



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd
P O Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Linda Breathitt
Commissioner

February 1, 2013

PARTIES OF RECORD

Re: Case No. 2012-00492
Application of Big Rivers Electric Corporation for Approval to Issue Evidences of
Indebtedness

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Quang Nguyen, Staff Attorney, at 502-782-2586.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

QN/kar

Attachments

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File

FROM: Quang D. Nguyen, Staff Attorney

DATE: January 31, 2013

RE: Case No. 2012-00492
Application of Big Rivers Electric Corporation for Approval to Issue Evidences of Indebtedness

Pursuant to a Staff Notice issued on January 25, 2013, an informal conference was held at the Commissions' offices in Frankfort, Kentucky on January 29, 2013. The purpose of the informal conference was to discuss any and all issues relating to the application and amended application filed by Big Rivers Electric Corporation ("Big Rivers"). A list of the attendees is attached to this memo.

Big Rivers provided an overview of its original application and an explanation for the reasons why it had sought to file the amended application and the requests made therein. Big Rivers noted that the amended application was the result of its continued efforts to consider other available options for paying the 1983 Ohio County pollution control bonds upon maturity. In addition to its original request of issuing new pollution control bonds, Big Rivers is now seeking authority to (1) use \$60 million from a CoBank loan, which had been approved by the Commission in 2012, to pay Big Rivers' obligations under the 1983 bonds and (2) use the \$35 Million held in the Transition Reserve funds for capital expenditures in the ordinary course of business. Big Rivers also indicated that it is continuing to renegotiate the terms of its revolving credit agreements with CoBank and National Rural Utilities Cooperative Finance Corporation in order that it may use these currently restricted credit agreements to pay its obligations under the 1983 bonds. However, Big Rivers' preference would be to utilize the existing recently approved CoBank loan and the funds from the Transition Reserve or to issue new pollution bonds.

After a few clarifying questions from Staff and from Alcan Primary Products Corporation, a discussion was then had on the procedural aspects of the matter. Intervenor indicated that discovery would be necessary regarding Big Rivers' amended application. The parties agreed that one round of discovery would be sufficient, with data requests on the amended application due by February 5, 2013, and responses thereto by February 12, 2013. Kentucky Industrial Utility Customers, Inc. indicated that a hearing would be necessary in order for the record to be fully developed for consideration by the Commission. Commission Staff advised that a hearing would be scheduled in the near future, most likely the end of February.

There being no further discussions, the informal conference was adjourned.

Attachment

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC) CASE NO.
CORPORATION FOR APPROVAL TO ISSUE) 2012-00492
EVIDENCES OF INDEBTEDNESS

January 29, 2013

Please sign in:

NAME	REPRESENTING
Virginia Gregg	PSC
Jane Collins	KIUC via phone
David Brevity	AG via phone
Russell Klepper	KIUC via phone
Chris Whelan	PSC - FA
Quang D. Nguyen	PSC
Laurel Cook	OTC
Jennifer Handgump	OTC
Billy J. Richert	BIG RIVERS
Joni Miller	BIG RIVERS
David Brown	Alum
Amos Ann Cole	PSC - Legal
Mike Kurtz	KIUC
JEFF Johnson	