

(a) Fossil fuel consumed in the utility's own plants, and the utility's share of fossil and nuclear fuel consumed in jointly owned or leased plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation, *plus*

KENTUCKY
PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH
Brent Kirtley
EFFECTIVE
2/1/2014
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

RATES, TERMS AND CONDITIONS – SECTION 2

FAC - Fuel Adjustment Clause – (*continued*)

Definitions (*continued*):

(b) The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute the forced outages, *plus*

(c) The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis and exclusive of energy purchases directly related to Supplemental and Back-Up Energy sales to the Smelters. Included therein may be such costs as the charges for economy energy purchased and the charges as a result of scheduled outages, also such kinds of energy being purchased by the buyer to substitute for its own higher cost energy with **[T]**

(i) The MISO billing line items recoverable through the FAC including the following charges types: Day Ahead Asset Energy, Real Time Asset Energy, Real Time Excessive Energy, and Real Time Non-Excessive Energy billed to Big Rivers; and *less*

(d) The cost of fossil fuel, as denoted in (1)(a) above, recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis. **[T]**

[D]

CANCELLED
September 1, 2026
KENTUCKY PUBLIC SERVICE COMMISSION

DATE OF ISSUE April 6, 2022
DATE EFFECTIVE March 24, 2022

/s/ Robert W. Berry

ISSUED BY: Robert W. Berry,
President and Chief Executive Officer
Big Rivers Electric Corporation, 201 Third Street, Henderson, KY 42420
Issued by Authority of an Order of the Commission, dated March 24, 2022, in Case No. 2021-00297

KENTUCKY
PUBLIC SERVICE COMMISSION
Linda C. Bridwell
Executive Director
EFFECTIVE
3/24/2022
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FAC - Fuel Adjustment Clause – (*continued*)

Definitions (*continued*):

All fuel costs shall be based on weighted average inventory costing.

(2) Forced outages are all non-scheduled losses of generation or transmission which require substitute power for a continuous period in excess of six (6) hours. Where forced outages are not a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of public enemy, the utility may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment. In making the calculations of fuel cost, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation until approval is obtained **[T]** **[T]**

(3) Sales (S) shall be kWh sold, excluding inter-system sales and Supplemental and Back-Up Energy sales to the Smelters. Where for any reason, billed system sales cannot be coordinated with fuel costs for the billing period, sales may be equated to the sum of:

(i) generation, *plus*
(ii) purchases, *plus*
(iii) interchange in, *less*
(iv) energy associated with pumped storage operations, *less*
(v) inter-system sales referred to in subsection (1)(d) above, *less*
(vi) total system losses.

Utility-used energy shall not be excluded in the determination of sales (S).

CANCELLED
September 1, 2026
KENTUCKY PUBLIC SERVICE COMMISSION

(4) The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of the FERC Uniform System of Accounts for Public Utilities and Licenses.

(5) Current (m) period shall be the second month preceding the month in which the FAC factor is billed.

KENTUCKY
PUBLIC SERVICE COMMISSION
Linda C. Bridwell
Executive Director
EFFECTIVE
3/24/2022
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)