BIG SANDY UNIT 1 OPERATION RIDER
(B.S.1.O.R.)

APPLICABLE.

To Tariffs R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., Experimental R.S.-T.O.D. 2, S.G.S., S.G.S.-T.O.D., M.G.S., M.G.S.-T.O.D., L.G.S., L.G.S.-T.O.D., Pilot K-12 School, I.G.S., C.S.-I.R.P., M.W., O.L., and S.L.

RATES.

Tariff Class	$/kWh	$/kW		
R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., and Experimental R.S.-T.O.D. 2	$~~0.00330~~ 0.00580	--	I	
S.G.S. and S.G.S.-T.O.D.	$~~0.00272~~ 0.00446	--	I	
M.G.S.	$~~0.00141~~ 0.00142	$~~0.34~~ 0.72	I	I
M.G.S. Recreational Lighting, M.G.S.-L.M.-T.O.D., and M.G.S.-T.O.D.	$~~0.00283~~ 0.00471	--	I	
L.G.S., L.G.S.-T.O.D. and Pilot K-12 School	$~~0.00139~~ 0.00142	$~~0.45~~ 0.92	I	I
L.G.S.-L.M.-T.O.D.	$~~0.00276~~ 0.00456	--	I	
I.G.S. and C.S.-I.R.P.	$~~0.00139~~ 0.00141	$~~0.55~~ 1.14	I	I
M.W.	$~~0.00248~~ 0.00390	--	I	
O.L.	$~~0.00147~~ 0.00159	--	I	
S.L.	$~~0.00147~~ 0.00160	--	I	

Tariff BS1OR includes all non-fuel operating expenses related to Big Sandy Unit 1 not otherwise included in Tariff S.S.C. or Tariff FAC. Tariff BS1OR ~~shall also~~ includes a return on and of Big Sandy Unit 1 gas conversion capital, as it was placed in service on June 1, 2016.   T

The kWh factor as calculated above will be applied to all billing kilowatt-hours for those tariff classes listed above. The kW factor as calculated above will be applied to all on-peak and minimum billing demand kW for the MGS, LGS and IGS tariff classes.

The Big Sandy Unit 1 Operation Rider factors shall be modified annually to collect the approved annual level of Kentucky retail jurisdictional Big Sandy Unit 1 revenue requirement and any prior review period (over)/under recovery.

The Big Sandy Unit 1 Operation Rider factors shall be determined as follows:
For all tariff classes without demand billing:

$$\text{kWh Factor} = \frac{BS1E \times (BE_{Class}/BE_{Total}) + BS1D \times (CP_{Class}/CP_{Total})}{BE_{Class}}$$

$$\text{kW Factor} = 0$$

For all tariff classes with demand billing:

$$\text{kWh Factor} = \frac{BS1E \times (BE_{Class}/BE_{Total})}{BE_{Class}}$$

$$\text{kW Factor} = \frac{BS1D \times (CP_{Class}/CP_{Total})}{BD_{Class}}$$

C 7/28/17

(Cont'd on Sheet No.39-2)

DATE OF ISSUE: July 25, 2016

DATE EFFECTIVE: Service Rendered On And After July 29, 2016
ISSUED BY: RANIE K WOHNHAS,

TITLE: Mng.Director Regulatory/Finance

By Authority Of an Order of the Public Service Commission
In Case No. 2014-00396 Dated June 22, 2015