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PUBLIC SERVICE
COMMISSION

August 24, 2007

Via Federal Express

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard, P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: In the Matter of: Big Rivers Electric Corporation's
Notice of Intent to Reduce Revenue
PSC Case No. 2007-00111

Dear Ms. O'Donnell:

Enclosed is the memorandum of law of Big Rivers Electric Corporation as requested by the Public Service Commission's Order dated August 21, 2007. I certify that I have served a copy of the memorandum by first class mail and electronic mail on the attached service list.

Sincerely,



Tyson Kamuf

TAK/ej
Enclosure

cc: David Spainhoward
Service List

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Service List
Case No. 2007-00111

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AUG 27 2007

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY PUBLIC SERVICE
COMMISSION

In the Matter of:)
)
Big Rivers Electric Corporation's)
Notice of Intent to Reduce Revenue)

CASE NO. 2007-00111

BIG RIVERS ELECTRIC CORPORATION'S
MEMORANDUM OF LAW IN RESPONSE TO THE PUBLIC SERVICE
COMMISSION'S ORDER OF AUGUST 21, 2007

Comes Big Rivers Electric Corporation ("Big Rivers"), by counsel, and submits this memorandum of law in response to the Attorney General's Memorandum of Law Regarding Lawfulness of Relief Petitioner Seeks, as requested by the Public Service Commission ("Commission") in its Order dated August 21, 2007. As the Attorney General concludes in his memorandum of law, the relief requested by Big Rivers in this action, *i.e.*, approval of a one-year extension of its Member Discount Adjustment Rider ("Rider"), is lawful, is specifically authorized by KRS 278.455, and is not affected by the August 1, 2007, order of the Franklin Circuit Court in *Commonwealth of Kentucky, ex rel., Gregory D. Stumbo, Attorney General v. Kentucky Public Service Commission and Union Light, Heat and Power Company*, Franklin Circuit Court, Division I, Civil Action No. 06-CI-269. *See* Attorney General's Memorandum of Law Regarding Lawfulness of Relief Petitioner Seeks at 2-4. Having eliminated this cloud over the lawfulness of the relief requested by Big Rivers, Big Rivers respectfully requests that the Commission enter an order approving the extension of its Rider. Big Rivers notes that the current Rider expires on August 31, 2007, and that without the extension, the rates to Big Rivers' members will automatically increase by approximately 3.29% on September 1, 2007.

Respectfully submitted, on this the 24th day of August, 2007.

SULLIVAN, MOUNTJOY, STAINBACK
& MILLER, P.S.C.



James M. Miller

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CORPORATION