

SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC

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Allen W. Holbrook
Richard Michael Sullivan
Bryan R. Reynolds*
Tyson A. Kamuf
Mark W. Starnes
C. Ellsworth Mountjoy
Mary L. Moorhouse

September 11, 2012

Jeff DeRouen
Executive Director
Public Service Commission
211 Sower Boulevard, P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

SEP 11 2012

PUBLIC SERVICE
COMMISSION

*Also Licensed in Indiana

Re: In the Matter of: An Examination of the Application of the Fuel Adjustment Clause of Big Rivers Electric Corporation from November 1, 2011 Through April 30, 2012, Public Service Commission, Case No. 2012-00323

Dear Mr. DeRouen:

Enclosed for filing are an original and ten copies of Big Rivers Electric Corporation's responses to the requests for information contained in the Appendix to the Public Service Commission's August 22, 2012, Order in the above referenced matter.

Sincerely,



Tyson Kamuf

TAK/ej
Enclosures

cc: Albert Yockey

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100 St. Ann Building
PO Box 727
Covington, Kentucky
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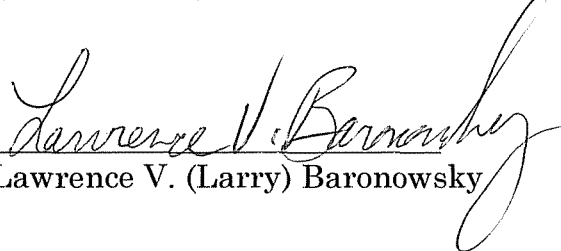
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BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL ADJUSTMENT
CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**


VERIFICATION

I, Lawrence V. (Larry) Baronowsky, verify, state, and affirm that the data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.


Lawrence V. (Larry) Baronowsky

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Lawrence V. (Larry)
Baronowsky on this the 1st day of September, 2012.

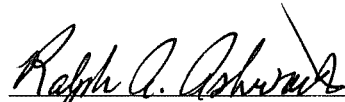

Notary Public, Ky. State at Large
My Commission Expires 1-12-13

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL ADJUSTMENT
CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

VERIFICATION

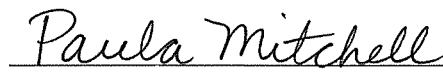
I, Ralph A. Ashworth, verify, state, and affirm that the data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Ralph A. Ashworth

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Ralph A. Ashworth on this the 7st day of September, 2012.



Notary Public, Ky. State at Large
My Commission Expires 1-12-13

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL ADJUSTMENT
CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

VERIFICATION

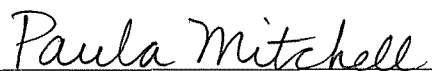
I, Michael J. (Mike) Mattox, verify, state, and affirm that the data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Michael J. (Mike) Mattox

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Michael J. (Mike) Mattox on
this the 7th day of September, 2012.



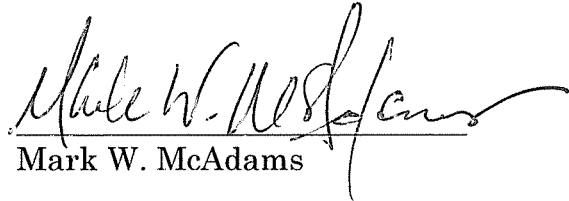
Notary Public, Ky. State at Large
My Commission Expires 1-12-13

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL ADJUSTMENT
CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

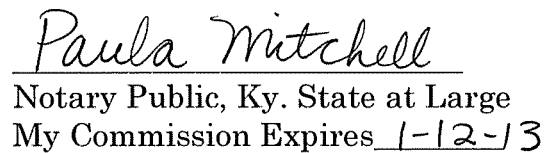
VERIFICATION

I, Mark W. McAdams, verify, state, and affirm that the data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.


Mark W. McAdams


COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Mark W. McAdams on this the 1st day of September, 2012.


Notary Public, Ky. State at Large
My Commission Expires 1-12-13

ORIGINAL



Your Touchstone Energy® Cooperative 

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

**AN EXAMINATION OF THE APPLICATION)
OF THE FUEL ADJUSTMENT CLAUSE)
OF BIG RIVERS ELECTRIC CORPORATION)
FROM)
NOVEMBER 1, 2011 THROUGH APRIL 30, 2012)**

**Case No. 2012-
00323**

**Responses to Commission Staff's Request for Information
dated
August 22, 2012**

FILED: September 11, 2012

ORIGINAL

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 **Item 1)** *For the period from November 1, 2011 through April 30, 2012,*
2 *list each vendor from whom coal was purchased and the quantities and*
3 *the nature of each purchase (e.g., spot or contract). For the period under*
4 *review in total, provide the percentage of purchases that were spot versus*
5 *contract. For contract purchases, state whether the contract has been*
6 *filed with the Commission. If no, explain why it has not been filed.*

7
8 **Response)** Please see the schedule below.

9

Purchase Vendor	Fuel Type	Purchase Tonnage	Contract Type
Alliance Coal	Coal	331,150.76	Contract
Alliance Coal	Coal	96,630.95	Spot
Allied Resources	Coal	345,912.10	Contract
Allied Resources	Coal	21,504.80	Spot
Armstrong Coal	Coal	182,318.35	Contract
Armstrong Coal	Coal	108,200.02	Spot
Coal Network	Coal	19,696.70	Spot
ExxonMobil	Pet Coke	49,863.74	Spot
Foresight Coal Sales	Coal	53,928.50	Contract
KenAmerican Resources	Coal	21,132.49	Spot
Marathon Petroleum Co.	Pet Coke	78,458.27	Contract
Oxbow Carbon & Minerals	Pet Coke	18,557.37	Spot
Oxford Mining	Coal	179,817.37	Contract
Oxford Mining	Coal	109,560.67	Spot
Patriot Coal Sales	Coal	497,230.94	Contract
Peabody CoalSales	Coal	79,790.00	Spot
Sebree Mining, LLC	Coal	42,715.90	Contract
TCP Pet Coke	Pet Coke	100,869.19	Spot
Total Tonnage		2,337,338.12	
Percentage Spot Purchase Tons		26.77 %	
Percentage Contract Purchase Tons		73.23 %	
Percentage Total Purchase Tons		100.00 %	

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 Big Rivers has filed its contract purchases with the Commission.

2

3

4 **Witness)** Mark W. McAdams

5

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 **Item 2)** *For the period from November 1, 2011 through April 30, 2012,*
2 *list each vendor from whom natural gas was purchased for generation*
3 *and the quantities and the nature of each purchase (e.g., spot or contract).*
4 *For contract purchases, state whether the contract has been filed with the*
5 *Commission. If no, explain why it has not been filed.*

6

7 **Response)** Please see the schedule below. Big Rivers purchased natural gas
8 from Atmos Energy under Atmos' tariff-based Interruptible Sales Service (G-2) –
9 Industrial and Billing Rate Code 11 WD. This tariff is on file with the Kentucky
10 Public Service Commission.

11 Starting in July 2010, Big Rivers began purchasing natural gas
12 under a North American Energy Standards Board ("NAESB") base contract for
13 sale and purchase of natural gas. Actual purchases of gas are made using
14 transaction confirmations that are governed by the NAESB contract. Big Rivers
15 also entered into a contract with Texas Gas Transmission, LLC for the
16 transportation and storage and borrowing of gas to Big Rivers' delivery point, the
17 Reid Combustion Turbine. All of these contracts are on file with the Public
18 Service Commission.

19

<u>Purchase Vendor</u>	<u>Fuel Type</u>	<u>MCF</u>	<u>Contract Type</u>
Atmos Energy	Natural Gas	46,860.70	Tariff based G-2 (Contract)
NJR Energy, LLC	Natural Gas	16,714.00	Spot
Southwestern Energy Services Co.	Natural Gas	4,679.00	Spot

20 **Witness)** Michael J. Mattox

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 **Item 3)** *State whether Big Rivers engages in hedging activities for its*
2 *coal or natural gas purchases used for generation. If yes, describe the*
3 *hedging activities in detail.*

4

5 **Response)** Big Rivers does not engage in financial hedging activities regarding
6 its coal or natural gas purchases used for generation.

7

8

9 **Witnesses)** Mark W. McAdams (Coal) and

10 Michael J. Mattox (Natural Gas)

11

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 **Item 4)** *For each generating station or unit for which a separate coal*
2 *pile is maintained, state, for the period from November 1, 2011 through*
3 *April 30, 2012, the actual amount of coal burned in tons, the actual*
4 *amount of coal deliveries in tons, the total kWh generated, and the actual*
5 *capacity factor at which the plant operated.*

6

7 **Response)** Please see the schedule below. The North American Electric
8 Reliability Corporation's Generating Availability Data System defines Capacity
9 Factor as the value equal to the net MWh produced divided by the product of the
10 hours in the period times the unit rating in Net MWs, which is the formula for
11 this response.

12

<u>Plant</u>	<u>Coal & Pet Coke Burn (Tons)</u>	<u>Coal & Pet Coke Receipts (Tons)</u>	<u>Net kWh</u>	<u>Capacity Factor (Net MWh) / (Period Hrs x MW rating)</u>
Reid Station (Coal)	0.00	1,735.70	(10,435,000)	-3.19 %
Station Two (Coal) *	315,587.66	353,820.76	691,604,870	70.31 %
Green Station (Coal)	512,890.45	481,408.63	1,183,077,581	59.66 %
Green Station (Pet Coke) **	71,357.34	99,846.35		
Coleman Station (Coal)	729,824.21	752,942.80	1,526,572,820	78.89 %
Wilson Station (Coal)	572,163.46	499,681.66	1,524,828,649	83.71 %
Wilson Station (Pet Coke) **	119,645.00	147,902.22		

* Net of City of Henderson. City of Henderson generation take was 266,669,000 kWhs.

** Net kWh and Capacity Factor includes energy from burning Coal and Pet Coke

13

14 **Witness)** Mark W. McAdams

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 **Item 5)** *List all firm power commitments for Big Rivers from November*
2 *1, 2011 through April 30, 2012 for (a) purchases and (b) sales. This list*
3 *shall identify the electric utility, the amount of commitment in MW, and*
4 *the purpose of the commitment (e.g., peaking , emergency).*

5

6 **Response)**

7

(a) Purchases:

8

Southeastern Power Administration (SEPA), up to 178 MW,
energy for system. A force majeure, previously declared by
SEPA for this contract due to dam safety issues at Wolf Creek
and Center Hill dams on the Cumberland System, remains in
effect. Currently SEPA is providing a run-of-the-river schedule
that Big Rivers has the right to refuse.

10

11

12

13

14

15

Additional purchases are shown on the attached table.

16

17

(b) Sales:

18

Sales are shown on the attached table.

19

20

21

Witness) Michael J. Mattox

22

Big Rivers Electric Corporation
Firm Purchases/Sales
November 1, 2011 through April 30, 2012

	Buy/Sell	Utilitiy	MW	Purpose
1	BUY	Union Electric (Ameren)	49	Back-2-Back
2	BUY	EDF Trading North America	49	Back-2-Back
3	BUY	Cargill Power Markets	100	Economy
4	SELL	Constellation Energy Commodities	48	Back-2-Back
5	SELL	EDF Trading North America	48	Back-2-Back
6	SELL	AEP Service Corporation	50	Excess
7	SELL	AEP Service Corporation	50	Excess
8	SELL	Cargill Power Markets	50	Excess
9	SELL	AEP Service Corporation	50	Excess
10	SELL	AEP Service Corporation	50	Excess

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 **Item 6)** *Provide a monthly billing summary of sales to all electric*
2 *utilities for the period November 1, 2011 through April 30, 2012.*

3

4 **Response)** Please see the attached monthly billing summaries for sales to all
5 electric utilities for the period November 1, 2011, through April 30, 2012.

6

7

8 **Witness)** Ralph A. Ashworth

9

Big Rivers Electric Corporation Monthly Billing Summary Electric Utility Sales November 2011

	KW BILLED	KWH	DEMAND \$	BASE ENERGY \$	DEMAND \$ AND ENERGY \$	FACTOR PENALTY (PF) \$	ORDER BILLING ADJ	DEMAND \$ ENERGY \$ AND PFP \$
1	NOVEMBER 2011							
2								
3	JP RURALS	103,054	979,013.00	1,431,802.38	2,410,815.38		0.00	2,410,815.38
4	KENERGY RURALS	183,665	1,744,817.50	2,566,959.61	4,311,777.11		0.00	4,311,777.11
5	MEADE CO. RURALS	77,119	732,630.50	1,043,737.76	1,776,368.26		0.00	1,776,368.26
6	TOTAL RURALS	363,838	3,456,461.00	5,042,499.75	8,498,960.75	0.00	0.00	8,498,960.75
8								
9	KI-ACCURIDE	5,133	53,896.50	56,750.88	110,647.38	0.00	0.00	110,647.38
10	KI-ALCOA	146	1,833.00	2,005.00	3,838.00	1,176.00	(78.31)	4,635.69
11	KI-ALERIS	26,214	275,247.00	335,219.09	610,466.09	0.00	0.00	610,466.09
12	KI-ALLIED	7,645	80,272.50	77,788.18	158,060.68	0.00	0.00	158,060.68
13	KI-ARMSTRONG - BIG RUN	0	0.00	0.00	0.00	0.00	0.00	0.00
14	KI-ARMSTRONG - DOCK	5,727	60,133.50	40,837.58	100,971.08	5,051.00	0.00	106,022.08
15	KI-ARMSTRONG - EQUALITY	3,100	32,550.00	20,440.48	52,990.48	3,272.33	0.00	56,263.41
15	KI-ARMSTRONG - LEWIS CREEK	1,000	10,500.00	6,249.02	16,749.02	103.41	0.00	16,852.43
16	KI-ARMSTRONG - MIDWAY	3,660	38,430.00	45,488.39	83,918.39	0.00	(30.61)	83,887.78
17	KI-DOMTAR PAPER CO.	21,000	220,500.00	300,210.12	520,710.12	0.00	0.00	520,710.12
18	KI-DOTIKI #4	825	8,662.50	13,569.89	22,232.39	0.00	0.00	22,232.39
19	KI-HOPKINS CO. COAL	359	3,769.50	4,216.33	7,985.83	0.00	0.00	7,985.83
20	KI-KB ALLOYS, INC.	2,001	21,010.50	14,662.32	35,672.82	0.00	0.00	35,672.82
21	KI-KIMBERLY-CLARK	36,547	383,743.50	580,891.76	964,635.26	0.00	0.00	964,635.26
22	KI-KMMC, LLC	176	63,850	1,564.64	3,412.64	3,948.00	0.00	3,412.64
23	KI-PATRIOT COAL, LP	5,267	2,274,770	55,743.24	111,046.74	0.00	(253.38)	114,736.36
24	KI-ROLL COATER	3,591	37,705.50	26,775.14	64,480.64	0.00	0.00	64,480.64
25	KI-SOUTHWIRE CO.	6,691	4,034,570	98,867.14	169,122.64	0.00	0.00	169,122.64
26	KI-TYSON FOODS	9,966	104,643.00	127,400.02	232,043.02	0.00	0.00	232,043.02
27	KI-VALLEY GRAIN	2,447	25,693.50	25,564.11	51,257.61	3,213.00	(253.57)	54,211.04
28								
29	SUBTOTAL INDUSTRIALS	141,495	1,485,697.50	1,834,243.33	3,319,940.83	16,764.34	(626.87)	3,336,078.30
30								
31	JPI-SHELL OIL	1,890	19,845.00	7,620.07	27,465.07	0.00	0.00	27,465.07
32								
33	TOTAL INDUSTRIALS	143,385	1,505,542.50	1,841,863.40	3,347,405.90	16,764.34	(626.87)	3,363,543.37
34								
35								
36	GRAND TOTAL	507,223	4,962,003.50	6,884,363.15	11,846,366.65	16,764.34	(626.87)	11,862,504.12

Big Rivers Electric Corporation Monthly Billing Summary Electric Utility Sales November 2011

	GREEN POWER \$	ENERGY \$ PFP \$ AND GREEN POWER \$	FAC \$	FUEL MILLS/KWH	ES \$	ES MILLS/KWH	US \$
1 NOVEMBER 2011							
2							
3 JP RURALS	12.63	2,410,828.01	(27,397.62)	(0.57)	133,424.95	2.77	(168,334.04)
4 KENERGY RURALS	0.00	4,311,777.11	(49,118.91)	(0.57)	239,206.52	2.77	(301,792.13)
5 MEADE CO. RURALS	0.00	1,776,368.26	(19,971.98)	(0.57)	97,262.49	2.77	(122,710.09)
6							
7 TOTAL RURALS	12.63	8,498,973.38	(96,488.51)	(0.57)	469,893.96	2.77	(592,836.26)
8							
9 KI-ACCURIDE		110,647.38	(1,317.74)	(0.57)	6,417.33	2.77	(8,096.35)
10 KI-ALCOA		4,635.69	(46.56)	(0.57)	236.72	2.77	(286.04)
11 KI-ALERIS		610,466.09	(7,783.70)	(0.57)	37,906.23	2.77	(47,823.95)
12 KI-ALLIED		158,060.68	(1,806.22)	(0.57)	8,796.21	2.77	(11,097.68)
13 KI-ARMSTRONG - BIG RUN		0.00	0.00	0.00	0.00	0.00	0.00
14 KI-ARMSTRONG - DOCK		106,022.08	(948.24)	(0.57)	4,617.87	2.77	(5,826.08)
15 KI-ARMSTRONG - EQUALITY		56,263.41	(474.62)	(0.57)	2,311.39	2.77	(2,916.14)
16 KI-ARMSTRONG - LEWIS CREEK		16,852.43	(145.10)	(0.57)	706.63	2.77	(891.51)
17 KI-ARMSTRONG - MIDWAY		83,887.78	(1,056.23)	(0.57)	5,143.78	2.77	(6,489.59)
18 KI-DOMTAR PAPER CO.		520,710.12	(6,370.80)	(0.57)	33,947.45	2.77	(42,829.41)
19 KI-DOTIKI #4		22,232.39	(315.09)	(0.57)	1,534.47	2.77	(1,935.94)
20 KI-HOPKINS CO. COAL		7,985.83	(97.90)	(0.57)	476.78	2.77	(601.52)
21 KI-KB ALLOYS, INC.		35,672.82	(340.46)	(0.57)	1,658.00	2.77	(2,091.80)
22 KI-KIMBERLY-CLARK		964,635.26	(13,488.16)	(0.57)	65,686.64	2.77	(82,872.78)
23 KI-KIMBERLY-CLARK		3,412.64	(36.33)	(0.57)	176.93	2.77	(223.22)
24 KI-PATRIOT COAL, LP		114,736.36	(1,294.34)	(0.57)	6,303.39	2.77	(7,952.60)
25 KI-ROLL COATER		64,480.64	(621.71)	(0.57)	3,027.71	2.77	(3,819.87)
26 KI-SOUTHWIRE CO.		169,122.64	(2,295.67)	(0.57)	11,179.79	2.77	(14,104.86)
27 KI-TYSON FOODS		232,043.02	(2,958.20)	(0.57)	14,406.26	2.77	(18,175.49)
28 KI-VALLEY GRAIN		54,211.04	(593.59)	(0.57)	2,890.76	2.77	(3,647.10)
29 SUBTOTAL INDUSTRIALS	0.00	3,336,078.30	(42,590.66)	(0.57)	207,414.34	2.77	(261,681.88)
30							
31 JPI-SHELL OIL		27,465.07	(176.94)	(0.57)	861.67	2.77	(1,087.12)
32							
33 TOTAL INDUSTRIALS	0.00	3,363,543.37	(42,767.60)	(0.57)	208,276.01	2.77	(262,769.00)
34							
35							
36 GRAND TOTAL	12.63	11,862,516.75	(139,256.11)	(0.57)	678,169.97	2.77	(855,605.26)

Case No. 2012-00323
Witness: Ralph A. Ashworth
Attachment for Response to Staff Item 6
Page 2 of 36

Big Rivers Electric Corporation Monthly Billing Summary Electric Utility Sales November 2011

	US MILLS/KWH	NON SMELTER NON FAC PPA	NSNFPPA MILLS/KW H	REVENUE \$	REVENUE MILLS/KWH	MRSM \$	MRSM MILLS/KWH	REVENUE \$ NET OF MRSM	REV NET OF MRSM MILLS/KWH
1 NOVEMBER 2011									
2									
3 JP RURALS	(3.50)	(60,124.64)	(1.04)	2,298,396.66	47.73	(236,804.01)	(4.92)	2,061,592.65	42.82
4 KENERGY RURALS	(3.50)	(89,864.30)	(1.04)	4,110,208.29	47.61	(424,546.26)	(4.92)	3,685,662.03	42.70
5 MEADE CO. RURALS	(3.50)	(36,539.25)	(1.04)	1,694,409.43	48.27	(172,622.49)	(4.92)	1,521,786.94	43.36
6									
7 TOTAL RURALS	(3.50)	(176,528.19)	(1.04)	8,103,014.38	47.78	(833,972.76)	(4.92)	7,269,041.62	42.87
8									
9 KI-ACCURIDE	(3.50)	(2,410.84)	(1.04)	105,239.78	45.44	(11,389.55)	(4.92)	93,850.23	40.52
10 KI-ALCOA	(3.50)	(85.17)	(1.04)	4,444.64	54.32	(402.39)	(4.92)	4,042.25	49.40
11 KI-ALERIS	(3.50)	(14,240.48)	(1.04)	578,524.19	42.29	(67,276.38)	(4.92)	511,247.81	37.37
12 KI-ALLIED	(3.50)	(3,304.53)	(1.04)	150,648.51	47.46	(15,611.61)	(4.92)	135,036.90	42.54
13 KI-ARMSTRONG - BIG RUN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14 KI-ARMSTRONG - DOCK	(3.50)	(1,734.83)	(1.04)	102,130.80	61.28	(8,195.85)	(4.92)	93,934.95	56.37
15 KI-ARMSTRONG - EQUALITY	(3.50)	(868.33)	(1.04)	54,315.71	65.12	(4,102.28)	(4.92)	50,213.43	60.20
16 KI-ARMSTRONG - LEWIS CREEK	(3.50)	(265.47)	(1.04)	16,256.98	63.75	(1,254.14)	(4.92)	15,002.84	58.83
17 KI-ARMSTRONG - MIDWAY	(3.50)	(1,932.40)	(1.04)	79,533.34	42.86	(9,129.23)	(4.92)	70,424.11	37.94
18 KI-DOTIKI #4	(3.50)	(12,753.26)	(1.04)	492,104.10	40.17	(60,250.29)	(4.92)	431,853.81	35.25
19 KI-HOPKINS CO. COAL	(3.50)	(576.46)	(1.04)	20,939.37	37.81	(2,723.40)	(4.92)	18,215.97	32.90
20 KI-KB ALLOYS, INC.	(3.50)	(179.11)	(1.04)	7,584.08	44.08	(846.20)	(4.92)	6,737.88	39.16
21 KI-KIMBERLY-CLARK	(3.50)	(622.87)	(1.04)	34,275.69	57.28	(2,942.63)	(4.92)	31,333.06	52.37
22 KI-KMMC, LLC	(3.50)	(24,676.94)	(1.04)	909,284.02	38.36	(116,581.35)	(4.92)	792,702.67	33.44
23 KI-PATRIOT COAL, LP	(3.50)	(66.47)	(1.04)	3,263.55	51.11	(314.02)	(4.92)	2,949.53	46.19
24 KI-ROLL COATER	(3.50)	(2,368.04)	(1.04)	109,424.77	48.10	(11,187.32)	(4.92)	98,237.45	43.19
25 KI-SOUTHWIRE CO.	(3.50)	(1,137.44)	(1.04)	61,929.33	56.68	(5,373.61)	(4.92)	56,555.72	51.76
26 KI-TYSON FOODS	(3.50)	(4,199.99)	(1.04)	159,701.91	39.58	(19,842.01)	(4.92)	139,859.90	34.67
27 KI-VALLEY GRAIN	(3.50)	(5,412.10)	(1.04)	219,903.49	42.30	(25,568.39)	(4.92)	194,335.10	37.38
28									
29 SUBTOTAL INDUSTRIALS	(3.50)	(77,920.72)	(1.04)	3,161,299.38	42.23	(368,121.20)	(4.92)	2,793,178.18	37.32
30									
31 JPI-SHELL OIL	(3.50)	(323.71)	(1.04)	26,738.97	85.99	(1,529.29)	(4.92)	25,209.68	81.07
32									
33 TOTAL INDUSTRIALS	(3.50)	(78,244.43)	(1.04)	3,188,038.35	42.42	(369,650.49)	(4.92)	2,818,387.86	37.50
34									
35									
36 GRAND TOTAL	(3.50)	(254,772.62)	(1.04)	11,291,052.73	46.14	(1,203,623.25)	(4.92)	10,087,429.48	41.22

Case No. 2012-00323

Witness: Ralph A. Ashworth

Attachment for Response to Staff Item 6

Page 3 of 36

Big Rivers Electric Corporation Monthly Billing Summary Electric Utility Sales December 2011

	KW BILLED	KWH	DEMAND \$	BASE ENERGY \$	DEMAND \$ AND ENERGY \$	FACTOR PENALTY (PPP) \$	ORDER BILLING ADJ	DEMAND \$ ENERGY \$ AND PFP \$
1 DECEMBER 2011								
2								
3 JP RURALS	108,132	59,739,640	1,027,254.00	1,776,417.94	2,803,671.94	0.00	0.00	2,803,671.94
4 KENERGY RURALS	197,502	107,539,490	1,876,269.00	3,197,794.27	5,074,063.27	0.00	0.00	5,074,063.27
5 MEADE CO. RURALS	88,200	45,500,230	837,900.00	1,352,994.84	2,190,894.84	0.00	0.00	2,190,894.84
6								
7 TOTAL RURALS	393,834	212,779,360	3,741,423.00	6,327,207.05	10,068,630.05	0.00	0.00	10,068,630.05
8								
9 KI-ACCURIDE	5,088	2,099,790	53,424.00	51,455.35	104,879.35	0.00	0.00	104,879.35
10 KI-ALCOA	179	105,760	1,879.50	2,591.65	4,471.15	945.00	0.00	5,416.15
11 KI-ALERIS	25,912	12,956,140	272,076.00	317,490.21	589,566.21	0.00	0.00	589,566.21
12 KI-ALLIED	7,579	3,260,370	79,579.50	79,895.37	159,474.87	0.00	0.00	159,474.87
13 KI-ARMSTRONG - BIG RUN	0	0	0.00	0.00	0.00	0.00	0.00	0.00
14 KI-ARMSTRONG - DOCK	6,256	2,492,692	65,688.00	61,083.42	126,771.42	2,049.80	0.00	128,821.22
15 KI-ARMSTRONG - EQUALITY	3,333	1,305,096	34,996.50	31,981.38	66,977.88	3,089.35	0.00	70,067.23
16 KI-ARMSTRONG - LEWIS CREEK	1,000	261,920	10,500.00	6,418.35	16,918.35	840.77	0.00	17,759.12
17 KI-ARMSTRONG - MIDWAY	3,720	1,889,090	39,060.00	46,292.15	85,352.15	0.00	0.00	85,352.15
18 KI-DOTKI #4	20,000	12,376,907	210,000.00	303,296.11	513,296.11	0.00	0.00	513,296.11
19 KI-HOPKINS CO. COAL	831	578,360	8,725.50	14,172.71	22,898.21	0.00	0.00	22,898.21
20 KI-KB ALLOYS, INC.	284	184,100	2,982.00	4,511.37	7,493.37	0.00	0.00	7,493.37
21 KI-KIMBERLY-CLARK	2,001	586,120	21,010.50	14,362.87	35,373.37	0.00	0.00	35,373.37
22 KI-KMMC, LLC	36,331	24,621,560	381,475.50	603,351.33	984,826.83	0.00	0.00	984,826.83
23 KI-PATRIOT COAL, LP	189	98,390	1,984.50	2,411.05	4,395.55	0.00	0.00	4,395.55
24 KI-ROLL COATER	5,229	2,240,060	54,904.50	54,892.67	109,797.17	3,927.00	0.00	113,724.17
25 KI-SOUTHWIRE CO.	3,636	940,580	38,178.00	23,048.91	61,226.91	430.50	0.00	61,657.41
26 KI-TYSON FOODS	6,630	4,135,890	69,615.00	101,104.93	170,719.93	0.00	0.00	170,719.93
27 KI-VALLEY GRAIN	9,785	4,872,390	102,742.50	119,397.92	222,140.42	0.00	0.00	222,140.42
28								
29 SUBTOTAL INDUSTRIALS	2,224	1,136,620	23,352.00	27,852.87	51,204.87	2,593.50	0.00	53,798.37
30								
31 JPI-SHELL OIL	140,207	76,131,835	1,472,173.50	1,865,610.62	3,337,784.12	13,875.92	-	3,351,660.04
32								
33 TOTAL INDUSTRIALS	1,890	452,350	19,845.00	11,084.84	30,929.84	0.00	0.00	30,929.84
34								
35								
36 GRAND TOTAL	142,097	76,584,185	1,492,018.50	1,876,695.46	3,368,713.96	13,875.92	0.00	3,382,589.88
	535,931	289,363,545	5,233,441.50	8,203,902.51	13,437,344.01	13,875.92	0.00	13,451,219.93

Case No. 2012-00323

Witness: Ralph A. Ashworth

Attachment for Response to Staff Item 6

Page 4 of 36

Big Rivers Electric Corporation Monthly Billing Summary Electric Utility Sales December 2011

	GREEN POWER \$	ENERGY \$ PFP \$ AND GREEN POWER \$	FAC \$	FUEL MILLS/KWH	ES \$	ES MILLS/KWH	US \$
1 DECEMBER 2011							
2							
3 JP RURALS	12.63	2,803,684.57	60,934.43	1.02	136,325.86	2.28	(208,849.78)
4 KENERGY RURALS	0.00	5,074,063.27	109,690.28	1.02	245,405.12	2.28	(375,958.06)
5 MEADE CO. RURALS	0.00	2,190,894.84	46,410.23	1.02	103,831.52	2.28	(159,068.80)
6							
7 TOTAL RURALS	12.63	10,068,642.68	217,034.94	1.02	485,562.50	2.28	(743,876.64)
8							
9 KI-ACCURIDE		104,879.35	2,141.79	1.02	4,791.72	2.28	(7,340.87)
10 KI-ALCOA		5,416.15	107.88	1.02	241.34	2.28	(369.74)
11 KI-ALERIS		589,566.21	13,215.26	1.02	29,565.91	2.28	(45,294.67)
12 KI-ALLIED		159,474.87	3,325.58	1.02	7,440.16	2.28	(11,398.25)
13 KI-ARMSTRONG - BIG RUN		0.00	0.00	0.00	0.00	0.00	0.00
14 KI-ARMSTRONG - DOCK		128,821.22	2,542.55	1.02	5,688.32	2.28	(8,714.45)
15 KI-ARMSTRONG - EQUALITY		70,067.23	1,331.20	1.02	2,978.23	2.28	(4,562.62)
16 KI-ARMSTRONG - LEWIS CREEK		85,352.15	267.16	1.02	597.70	2.28	(6,604.26)
17 KI-ARMSTRONG - MIDWAY		513,296.11	12,624.45	1.02	28,244.10	2.28	(43,269.67)
18 KI-DOTIKI #4		22,898.21	589.93	1.02	1,319.82	2.28	(2,021.95)
19 KI-HOPKINS CO. COAL		7,493.37	187.78	1.02	420.12	2.28	(643.61)
20 KI-KB ALLOYS, INC.		35,373.37	597.84	1.02	1,337.53	2.28	(2,049.08)
21 KI-KIMBERLY-CLARK		984,826.83	25,113.99	1.02	56,186.40	2.28	(86,076.97)
22 KI-KMCC, LLC		4,395.55	100.36	1.02	224.53	2.28	(343.97)
23 KI-PATRIOT COAL, LP		113,724.17	2,284.86	1.02	5,111.82	2.28	(7,831.25)
24 KI-ROLL COATER		61,657.41	959.39	1.02	2,146.40	2.28	(3,288.27)
25 KI-SOUTHWIRE CO.		170,719.93	4,208.41	1.02	9,415.28	2.28	(14,424.11)
26 KI-TYSON FOODS		222,140.42	4,969.84	1.02	11,118.79	2.28	(17,033.88)
27 KI-VALLEY GRAIN		53,798.37	1,159.35	1.02	2,593.77	2.28	(3,973.62)
28							
29 SUBTOTAL INDUSTRIALS	0.00	3,351,660.04	77,654.49	1.02	173,732.84	2.28	(266,156.91)
30							
31 JPI-SHELL OIL		30,929.84	461.40	1.02	1,032.26	2.28	(1,581.42)
32							
33 TOTAL INDUSTRIALS	0.00	3,382,589.88	78,115.89	1.02	174,765.10	2.28	(267,738.33)
34							
35							
36 GRAND TOTAL	12.63	13,451,232.56	295,150.83	1.02	660,327.60	2.28	(1,011,614.97)

Case No. 2012-00323
Witness: Ralph A. Ashworth
Attachment for Response to Staff Item 6
Page 5 of 36

Big Rivers Electric Corporation Monthly Billing Summary Electric Utility Sales December 2011

	US MILLS/KWH	NON SMELTER NON FAC PPA	NSNFPA MILLS/KW H	REVENUE \$	REVENUE MILLS/KWH	MRSM \$	MRSM MILLS/KWH	REVENUE \$ NET OF MRSM	REV NET OF MRSM MILLS/KWH
1 DECEMBER 2011									
2	(3.50)		(1.04)	2,729,906.11	45.70	(359,513.15)	(6.02)	2,370,392.96	39.68
3 JP RURALS	(3.50)	(62,186.97)	(1.04)	4,941,252.00	45.95	(647,172.65)	(6.02)	4,294,079.35	39.93
4 KENERGY RURALS	(3.50)	(111,948.61)	(1.04)	2,134,702.05	46.92	(275,820.38)	(6.02)	1,860,881.67	40.90
5 MEADE CO. RURALS	(3.50)	(47,365.74)	(1.04)						
6	(3.50)	(221,503.32)	(1.04)	9,805,860.16	46.08	(1,280,506.18)	(6.02)	8,525,353.98	40.07
7 TOTAL RURALS	(3.50)		(1.04)						
8	(3.50)	(2,185.88)	(1.04)	102,286.51	48.71	(12,636.54)	(6.02)	89,649.97	42.69
9 KI-ACCURIDE	(3.50)	(110.10)	(1.04)	5,285.53	49.98	(636.46)	(6.02)	4,649.07	43.96
10 KI-ALCOA	(3.50)	(13,487.34)	(1.04)	573,565.37	44.37	(77,970.04)	(6.02)	495,595.33	38.25
11 KI-ALERIS	(3.50)	(3,394.05)	(1.04)	155,448.31	47.68	(19,620.91)	(6.02)	135,827.40	41.66
12 KI-ALLIED	(3.50)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13 KI-ARMSTRONG - BIG RUN	(3.50)	(2,594.89)	(1.04)	125,742.75	50.44	(15,001.02)	(6.02)	110,741.73	44.43
14 KI-ARMSTRONG - DOCK	(3.50)	(1,358.60)	(1.04)	68,455.44	52.45	(7,854.07)	(6.02)	60,601.37	46.43
15 KI-ARMSTRONG - EQUALITY	(3.50)	(272.66)	(1.04)	17,435.65	66.57	(1,576.24)	(6.02)	15,859.41	60.55
16 KI-ARMSTRONG - LEWIS CREEK	(3.50)	(1,966.54)	(1.04)	83,019.12	43.95	(11,368.54)	(6.02)	71,650.58	37.93
17 KI-ARMSTRONG - MIDWAY	(3.50)	(12,884.36)	(1.04)	498,010.63	40.24	(74,484.22)	(6.02)	423,526.41	34.22
18 KI-DOTIKI #4	(3.50)	(602.07)	(1.04)	22,183.94	38.36	(3,480.57)	(6.02)	18,703.37	33.34
19 KI-HOPKINS CO. COAL	(3.50)	(191.65)	(1.04)	7,266.01	39.47	(1,107.92)	(6.02)	6,158.09	33.45
20 KI-KB ALLOYS, INC.	(3.50)	(610.15)	(1.04)	34,649.51	59.12	(3,527.37)	(6.02)	31,122.24	53.10
21 KI-KIMBERLY-CLARK	(3.50)	(25,631.04)	(1.04)	95,419.21	38.76	(148,172.55)	(6.02)	806,246.66	32.75
22 KI-KMCC, LLC	(3.50)	(102.42)	(1.04)	4,274.05	43.44	(592.12)	(6.02)	3,681.93	37.42
23 KI-PATRIOT COAL, LP	(3.50)	(2,331.90)	(1.04)	110,957.70	49.53	(13,480.68)	(6.02)	97,477.02	43.52
24 KI-ROLL COATER	(3.50)	(979.14)	(1.04)	60,495.79	64.32	(5,660.40)	(6.02)	54,835.39	58.30
25 KI-SOUTHWIRE CO.	(3.50)	(4,295.05)	(1.04)	165,624.46	40.14	(24,329.61)	(6.02)	140,794.85	34.12
26 KI-TYSON FOODS	(3.50)	(5,072.16)	(1.04)	216,123.01	44.36	(29,322.04)	(6.02)	186,800.97	38.34
27 KI-VALLEY GRAIN	(3.50)	(1,183.22)	(1.04)	52,394.65	46.10	(6,840.18)	(6.02)	45,554.47	40.08
28	(3.50)	(79,253.22)	(1.04)	3,257,637.24	42.79	(458,161.38)	(6.02)	2,799,475.86	36.77
29 SUBTOTAL INDUSTRIALS	(3.50)		(1.04)						
30	(3.50)	(470.90)	(1.04)	30,371.18	67.14	(2,722.24)	(6.02)	27,648.94	61.12
31 JPI-SHELL OIL	(3.50)		(1.04)						
32	(3.50)	(79,724.12)	(1.04)	3,288,008.42	42.93	(460,883.62)	(6.02)	2,827,124.80	36.92
33 TOTAL INDUSTRIALS	(3.50)		(1.04)						
34	(3.50)	(301,227.44)	(1.04)	13,093,868.58	45.25	(1,741,389.80)	(6.02)	11,352,478.78	39.23
35	(3.50)		(1.04)						
36 GRAND TOTAL	(3.50)		(1.04)						

Case No. 2012-00323

Witness: Ralph A. Ashworth

Attachment for Response to Staff Item 6

Page 6 of 36

Big Rivers Electric Corporation Monthly Billing Summary Electric Utility Sales January 2012

	KW BILLED	KWH	DEMAND \$	BASE ENERGY \$	DEMAND \$ AND ENERGY \$	FACTOR PENALTY (PPF) \$	ORDER BILLING ADJ	DEMAND \$ ENERGY \$ AND PFP \$
1	JANUARY 2012							
2								
3	JP RURALS	125,348	1,190,806.00	1,807,452.21	2,998,258.21	0.00	0.00	2,998,258.21
4	KENERGY RURALS	228,812	2,173,714.00	3,383,888.53	5,557,602.53	0.00	0.00	5,557,602.53
5	MEADE CO. RURALS	100,316	953,002.00	1,478,826.29	2,431,828.29	0.00	0.00	2,431,828.29
6								
7	TOTAL RURALS	454,476	4,317,522.00	6,670,167.03	10,987,689.03	0.00	0.00	10,987,689.03
8								
9	KI-ACCURIDE	4,937	51,838.50	46,949.37	98,787.87	0.00	0.00	98,787.87
10	KI-ALCOA	179	1,879.50	2,718.09	4,597.59	892.50	0.00	5,490.09
11	KI-ALERIS	28,199	296,089.50	382,295.15	678,384.65	0.00	0.00	678,384.65
12	KI-ALLIED	7,797	81,868.50	80,628.56	162,497.06	0.00	0.00	162,497.06
13	KI-ARMSTRONG - BIG RUN	0	0.00	0.00	0.00	0.00	0.00	0.00
14	KI-ARMSTRONG - DOCK	6,779	71,179.50	69,632.43	140,811.93	2,500.56	0.00	143,312.49
15	KI-ARMSTRONG - EQUALITY	3,389	35,584.50	37,477.21	73,061.71	2,559.56	0.00	75,921.27
16	KI-ARMSTRONG - LEWIS CREEK	1,000	10,500.00	7,418.64	17,918.64	717.88	0.00	18,636.52
17	KI-ARMSTRONG - MIDWAY	3,890	40,845.00	46,526.42	87,371.42	0.00	0.00	87,371.42
18	KI-DOMTAR PAPER CO.	19,000	199,500.00	280,676.42	480,176.42	0.00	0.00	480,176.42
19	KI-DOTIKI #4	824	8,652.00	14,084.74	22,736.74	0.00	0.00	22,736.74
20	KI-HOPKINS CO. COAL	328	3,444.00	4,641.49	8,085.49	0.00	0.00	8,085.49
21	KI-KB ALLOYS, INC.	2,001	21,010.50	16,953.78	37,964.28	0.00	0.00	37,964.28
22	KI-KIMBERLY-CLARK	36,158	379,659.00	605,352.16	985,011.16	0.00	0.00	985,011.16
23	KI-KIMBERLY-CLARK	224	2,352.00	2,304.70	4,656.70	0.00	0.00	4,656.70
24	KI-PATRIOT COAL, LP	5,308	55,734.00	59,586.60	115,320.60	3,979.50	0.00	119,300.10
25	KI-ROLL COATER	3,576	37,548.00	29,338.37	66,886.37	0.00	0.00	66,886.37
26	KI-SOUTHWIRE CO.	6,789	71,284.50	100,234.76	171,519.26	0.00	0.00	171,519.26
27	KI-TYSON FOODS	9,882	103,761.00	133,724.28	237,485.28	0.00	0.00	237,485.28
28	KI-VALLEY GRAIN	2,328	24,444.00	25,102.19	49,546.19	3,055.50	0.00	52,601.69
29	SUBTOTAL INDUSTRIALS	142,588	1,497,174.00	1,945,645.36	3,442,819.36	14,005.50	-	3,456,824.86
30								
31	JPI-SHELL OIL	1,901	19,960.50	9,311.90	29,272.40	0.00	0.00	29,272.40
32								
33	TOTAL INDUSTRIALS	144,489	1,517,134.50	1,954,957.26	3,472,091.76	14,005.50	0.00	3,486,097.26
34								
35								
36	GRAND TOTAL	598,965	5,834,656.50	8,625,124.29	14,459,780.79	14,005.50	0.00	14,473,786.29

Case No. 2012-00323
Witness: Ralph A. Ashworth
Attachment for Response to Staff Item 6
Page 7 of 36

Big Rivers Electric Corporation Monthly Billing Summary Electric Utility Sales January 2012

	GREEN POWER \$	ENERGY \$ PFP \$ AND GREEN POWER \$	FAC \$	FUEL MILLS/KWH	ES \$	ES MILLS/KWH	US \$
1 JANUARY 2012							
2							
3 JP RURALS	12.63	2,998,270.84	102,784.56	1.69	141,807.44	2.33	(258,329.08)
4 KENERGY RURALS	0.00	5,557,602.53	192,431.92	1.69	265,490.04	2.33	(483,640.24)
5 MEADE CO. RURALS	0.00	2,431,828.29	84,096.56	1.69	116,024.41	2.33	(211,360.36)
6							
7 TOTAL RURALS	12.63	10,987,701.66	379,313.04	1.69	523,321.89	2.33	(953,329.63)
8							
9 KI-ACCURIDE		98,787.87	3,239.80	1.69	4,469.82	2.33	(8,142.62)
10 KI-ALCOA		5,490.09	187.57	1.69	258.78	2.33	(471.41)
11 KI-ALERIS		678,384.65	26,380.78	1.69	36,396.43	2.33	(66,302.98)
12 KI-ALLIED		162,497.06	5,563.88	1.69	7,676.25	2.33	(13,983.73)
13 KI-ARMSTRONG - BIG RUN		0.00	0.00	0.00	0.00	0.00	0.00
14 KI-ARMSTRONG - DOCK		143,312.49	4,805.08	1.69	6,629.36	2.33	(12,076.63)
15 KI-ARMSTRONG - EQUALITY		75,921.27	2,586.16	1.69	3,568.02	2.33	(6,499.82)
16 KI-ARMSTRONG - LEWIS CREEK		18,636.52	511.93	1.69	706.29	2.33	(1,286.66)
17 KI-ARMSTRONG - MIDWAY		87,371.42	3,210.62	1.69	4,429.55	2.33	(8,069.26)
18 KI-DOMTAR PAPER CO.		480,176.42	19,368.45	1.69	26,721.82	2.33	(48,678.88)
19 KI-DOTIKI #4		22,736.74	971.94	1.69	1,340.94	2.33	(2,442.77)
20 KI-HOPKINS CO. COAL		8,085.49	320.29	1.69	441.89	2.33	(804.99)
21 KI-KB ALLOYS, INC.		37,964.28	1,169.92	1.69	1,614.09	2.33	(2,940.36)
22 KI-KIMBERLY-CLARK		985,011.16	41,773.13	1.69	57,632.59	2.33	(104,988.64)
23 KI-KMMC, LLC		4,656.70	159.04	1.69	219.42	2.33	(399.71)
24 KI-PATRIOT COAL, LP		119,300.10	4,111.85	1.69	5,672.95	2.33	(10,334.34)
25 KI-ROLL COATER		66,886.37	2,024.53	1.69	2,793.16	2.33	(5,088.27)
26 KI-SOUTHWIRE CO.		171,519.26	6,916.83	1.69	9,542.86	2.33	(17,384.12)
27 KI-TYSON FOODS		237,485.28	9,227.82	1.69	12,731.23	2.33	(23,192.34)
28 KI-VALLEY GRAIN		52,601.69	1,732.21	1.69	2,389.86	2.33	(4,353.57)
29 SUBTOTAL INDUSTRIALS	0.00	3,456,824.86	134,261.83	1.69	185,235.31	2.33	(837,441.04)
30							
31 JPI-SHELL OIL		29,272.40	642.58	1.69	886.54	2.33	(1,615.00)
32							
33 TOTAL INDUSTRIALS	0.00	3,486,097.26	134,904.41	1.69	186,121.85	2.33	(839,056.04)
34							
35							
36 GRAND TOTAL	12.63	14,473,798.92	514,217.45	1.69	709,443.74	2.33	(1,292,385.67)

Case No. 2012-00323
Witness: Ralph A. Ashworth
Attachment for Response to Staff Item 6
Page 8 of 36

Big Rivers Electric Corporation Monthly Billing Summary Electric Utility Sales January 2012

	US MILLS/KWH	NON SMELTER NON FAC PPA	NSNPPA MILLS/KW H	REVENUE \$	REVENUE MILLS/KWH	MRSRM \$	MRSRM MILLS/KWH	REVENUE \$ NET OF MRSRM	REV NET OF MRSRM MILLS/KWH
1 JANUARY 2012									
2	(4.25)	(63,275.42)	(1.04)	2,921,268.39	48.06	(363,848.83)	(5.99)	2,557,409.56	42.07
3 JP RURALS	(4.25)	(118,463.41)	(1.04)	5,413,420.84	47.57	(681,193.05)	(5.99)	4,732,227.79	41.58
4 KENERGY RURALS	(4.25)	(51,770.86)	(1.04)	2,368,818.04	47.63	(297,694.86)	(5.99)	2,071,123.18	41.65
5 MEADE CO. RURALS									
6	(4.25)	(233,509.69)	(1.04)	10,703,497.27	47.72	(1,342,736.74)	(5.99)	9,360,760.53	41.73
7 TOTAL RURALS									
8	(4.25)	(1,994.46)	(1.04)	96,360.41	50.29	(11,468.63)	(5.99)	84,891.78	44.31
9 KI-ACCURIDE	(4.25)	(115.47)	(1.04)	5,349.56	48.23	(663.98)	(5.99)	4,685.58	42.24
10 KI-ALCOA	(4.25)	(16,240.33)	(1.04)	658,616.55	42.22	(93,385.78)	(5.99)	565,232.77	36.23
11 KI-ALERIS	(4.25)	(3,425.19)	(1.04)	158,328.27	48.12	(19,695.68)	(5.99)	138,632.59	42.13
12 KI-ALLIED	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13 KI-ARMSTRONG - BIG RUN	(4.25)	(2,958.06)	(1.04)	139,712.24	49.17	(17,009.58)	(5.99)	122,702.66	43.18
14 KI-ARMSTRONG - DOCK	(4.25)	(1,592.07)	(1.04)	73,983.56	48.38	(9,154.81)	(5.99)	64,828.75	42.39
15 KI-ARMSTRONG - EQUALITY	(4.25)	(315.15)	(1.04)	16,252.94	60.29	(1,812.19)	(5.99)	16,440.75	54.31
15 KI-ARMSTRONG - LEWIS CREEK	(4.25)	(1,976.49)	(1.04)	84,965.84	44.75	(11,365.32)	(5.99)	73,600.52	38.76
16 KI-ARMSTRONG - MIDWAY	(4.25)	(11,923.45)	(1.04)	465,664.41	40.66	(68,562.71)	(5.99)	397,101.70	34.67
17 KLDOMTAR PAPER CO.	(4.25)	(598.34)	(1.04)	22,008.51	38.29	(3,440.58)	(5.99)	18,567.93	32.30
18 KI-DOTIKI #4	(4.25)	(197.18)	(1.04)	7,845.50	41.42	(1,133.80)	(5.99)	6,711.70	35.43
19 KI-HOPKINS CO. COAL	(4.25)	(720.22)	(1.04)	37,087.71	53.61	(4,141.42)	(5.99)	32,946.29	47.62
20 KI-KB ALLOYS, INC.	(4.25)	(25,716.04)	(1.04)	953,712.20	38.61	(147,873.42)	(5.99)	805,838.78	32.62
21 KI-KIMBERLY-CLARK	(4.25)	(97.91)	(1.04)	4,537.54	48.35	(562.99)	(5.99)	3,974.55	42.26
22 KI-KMMC, LLC	(4.25)	(2,531.31)	(1.04)	116,219.25	47.80	(14,555.62)	(5.99)	101,663.63	41.81
23 KI-PATRIOT COAL, LP	(4.25)	(1,246.33)	(1.04)	65,369.46	54.60	(7,166.67)	(5.99)	58,202.79	48.61
24 KI-ROLL COATER	(4.25)	(4,258.09)	(1.04)	166,336.74	40.67	(24,485.01)	(5.99)	141,851.73	34.68
25 KI-SOUTHWIRE CO.	(4.25)	(5,680.76)	(1.04)	230,571.23	42.25	(32,665.72)	(5.99)	197,905.51	36.27
26 KI-TYSON FOODS	(4.25)	(1,066.37)	(1.04)	51,303.82	50.08	(6,131.89)	(5.99)	45,171.93	44.10
27 KI-VALLEY GRAIN									
28	(4.25)	(82,653.22)	(1.04)	3,356,227.74	42.27	(475,275.80)	(5.99)	2,880,951.94	36.28
29 SUBTOTAL INDUSTRIALS									
30	(4.25)	(395.58)	(1.04)	28,790.94	75.77	(2,274.68)	(5.99)	26,516.26	69.78
31 JPI-SHELL OIL									
32	(4.25)	(63,048.80)	(1.04)	3,385,018.68	42.43	(477,550.48)	(5.99)	2,907,468.20	36.44
33 TOTAL INDUSTRIALS									
34									
35	(4.25)	(316,558.49)	(1.04)	14,086,515.95	46.33	(1,820,287.22)	(5.99)	12,266,228.73	40.34
36 GRAND TOTAL									

Case No. 2012-00323

Witness: Ralph A. Ashworth

Attachment for Response to Staff Item 6

Page 9 of 36

Big Rivers Electric Corporation Monthly Billing Summary Electric Utility Sales February 2012

	KW BILLED	KWH	DEMAND \$	BASE ENERGY \$	DEMAND \$ AND ENERGY \$	FACTOR PENALTY (PPP) \$	ORDER BILLING ADJ	DEMAND \$ ENERGY \$ AND PFP \$
1 FEBRUARY 2012								
2								
3 JP RURALS	113,183	51,999,650	1,075,238.50	1,546,261.59	2,621,500.09	0.00	0.00	2,621,500.09
4 KENERGY RURALS	213,464	97,670,130	2,027,908.00	2,904,318.99	4,932,226.99	0.00	0.00	4,932,226.99
5 MEADE CO. RURALS	98,894	42,332,140	939,493.00	1,258,788.52	2,198,281.52	0.00	0.00	2,198,281.52
6								
7 TOTAL RURALS	425,541	192,001,920	4,042,639.50	5,709,369.10	9,752,008.60	0.00	0.00	9,752,008.60
8								
9 KI-ACCURIDE	5,035	2,345,950	52,867.50	57,487.50	110,355.00	0.00	0.00	110,355.00
10 KI-ALCOA	179	96,450	1,879.50	2,363.51	4,243.01	945.00	0.00	5,188.01
11 KI-ALERIS	28,180	14,964,350	295,890.00	366,701.40	662,591.40	0.00	0.00	662,591.40
12 KI-ALLIED	7,766	3,224,540	81,543.00	79,017.35	160,560.35	0.00	0.00	160,560.35
13 KI-ARMSTRONG - BIG RUN	0	0	0.00	0.00	0.00	0.00	0.00	0.00
14 KI-ARMSTRONG - DOCK	6,697	2,862,500	70,318.50	70,145.56	140,464.06	7,279.87	0.00	147,743.93
15 KI-ARMSTRONG - EQUALITY	3,427	1,558,320	35,983.50	38,186.63	74,170.13	3,627.95	0.00	77,798.08
16 KI-ARMSTRONG - LEWIS CREEK	1,000	302,160	10,500.00	7,404.43	17,904.43	698.39	0.00	18,602.82
17 KI-ARMSTRONG - MIDWAY	3,676	1,960,080	38,598.00	48,031.76	86,629.76	0.00	0.00	86,629.76
18 KI-DOTKI #4	19,000	12,107,567	199,500.00	296,695.93	496,195.93	0.00	0.00	496,195.93
19 KI-HOPKINS CO. COAL	840	533,280	8,820.00	13,068.03	21,888.03	0.00	0.00	21,888.03
20 KI-KB ALLOYS, INC.	347	170,160	3,643.50	4,169.77	7,813.27	0.00	0.00	7,813.27
21 KI-KIMBERLY-CLARK	2,001	651,610	21,010.50	15,967.70	36,978.20	199.50	0.00	37,177.70
22 KI-KMMC, LLC	37,066	24,394,400	389,193.00	597,784.77	986,977.77	0.00	0.00	986,977.77
23 KI-PATRIOT COAL, LP	221	88,090	2,320.50	2,158.65	4,479.15	0.00	0.00	4,479.15
24 KI-ROLL COATER	5,175	2,353,300	54,337.50	57,667.62	112,005.12	3,885.00	0.00	115,890.12
25 KI-SOUTHWIRE CO.	3,636	1,344,210	38,178.00	32,939.87	71,117.87	430.50	0.00	71,548.37
26 KI-TYSON FOODS	6,819	3,915,050	71,599.50	95,938.30	167,537.80	0.00	0.00	167,537.80
27 KI-VALLEY GRAIN	10,051	5,485,600	105,535.50	134,424.63	239,960.13	0.00	0.00	239,960.13
28								
29 SUBTOTAL INDUSTRIALS	143,487	79,451,157	1,506,613.50	1,946,950.61	3,453,564.11	20,174.21	-	3,473,738.32
30								
31 JPI-SHELL OIL	1,879	289,855	19,729.50	7,102.90	26,832.40	0.00	0.00	26,832.40
32								
33 TOTAL INDUSTRIALS	145,366	79,741,012	1,526,343.00	1,954,053.51	3,480,396.51	20,174.21	0.00	3,500,570.72
34								
35								
36 GRAND TOTAL	570,907	271,742,932	5,568,982.50	7,663,422.61	13,232,405.11	20,174.21	0.00	13,252,579.32

Case No. 2012-00323
Witness: Ralph A. Ashworth
Attachment for Response to Staff Item 6
Page 10 of 36

Big Rivers Electric Corporation Monthly Billing Summary Electric Utility Sales February 2012

	GREEN POWER \$	ENERGY \$ PPF \$ AND GREEN POWER \$	FAC \$	FUEL MILLS/KWH	ES \$	ES MILLS/KWH	US \$
1 FEBRUARY 2012							
2							
3 JP RURALS	15.16	2,621,515.25	111,643.25	2.15	100,203.33	1.93	(220,998.51)
4 KENERGY RURALS	0.00	4,932,226.99	209,697.77	2.15	188,210.34	1.93	(415,098.05)
5 MEADE CO. RURALS	0.00	2,198,281.52	90,887.10	2.15	81,574.03	1.93	(179,911.60)
6							
7 TOTAL RURALS	15.16	9,752,023.76	412,228.12	2.15	369,987.70	1.93	(616,008.16)
8							
9 KI-ACCURIDE		110,355.00	5,036.75	2.15	4,520.65	1.93	(9,970.29)
10 KI-ALCOA		5,188.01	207.08	2.15	185.86	1.93	(409.91)
11 KI-ALERIS		662,591.40	32,128.46	2.15	28,836.30	1.93	(63,598.49)
12 KI-ALLIED		160,560.35	6,923.09	2.15	6,213.69	1.93	(13,704.30)
13 KI-ARMSTRONG - BIG RUN		0.00	0.00	0.00	0.00	0.00	0.00
14 KI-ARMSTRONG - DOCK		147,743.93	6,145.79	2.15	5,516.04	1.93	(12,165.63)
15 KI-ARMSTRONG - EQUALITY		77,798.08	3,345.71	2.15	3,002.88	1.93	(6,622.86)
16 KI-ARMSTRONG - LEWIS CREEK		18,602.82	648.74	2.15	582.26	1.93	(1,284.18)
17 KI-ARMSTRONG - MIDWAY		86,629.76	4,208.29	2.15	3,777.07	1.93	(8,330.34)
18 KI-DOMTAR PAPER CO.		496,195.93	25,994.95	2.15	23,331.28	1.93	(51,457.16)
19 KI-DOTIKI #4		21,888.03	1,144.95	2.15	1,027.63	1.93	(2,366.44)
20 KI-HOPKINS CO. COAL		7,813.27	365.33	2.15	327.90	1.93	(723.18)
21 KI-KB ALLOYS, INC.		37,177.70	1,399.01	2.15	1,255.65	1.93	(2,769.34)
22 KI-KIMBERLY-CLARK		986,977.77	52,374.78	2.15	47,008.01	1.93	(103,676.20)
23 KI-KMMC, LLC		4,479.15	189.13	2.15	169.75	1.93	(374.38)
24 KI-PATRIOT COAL, LP		115,890.12	5,052.54	2.15	4,534.81	1.93	(10,001.53)
25 KI-ROLL COATER		71,548.37	2,886.02	2.15	2,590.29	1.93	(5,712.89)
26 KI-SOUTHWIRE CO.		167,537.80	8,405.61	2.15	7,544.30	1.93	(16,638.96)
27 KI-TYSON FOODS		239,960.13	11,777.58	2.15	10,570.75	1.93	(23,313.80)
28 KI-VALLEY GRAIN		54,800.70	2,347.83	2.15	2,107.25	1.93	(4,647.55)
29 SUBTOTAL INDUSTRIALS	0.00	3,473,738.32	170,581.64	2.15	153,102.37	1.93	(337,667.43)
30							
31 JPI-SHELL OIL		26,832.40	622.32	2.15	558.55	1.93	(1,231.86)
32							
33 TOTAL INDUSTRIALS	0.00	3,500,570.72	171,203.96	2.15	153,660.92	1.93	(338,899.31)
34							
35							
36 GRAND TOTAL	15.16	13,252,594.48	583,432.08	2.15	523,648.62	1.93	(1,154,907.47)

Big Rivers Electric Corporation Monthly Billing Summary Electric Utility Sales February 2012

	US MILLS/KWH	NON SMELTER NON FAC PPA	NSNFPPA MILLS/KW H	REVENUE \$	REVENUE MILLS/KWH	MRSMS \$	MRSMS MILLS/KWH	REVENUE \$ NET OF MRSMS \$	REV NET OF MRSMS MILLS/KWH
1 FEBRUARY 2012									
2									
3 JP RURALS	(4.25)	(54,131.64)	(1.04)	2,558,231.68	49.20	(313,869.90)	(6.04)	2,244,361.78	43.16
4 KENERGY RURALS	(4.25)	(101,674.61)	(1.04)	4,813,362.44	49.28	(589,536.91)	(6.04)	4,223,825.53	43.25
5 MEADE CO. RURALS	(4.25)	(44,067.76)	(1.04)	2,146,763.29	50.71	(255,516.78)	(6.04)	1,891,246.51	44.68
6									
7 TOTAL RURALS	(4.25)	(199,874.01)	(1.04)	9,518,357.41	49.57	(1,158,923.59)	(6.04)	8,359,433.82	43.54
8									
9 KI-ACCURIDE	(4.25)	(2,442.13)	(1.04)	107,499.98	45.82	(14,160.15)	(6.04)	93,339.83	39.79
10 KI-ALCOA	(4.25)	(100.40)	(1.04)	5,070.64	52.57	(582.18)	(6.04)	4,488.46	46.54
11 KI-ALERIS	(4.25)	(15,577.89)	(1.04)	644,379.78	45.06	(90,324.81)	(6.04)	554,054.97	37.02
12 KI-ALLIED	(4.25)	(3,356.75)	(1.04)	156,636.08	48.58	(19,463.32)	(6.04)	137,172.76	42.54
13 KI-ARMSTRONG - BIG RUN	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
14 KI-ARMSTRONG - DOCK	(4.25)	(2,979.86)	(1.04)	144,260.27	50.40	(17,278.05)	(6.04)	126,982.22	44.36
15 KI-ARMSTRONG - EQUALITY	(4.25)	(1,622.21)	(1.04)	75,901.60	48.71	(9,406.01)	(6.04)	66,495.59	42.67
16 KI-ARMSTRONG - LEWIS CREEK	(4.25)	(314.55)	(1.04)	18,235.09	60.35	(1,823.84)	(6.04)	16,411.25	54.31
17 KI-ARMSTRONG - MIDWAY	(4.25)	(2,040.44)	(1.04)	84,244.34	42.98	(11,831.04)	(6.04)	72,413.30	36.94
18 KI-DOTIKI #4	(4.25)	(12,603.98)	(1.04)	481,461.02	39.77	(73,081.27)	(6.04)	408,379.75	33.73
19 KI-HOPKINS CO. COAL	(4.25)	(555.14)	(1.04)	21,239.03	39.83	(3,218.88)	(6.04)	18,020.15	33.79
20 KI-KB ALLOYS, INC.	(4.25)	(177.14)	(1.04)	7,606.18	44.70	(1,027.08)	(6.04)	6,579.10	38.66
21 KI-KIMBERLY-CLARK	(4.25)	(678.33)	(1.04)	36,384.69	55.84	(3,933.12)	(6.04)	32,451.57	49.80
22 KI-KMMMC, LLC	(4.25)	(25,394.57)	(1.04)	957,289.79	39.24	(147,244.60)	(6.04)	810,045.19	33.21
23 KI-PATRIOT COAL, LP	(4.25)	(91.70)	(1.04)	4,371.95	49.63	(531.72)	(6.04)	3,840.23	43.59
24 KI-ROLL COATER	(4.25)	(2,449.79)	(1.04)	113,026.15	48.03	(14,204.52)	(6.04)	98,821.63	41.99
25 KI-SOUTHWIRE CO.	(4.25)	(1,399.32)	(1.04)	69,912.47	52.01	(8,113.65)	(6.04)	61,798.82	45.97
26 KI-TYSON FOODS	(4.25)	(4,075.57)	(1.04)	162,773.18	41.58	(23,631.24)	(6.04)	139,141.94	35.54
27 KI-VALLEY GRAIN	(4.25)	(5,710.51)	(1.04)	233,284.15	42.53	(33,111.08)	(6.04)	200,173.07	36.49
28									
29 SUBTOTAL INDUSTRIALS	(4.25)	(82,708.66)	(1.04)	3,377,046.24	42.50	(479,567.16)	(6.04)	2,897,479.08	36.47
30									
31 JPI-SHELL OIL	(4.25)	(301.74)	(1.04)	26,479.65	91.35	(1,749.57)	(6.04)	24,730.08	85.32
32									
33 TOTAL INDUSTRIALS	(4.25)	(83,010.40)	(1.04)	3,403,525.89	42.68	(481,316.73)	(6.04)	2,922,209.16	36.65
34									
35									
36 GRAND TOTAL	(4.25)	(282,884.41)	(1.04)	12,921,883.30	47.55	(1,640,240.32)	(6.04)	11,281,642.98	41.52

Case No. 2012-00323
Witness: Ralph A. Ashworth
Attachment for Response to Staff Item 6
Page 12 of 36

Big Rivers Electric Corporation Monthly Billing Summary Electric Utility Sales March 2012

	KW BILLED	KWH	DEMAND \$	BASE ENERGY \$	DEMAND \$ AND ENERGY \$	FACTOR PENALTY (PPP) \$	ORDER BILLING ADJ	DEMAND \$ ENERGY \$ AND PFP \$
1 MARCH 2012								
2								
3 JP RURALS	90,800	44,367,140	862,600.00	1,319,301.28	2,181,901.28	0.00	0.00	2,181,901.28
4 KENERGY RURALS	176,817	81,361,160	1,679,761.50	2,425,302.65	4,105,064.15	0.00	0.00	4,105,064.15
5 MEADE CO. RURALS	82,187	32,145,840	780,776.50	955,888.70	1,736,665.20	0.00	0.00	1,736,665.20
6								
7 TOTAL RURALS	349,804	158,074,140	3,323,138.00	4,700,492.63	8,023,630.63	0.00	0.00	8,023,630.63
8								
9 KI-ACCURIDE	5,043	2,563,090	52,951.50	62,808.52	115,760.02	0.00	0.00	115,760.02
10 KI-ALCOA	134	84,030	1,407.00	2,059.16	3,466.16	735.00	0.00	4,201.16
11 KI-ALERIS	26,800	14,621,220	281,400.00	358,293.00	639,693.00	0.00	0.00	639,693.00
12 KI-ALLIED	7,489	3,119,088	78,634.50	76,433.25	155,067.75	0.00	0.00	155,067.75
13 KI-ARMSTRONG - BIG RUN	0	0	0.00	0.00	0.00	0.00	0.00	0.00
14 KI-ARMSTRONG - DOCK	6,665	3,144,980	69,982.50	77,067.73	147,050.23	2,977.66	0.00	150,027.89
15 KI-ARMSTRONG - EQUALITY	3,175	1,622,320	33,337.50	39,754.95	73,092.45	2,909.41	0.00	76,001.86
16 KI-ARMSTRONG - LEWIS CREEK	1,000	326,008	10,500.00	7,988.83	18,488.83	698.39	0.00	19,187.22
17 KI-ARMSTRONG - MIDWAY	3,534	1,883,220	37,107.00	46,148.31	83,255.31	0.00	0.00	83,255.31
18 KI-DOMTAR PAPER CO.	19,000	13,422,079	199,500.00	328,908.05	528,408.05	0.00	0.00	528,408.05
19 KI-DOTIKI #4	812	560,740	8,526.00	13,740.93	22,266.93	0.00	0.00	22,266.93
20 KI-HOPKINS CO. COAL	340	181,390	3,570.00	4,444.96	8,014.96	0.00	0.00	8,014.96
21 KI-KB ALLOYS, INC.	2,001	685,290	21,010.50	16,793.03	37,803.53	0.00	0.00	37,803.53
22 KI-KIMBERLY-CLARK	37,714	26,523,550	395,997.00	649,959.59	1,045,956.59	0.00	0.00	1,045,956.59
23 KI-KIMBERLY-CLARK	221	56,720	2,320.50	1,389.92	3,710.42	0.00	0.00	3,710.42
24 KI-PATRIOT COAL, LP	5,176	2,485,420	54,348.00	60,905.22	115,253.22	3,192.00	0.00	118,445.22
25 KI-ROLL COATER	3,531	1,518,520	37,075.50	37,211.33	74,286.83	0.00	0.00	74,286.83
26 KI-SOUTHWIRE CO.	6,842	4,233,020	71,841.00	103,730.16	175,571.16	0.00	0.00	175,571.16
27 KI-TYSON FOODS	10,323	6,083,460	108,391.50	149,075.19	257,466.69	0.00	0.00	257,466.69
28 KI-VALLEY GRAIN	2,108	955,010	22,134.00	23,402.52	45,536.52	3,402.00	0.00	48,938.52
29 SUBTOTAL INDUSTRIALS	141,908	84,069,155	1,490,034.00	2,060,114.65	3,550,148.65	13,914.46	-	3,564,063.11
30								
31 JPI-SHELL OIL	1,890	253,080	19,845.00	6,201.73	26,046.73	0.00	0.00	26,046.73
32								
33 TOTAL INDUSTRIALS	143,798	84,322,235	1,509,879.00	2,066,316.38	3,576,195.38	13,914.46	0.00	3,590,109.84
34								
35								
36 GRAND TOTAL	493,602	242,396,375	4,833,017.00	6,766,809.01	11,599,826.01	13,914.46	0.00	11,613,740.47

Case No. 2012-00323
Witness: Ralph A. Ashworth
Attachment for Response to Staff Item 6
Page 13 of 36

Big Rivers Electric Corporation Monthly Billing Summary Electric Utility Sales March 2012

	GREEN POWER \$	ENERGY \$ PFP \$ AND GREEN POWER \$	FAC \$	FUEL MILLS/KWH	ES \$	ES MILLS/KWH	US \$
1 MARCH 2012							
2							
3 JP RURALS	15.16	2,181,916.44	138,248.01	3.12	87,447.63	1.97	(188,560.35)
4 KENERGY RURALS	0.00	4,105,064.15	254,144.57	3.12	160,757.05	1.97	(346,634.93)
5 MEADE CO. RURALS	0.00	1,736,665.20	100,166.44	3.12	63,359.45	1.97	(136,619.82)
6							
7 TOTAL RURALS	15.16	8,023,645.79	492,559.02	3.12	311,564.13	1.97	(671,815.10)
8							
9 KI-ACCURIDE		115,760.02	7,986.59	3.12	5,051.85	1.97	(10,893.13)
10 KI-ALCOA		4,201.16	261.84	3.12	165.62	1.97	(357.13)
11 KI-ALERIS		639,693.00	45,559.72	3.12	28,818.42	1.97	(62,140.19)
12 KI-ALLIED		155,067.75	9,719.08	3.12	6,147.72	1.97	(13,256.12)
13 KI-ARMSTRONG - BIG RUN		0.00	0.00	0.00	0.00	0.00	0.00
14 KI-ARMSTRONG - DOCK		150,027.89	9,799.76	3.12	6,198.76	1.97	(13,366.17)
15 KI-ARMSTRONG - EQUALITY		76,001.86	5,055.15	3.12	3,197.59	1.97	(6,894.86)
16 KI-ARMSTRONG - LEWIS CREEK		19,187.22	1,015.84	3.12	642.56	1.97	(1,385.53)
17 KI-ARMSTRONG - MIDWAY		83,255.31	5,868.11	3.12	3,711.83	1.97	(8,003.69)
18 KI-DOMTAR PAPER CO.		528,408.05	41,823.20	3.12	26,454.92	1.97	(57,043.84)
19 KI-DOTIKI #4		22,266.93	1,747.27	3.12	1,105.22	1.97	(2,383.15)
20 KI-HOPKINS CO. COAL		8,014.96	565.21	3.12	357.52	1.97	(770.91)
21 KI-KB ALLOYS, INC.		37,803.53	2,135.36	3.12	1,350.71	1.97	(2,912.46)
22 KI-KIMBERLY-CLARK		1,045,956.59	82,647.38	3.12	52,277.92	1.97	(112,725.09)
23 KI-KIMMC, LLC		3,710.42	176.74	3.12	111.80	1.97	(241.06)
24 KI-PATRIOT COAL, LP		118,445.22	7,744.57	3.12	4,898.76	1.97	(10,563.04)
25 KI-ROLL COATER		74,286.83	4,731.71	3.12	2,993.00	1.97	(6,453.71)
26 KI-SOUTHWIRE CO.		175,571.16	13,190.09	3.12	8,343.28	1.97	(17,990.34)
27 KI-TYSON FOODS		257,466.69	18,956.06	3.12	11,990.50	1.97	(25,854.71)
28 KI-VALLEY GRAIN		48,938.52	2,975.81	3.12	1,882.32	1.97	(4,058.79)
29 SUBTOTAL INDUSTRIALS	0.00	3,564,063.11	261,959.49	3.12	165,700.30	1.97	(357,293.94)
30							
31 JPI-SHELL OIL		26,046.73	788.60	3.12	498.82	1.97	(1,075.59)
32							
33 TOTAL INDUSTRIALS	0.00	3,590,109.84	262,748.09	3.12	166,199.12	1.97	(358,369.53)
34							
35							
36 GRAND TOTAL	15.16	11,613,755.63	755,307.11	3.12	477,763.25	1.97	(1,030,184.63)

Big Rivers Electric Corporation Monthly Billing Summary Electric Utility Sales March 2012

	US MILLS/KWH	NON SMELTER NON FAC PPA	NSNFPEA MILLS/KW H	REVENUE \$	REVENUE MILLS/RWH	MRSK \$	MRSK MILLS/KWH	REVENUE \$ NET OF MRSK \$	REV NET OF MRSK MILLS/KWH
1 MARCH 2012									
2	(4.25)	(46,186.19)	(1.04)	2,172,865.54	48.97	(312,743.96)	(7.05)	1,860,121.58	41.93
3 JP RURALS	(4.25)	(84,905.17)	(1.04)	4,088,425.67	50.13	(574,924.62)	(7.05)	3,513,501.05	43.08
4 KENERGY RURALS	(4.25)	(33,463.82)	(1.04)	1,730,107.45	53.82	(226,596.03)	(7.05)	1,503,511.42	46.77
5 MEADE CO. RURALS									
6	(4.25)	(164,555.18)	(1.04)	7,991,398.66	50.55	(1,114,264.61)	(7.05)	6,877,134.05	43.51
7 TOTAL RURALS									
8	(4.25)	(2,668.18)	(1.04)	115,237.15	44.96	(18,067.23)	(7.05)	97,169.92	37.91
9 KI-ACCURIDE	(4.25)	(87.48)	(1.04)	4,184.01	49.79	(592.32)	(7.05)	3,591.69	42.74
10 KI-ALCOA	(4.25)	(15,220.69)	(1.04)	636,710.26	43.55	(103,064.97)	(7.05)	533,645.29	36.50
11 KI-ALERIS	(4.25)	(3,246.97)	(1.04)	154,431.46	49.51	(21,986.46)	(7.05)	132,445.00	42.46
12 KI-ALLIED	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13 KI-ARMSTRONG - BIG RUN	(4.25)	(3,273.92)	(1.04)	149,386.32	47.50	(22,168.97)	(7.05)	127,217.35	40.45
14 KI-ARMSTRONG - DOCK	(4.25)	(1,688.84)	(1.04)	75,670.90	46.64	(11,435.73)	(7.05)	64,235.17	39.59
15 KI-ARMSTRONG - EQUALITY	(4.25)	(339.37)	(1.04)	19,120.72	58.65	(2,298.03)	(7.05)	16,822.69	51.60
16 KI-ARMSTRONG - LEWIS CREEK	(4.25)	(1,960.43)	(1.04)	82,871.13	44.01	(13,274.81)	(7.05)	69,596.32	36.96
17 KI-ARMSTRONG - MIDWAY	(4.25)	(13,972.38)	(1.04)	525,669.95	39.16	(94,612.23)	(7.05)	431,057.72	32.12
18 KI-DOMTAR PAPER CO.	(4.25)	(583.73)	(1.04)	22,152.34	39.51	(3,952.66)	(7.05)	18,199.68	32.46
19 KI-HOPKINS CO. COAL	(4.25)	(188.83)	(1.04)	7,977.95	43.98	(1,278.61)	(7.05)	6,699.34	36.93
20 KI-KB ALLOYS, INC.	(4.25)	(713.39)	(1.04)	37,663.73	54.96	(4,830.61)	(7.05)	32,833.12	47.91
21 KI-KIMBERLY-CLARK	(4.25)	(27,611.02)	(1.04)	1,040,545.78	39.23	(186,964.50)	(7.05)	853,581.28	32.18
22 KI-KMCMC, LLC	(4.25)	(69.06)	(1.04)	3,698.85	65.21	(399.82)	(7.05)	3,299.03	58.16
23 KI-PATRIOT COAL, LP	(4.25)	(2,587.32)	(1.04)	117,938.19	47.45	(17,519.72)	(7.05)	100,418.47	40.40
24 KI-ROLL COATER	(4.25)	(1,580.78)	(1.04)	73,977.05	48.72	(10,704.05)	(7.05)	63,273.00	41.67
25 KI-SOUTHWIRE CO.	(4.25)	(4,406.57)	(1.04)	174,707.62	41.27	(29,838.55)	(7.05)	144,869.07	34.22
26 KI-TYSON FOODS	(4.25)	(6,332.88)	(1.04)	256,225.66	42.12	(42,882.30)	(7.05)	213,343.36	35.07
27 KI-VALLEY GRAIN	(4.25)	(994.17)	(1.04)	48,743.69	51.04	(6,731.86)	(7.05)	42,011.83	43.99
28	(4.25)	(87,516.00)	(1.04)	3,546,912.96	42.19	(592,603.43)	(7.05)	2,954,309.53	35.14
29 SUBTOTAL INDUSTRIALS									
30	(4.25)	(263.46)	(1.04)	25,995.10	102.71	(1,783.96)	(7.05)	24,211.14	95.67
31 JPL-SHELL OIL									
32	(4.25)	(87,779.46)	(1.04)	3,572,908.06	42.37	(594,387.39)	(7.05)	2,978,520.67	35.32
33 TOTAL INDUSTRIALS									
34	(4.25)	(252,334.64)	(1.04)	11,564,306.72	47.71	(1,708,652.00)	(7.05)	9,855,654.72	40.66
35									
36 GRAND TOTAL									

Case No. 2012-00323
Witness: Ralph A. Ashworth
Attachment for Response to Staff Item 6
Page 15 of 36

Big Rivers Electric Corporation Monthly Billing Summary Electric Utility Sales April 2012

	KW BILLED	KWH	DEMAND \$	BASE ENERGY \$	DEMAND \$ AND ENERGY \$	FACTOR PENALTY (PFP) \$	ORDER BILLING ADJ	DEMAND \$ ENERGY \$ AND PFP \$
1 APRIL 2012								
2								
3 JP RURALS	102,606	42,919,630	974,757.00	1,276,258.12	2,251,015.12	0.00	0.00	2,251,015.12
4 KENERGY RURALS	175,102	76,111,380	1,663,469.00	2,263,248.00	3,926,717.00	0.00	0.00	3,926,717.00
5 MEADE CO. RURALS	52,347	29,297,740	497,296.50	871,197.60	1,368,494.10	0.00	0.00	1,368,494.10
6								
7 TOTAL RURALS	330,055	148,328,750	3,135,522.50	4,410,703.72	7,546,226.22	0.00	0.00	7,546,226.22
8								
9 KI-ACCURIDE	5,209	2,359,380	54,694.50	57,816.61	112,511.11	0.00	0.00	112,511.11
10 KI-ALCOA	126	77,580	1,323.00	1,901.10	3,224.10	1,155.00	0.00	4,379.10
11 KI-ALERIS	27,726	15,307,580	291,123.00	375,112.25	666,235.25	0.00	0.00	666,235.25
12 KI-ALLIED	7,669	2,884,600	80,524.50	70,687.12	151,211.62	0.00	0.00	151,211.62
13 KI-ARMSTRONG - BIG RUN	0	0	0.00	0.00	0.00	0.00	0.00	0.00
14 KI-ARMSTRONG - DOCK	7,043	2,919,170	73,951.50	71,534.26	145,485.76	7,397.57	0.00	152,883.33
15 KI-ARMSTRONG - EQUALITY	3,333	1,568,470	34,996.50	38,435.36	73,431.86	3,035.84	0.00	76,467.70
16 KI-ARMSTRONG - LEWIS CREEK	1,000	281,370	10,500.00	6,894.97	17,394.97	849.75	0.00	18,244.72
17 KI-ARMSTRONG - MIDWAY	3,415	1,877,400	85,857.50	46,005.69	81,863.19	1,239.00	0.00	83,102.19
18 KI-DOTIKI #4	15,000	10,654,962	157,500.00	261,099.84	418,599.84	0.00	0.00	418,599.84
19 KI-HOPKINS CO. COAL	365	148,030	3,832.50	3,627.48	7,459.98	0.00	0.00	7,459.98
20 KI-KB ALLOYS, INC.	2,001	595,030	21,010.50	14,581.21	35,591.71	0.00	0.00	35,591.71
21 KI-KIMBERLY-CLARK	37,152	25,783,640	390,096.00	631,828.10	1,021,924.10	0.00	0.00	1,021,924.10
22 KI-KMMC, LLC	126	39,530	1,323.00	968.68	2,291.68	0.00	0.00	2,291.68
23 KI-PATRIOT COAL, LP	4,879	2,017,740	51,229.50	49,444.72	100,674.22	3,664.50	0.00	104,338.72
24 KI-ROLL COATER	3,508	1,371,840	36,834.00	33,616.94	70,450.94	409.50	0.00	70,860.44
25 KI-SOUTHWIRE CO.	6,857	4,071,350	71,998.50	99,768.43	171,766.93	0.00	0.00	171,766.93
26 KI-TYSON FOODS	10,744	5,521,060	112,812.00	135,293.58	248,105.58	0.00	0.00	248,105.58
27 KI-VALLEY GRAIN	2,105	916,380	22,102.50	22,455.89	44,558.39	3,076.50	0.00	47,634.89
28								
29 SUBTOTAL INDUSTRIALS	139,051	78,934,652	1,460,035.50	1,934,293.66	3,394,329.16	20,827.66	-	3,415,156.82
30								
31 JPL-SHELL OIL	1,879	587,460	19,729.50	14,395.71	34,125.21	0.00	0.00	34,125.21
32								
33 TOTAL INDUSTRIALS	140,930	79,522,112	1,479,765.00	1,948,689.37	3,428,454.37	20,827.66	0.00	3,449,282.03
34								
35								
36 GRAND TOTAL	470,985	227,850,862	4,615,287.50	6,359,393.09	10,974,680.59	20,827.66	0.00	10,995,508.25

Big Rivers Electric Corporation Monthly Billing Summary Electric Utility Sales April 2012

	GREEN POWER \$	ENERGY \$ PFF \$ AND GREEN POWER \$	FAC \$	FUEL MILLS/KWH	ES \$	ES MILLS/KWH	US \$
1 APRIL 2012							
2							
3 JP RURALS	15.16	2,251,030.28	136,312.47	2.94	98,800.99	2.30	(179,489.89)
4 KENERGY RURALS	0.00	3,926,717.00	233,995.79	2.94	175,208.40	2.30	(318,297.79)
5 MEADE CO. RURALS	0.00	1,368,494.10	86,223.25	2.94	67,443.40	2.30	(122,523.15)
6							
7 TOTAL RURALS	15.16	7,546,241.38	436,531.51	2.94	341,452.79	2.30	(620,310.83)
8							
9 KI-ACCURIDE		112,511.11	6,943.66	2.94	5,431.29	2.30	(9,866.93)
10 KI-ALCOA		4,379.10	228.32	2.94	178.59	2.30	(324.44)
11 KI-ALERIS		666,235.25	45,050.21	2.94	35,238.05	2.30	(64,016.30)
12 KI-ALLIED		151,211.62	8,489.38	2.94	6,640.35	2.30	(12,063.40)
13 KI-ARMSTRONG - BIG RUN		0.00	0.00	0.00	0.00	0.00	0.00
14 KI-ARMSTRONG - DOCK		152,883.33	8,591.12	2.94	6,719.93	2.30	(12,207.97)
15 KI-ARMSTRONG - EQUALITY		76,467.70	4,616.01	2.94	3,610.62	2.30	(6,559.34)
16 KI-ARMSTRONG - LEWIS CREEK		83,102.19	18,244.72	2.94	828.07	2.30	(1,176.69)
17 KI-ARMSTRONG - MIDWAY		418,599.84	31,357.55	2.94	24,527.72	2.30	(44,559.05)
18 KI-DOTIKI #4		21,547.93	1,587.87	2.94	1,242.02	2.30	(2,256.36)
19 KI-HOPKINS CO. COAL		7,459.98	435.65	2.94	340.77	2.30	(619.06)
20 KI-KB ALLOYS, INC.		35,591.71	1,751.17	2.94	1,369.76	2.30	(2,488.42)
21 KI-KIMBERLY-CLARK		1,021,924.10	75,881.25	2.94	59,353.94	2.30	(107,827.16)
22 KI-KMMC, LLC		2,291.68	116.34	2.94	91.00	2.30	(165.31)
23 KI-PATRIOT COAL, LP		104,338.72	5,938.21	2.94	4,644.84	2.30	(8,438.19)
24 KI-ROLL COATER		70,860.44	4,037.33	2.94	3,157.98	2.30	(5,737.03)
25 KI-SOUTHWIRE CO.		171,766.93	11,981.98	2.94	9,372.25	2.30	(17,026.39)
26 KI-TYSON FOODS		248,105.58	16,248.48	2.94	12,709.48	2.30	(23,089.07)
27 KI-VALLEY GRAIN		47,634.89	2,696.91	2.94	2,109.51	2.30	(3,832.30)
28							
29 SUBTOTAL INDUSTRIALS	0.00	3,415,156.82	232,304.70	2.94	181,707.58	2.30	(330,104.72)
30							
31 JPI-SHELL OIL		34,125.21	1,728.89	2.94	1,852.33	2.30	(2,456.76)
32							
33 TOTAL INDUSTRIALS	0.00	3,449,282.03	234,033.59	2.94	183,059.91	2.30	(332,561.48)
34							
35							
36 GRAND TOTAL	15.16	10,995,523.41	670,565.10	2.94	524,512.70	2.30	(952,872.31)

Big Rivers Electric Corporation Monthly Billing Summary Electric Utility Sales April 2012

	US MILLS/KWH	NON SMELTER NON FAC PPA	NSNFPPA MILLS/KW H	REVENUE \$	REVENUE MILLS/KWH	MRSMS \$	MRSMS MILLS/KWH	REVENUE \$ NET OF MRSMS \$	REV NET OF MRSMS MILLS/KWH
1 APRIL 2012									
2									
3 JP RURALS	(4.18)	(44,679.33)	(1.04)	2,251,974.52	52.47	(312,240.31)	(7.28)	1,939,734.21	45.19
4 KENERGY RURALS	(4.18)	(79,231.95)	(1.04)	3,928,391.45	51.61	(553,710.29)	(7.28)	3,374,681.16	44.34
5 MEADE CO. RURALS	(4.18)	(30,498.95)	(1.04)	1,369,138.65	46.73	(213,141.06)	(7.28)	1,155,997.59	39.46
6									
7 TOTAL RURALS	(4.18)	(154,410.23)	(1.04)	7,549,504.62	50.90	(1,079,091.66)	(7.28)	6,470,412.96	43.62
8									
9 KI-ACCURIDE	(4.18)	(2,456.11)	(1.04)	112,563.02	47.71	(17,164.49)	(7.28)	95,398.53	40.43
10 KI-ALCOA	(4.18)	(80.76)	(1.04)	4,380.81	56.47	(564.40)	(7.28)	3,816.41	49.19
11 KI-ALERIS	(4.18)	(15,935.19)	(1.04)	666,572.02	43.55	(111,362.65)	(7.28)	555,209.37	36.27
12 KI-ALLIED	(4.18)	(3,002.87)	(1.04)	151,275.08	52.44	(20,985.47)	(7.28)	130,289.61	45.17
13 KI-ARMSTRONG - BIG RUN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14 KI-ARMSTRONG - DOCK	(4.18)	(3,038.86)	(1.04)	152,947.55	52.39	(21,236.96)	(7.27)	131,710.59	45.12
15 KI-ARMSTRONG - EQUALITY	(4.18)	(1,632.78)	(1.04)	76,502.21	48.78	(11,410.63)	(7.28)	65,091.58	41.90
16 KI-ARMSTRONG - LEWIS CREEK	(4.18)	(292.91)	(1.04)	18,250.90	64.86	(2,046.96)	(7.27)	16,203.94	57.59
17 KI-ARMSTRONG - MIDWAY	(4.18)	(1,954.37)	(1.04)	83,143.49	44.29	(13,658.08)	(7.27)	69,485.41	37.01
18 KI-DOMTAR PAPER CO.	(4.18)	(11,091.82)	(1.04)	418,834.24	39.31	(77,514.84)	(7.27)	341,319.40	32.03
19 KI-HOPKINS CO. COAL	(4.18)	(561.66)	(1.04)	21,559.80	39.96	(3,925.15)	(7.27)	17,634.65	32.68
20 KI-KB ALLOYS, INC.	(4.18)	(184.10)	(1.04)	7,463.24	50.42	(1,076.92)	(7.28)	6,386.32	43.14
21 KI-KIMBERLY-CLARK	(4.18)	(619.43)	(1.04)	35,604.79	59.84	(4,328.84)	(7.27)	31,275.95	52.56
22 KI-KMCMC, LLC	(4.18)	(26,840.77)	(1.04)	1,022,491.34	39.66	(187,575.98)	(7.27)	834,915.36	32.38
23 KI-PATRIOT COAL, LP	(4.18)	(41.15)	(1.04)	2,292.56	58.00	(287.59)	(7.28)	2,004.97	50.72
24 KI-ROLL COATER	(4.18)	(2,100.47)	(1.04)	104,383.11	51.73	(14,679.06)	(7.28)	89,704.05	44.46
25 KI-SOUTHWIRE CO.	(4.18)	(1,428.09)	(1.04)	70,890.63	51.68	(9,980.15)	(7.28)	60,910.48	44.40
26 KI-TYSON FOODS	(4.18)	(4,238.28)	(1.04)	171,856.49	42.21	(29,619.07)	(7.27)	142,237.42	34.94
27 KI-VALLEY GRAIN	(4.18)	(5,747.42)	(1.04)	248,227.05	44.96	(40,165.71)	(7.27)	208,061.34	37.69
28									
29 SUBTOTAL INDUSTRIALS	(4.18)	(82,170.99)	(1.04)	3,416,893.39	43.29	(574,249.62)	(7.28)	2,842,643.77	36.01
30									
31 JPI-SHELL OIL	(4.18)	(611.55)	(1.04)	34,138.12	58.11	(4,273.76)	(7.27)	29,864.36	50.84
32									
33 TOTAL INDUSTRIALS	(4.18)	(82,782.54)	(1.04)	3,451,031.51	43.40	(578,523.38)	(7.28)	2,872,508.13	36.12
34									
35									
36 GRAND TOTAL	(4.18)	(237,192.77)	(1.04)	11,000,536.13	48.28	(1,657,615.04)	(7.28)	9,342,921.09	41.00

Case No. 2012-00323
Witness: Ralph A. Ashworth
Attachment for Response to Staff Item 6
Page 18 of 36

Big Rivers Electric Corporation

Monthly Billing Summary

Smelters

November 2011

	NOVEMBER 2011	PLUS SUPPLEMENTAL ENERGY	PLUS BACK UP ENERGY	LESS SALES	TOTAL KWH	REV \$ MILLS/KWH	FAC AMT	MILLS	ES AMT	LS
1										
2										
3	BASE MONTHLY ENERGY -									
4	CENTURY ALUMINUM (Special Contract)	340,571,952.00	80,829.00	(2,996,800.00)	337,655,981.00	45.20	(198,785.44)	(0.57)	943,724.86	2.77
5	ALCAN RIO TINTO (Special Contract)	261,282,574.00	1,888,582.00	(6,305,900.00)	256,865,256.00	45.23	(148,669.78)	(0.57)	724,014.01	2.77
6		<u>601,854,526.00</u>	<u>1,969,411.00</u>	<u>(9,302,700.00)</u>	<u>594,521,287.00</u>				<u>1,667,738.89</u>	
7	BASE FIXED ENERGY									
8										
9	CENTURY ALUMINUM (Special Contract)	340,571,560.00								
10	ALCAN RIO TINTO (Special Contract)	260,021,440.00								
11		<u>600,593,000.00</u>								
12										
13										
14										
15	BASE VARIABLE ENERGY									
16										
17	CENTURY ALUMINUM (Special Contract)	392.00								
18	ALCAN RIO TINTO (Special Contract)	1,261,134.00								
19		<u>1,261,526.00</u>								
20										
21										
22										
23	CENTURY ALUMINUM (Special Contract)		672,404.46	(104,015.87)		3,199.34				
24	ALCAN RIO TINTO (Special Contract)		513,371.04	(212,836.91)		70,891.49				
25			<u>1,185,775.50</u>	<u>(316,852.78)</u>		<u>74,090.83</u>				
26	CENTURY ALUMINUM (Special Contract)									
27	ALCAN RIO TINTO (Special Contract)									
28	TOTAL CENTURY/ALCAN RIO TINTO									
29	BALANCE AS SHOWN ON OPERATING REPORT									
30										

Big Rivers Electric Corporation

Monthly Billing Summary

Smelters

November 2011

		NONFAC PPA AMT	MILLS	SURCHARGE	TOTAL FACIES, NONFAC PPA, SURCHARGE
1	NOVEMBER 2011				
2					
3	BASE MONTHLY ENERGY -				
4	CENTURY ALUMINUM (Special Contract)	(25,542.90)	(0.08)	536,745.87	1,261,142.41
5	ALCAN RIO TINTO (Special Contract)	(19,596.19)	(0.07)	409,798.73	965,546.77
6		<u>(45,139.09)</u>		<u>946,544.60</u>	<u>2,226,689.18</u>
7					
8	BASE FIXED ENERGY				
9	CENTURY ALUMINUM (Special Contract)				13,429,417.75
10	ALCAN RIO TINTO (Special Contract)				10,253,165.42
11					
12					
13					
14					
15	BASE VARIABLE ENERGY				
16	CENTURY ALUMINUM (Special Contract)				8.55
17	ALCAN RIO TINTO (Special Contract)				27,500.28
18					
19					
20					
21					
22					
23	CENTURY ALUMINUM (Special Contract)				571,587.93
24	ALCAN RIO TINTO (Special Contract)				371,425.62
25					
26	CENTURY ALUMINUM (Special Contract)				15,262,156.64
27	ALCAN RIO TINTO (Special Contract)				<u>11,617,638.09</u>
28	TOTAL CENTURY/ ALCAN RIO TINTO				26,879,794.73
29					
30	BALANCE AS SHOWN ON OPERATING REPORT				<u>26,879,794.73</u>

Big Rivers Electric Corporation Monthly Billing Summary Smelters November 2011

	DECEMBER 2011	PLUS SUPPLEMENTAL ENERGY	PLUS BACK UP ENERGY	LESS SALES	TOTAL KWH	REV \$ MILLS/KWH	FAC AMT	MILLS	ES AMT	LS
1										
2										
3	BASE MONTHLY ENERGY -									
4	CENTURY ALUMINUM (Special Contract)	356,329,162.00	74,000.00	804,505.00	0.00	857,207,667.00	363,455.74	1.02	813,143.15	2.28
5	ALCAN RIO TINTO (Special Contract)	269,318,502.00	0.00	1,319,840.00	(4,259,900.00)	266,378,242.00	274,704.67	1.02	614,584.37	2.28
6		<u>625,647,464.00</u>	<u>74,000.00</u>	<u>2,124,345.00</u>	<u>(4,259,900.00)</u>	<u>623,555,909.00</u>	<u>638,160.41</u>		<u>1,427,727.52</u>	
7										
8	BASE FIXED ENERGY									
9	CENTURY ALUMINUM (Special Contract)	351,435,840.00								
10	ALCAN RIO TINTO (Special Contract)	268,316,160.00								
11		<u>619,752,000.00</u>								
12										
13										
14										
15	BASE VARIABLE ENERGY									
16	CENTURY ALUMINUM (Special Contract)	4,898,322.00								
17	ALCAN RIO TINTO (Special Contract)	1,002,142.00								
18		<u>5,895,464.00</u>								
19										
20										
21										
22										
23	CENTURY ALUMINUM (Special Contract)			672,404.46		26,602.42			2,201.04	
24	ALCAN RIO TINTO (Special Contract)					52,219.83				0.00
25						<u>78,822.25</u>			<u>2,201.04</u>	
26	CENTURY ALUMINUM (Special Contract)									
27	ALCAN RIO TINTO (Special Contract)									
28										
29										
30	BALANCE AS SHOWN ON OPERATING REPORT									

Big Rivers Electric Corporation Monthly Billing Summary Smelters November 2011

	NONFAC PEA AMT	MILLS	SURCHARGE	TOTAL FAC.FS, NONFAC PPA, SURCHARGE
1	DECEMBER 2011			
2	3 BASE MONTHLY ENERGY -			
3				
4	114,381.66	0.32	549,783.01	1,840,763.56
5	86,451.18	0.32	419,752.39	1,395,492.61
6	<u>200,832.84</u>		<u>969,535.40</u>	<u>3,236,256.17</u>
7	8 BASE FIXED ENERGY			
8	9 CENTURY ALUMINUM			
9	(Special Contract) 13,557,818.04			
10	10 ALCAN RIO TINTO			
11	(Special Contract) 10,580,242.82			
12				
13				
14				
15	15 BASE VARIABLE ENERGY			
16	16 CENTURY ALUMINUM			
17	(Special Contract) 106,703.77			
18	17 ALCAN RIO TINTO			
19	(Special Contract) 21,852.72			
20				
21				
22				
23	23 CENTURY ALUMINUM			
24	(Special Contract) 701,207.92			
25	24 ALCAN RIO TINTO			
26	(Special Contract) 424,941.95			
27	25 CENTURY ALUMINUM			
28	(Special Contract) 16,506,493.29			
29	26 ALCAN RIO TINTO			
30	(Special Contract) 12,422,530.10			
31	27 ALCAN RIO TINTO			
32	(Special Contract) 28,929,023.39			
33	28 BALANCE AS SHOWN ON			
34	29 OPERATING REPORT			
35	<u>28,929,023.39</u>			

Big Rivers Electric Corporation Monthly Billing Summary Smelters November 2011

		NONFAC PPA			SURCHARGE		TOTAL FAC.ES, NONFAC PPA, SURCHARGE
1	2	AMT	MILLS	3	4	5	6
	JANUARY 2012						
3	BASE MONTHLY ENERGY -						
4	CENTURY ALUMINUM (Special Contract)	(75,642.63)	(0.21)		653,271.01		2,013,411.19
5	ALCAN RIO TINTO (Special Contract)	(57,073.61)	(0.21)		498,764.39		1,525,012.50
6		<u>(132,716.24)</u>			<u>1,152,035.40</u>		<u>3,538,423.69</u>
7							
8	BASE FIXED ENERGY						
9	CENTURY ALUMINUM (Special Contract)	0.0394320					13,857,818.04
10	ALCAN RIO TINTO (Special Contract)						10,580,242.82
11							
12							
13							
14							
15	BASE VARIABLE ENERGY						
16	CENTURY ALUMINUM (Special Contract)	0.0218060					106,703.77
17	ALCAN RIO TINTO (Special Contract)						21,852.72
18							
19							
20							
21							
22							
23	CENTURY ALUMINUM (Special Contract)						1,037,778.17
24	ALCAN RIO TINTO (Special Contract)						753,854.57
25							
26	CENTURY ALUMINUM (Special Contract)						17,015,711.17
27	ALCAN RIO TINTO (Special Contract)						12,880,962.61
28							29,896,673.78
29							
30	BALANCE AS SHOWN ON OPERATING REPORT						<u>29,896,673.78</u>

Big Rivers Electric Corporation Monthly Billing Summary Smelters

November 2011

		PLUS SUPPLEMENTAL	PLUS BACK UP ENERGY	LESS SALES	TOTAL KWH	REV \$ MILLS/KWH	FAC AMT	MILLS	ES AMT	LS
1	FEBRUARY 2012									
2	3 BASE MONTHLY ENERGY -									
3	4 CENTURY ALUMINUM (Special Contract)	332,523,558.00	98,602.00	0.00	332,624,160.00	47.74	713,932.37	2.15	640,776.75	1.93
4	5 ALCAN RIO TINTO (Special Contract)	252,100,790.00	554,778.00	(1,442,600.00)	251,212,968.00	47.97	541,260.40	2.15	485,798.22	1.93
5	6	584,626,348.00	653,380.00	(1,442,600.00)	583,837,128.00		1,255,192.77		1,126,574.97	
6	7									
7	8 BASE FIXED ENERGY									
8	9 CENTURY ALUMINUM (Special Contract)	328,762,560.00								
9	10 ALCAN RIO TINTO (Special Contract)	251,005,440.00								
10	11	579,768,000.00								
11	12									
12	13									
13	14									
14	15 BASE VARIABLE ENERGY									
15	16 CENTURY ALUMINUM (Special Contract)	3,762,998.00								
16	17 ALCAN RIO TINTO (Special Contract)	1,095,350.00								
17	18	4,858,348.00								
18	19									
19	20									
20	21									
21	22									
22	23 CENTURY ALUMINUM (Special Contract)		1,020,014.18	0.00	2,907.33	0.00				
23	24 ALCAN RIO TINTO (Special Contract)		778,766.02	(45,629.04)	20,394.64	0.00				
24	25		1,798,780.20	(45,629.04)	23,301.97	0.00				
25	26 CENTURY ALUMINUM (Special Contract)									
26	27 ALCAN RIO TINTO (Special Contract)									
27	28									
28	29									
29	30									
30	BALANCE AS SHOWN ON OPERATING REPORT									

Case No. 2012-00323

Witness: Ralph A. Ashworth

Attachment for Response to Staff Item 6

Page 25 of 36

Big Rivers Electric Corporation Monthly Billing Summary Smelters November 2011

1	FEBRUARY 2012	NONFAC PPA AMT	MILLS	SURCHARGE	TOTAL FAC.ES, NONFAC PPA, SURCHARGE
2	3				
4	BASE MONTHLY ENERGY - CENTURY ALUMINUM (Special Contract)	(169,255.51)	(0.51)	626,063.07	1,811,516.68
5	ALCAN RIO TINTO (Special Contract)	(128,319.30)	(0.51)	477,991.53	1,376,730.85
6		<u>(297,574.81)</u>		<u>1,104,054.60</u>	<u>3,188,247.53</u>
7	8				
8	BASE FIXED ENERGY				
9	CENTURY ALUMINUM (Special Contract)	0.0394320			12,963,765.27
10	ALCAN RIO TINTO (Special Contract)				9,897,646.51
11					
12					
13					
14					
15	15				
16	BASE VARIABLE ENERGY CENTURY ALUMINUM (Special Contract)	0.0218060			106,703.77
17	ALCAN RIO TINTO (Special Contract)				21,852.72
18					
19					
20					
21					
22					
23	23				
24	CENTURY ALUMINUM (Special Contract)				1,022,921.51
25	ALCAN RIO TINTO (Special Contract)				763,531.62
26					
27	26				
28	CENTURY ALUMINUM (Special Contract)				15,904,907.23
29	ALCAN RIO TINTO (Special Contract)				12,049,761.70
30					<u>27,954,668.93</u>
	29				
	30				
	BALANCE AS SHOWN ON OPERATING REPORT				<u>27,954,668.93</u>

Big Rivers Electric Corporation Monthly Billing Summary Smelters November 2011

	PLUS SUPPLEMENTAL	PLUS BACK UP ENERGY	LESS SALES	TOTAL KWH	REV \$ MILLS/KWH	FAC AMT	MILLS	ES AMT	LS
1 MARCH 2012									
2 3 BASE MONTHLY ENERGY -									
4 CENTURY ALUMINUM (Special Contract)	357,406,803.00	1,134,730.00	0.00	358,541,533.00	48.38	1,113,679.60	3.12	704,448.81	1.97
5 ALCAN RIO TINTO (Special Contract)	272,051,400.00	1,855,140.00	(242,100.00)	273,664,440.00	48.47	847,712.16	3.12	536,213.31	1.97
6	<u>629,458,203.00</u>	<u>2,989,870.00</u>	<u>(242,100.00)</u>	<u>632,205,973.00</u>		<u>1,961,391.76</u>		<u>1,240,662.12</u>	
7									
8 BASE FIXED ENERGY									
9 CENTURY ALUMINUM (Special Contract)	350,963,480.00								
10 ALCAN RIO TINTO (Special Contract)	267,955,520.00								
11	<u>618,919,000.00</u>								
12									
13									
14									
15 BASE VARIABLE ENERGY									
16 CENTURY ALUMINUM (Special Contract)	6,443,323.00								
17 ALCAN RIO TINTO (Special Contract)	4,095,880.00								
18	<u>10,539,203.00</u>								
19									
20									
21									
22									
23 CENTURY ALUMINUM (Special Contract)		1,020,014.18	0.00	34,873.46	(2,045.99)				
24 ALCAN RIO TINTO (Special Contract)		778,766.02	(7,063.41)	73,334.42	3,424.12				
25		<u>1,798,780.20</u>	<u>(7,063.41)</u>	<u>108,207.88</u>					
26 CENTURY ALUMINUM (Special Contract)									
27 ALCAN RIO TINTO (Special Contract)									
28									
29 BALANCE AS SHOWN ON									
30 OPERATING REPORT									

Case No. 2012-00323
Witness: Ralph A. Ashworth
Attachment for Response to Staff Item 6
Page 27 of 36

Big Rivers Electric Corporation Monthly Billing Summary Smelters November 2011

		NONFAC PPA AMT	MILLS	SURCHARGE	TOTAL FAC.ES, NONFAC PPA, SURCHARGE
1	MARCH 2012				
2	3 BASE MONTHLY ENERGY -				
4	CENTURY ALUMINUM (Special Contract)	(158,688.62)	(0.44)	652,704.18	2,312,143.97
5	ALCAN RIO TINTO (Special Contract)	(120,790.82)	(0.44)	498,331.62	1,761,466.27
6		<u>(279,479.44)</u>		<u>1,151,035.80</u>	<u>4,073,610.24</u>
7	8 BASE FIXED ENERGY				
8	CENTURY ALUMINUM (Special Contract)	0.0394820			13,839,191.94
9	ALCAN RIO TINTO (Special Contract)				10,566,022.06
10	11				
11	12				
12	13				
13	14				
14	15 BASE VARIABLE ENERGY				
15	CENTURY ALUMINUM (Special Contract)	0.0218060			106,703.77
16	ALCAN RIO TINTO (Special Contract)				21,852.72
17	18				
18	19				
19	20				
20	21				
21	22				
22	23 CENTURY ALUMINUM (Special Contract)				1,052,841.65
23	ALCAN RIO TINTO (Special Contract)				848,461.15
24	25				
25	26 CENTURY ALUMINUM (Special Contract)				17,310,881.33
26	ALCAN RIO TINTO (Special Contract)				13,197,802.20
27	28				30,508,683.53
28	29				
29	30 BALANCE AS SHOWN ON OPERATING REPORT				<u>30,508,683.53</u>

Big Rivers Electric Corporation Monthly Billing Summary Smelters November 2011

	PLUS SUPPLEMENTAL		PLUS BACK UP ENERGY	LESS SALES	TOTAL KWH	REV \$ MILLS/KWH	FAC		ES	
							AMT	MILLS	AMT	LS
1 APRIL 2012										
2 3 BASE MONTHLY ENERGY -										
3 CENTURY ALUMINUM										
4 (Special Contract)	346,156,125.00	0.00	1,047,286.00	0.00	347,203,411.00	49.52	1,018,737.48	2.94	796,851.40	2.30
5 ALCAN RIO TINTO										
6 (Special Contract)	264,135,325.00	0.00	1,741,062.00	0.00	265,876,387.00	49.46	777,350.26	2.94	608,039.52	2.30
7	<u>610,291,450.00</u>	<u>0.00</u>	<u>2,788,348.00</u>	<u>0.00</u>	<u>613,079,798.00</u>		<u>1,796,087.74</u>		<u>1,404,890.92</u>	
8 BASE FIXED ENERGY										
9 CENTURY ALUMINUM										
10 (Special Contract)	340,099,200.00									
11 ALCAN RIO TINTO										
12 (Special Contract)	259,660,800.00									
13	<u>599,760,000.00</u>									
14										
15 BASE VARIABLE ENERGY										
16 CENTURY ALUMINUM										
17 (Special Contract)	6,056,925.00									
18 ALCAN RIO TINTO										
19 (Special Contract)	4,474,525.00									
20	<u>10,531,450.00</u>									
21										
22										
23 CENTURY ALUMINUM										
24 (Special Contract)			1,020,014.18	0.00	29,982.53				(41,246.48)	
25 ALCAN RIO TINTO										
26 (Special Contract)			778,766.02	0.00	50,970.29				(31,491.08)	
27			<u>1,798,780.20</u>	<u>0.00</u>	<u>80,952.82</u>				<u>(72,737.56)</u>	
28										
29 CENTURY ALUMINUM										
30 (Special Contract)										
31 ALCAN RIO TINTO										
32 (Special Contract)										
33										
34 BALANCE AS SHOWN ON										
35 OPERATING REPORT										

Big Rivers Electric Corporation
Monthly Billing Summary
Sales to Electric Utilities
November 2011

	NOVEMBER 2011	KWH	AMOUNT	REVENUE \$ MILLS/KWH
1				
2				
3	SPECIAL SALES TO RUS BORROWERS:			
4				
5				
6	KENERGY-DOMTAR COGEN	106,278	3,855.62	36.28
7	POWERSOUTH ENERGY COOP			
8				
9	TOTAL SPECIAL SALES TO RUS BORROWERS			
10		106,278	3,855.62	36.28
11				
12				
13	TO OTHER THAN RUS BORROWERS:			
14				
15	AMERICAN ELECTRIC POWER	33,600,000	1,222,200.00	36.38
16	CARGILL	16,800,000	609,000.00	36.25
17	CONSTELLATION	18,432,000	552,960.00	30.00
18	EDF	18,428,000	539,019.00	29.25
19	HMPL	0	0.00	0.00
20	KENTUCKY UTILITIES	0	0.00	0.00
21	MISO	103,547,300	2,876,751.09	27.78
22	PJM INTERCONNECTION ^a		(1,082.07)	
23				
24	TOTAL TO OTHER THAN RUS BORROWERS			
25		190,807,300	5,798,848.02	30.39
26				
27	TOTAL SALES FOR RESALE NOVEMBER 2011			
		190,913,578	5,802,703.64	30.39

^a PJM Interconnection reflects invoiced amount adjusting sales transactions for the period October 2009 through November 2010.

Case No. 2012-00323

Witness: Ralph A. Ashworth

Attachment for Response to Staff Item 6

Page 31 of 36

**Big Rivers Electric Corporation
 Monthly Billing Summary
 Sales to Electric Utilities
 December 2011**

1	DECEMBER 2011	KWH	AMOUNT	REVENUE \$ MILLS/KWH
2				
3	SPECIAL SALES TO RUS BORROWERS:			
4				
5				
6	KENERGY-DOMTAR COGEN	1,090,444	32,466.98	29.77
7	POWERSOUTH ENERGY COOP			
8				
9	TOTAL SPECIAL SALES TO RUS BORROWERS	1,090,444	32,466.98	29.77
10				
11				
12				
13	TO OTHER THAN RUS BORROWERS:			
14				
15	AMERICAN ELECTRIC POWER	37,200,000	1,270,740.00	34.16
16	CARGILL	0	0.00	0.00
17	CONSTELLATION	0	0.00	0.00
18	EDF	0	0.00	0.00
19	HMPL	0	0.00	0.00
20	KENTUCKY UTILITIES	0	0.00	0.00
21	MISO	158,270,000	4,085,416.99	25.81
22	PJM INTERCONNECTION ^a		(197.16)	
23				
24	TOTAL TO OTHER THAN RUS BORROWERS	195,470,000	5,355,959.83	27.40
25				
26				
27	TOTAL SALES FOR RESALE DECEMBER 2011	196,560,444	5,388,426.81	27.41

^a PJM Interconnection reflects invoiced amount adjusting sales transactions for the period January 2010 through November 2010.

**Big Rivers Electric Corporation
 Monthly Billing Summary
 Sales to Electric Utilities
 January 2012**

	JANUARY 2012	KWH	AMOUNT	REVENUE \$ MILLS/KWH
1				
2				
3	SPECIAL SALES TO RUS BORROWERS:			
4				
5				
6	KENERGY-DOMTAR COGEN	1,184,090	34,795.33	29.39
7	POWERSOUTH ENERGY COOP			
8				
9	TOTAL SPECIAL SALES TO RUS BORROWERS			
10		1,184,090	34,795.33	29.39
11				
12				
13	TO OTHER THAN RUS BORROWERS:			
14				
15	AMERICAN ELECTRIC POWER	0	0.00	0.00
16	CARGILL	0	0.00	0.00
17	CONSTELLATION	0	0.00	0.00
18	EDF	0	0.00	0.00
19	HMPL	0	0.00	0.00
20	KENTUCKY UTILITIES	0	0.00	0.00
21	MISO	89,364,600	2,474,094.50	27.69
22	PJM INTERCONNECTION	0	0.22	0.00
23				
24	TOTAL TO OTHER THAN RUS BORROWERS			
25		89,364,600	2,474,094.72	27.69
26				
27	TOTAL SALES FOR RESALE JANUARY 2012			
		90,548,690	2,508,890.05	27.71

Big Rivers Electric Corporation
Monthly Billing Summary
Sales to Electric Utilities
February 2012

	FEBRUARY 2012	KWH	AMOUNT	REVENUE \$ MILLS/KWH
1				
2				
3	SPECIAL SALES TO RUS BORROWERS:			
4				
5				
6	KENERGY-DOMTAR COGEN	8,950,446	248,728.30	27.79
7	POWERSOUTH ENERGY CORP	460,000	17,325.40	37.66
8				
9	TOTAL SPECIAL SALES TO RUS BORROWERS	9,410,446	266,053.70	28.27
10				
11				
12				
13	TO OTHER THAN RUS BORROWERS:			
14				
15	AMERICAN ELECTRIC POWER	0	0.00	0.00
16	CARGILL	0	0.00	0.00
17	CONSTELLATION	0	0.00	0.00
18	EDF	0	0.00	0.00
19	HMPL	0	0.00	0.00
20	KENTUCKY UTILITIES	0	0.00	0.00
21	MISO	50,475,700	1,331,848.41	26.39
22	PJM INTERCONNECTION	0	0.00	0.00
23				
24	TOTAL TO OTHER THAN RUS BORROWERS	50,475,700	1,331,848.41	26.39
25				
26				
27	TOTAL SALES FOR RESALE FEBRUARY 2012	59,886,146	1,597,902.11	26.68

Big Rivers Electric Corporation
Monthly Billing Summary
Sales to Electric Utilities
March 2012

1	MARCH 2012	KWH	AMOUNT	REVENUE \$
2				MILLS/KWH
3	SPECIAL SALES TO RUS BORROWERS:			
4				
5				
6	KENERGY-DOMTAR COGEN	36,007,190	1,052,083.36	29.22
7	POWERSOUTH ENERGY CORP	0	0.00	0.00
8				
9	TOTAL SPECIAL SALES TO RUS BORROWERS	36,007,190	1,052,083.36	29.22
10				
11				
12				
13	TO OTHER THAN RUS BORROWERS:			
14				
15	AMERICAN ELECTRIC POWER	0	0.00	0.00
16	CARGILL	0	0.00	0.00
17	CONSTELLATION	0	0.00	0.00
18	EDF	0	0.00	0.00
19	HMPL	0	0.00	0.00
20	KENTUCKY UTILITIES	0	0.00	0.00
21	MISO	85,324,500	1,919,229.41	22.49
22	PJM INTERCONNECTION	0	0.00	0.00
23				
24	TOTAL TO OTHER THAN RUS BORROWERS	85,324,500	1,919,229.41	22.49
25				
26				
27	TOTAL SALES FOR RESALE MARCH 2012	121,331,690	2,971,312.77	24.49

Big Rivers Electric Corporation
Monthly Billing Summary
Sales to Electric Utilities
April 2012

1	APRIL 2012	KWH	AMOUNT	REVENUE \$ MILLS/KWH
2				
3	SPECIAL SALES TO RUS BORROWERS:			
4				
5				
6	KENERGY-DOMTAR COGEN	36,961,579	1,002,220.51	27.12
7	POWERSOUTH ENERGY CORP	0	0.00	0.00
8				
9	TOTAL SPECIAL SALES TO RUS BORROWERS	36,961,579	1,002,220.51	27.12
10				
11				
12				
13	TO OTHER THAN RUS BORROWERS:			
14				
15	AMERICAN ELECTRIC POWER	0	0.00	0.00
16	CARGILL	0	0.00	0.00
17	CONSTELLATION	0	0.00	0.00
18	EDF	0	0.00	0.00
19	HMPPL	6,971,166	182,100.03	26.12
20	KENTUCKY UTILITIES	0	0.00	0.00
21	MISO	68,134,200	1,805,195.59	26.49
22	PJM INTERCONNECTION ^a	0	(41.40)	0.00
23				
24	TOTAL TO OTHER THAN RUS BORROWERS	75,105,366	1,987,254.22	26.46
25				
26				
27	TOTAL SALES FOR RESALE APRIL 2012	112,066,945	2,989,474.73	26.68

^a PJM Interconnection reflects invoiced amount adjusting sales transactions for the period February 2010 through September 2010.

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 **Item 7)** *List Big Rivers' scheduled, actual, and forced outages from*
2 *November 1, 2011 through April 30, 2012.*

3

4 **Response)** Please see the attached summary for the requested information
5 regarding scheduled ("S"), actual ("A"), and forced ("F") outages.

6

7 **Witness)** Lawrence V. Baronowsky

8

Big Rivers Electric Corporation

Scheduled ("S"), Actual ("A"), and Forced ("F") Outages

November 1, 2011 thru April 30, 2012

Reid Station Unit #1 - Coal - 65MW Net
November 1, 2011 thru April 30, 2012

Schedule vs. Actual

MONTH	TYPE	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
		Scheduled		Actual		Scheduled	Actual	
		FROM	TO	FROM	TO			
November		No Outages						
December		No Outages						
January		No Outages						
February	S,A	2/16/2012 6:00	2/20/2012 6:00	2/16/2012 6:00	2/19/2012 20:45	96:00	86:45	Unit was removed from reserve standby for testing and repairs to the #1 Tie Transformer (Start Up Power).
March	S,A	3/27/2012 0:00	3/28/2012 16:00	3/27/2012 0:00	3/28/2012 18:00	40:00	42:00	Unit was removed from reserve standby to repair the main steam stop valve for short term lay up.
April	S,A	4/6/2012 7:00	4/8/2012 7:00	4/6/2012 7:00	4/8/2012 8:10	48:00	49:10	Unit was removed from reserve standby to locate an oil leak on the #1 Tie Transformer (Start Up Power).
	F			4/13/2012 2:30	4/14/2012 15:00		36:30	Unit was removed from reserve standby to clean resin contamination from the condensate and feed water systems due to an effluent screen failure in the water treatment plant mixed bed vessel.
	S,A	4/28/2012 12:00		4/28/2012 12:00		60:00	60:00	Unit was removed from reserve standby to repair the oil leak on the #1 Tie Transformer (Start Up Power) that was located earlier.

Big Rivers Electric Corporation Scheduled ("S"), Actual ("A"), and Forced ("F") Outages November 1, 2011 thru April 30, 2012

Reid Station Unit #2 - Combustion Turbine - Oil/Gas - 65MW Net
November 1, 2011 thru April 30, 2012

Schedule vs. Actual

MONTH	TYPE	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE	
		Scheduled FROM	Scheduled TO	Actual FROM	Actual TO	Scheduled	Forced Actual		
November		No Outages							
December	S,A	12/5/2011 6:00	12/5/2011 18:00	12/5/2011 6:00	12/5/2011 7:08	12:00	1:08	Unit was removed from reserve standby to work on the cranking motor transformer. Planned maintenance was discontinued due to incimate weather.	
	S,A	12/6/2011 5:00	12/6/2011 17:00	12/6/2011 5:13	12/7/2011 17:45	12:00	36:32	'Unit was removed from reserve standby to work on the cranking motor transformer. Outage was extended to purify the insulating oil in the transformer.	
	F			12/7/2011 17:45	12/8/2011 13:23		19:38	Outage class was changed to UO1 Forced when a differential alarm relay was activated on the GSU transformer when returning the cranking motor transformer to service.	
January	F			1/10/2012 6:35	1/10/2012 7:45		1:10	Starting failure was declared when the unit did not tie on line within the allotted time due to low oil pressure trip. The alarm was cleared and the unit was started successfully.	
	S,A	1/16/2012 9:30	1/16/2012 12:30	1/16/2012 9:30	1/16/2012 12:35	3:00	3:05	Unit was removed from reserve standby to replace #3 and #4 gas detectors.	
	S,A	1/17/2012 9:30	1/17/2012 11:00	1/17/2012 9:20	1/17/2012 10:50	1:30	1:30	Unit was removed from reserve standby to calibrate #3 and #4 gas detectors.	
	S,A	1/19/2012 13:00	1/19/2012 14:00	1/19/2012 12:50	1/19/2012 14:11	1:00	1:21	Unit was removed from reserve standby to calibrate #4 gas detector.	
February	S,A	2/3/2012 8:00	2/3/2012 13:30	2/3/2012 8:00	2/3/2012 13:30	5:30	5:30	Unit was removed from reserve standby to replace and reroute the wiring to #3 and #4 gas detectors.	
March	F			3/10/2012 10:25	3/10/2012 11:14		0:49	Unit was removed from reserve standby to repair 1172 line breaker.	
April	F			4/3/2012 9:30	4/3/2012 12:25		2:55	Unit was removed from reserve standby to repair a natural gas leak on a secondary gas regulator at the reducing station.	

Case No. 2012-00323
Witness: Lawrence V. Baronowsky
Attachment for Response to Staff Item 7
Page 2 of 10

Big Rivers Electric Corporation

Scheduled ("S"), Actual ("A"), and Forced ("F") Outages

November 1, 2011 thru April 30, 2012

Henderson Station Two - Unit #1 - Coal - 153MW Net
 November 1, 2011 thru April 30, 2012

Schedule vs. Actual

MONTH	TYPE	MAINTENANCE		Actual		HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
		Scheduled	TO	FROM	TO	Scheduled	Forced	Actual	
November	F				11/1/2011 1:10			1:10	External waterwall tube leak.
	F				11/1/2011 7:07			24:54	Unit tripped on high furnace pressure when the scrubber bypass damper went closed unexpectedly.
December		No Outages							
January	S,A	1/6/2012 0:00	1/9/2012 0:00	1/6/2012 2:40	1/8/2012 22:46	72:00		68:06	Unit was removed from service to wash the air heaters and repair an external waterwall tube leak.
February	F			1/9/2012 19:26	1/11/2012 18:33			47:07	Superheater tube leak.
March	F			3/6/2012 12:50	3/8/2012 2:17			37:27	Internal waterwall tube leak.
	F			3/9/2012 23:19	3/10/2012 10:34			11:15	Unit was removed from service to repair a steam leak on the deaerator manway door.
	F			3/14/2012 3:04	3/15/2012 10:35			31:31	Superheater tube leak.
	S,A	3/31/2012 0:00		3/31/2012 0:52		24:00		23:08	Unit was removed from service for 32 day planned outage.
April	S,A					720:00		720:00	Unit was removed from service for 32 day planned outage.

Big Rivers Electric Corporation

Scheduled ("S"), Actual ("A"), and Forced ("F") Outages

November 1, 2011 thru April 30, 2012

Henderson Station Two - Unit #2 - Coal - 159MW Net
November 1, 2011 thru April 30, 2012

Schedule vs. Actual

MONTH	TYPE	MAINTENANCE				REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE	
		Scheduled		Actual		Scheduled	Actual
		FROM	TO	FROM	TO		
November	No Outages						
December	F	12/15/2011 16:41	12/16/2011 22:53	30:12			Tripped on loss of field to the generator due to a short circuit in the excitation wiring caused by a tube leak in the exciter cooling heat exchanger.
January	F	12/29/2011 9:47	12/31/2011 4:26	42:39			Tripped on high furnace pressure due to a water wall tube leak.
February	F	2/6/2012 21:01	2/7/2012 10:01	13:00			Unit was removed from service due to an economizer tube leak. The Unit was scheduled to begin a 10 day planned outage on 2/8/2012 at 00:00.
March	S,A	2/18/2012 0:00	2/18/2012 0:00	240:00	313:22		After the tube leak was repaired on 2/7/2012 10:01 the outage classification was changed from class 3 forced to Planned Maintenance Outage. The planned maintenance outage was extended to reduce overtime and reduce cost since the unit was not needed for generation and would be placed on standby status.
April	F	4/12/2012 19:42	4/15/2012 10:35	62:53			Unit was removed from service to clean resin contamination from the condensate and feed water systems due to an effluent screen failure in the water treatment plant mixed bed vessel.
	F	4/15/2012 10:35	4/15/2012 12:13	1:38			A starting failure was declared when the middle phase of disconnect 0189 did not close automatically.
	S,A	4/29/2012 0:00	4/29/2012 0:53	48:00	47:07		Unit was removed from service to repair an oil leak on the #1 tie transformer in the switchyard.

Big Rivers Electric Corporation

Scheduled ("S"), Actual ("A"), and Forced ("F") Outages

November 1, 2011 thru April 30, 2012

Green Station Unit #1 - Coal/Pet coke - 231MW Net
November 1, 2011 thru April 30, 2012

Schedule vs. Actual

MONTH	TYPE	MAINTENANCE		Actual		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
		Scheduled	TO	FROM	TO	Scheduled	Forced	
November	S,A	11/11/2011 23:00	----->	----->	11/10/2011 16:34	263:00	232:34	Unit was removed from service for a 21 day planned maintenance outage.
	F			11/10/2011 18:41	11/11/2011 2:05	7:24		Unit was removed from service to repair a steam leak on TCS-4 thermocouple on the turbine 1st stage inner lower surface
	F			11/11/2011 3:15	11/11/2011 3:54	0:39		Unit tripped on high drum level during start up
	S,A	11/30/2011 0:00	----->	11/29/2011 23:23	----->	24:00	24:37	Unit was removed from service to repair an external tube leak
December	S,A	12/2/2011 0:00	----->	----->	12/2/2011 2:27	24:00	26:27	Unit was removed from service to repair an external tube leak
January								No Outages
February								No Outages
March								No Outages
April								No Outages

Big Rivers Electric Corporation

Scheduled ("S"), Actual ("A"), and Forced ("F") Outages

November 1, 2011 thru April 30, 2012

Green Station Unit #2 - Coal/Pet coke - 223MW Net
November 1, 2011 thru April 30, 2012

Schedule vs. Actual

MONTH	TYPE	MAINTENANCE		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
		Scheduled	Actual	Scheduled	Actual	
		FROM	TO	FROM	TO	
November	No Outages					
December	F			12/4/2011 13:05	12/7/2011 19:56	78:51 Unit was removed from service due to high furnace pressure caused by air inleakage and ID Fan overload.
	F			12/7/2011 20:49	12/8/2011 17:35	20:46 Unit tripped on low vacuum during start up. While unit was offline maintenance repaired an oil leak on the generator seal oil unit.
January	No Outages					
February	No Outages					
March	No Outages					
April	No Outages					

Big Rivers Electric Corporation

Scheduled ("S"), Actual ("A"), and Forced ("F") Outages

November 1, 2011 thru April 30, 2012

Coleman Station Unit #1 - Coal - 150MW Net
November 1, 2011 thru April 30, 2012

Schedule vs. Actual

MONTH	TYPE	MAINTENANCE		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE	
		Scheduled	Actual	Scheduled	Actual		
		FROM	TO	FROM	TO		
November	F	11/5/2011 22:49	11/10/2011 11:36	108:47		Unit was removed from service due to tube leaks in the reheater section.	
	F	11/11/2011 17:17	11/13/2011 22:54	53:37		Unit was removed from service due to tube leaks in the reheater section.	
December	S,A	12/3/2011 0:00	12/4/2011 0:00	24:00	23:59	Unit was removed from service to repair a hole in the West Side ROFA box and replace two expansion joints in the ROFA Duct.	
January		No Outages					
February	S,A	2/23/2012 23:00	2/26/2012 23:00	72:00	81:39	Unit was removed from service due to economic reasons and was placed on reserve standby. While the unit was offline maintenance replaced expansion joints in the ROFA duct and overhauled "B" Boiler Feed Pump.	
	F	2/29/2012 3:10	----->	20:50		Unit was removed from service due to a fire in #6 coal pipe that was caused by an obstruction in the pipe.	
March	F	----->	3/1/2012 19:32	19:32		Unit was removed from service due to a fire in #6 coal pipe that was caused by an obstruction in the pipe.	
April	F	4/2/2012 12:08	4/2/2012 17:15	5:07		The unit tripped on low condenser vacuum due to a malfunction of "A" condenser vacuum pump.	
	F	4/10/2012 1:03	4/10/2012 2:31	1:28		The unit was removed from service to remove a piece of metal from the east side wetbottom sluice gate and repair the slag grinder.	
	F	4/11/2012 12:23	4/14/2012 21:59	81:36		Unit was removed from service due to tube leaks in the reheater section.	
	F	4/23/2012 7:24	4/30/2012 2:02	162:38		The unit was removed from service due to tube leaks in the economizer section. After the tube leaks were repaired at 10:00 AM on 4/28/2012 the unit was placed on reserve standby status for 40 hrs. and 2 min.	

Big Rivers Electric Corporation

Scheduled ("S"), Actual ("A"), and Forced ("F") Outages

November 1, 2011 thru April 30, 2012

Coleman Station Unit #2 - Coal - 138MW Net
November 1, 2011 thru April 30, 2012

Schedule vs. Actual

MONTH	TYPE	MAINTENANCE		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
		Scheduled FROM	Scheduled TO	Scheduled	Actual	

November	S,A	11/23/2011 23:00	11/25/2011 23:00	11/23/2011 23:00	11/26/2011 6:01	48:00	55:01	The unit was removed from service for a two day planned outage to wash the air heaters and deslag the boiler.
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December No Outages

January No Outages

February	S,A	2/29/2012 0:00	----->	2/28/2012 23:40	----->	24:00	24:20	Unit was removed from service for economic reasons and placed on reserve standby.
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March	S,A	----->	3/2/2012 6:00	----->	3/2/2012 5:55	30:00	29:55	Unit was removed from service for economic reasons and placed on reserve standby.
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April No Outages

Big Rivers Electric Corporation

Scheduled ("S"), Actual ("A"), and Forced ("F") Outages

November 1, 2011 thru April 30, 2012

Coleman Station Unit #3 - Coal - 155MW Net
November 1, 2011 thru April 30, 2012

Schedule vs. Actual

MONTH	TYPE	MAINTENANCE		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
		Scheduled	Actual	Scheduled	Actual	
November	F	11/6/2011 18:56	11/14/2011 9:10	182:14		Unit was removed from service due to tube leaks in the secondary superheat section of the boiler.
	F	11/14/2011 12:40	11/15/2011 1:20	12:40		The unit tripped on low drum level due to a problem with the feed water regulator valve.
	F	11/16/2011 12:59	11/21/2011 0:01	107:02		Unit was removed from service due to tube leaks in the secondary superheat section of the boiler. Repairs were completed at 17:00 on 11/19/2011 and the unit was placed on reserve standby until 11/21/2011 at 00:01.
	F	11/21/2011 1:00	11/21/2011 10:54	9:54		The unit was removed from service due to a fire around the flange on the main steam line at the steam chest on top of the turbine.
December						No Outages
January						No Outages
February						No Outages
March	F	3/1/2012 12:55	3/2/2012 1:33	12:38		Unit tripped on low condenser vacuum due to a broken shaft on "B" Circulating Water Pump.
April						No Outages

Big Rivers Electric Corporation

Scheduled ("S"), Actual ("A"), and Forced ("F") Outages

November 1, 2011 thru April 30, 2012

Wilson Station - Unit #1 - Coal/Pet Coke - 417MW Net
November 1, 2011 thru April 30, 2012

Schedule vs. Actual

MONTH	TYPE	MAINTENANCE		FROM		TO		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
		Scheduled	Actual	Scheduled	Actual	Scheduled	Actual	Scheduled	Actual	
November										
		No Outages								
December										
		No Outages								
January										
		No Outages								
February	F			2/1/2012 0:10		2/2/2012 15:27		39:17		The unit was removed from service due to a waterwall tube leak.
March	S,A	3/2/2012 0:00	3/16/2012 0:00	3/2/2012 23:57	3/17/2012 0:41	3/17/2012 0:41	336:00	335:44		Unit was removed from service for a 14 day planned outage. Shift from CST to CDST on 3/11/2012 02:00
	F			3/30/2012 4:05		3/31/2012 23:57		43:52		The unit was removed from service due to a tube leak in the convection pass partition wall. Repairs were completed at 02:45 on 3/31/2012 and the unit was placed on reserve standby for 21 hrs. 12 min. until 3/31/2012 23:57
April	F			4/2/2012 22:18		4/3/2012 14:28		16:10		The unit tripped on a distance relay in the switchyard due to an external disturbance on the grid, resulting in a black plant situation. The rupture disks on both LP turbine exhaust hoods were deployed and had to be replaced before start up.
	F			4/11/2012 14:57		4/11/2012 22:09		7:12		The unit tripped on MFT due to loss of both ID and FD Fans.

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 **Item 8)** *List all existing fuel contracts categorized as long-term (i.e.,*
2 *one year or more in length). Provide the following information for each*
3 *contract:*

- 4
- 5 *a. Supplier's name and address;*
- 6 *b. Name and location of production facility;*
- 7 *c. Date when contract was executed;*
- 8 *d. Duration of contract;*
- 9 *e. Date(s) of each contract revision, modification, or*
10 *amendment;*
- 11 *f. Annual tonnage requirements;*
- 12 *g. Actual annual tonnage received since the contract's*
13 *inception;*
- 14 *h. Percent of annual requirements received during the*
15 *contract's term;*
- 16 *i. Base price in dollars per ton;*
- 17 *j. Total amount of price escalations to date in dollars per*
18 *ton; and*
- 19 *k. Current price paid for coal under the contract in dollars*
20 *per ton (i + j).*

21

22 **Response)** Please see the attached schedule.

23

24 **Witness)** Mark W. McAdams

25

**Big Rivers Electric Corporation
Long-Term Fuel Contract Information**

A. NAME / ADDRESS: Marathon Petroleum
539 South Main Street
Findlay, OH 45840

B. PRODUCTION FACILITY: Coker Facility
Garyville, Louisiana

C. CONTRACT EXECUTED DATE: November 30, 2000
July 17, 2009 (*Assumed by Big Rivers Electric*)

D. CONTRACT DURATION: December 31, 2011

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE REQUIREMENTS: 2009 – 183,014 tons (400,000 / 365 x 167)
2010 – 400,000 tons
2011 – 400,000 tons

G. ACTUAL TONNAGE: 2009 – 217,477.00 tons
2010 (*Jan-Apr*) – 138,478.83 tons
2010 (*May-Oct*) – 205,671.39 tons
2010/2011 (*Nov-Apr*) – 178,591.11 tons
2011 (*May-Oct*) – 267,563.78 tons
2011/2012 (*Nov-Apr*) – 78,458.27 tons

H. PERCENT OF ANNUAL REQUIREMENTS: 2009 – 100.00 % *
2010 – 100.00 % *
2011 – 100.00 % *

* Annual tonnage requirements are based on an estimate. Big Rivers is contracted to receive one-half of Marathon Petroleum's coker production. The amount received within a given year is considered to be 100% of the annual requirement.

I. BASE PRICE: 2009 (Green/Wilson) - \$ 13.3700 per ton
2010 (Green/Wilson) - \$ 13.3700 per ton
2011 (Green/Wilson) - \$ 13.3700 per ton

J. ESCALATIONS TO DATE Wilson Plant (Barging Fee)
4th Quarter 2009 - \$ 1.7500 per ton
1st Quarter 2010 - \$ 1.7900 per ton
2nd Quarter 2010 - \$ 1.8300 per ton
3rd Quarter 2010 - \$ 1.8500 per ton
4th Quarter 2010 - \$ 1.8400 per ton
1st Quarter 2011 - \$ 1.9300 per ton
2nd Quarter 2011 - \$ 2.0300 per ton
3rd Quarter 2011 - \$ 2.1300 per ton
4th Quarter 2011 - \$ 1.2900 per ton

K. CURRENT CONTRACT PRICE: N/A – complete

**Big Rivers Electric Corporation
Long-Term Fuel Contract Information**

A. NAME / ADDRESS: Oxford Mining Company
544 Chestnut Street
Coshocton, OH 43812

B. PRODUCTION FACILITY: Schoate Preparation Plant
Muhlenberg County, Kentucky

C. CONTRACT EXECUTED DATE: October 31, 2007
July 17, 2009 (*Assumed by Big Rivers Electric*)

D. CONTRACT DURATION: Terminated March 2, 2012

E. CONTRACT AMENDMENTS: July 1, 2010 (*Amended and Restated*)

F. ANNUAL TONNAGE REQUIREMENTS: 2009 Quality A – 50,411 tons (200,000 / 365 x 92)
2009 Quality B – 75,616 tons (300,000 / 365 x 92)
2010 Quality A – 185,146 tons
2010 Quality B – 564,854 tons
2011 Quality B – 750,000 tons
2012 Quality B or C (*Optional*) – 800,000 tons
2013 Quality B or C (*Optional*) – 200,000 tons
2014 Quality B or C (*Optional*) – 800,000 tons
2014 Quality B or C (*Optional*) – 200,000 tons
2015 Quality B or C (*Optional*) – 800,000 tons
2015 Quality B or C (*Optional*) – 200,000 tons
2016 Quality B or C (*Optional*) – 800,000 tons

G. ACTUAL TONNAGE: 2009 Quality A – 86,816.95 tons
2009 Quality B – 77,388.86 tons
2010 Quality A (*Jan-Apr*) – 129,917.81 tons
2010 Quality B (*Jan-Apr*) – 137,397.15 tons
2010 Quality A (*May-Oct*) – 176,658.83 tons
2010 Quality B (*May-Oct*) – 191,876.67 tons
2010/2011 Quality B (*Nov-Apr*) – 368,579.66 tons
2011 Quality B (*May-Oct*) – 366,146.21 tons
2011/2012 Quality B (*Nov-Apr*) – 179,817.37 tons

H. PERCENT OF ANNUAL REQUIREMENTS: 2009 Quality A – 172.22 %
2009 Quality B – 102.34 %
2010 Quality A – 165.59 %
2010 Quality B – 80.70 %
2011 Quality B – 97.29 %
2012 Quality B – 7.74 %

**Big Rivers Electric Corporation
Long-Term Fuel Contract Information**

Oxford Mining Company Fuel Contract Information (continued)

I. BASE PRICE:	2009 Quality A - \$ 33.7531 per ton
	2009 Quality B - \$ 30.7146 per ton
	2010 Quality A - \$ 34.7656 per ton
	2010 Quality B (<i>Jan-Jun</i>) - \$ 31.6365 per ton
	2010 Quality B (<i>Jul-Sept</i>) - \$ 31.4822 per ton
	2011 Quality B - \$ 32.4366 per ton
	2012 Quality B (<i>Optional</i>) - \$ 42.8442 per ton
	2012 Quality C (<i>Optional</i>) - \$ 48.1545 per ton
	2012 Quality D - \$ 51.5246 per ton
	2013 Quality B (<i>Optional</i>) - \$ 44.8392 per ton
	2012 Quality C (<i>Optional</i>) - \$ 50.2920 per ton
	2013 Quality D - \$ 53.7096 per ton
	2014 Quality B (<i>Optional</i>) - \$ 46.9182 per ton
	2012 Quality C (<i>Optional</i>) - \$ 52.5195 per ton
	2014 Quality D - \$ 55.9866 per ton
	2015 Quality B (<i>Optional</i>) - \$ 49.0812 per ton
	2012 Quality C (<i>Optional</i>) - \$ 54.8370 per ton
	2015 Quality D - \$ 58.3566 per ton
J. ESCALATION TO DATE:	None
K. CURRENT CONTRACT PRICE:	\$42.8442 – Jan-March 2, 2012

**Big Rivers Electric Corporation
Long-Term Fuel Contract Information**

A. NAME / ADDRESS: Patriot Coal Sales, LLC.
12312 Olive Boulevard, Suite 400
St. Louis, Mo 63141

B. PRODUCTION FACILITY: Freedom Mine
Henderson County, Kentucky

C. CONTRACT EXECUTED DATE: January 1, 2009
July 17, 2009 (*Assumed by Big Rivers Electric*)

D. CONTRACT DURATION: December 31, 2012

E. CONTRACT AMENDMENTS: November 1, 2008
November 1, 2010
June 2, 2011

F. ANNUAL TONNAGE REQUIREMENTS: 2009 – 283,671 tons (*620,000 / 365 x 167*)
2010 – 1,000,000 tons
2011 – 1,000,000 tons
2012 – 108,000 tons

G. ACTUAL TONNAGE: 2009 – 289,814.70 tons
2010 (*Jan-Apr*) – 306,690.40 tons
2010 (*May-Oct*) – 474,806.80 tons
2010/2011 (*Nov-Apr*) – 519,124.98 tons
2011 (*May-Oct*) – 513,773.00 tons
2012 (*Nov-Apr*) – 166,814.40 tons

H. PERCENT OF ANNUAL REQUIREMENTS: 2009 – 102.17 %
2010 – 98.26 %
2011 – 98.96 %
2012 – 28.10 %

I. BASE PRICE: 2009 - \$ 38.5000 per ton
2010 - \$ 39.5010 per ton
2011 - \$ 40.4998 per ton
2012 - \$ 43.2190 per ton

J. ESCALATIONS TO DATE: 2nd Quarter 2010 - \$ 0.5456 per ton
3rd Quarter 2010 - \$ 0.9582 per ton
4th Quarter 2010 - \$ 0.8670 per ton
1st Quarter 2011 - \$ 1.1342 per ton
2nd Quarter 2011 - \$ 1.8822 per ton
3rd Quarter 2011 - \$ 2.4500 per ton
4th Quarter 2011 - \$ 2.7192 per ton

K. CURRENT CONTRACT PRICE: 2012 - \$ 43.2190 per ton

**Big Rivers Electric Corporation
Long-Term Fuel Contract Information**

A. NAME / ADDRESS: Foresight Coal Sales, LLC
3801 PGA Boulevard
Palm Beach Gardens, FL 33410

B. PRODUCTION FACILITY: Shay #1 Mine
Macoupin County, Illinois

C. CONTRACT EXECUTED DATE: March 20, 2009
July 17, 2009 (*Assumed by Big Rivers Electric*)

D. CONTRACT DURATION: June 30, 2012

E. CONTRACT AMENDMENTS: April 27, 2010
(*Modification to Quantity, Reduction in Base Price,
and Term Extension*)
January 1, 2012

F. ANNUAL TONNAGE REQUIREMENTS: 2009 – 94,880 tons
2010 – 230,000 tons
2011 – 175,120 tons

G. ACTUAL TONNAGE: 2009 – 69,036.30 tons
2010 (*Jan-Apr*) – 25,889.30 tons
2010 (*May-Oct*) – 190,554.00 tons
2010/2011 (*Nov-Apr*) – 75,383.72 tons
2011 (*May-Oct*) – 61,332.40 tons
2011/2012 (*Nov-Apr*) – 53,928.50 tons

H. PERCENT OF ANNUAL REQUIREMENTS: 2009 – 72.76 %
2010 – 108.45 %
2011 – 82.33 %
2012 – 7.69 %

I. BASE PRICE: 2009 - \$ 61.0009 per ton
2010 - \$ 50.4200 per ton
2011 - \$ 50.4200 per ton
2012 - \$ 50.4200 per ton

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE 2012 - \$ 50.4200 per ton

**Big Rivers Electric Corporation
Long-Term Fuel Contract Information**

A. NAME / ADDRESS: Allied Resources, Inc.
15 New Steamport Road
Sebree, KY 42455

B. PRODUCTION FACILITY: Onton No. 9 Mine
Webster County, Kentucky

C. CONTRACT EXECUTED DATE: January 1, 2009
July 17, 2009 (*Assumed by Big Rivers Electric*)

D. CONTRACT DURATION: December 31, 2011

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE REQUIREMENTS: 2010 – 650,000 tons
2011 – 500,000 tons

G. ACTUAL TONNAGE: 2010 (*Jan-Apr*) – 234,587.06 tons
2010 (*May-Oct*) – 296,812.05 tons
2010/2011 (*Nov-Apr*) – 256,329.50 tons
2011 (*May-Oct*) – 249,880.70 tons
2011/2012 (*Nov-Apr*) – 116,275.00 tons

H. PERCENT OF ANNUAL REQUIREMENTS: 2010 – 99.02%
2011 – 99.82%

I. BASE PRICE: Quality A 2011 - \$ 47.0106 per ton
Quality B 2011 - \$ 46.3086 per ton
Quality C 2011 - \$ 45.3726 per ton

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: N/A - Complete

**Big Rivers Electric Corporation
Long-Term Fuel Contract Information**

A. NAME / ADDRESS: Alliance Coal, LLC
1717 South Boulder Avenue
Tulsa, OK 74119

B. PRODUCTION FACILITY: Cardinal Mine
Hopkins County, Kentucky

C. CONTRACT EXECUTED DATE: July 7, 2010

D. CONTRACT DURATION: December 31, 2013

E. CONTRACT AMENDMENTS: March 6, 2012 (Revised trucking/diesel fuel adj)

F. ANNUAL TONNAGE REQUIREMENTS: 2011 – 600,000 tons
2012 – 750,000 tons
2013 – 750,000 tons

G. ACTUAL TONNAGE: 2011 (*Nov-Apr*) – 218,179.81 tons
2011 (*May-Oct*) – 344,882.90 tons
2011/2012 (Nov-Apr) – 331,150.76 tons

H. PERCENT OF ANNUAL REQUIREMENTS: 2011 – 107.38 %
2012 – 33.32 %

I. BASE PRICE: Quality A 2011 - \$ 50.6904 per ton
Quality B 2011 - \$ 51.6504 per ton
Quality C 2011 - \$ 49.2461 per ton
Quality D 2011 - \$ 47.4996 per ton

Quality A 2012 - \$ 52.9704 per ton
Quality B 2012 - \$ 53.9736 per ton
Quality C 2012 - \$ 51.4622 per ton
Quality D 2012 - \$ 49.6363 per ton

Quality A 2013 - \$ 55.3536 per ton
Quality B 2013 - \$ 56.4024 per ton
Quality C 2013 - \$ 53.7773 per ton
Quality D 2013 - \$ 51.8696 per ton

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: Quality A 2012 - \$ 52.9704 per ton
Quality B 2012 - \$ 53.9736 per ton
Quality C 2012 - \$ 51.4622 per ton
Quality D 2012 - \$ 49.6363 per ton

**Big Rivers Electric Corporation
Long-Term Fuel Contract Information**

A. NAME / ADDRESS: Allied Resources, Inc.
15 New Steamport Road
Sebree, KY 42455

B. PRODUCTION FACILITY: Onton No. 9 Mine
Webster County, Kentucky

C. CONTRACT EXECUTED DATE: July 18, 2010

D. CONTRACT DURATION: December 31, 2015

E. CONTRACT AMENDMENTS: April 29, 2011
November 17, 2011
March 29, 2012 – Contract Assigned from Allied Resources to Sebree Mining, LLC

F. ANNUAL TONNAGE REQUIREMENTS: 2011 – 250,000 tons
2012 – 750,000 tons
2013 – 960,000 tons
2014 – 800,000 tons
2015 – 890,000 tons
2016 – 900,000 tons

G. ACTUAL TONNAGE: 2011 (*Jan-Apr*) – 68,149 tons
2011 (*May-Oct*) – 129,770 tons
2012 (*Nov-Apr*) – 229,637 tons

H. PERCENT OF ANNUAL REQUIREMENTS: 2011 – 96.26 %
2012 – 30.62 %

I. BASE PRICE: Quality A *Sebree Complex 2011* - \$ 50.5308 per ton
Quality B *Sebree Complex 2011* - \$ 48.6790 per ton
Quality C *Sebree Complex 2011* - \$ 47.1086 per ton
Quality D *Sebree Complex 2011* - \$ 44.2420 per ton
Quality A *Steamport Dock 2011* - \$ 49.9335 per ton
Quality B *Steamport Dock 2011* - \$ 48.0800 per ton
Quality C *Steamport Dock 2011* - \$ 46.5083 per ton
Quality D *Steamport Dock 2011* - \$ 43.6414 per ton
Quality A *Coleman Station 2011* - \$ 59.4325 per ton
Quality A *Sebree Complex 2012* - \$ 52.5500 per ton
Quality B *Sebree Complex 2012* - \$ 50.6259 per ton
Quality C *Sebree Complex 2012* - \$ 48.9946 per ton
Quality D *Sebree Complex 2012* - \$ 46.0108 per ton
Quality A *Steamport Dock 2012* - \$ 51.9551 per ton
Quality B *Steamport Dock 2012* - \$ 50.0269 per ton
Quality C *Steamport Dock 2012* - \$ 48.3943 per ton
Quality D *Steamport Dock 2012* - \$ 45.4102 per ton

**Big Rivers Electric Corporation
Long-Term Fuel Contract Information**

Allied Resources, Inc. [Execution Date – July 18, 2010] Fuel Contract Information (continued)

BASE PRICE (continued from prior page)

Quality A *Sebree Complex 2013* - \$ 54.9153 per ton
Quality B *Sebree Complex 2013* - \$ 53.8668 per ton
Quality C *Sebree Complex 2013* - \$ 52.1824 per ton
Quality D *Sebree Complex 2013* - \$ 49.1854 per ton

Quality A *Steamport Dock 2013* - \$ 54.3204 per ton
Quality B *Steamport Dock 2013* - \$ 53.1133 per ton
Quality C *Steamport Dock 2013* - \$ 51.4303 per ton
Quality D *Steamport Dock 2013* - \$ 48.4308 per ton

Quality A *Sebree Complex 2014* - \$ 57.6621 per ton
Quality B *Sebree Complex 2014* - \$ 55.6405 per ton
Quality C *Sebree Complex 2014* - \$ 53.8706 per ton
Quality D *Sebree Complex 2014* - \$ 50.5978 per ton

Quality A *Steamport Dock 2014* - \$ 57.0672 per ton
Quality B *Steamport Dock 2014* - \$ 55.0415 per ton
Quality C *Steamport Dock 2014* - \$ 53.2703 per ton
Quality D *Steamport Dock 2014* - \$ 49.9994 per ton

Quality A *Sebree Complex 2015* - \$ 61.6911 per ton
Quality B *Sebree Complex 2015* - \$ 59.5694 per ton
Quality C *Sebree Complex 2015* - \$ 57.7116 per ton
Quality D *Sebree Complex 2015* - \$ 54.2146 per ton

Quality A *Steamport Dock 2015* - \$ 61.0512 per ton
Quality B *Steamport Dock 2015* - \$ 58.9399 per ton
Quality C *Steamport Dock 2015* - \$ 57.0745 per ton
Quality D *Steamport Dock 2015* - \$ 53.5832 per ton

Quality B *Sebree Complex 2016* - \$ 62.4897 per ton
Quality C *Sebree Complex 2016* - \$ 60.7085 per ton
Quality D *Sebree Complex 2016* - \$ 57.8600 per ton

Quality B *Steamport Dock 2016* - \$ 61.1910 per ton
Quality C *Steamport Dock 2016* - \$ 59.4090 per ton
Quality D *Steamport Dock 2016* - \$ 56.5598 per ton

**Big Rivers Electric Corporation
Long-Term Fuel Contract Information**

Allied Resources, Inc. [Execution Date – July 18, 2010] Fuel Contract Information (continued)

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: N/A – Assigned to Sebree Mining, LLC (BRE 11002S)

**Big Rivers Electric Corporation
Long-Term Fuel Contract Information**

A. NAME / ADDRESS: Sebree Mining, LLC
15 New Steamport Road
Sebree, KY 42455

B. PRODUCTION FACILITY: Onton No. 9 Mine
Webster County, Kentucky

C. CONTRACT ASSIGNMENT DATE: March 29, 2012

D. CONTRACT DURATION: December 31, 2015

E. CONTRACT AMENDMENTS: March 29, 2012 – Contract Assigned to Sebree Mining, LLC

F. ANNUAL TONNAGE REQUIREMENTS: 2011 – 250,000 tons
2012 – 750,000 tons
2013 – 960,000 tons
2014 – 800,000 tons
2015 – 890,000 tons
2016 – 900,000 tons

G. ACTUAL TONNAGE: 2011 (*Jan-Apr*) – 68,149 tons
2011 (*May-Oct*) – 129,770 tons
2012 (*Nov-Apr*) – 229,637 tons

H. PERCENT OF ANNUAL REQUIREMENTS: 2011 – 96.26 %
2012 – 30.62 %

I. BASE PRICE: Quality A *Sebree Complex 2011* - \$ 50.5308 per ton
Quality B *Sebree Complex 2011* - \$ 48.6790 per ton
Quality C *Sebree Complex 2011* - \$ 47.1086 per ton
Quality D *Sebree Complex 2011* - \$ 44.2420 per ton

Quality A *Steamport Dock 2011* - \$ 49.9335 per ton
Quality B *Steamport Dock 2011* - \$ 48.0800 per ton
Quality C *Steamport Dock 2011* - \$ 46.5083 per ton
Quality D *Steamport Dock 2011* - \$ 43.6414 per ton

Quality A *Coleman Station 2011* - \$ 59.4325 per ton

Quality A *Sebree Complex 2012* - \$ 52.5500 per ton
Quality B *Sebree Complex 2012* - \$ 50.6259 per ton
Quality C *Sebree Complex 2012* - \$ 48.9946 per ton
Quality D *Sebree Complex 2012* - \$ 46.0108 per ton

Quality A *Steamport Dock 2012* - \$ 51.9551 per ton
Quality B *Steamport Dock 2012* - \$ 50.0269 per ton
Quality C *Steamport Dock 2012* - \$ 48.3943 per ton
Quality D *Steamport Dock 2012* - \$ 45.4102 per ton

**Big Rivers Electric Corporation
Long-Term Fuel Contract Information**

Sebree Mining, LLC. [Execution Date – March 29, 2012] Fuel Contract Information (continued)

BASE PRICE (continued from prior page)

Quality A Sebree Complex 2013 - \$ 54.9153 per ton
Quality B Sebree Complex 2013 - \$ 53.8668 per ton
Quality C Sebree Complex 2013 - \$ 52.1824 per ton
Quality D Sebree Complex 2013 - \$ 49.1854 per ton

Quality A Steamport Dock 2013 - \$ 54.3204 per ton
Quality B Steamport Dock 2013 - \$ 53.1133 per ton
Quality C Steamport Dock 2013 - \$ 51.4303 per ton
Quality D Steamport Dock 2013 - \$ 48.4308 per ton

Quality A Sebree Complex 2014 - \$ 57.6621 per ton
Quality B Sebree Complex 2014 - \$ 55.6405 per ton
Quality C Sebree Complex 2014 - \$ 53.8706 per ton
Quality D Sebree Complex 2014 - \$ 50.5978 per ton

Quality A Steamport Dock 2014 - \$ 57.0672 per ton
Quality B Steamport Dock 2014 - \$ 55.0415 per ton
Quality C Steamport Dock 2014 - \$ 53.2703 per ton
Quality D Steamport Dock 2014 - \$ 49.9994 per ton

Quality A Sebree Complex 2015 - \$ 61.6911 per ton
Quality B Sebree Complex 2015 - \$ 59.5694 per ton
Quality C Sebree Complex 2015 - \$ 57.7116 per ton
Quality D Sebree Complex 2015 - \$ 54.2146 per ton

Quality A Steamport Dock 2015 - \$ 61.0512 per ton
Quality B Steamport Dock 2015 - \$ 58.9399 per ton
Quality C Steamport Dock 2015 - \$ 57.0745 per ton
Quality D Steamport Dock 2015 - \$ 53.5832 per ton

Quality B Sebree Complex 2016 - \$ 62.4897 per ton
Quality C Sebree Complex 2016 - \$ 60.7085 per ton
Quality D Sebree Complex 2016 - \$ 57.8600 per ton

Quality B Steamport Dock 2016 - \$ 61.1910 per ton
Quality C Steamport Dock 2016 - \$ 59.4090 per ton
Quality D Steamport Dock 2016 - \$ 56.5598 per ton

**Big Rivers Electric Corporation
Long-Term Fuel Contract Information**

Sebree Mining, LLC [Execution Date – March 29, 2012] Fuel Contract Information (continued)

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: Quality A *Sebree Complex 2012* - \$ 52.5500 per ton
Quality B *Sebree Complex 2012* - \$ 50.6259 per ton
Quality C *Sebree Complex 2012* - \$ 48.9946 per ton
Quality D *Sebree Complex 2012* - \$ 46.0108 per ton

Quality A *Steamport Dock 2012* - \$ 51.9551 per ton
Quality B *Steamport Dock 2012* - \$ 50.0269 per ton
Quality C *Steamport Dock 2012* - \$ 48.3943 per ton
Quality D *Steamport Dock 2012* - \$ 45.4102 per ton

**Big Rivers Electric Corporation
Long-Term Fuel Contract Information**

A. NAME / ADDRESS: Armstrong Coal Company, Inc.
7733 Forsyth Boulevard, Suite 1625
St. Louis, MO 63105

B. PRODUCTION FACILITY: Parkway Mine
Muhlenberg County, Kentucky

C. CONTRACT EXECUTED DATE: July 30, 2010

D. CONTRACT DURATION: December 31, 2012

E. CONTRACT AMENDMENTS: January 1, 2011
May 26, 2011

F. ANNUAL TONNAGE REQUIREMENTS: 2011 – 250,000 tons
2012 – 500,000 tons

G. ACTUAL TONNAGE: 2011 – 249,989.44 tons
2012 – 111,840.56 tons

H. PERCENT OF ANNUAL REQUIREMENTS: 2011 – 99.99 %
2012 – 22.37 %

I. BASE PRICE: 2011 - \$ 43.7494 per ton
Quality A 2012 - \$ 45.9894 per ton
Quality B 2012 - \$ 47.2512 per ton

J. ESCALATIONS TO DATE: ***
1st Quarter 2011 - \$ 0.0381 per ton
2nd Quarter 2011 - \$ 1.4874 per ton
3rd Quarter 2011 - \$ 2.8314 per ton
2nd Quarter 2011 - \$ 2.9680 per ton
1st Quarter 2012 - \$5.4701 per ton
2nd Quarter 2012 - \$6.7954 per ton

*** Escalations in prior filings were presented in \$/MMBTU.

K. CURRENT CONTRACT PRICE: Quality B 2012 - \$ 47.2512 per ton

**Big Rivers Electric Corporation
Long-Term Fuel Contract Information**

A. NAME / ADDRESS: Patriot CoalSales, LLC
12312 Olive Boulevard, Suite 400
St. Louis, MO 63141

B. PRODUCTION FACILITY: Freedom Mine, Henderson County, KY;
Grand Eagle Mine, Henderson County, KY;
Highland Mine, Union County, KY

C. CONTRACT EXECUTED DATE: October 24, 2011

D. CONTRACT DURATION: January 1, 2012 through
December 31, 2015

E. CONTRACT AMENDMENTS: November 8, 2011

F. ANNUAL TONNAGE REQUIREMENTS: 2012 – 964,000 tons
2013 – 700,000 tons
2014 – 700,000 tons
2015 – 700,000 tons

G. ACTUAL TONNAGE: 2012 – (Jan-Apr) – 330,416.54 tons

H. PERCENT OF ANNUAL REQUIREMENTS: 2012 – 34.28 %

I. BASE PRICE: Highland 2012 - \$ 48.0992 per ton
Patriot Blend 2012 - \$ 47.0624 per ton

Highland 2013 - \$ 50.0251 per ton
Patriot Blend 2013 - \$ 46.5608 per ton

Highland 2014 - \$ 52.0219 per ton
Patriot Blend 2014 - \$ 48.4220 per ton

Highland 2015 - \$ 54.1013 per ton
Patriot Blend 2015 - \$ 50.3558 per ton

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: Highland 2012 \$48.0992 per ton
Patriot Blend 2012 \$47.0624 per ton

**Big Rivers Electric Corporation
Long-Term Fuel Contract Information**

A. NAME / ADDRESS: Armstrong Coal Company, Inc.
7733 Forsyth Boulevard, Suite 1625
St. Louis, MO 63105

B. PRODUCTION FACILITY: Parkway, Big Run, Ceralvo, East Fork, Kronos,
Lewis Creek, and Equality Boot Mines
Muhlenberg and Ohio Counties, KY

C. CONTRACT EXECUTED DATE: July 4, 2011

D. CONTRACT DURATION: January 1, 2012 through
December 31, 2015

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE REQUIREMENTS: 2012 – 350,000 tons
2013 – 400,000 tons
2014 – 800,000 tons
2015 – 875,000 tons

G. ACTUAL TONNAGE: 2012 (Jan-Apr) – 44,744.91

H. PERCENT OF ANNUAL REQUIREMENTS: 2012 – 12.78 %

I. BASE PRICE: 2012 - \$ 47.2512 per ton
2013 - \$ 48.4012 per ton
2014 - \$ 51.3682 per ton
2015 - \$ 54.5123 per ton

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: 2012 - \$ 47.2512 per ton

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 **Item 9)**

2 *a. State whether Big Rivers regularly compares the price of*
3 *its coal purchases to those paid by other electric utilities.*

4 *b. If yes, state:*

5 *(1) How Big Rivers' prices compare with those of other*
6 *utilities for the review period. Include all prices*
7 *used in the comparison in cents per MMbtu.*

8 *(2) The utilities that are included in this comparison*
9 *and their locations.*

10

11 **Response)**

12 *a. Yes, Big Rivers has compared the price of its coal purchases*
13 *with those paid by other electric utilities.*

14 *b.*

15 *(1) Big Rivers' coal pricing is competitive with that of its*
16 *comparison group for the review period. Attached hereto*
17 *are tables and charts, on both a cents per MMBTU and a*
18 *dollar per ton basis, providing the relevant supporting*
19 *information.*

20 *(2) Utilities that are included in this comparison are Kentucky-*
21 *based companies. These utilities are identified on the*
22 *attached tables and charts.*

23

24

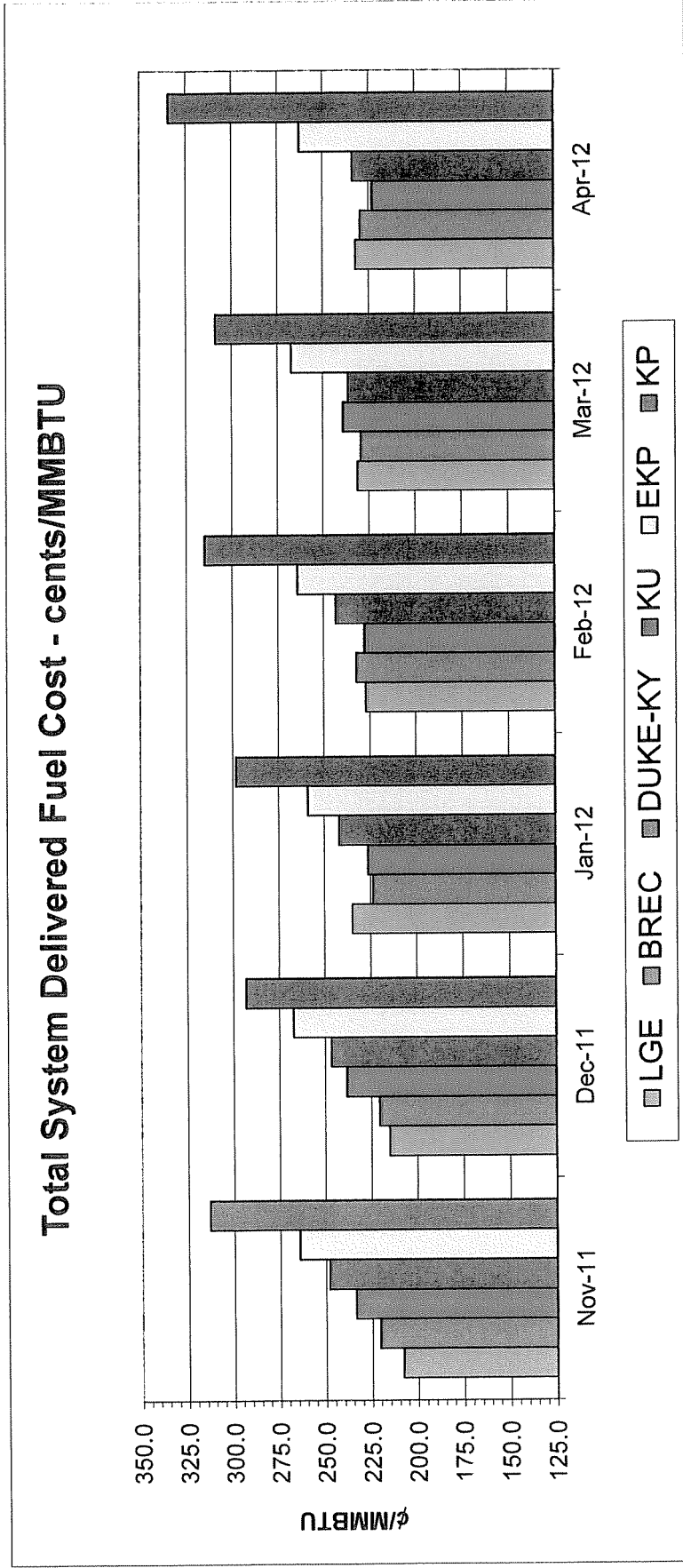
25 **Witness) Mark W. McAdams**

Big Rivers Electric Corporation
Comparison of Big Rivers Fuel Cost to Other Kentucky-Based Utilities

	Cents per MMBTU					
Company	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12
Louisville Gas and Electric Company	208.07	215.04	234.95	227.22	231.13	231.97
Big Rivers Electric Corporation	220.44	220.48	223.75	232.21	229.47	229.68
Duke Energy - Kentucky	233.60	238.32	226.33	227.86	239.10	222.95
Kentucky Utilites Company	248.08	246.51	241.91	243.17	236.28	233.78
East Kentucky Power Cooperative	264.40	267.20	258.80	264.20	267.30	262.70
Kentucky Power	313.27	292.93	298.22	315.06	308.98	334.26

Source: Utilities' Monthly FAC Filings with Kentucky Public Service Commission

**Big Rivers Electric Corporation
Comparison of Big Rivers Fuel Cost to Other Kentucky-Based Utilities**



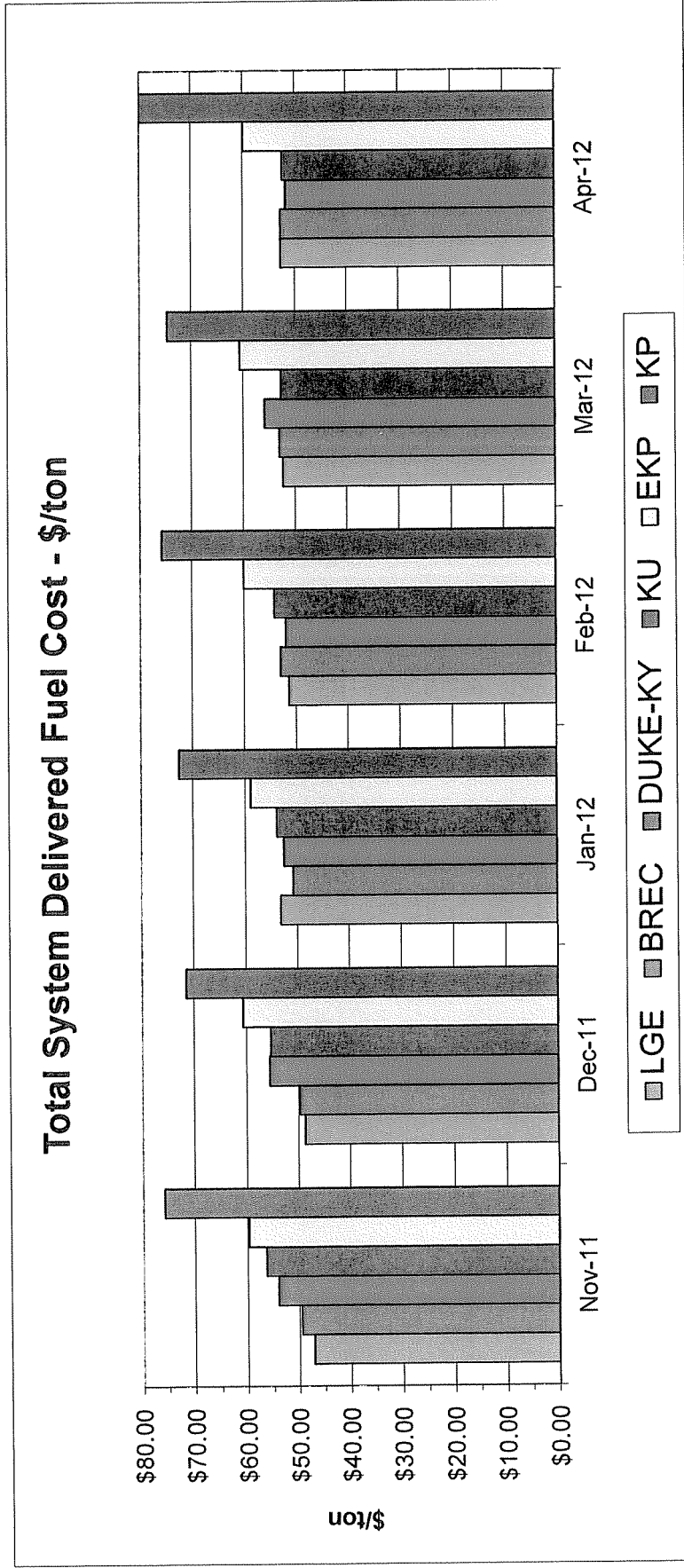
Source: Utilities' Monthly FAC Filings with Kentucky Public Service Commission

Big Rivers Electric Corporation
Comparison of Big Rivers Fuel Cost to Other Kentucky-Based Utilities

	Dollars per Ton					
Company	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12
Louisville Gas and Electric Company	\$47.18	\$48.68	\$53.21	\$51.42	\$52.34	\$52.74
Big Rivers Electric Corporation	\$49.58	\$49.75	\$50.85	\$52.99	\$53.05	\$52.72
Duke Energy - Kentucky	\$54.05	\$55.51	\$52.58	\$51.97	\$55.81	\$51.74
Kentucky Utilites Company	\$56.32	\$55.32	\$53.92	\$54.18	\$52.72	\$52.42
East Kentucky Power Cooperative	\$59.74	\$60.65	\$58.94	\$60.05	\$60.63	\$59.90
Kentucky Power	\$75.82	\$71.48	\$72.69	\$75.84	\$74.68	\$81.66

Source: Utilities' Monthly FAC Filings with Kentucky Public Service Commission

**Big Rivers Electric Corporation
Comparison of Big Rivers Fuel Cost to Other Kentucky-Based Utilities**



Source: Utilities' Monthly FAC Filings with Kentucky Public Service Commission

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 **Item 10)** *State the percentage of Big Rivers' coal, as of the date of this*
2 *Order, that is delivered by:*

3

4

a. Rail;

5

b. Truck; or

6

c. Barge.

7

8 **Response)**

9

a. Rail – None;

10

b. Truck – 51%;

11

c. Barge – 49%.

12

13 **Witness)** Mark W. McAdams

14

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 **Item 11)**

- 2 *a. State Big Rivers' coal inventory level in tons and in*
3 *number of days' supply as of April 30, 2012. Provide this*
4 *information by generating station and in the aggregate.*
5 *b. Describe the criteria used to determine number of days'*
6 *supply.*
7 *c. Compare Big Rivers' coal inventory as of April 30, 2012 to*
8 *its inventory target for that date for each plant and for*
9 *total inventory.*
10 *d. If actual coal inventory exceeds inventory target by 10*
11 *days' supply, state the reasons for excessive inventory.*
12 *e. (1) State whether Big Rivers expects any significant*
13 *changes in its current coal inventory target within*
14 *the next 12 months.*
15 *(2) If yes, state the expected change and the reasons for*
16 *this change.*

17

18 **Response)**

- 19 a. As of April 30, 2012, Big Rivers generating stations individually
20 and in the aggregate had the following inventory levels and
21 days' supply.

22

23

24

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
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September 11, 2012

1

Total System/Station	Inventory Level (In Tons) ¹	Number of Days' Supply ²	Duration (In Days)	Preceding 6 Months Burn (In Tons)
Big Rivers Electric System	603,437.94	36	137	2,321,468.12
Reid Station ³	10,003.97	15	0	0.00
Station II ⁴	163,516.53	78	151	315,587.66
Green Station ⁵	124,149.16	24	130	584,247.79
Coleman Station ⁶	165,109.84	38	168	729,824.21
Wilson Station ⁷	140,658.44	35	164	691,808.46

2

3

b. Days Burn = [{ Current Inventory (In Tons) / Preceding 6 Months Burn (In Tons) }] x Duration (In Days)

4

5

c. Big Rivers Electric Corporation's Target Supply is the following range for each Station in days.

6

7

**Big Rivers Electric Corporation
Coal Inventory Target Ranges**

Reid Station	16 – 20 Days
Station II	60 – 80 Days
Green	30 – 60 Days
Coleman	25 – 45 Days
Wilson	30 – 60 Days
Total System	30 – 60 Days

8

d. The actual inventory, for each station and in the aggregate, does not exceed the inventory target by ten (10) days.

9

10

e. (1) No. Big Rivers currently does not expect any significant changes in its coal inventory target within the next twelve (12) months.

11

12

13

(2) Not Applicable.

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
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1

Footnotes -

¹ Green Station had a petcoke inventory level of 32,853.45 tons as of April 30, and has a target blend of 16% with Green coal. Wilson Station had a petcoke inventory level of 30,394.31 tons as of October 31, and has a target blend of 25% with Wilson coal.

² Number of days' supply is rounded to reflect whole days.

³ Reid Station Unit 1 was in standby reserve 173 days. Reid 1 was out of service 9 days due to unscheduled & scheduled outages. The duration of generation was reduced to 0 days but Reid had a 15 day supply of compliance coal but was not utilized by MISO due to economic conditions.

⁴ Station II Units 1 and 2 had unscheduled and maintenance hours of 492.3 hours and Unit 2 had a planned outage of 240 hours in February 2012 and H1 had a planned outage of 983.1 hours in March and April 2012. Unit 1 had reserve hours of 13.8 hours. These hours were equivalent to 31 days. The duration of generation was reduced to 151 days.

⁵ Green Station Unit 1 had a planned maintenance outage in November that lasted 240.0 hours. Green Units 1 and 2 had unscheduled and maintenance hours of 152.2 hours. Green Unit 1 was in reserve standby 741.2 hours and Green Unit 2 was in reserve standby 1,342.4 hours during the review period which was equivalent to 87 days. The duration of generation was reduced to 130 days.

⁶ Coleman Station Units 1, 2 and 3 were on standby reserve during the review period for 182.2 hours. Coleman Station Units 1, 2 and 3 had 674.9 unscheduled hours during the review period and 136.7 hours of scheduled maintenance hours for a total of 993.8 hours out-of-service. The duration of generation was reduced to 168 days.

⁷ Wilson Unit 1 had unscheduled and Reserve hours of 106.6 hours. Wilson had a planned outage of 335.7 hours in March 2012. The duration of generation was reduced to 164 days.

2

3

4

Witness) Mark W. McAdams

5

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
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FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 **Item 12)**

2 *a. State whether Big Rivers has audited any of its coal*
3 *contracts during the period from November 1, 2011*
4 *through April 30, 2012.*

5 *b. If yes, for each audited contract:*

6 *(1) Identify the contract;*

7 *(2) Identify the auditor;*

8 *(3) State the results of the audit; and*

9 *(4) Describe the actions that Big Rivers took as a result*
10 *of the audit.*

11

12 **Response)**

13 a. Big Rivers has not audited any of its coal contracts during the
14 period from November 1, 2011, through April 30, 2012.

15 b. (1) Not Applicable;

16 (2) Not Applicable;

17 (3) Not Applicable; and

18 (4) Not Applicable.

19

20 **Witness)** Mark W. McAdams

21

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 **Item 13)**

2 *a. State whether Big Rivers has received any customer*
3 *complaints regarding its FAC during the period from*
4 *November 1, 2011 through April 30, 2012.*

5 *b. If yes, for each complaint, state:*

6 *1. The nature of the complaint; and*

7 *2. Big Rivers' response.*

8

9 **Response)**

10 a. Big Rivers has received no customer complaints regarding
11 its FAC during the period from November 1, 2011, through April
12 30, 2012.

13 b. Not Applicable.

14

15

16 **Witness)** Ralph A. Ashworth

17

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 **Item 14)**

2 *a. State whether Big Rivers is currently involved in any*
3 *litigation with its current or former coal suppliers.*

4 *b. If yes, for each litigation:*

5 *(1) Identify the coal supplier;*

6 *(2) Identify the coal contract involved;*

7 *(3) State the potential liability or recovery to Big*
8 *Rivers;*

9 *(4) List the issues presented; and*

10 *(5) Provide a copy of the complaint or other legal*
11 *pleading that initiated the litigation and any*
12 *answers or counterclaims. If a copy has previously*
13 *been filed with the Commission, provide the date on*
14 *which it was filed and the case in which it was filed.*

15 *c. State the current status of all litigation with coal*
16 *suppliers.*

17

18 **Response)**

19 a. Yes.

20 b.

21 (1) Oxford Mining Company - Kentucky, LLC ("Oxford").

22 (2) The contract involved in the litigation was executed
23 October 31, 2007, and assumed by Big Rivers July 17, 2009.

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 After Big Rivers assumed the contract, Big Rivers and
2 Oxford entered into an amended and restated contract
3 effective as of July 1, 2010.

4 (3) – (4)

5 Oxford filed suit against Big Rivers alleging breach of
6 contract. Big Rivers counterclaimed, alleging Oxford
7 breached the contract. The issues are whether Big Rivers
8 and/or Oxford breached the contract, and if so, the damages
9 that should be awarded Oxford and/or Big Rivers. Big
10 Rivers denies that it breached the contract. For damages,
11 Oxford is claiming lost profits in an as yet undetermined
12 amount; \$640,869.21 in the form of employee severance
13 payments and health insurance benefits; losses associated
14 with the disposal of assets and equipment in an as yet
15 undetermined amount; \$1,629,235.00 in the form of
16 accelerated reclamation costs; and (alternatively) an as yet
17 undetermined amount representing the differential
18 between the market price and the contract price. Big
19 Rivers is claiming additional maintenance costs, additional
20 trucking expense, additional fuel purchases, and costs,
21 expenses and damages in obtaining Oxford's assurances, in
22 an amount in excess of the minimum dollar amount
23 necessary to establish the jurisdiction of the Ohio Circuit
24 Court, Ohio County, Kentucky.

25 (5) See attached.

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

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September 11, 2012

1
2
3
4
5

c. The above suit is the only current litigation with coal suppliers,
and it is pending.

Witness) Mark W. McAdams

**Civil Action No. 12-CI-00160 – Complaint
(Commonwealth of Kentucky – Ohio Circuit Court)**

COMMONWEALTH OF KENTUCKY
OHIO CIRCUIT COURT



OXFORD MINING COMPANY –)
KENTUCKY, LLC,)

Plaintiff,)

v.)

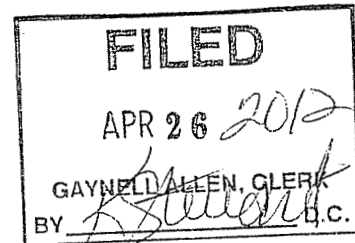
BIG RIVERS ELECTRIC CORPORATION,)

Defendant.)

NO. 12-CI-00160

Serve:

Paula L. Mitchell
201 Third St.
P. O. Box 24
Henderson, KY 42420



COMPLAINT

Plaintiff, Oxford Mining Company – Kentucky, LLC (“Plaintiff” or “Oxford”), through its undersigned counsel, states as follows for its Complaint against Defendant, Big Rivers Electric Corporation (“Defendant” or “Big Rivers”).

I. THE PARTIES

1. Plaintiff is a Kentucky limited liability company and its principal place of business is located in Central City, Kentucky. Oxford is engaged in the business of producing coal from its mines located in Muhlenberg County, Kentucky. Oxford sells almost all of its coal pursuant to long-term coal supply agreements like the coal supply agreement at issue here, thereby assuring it of a secured stream of revenue at pricing it can rely upon.

4-30-12 *at*

2. Defendant is a corporation organized and operating under the laws of the Commonwealth of Kentucky. Big Rivers is engaged in the business of producing, generating, transmitting, and selling electricity in numerous counties throughout Western Kentucky, including Ohio County.

II. JURISDICTION AND VENUE

3. Jurisdiction in this Court is proper pursuant to Sections 23A.020 and 24A.120 of the Kentucky Revised Statutes in that Defendant is a citizen of the Commonwealth of Kentucky and the sum in controversy exceeds \$5,000.00, exclusive of interest and costs.

4. Defendant has subjected itself to and availed itself of the jurisdiction of this Court by virtue of, among other things, (a) entering into an Amended and Restated Coal Supply Agreement with Plaintiff effective as of July 1, 2010 (the "Amended CSA"), which is at the heart of the dispute that is the subject of this Complaint, and (b) engaging in business in and around Ohio County, Kentucky, including but not limited to receiving coal and promising to receive more coal at its D.B. Wilson Generating Station located at 5660 State Route 85 West, Centertown, Ohio County, Kentucky.

5. Venue in this jurisdiction is proper pursuant to Section 452.450 of the Kentucky Revised Statutes, as Defendant is a corporation with an office and/or place of business in this jurisdiction.

III. SUMMARY OF THE COMPLAINT

6. In 2010, Oxford sought to ensure through 2015 a secured long-term market for a significant portion of its coal production at pricing it could count on, thereby producing a stream of revenue it could rely on to fund its continued operations and meet its other working capital needs.

7. For this purpose, following an extended bidding and negotiation process and effective July 1, 2010, Big Rivers entered into the Amended CSA with Oxford, which amended and restated the then existing coal supply agreement between them to, among other things, extend the term of the existing coal supply agreement between Big Rivers and Oxford so as to provide Oxford with a guaranteed supply arrangement with fixed and known pricing through 2015.

8. Throughout 2010 and 2011, Big Rivers benefited from the low prices (relative to the market) provided by the Amended CSA. However, the market price of coal has diminished since late 2011 while the agreed-upon pricing under the Amended CSA substantially increased at the outset of 2012, with the result that the 2012 pricing was above the market price of coal.

9. Also starting in 2012, Big Rivers was required under the provisions of the Amended CSA to take on responsibility for reimbursing mining operations cost increases for diesel fuel, equipment and explosives.

10. For the entire history of the Amended CSA, and for at least two years prior to February 2012, Big Rivers and Oxford had a consistent course of dealing and performance under which Oxford would deliver coal shipments that typically fell short of both the average minimum quality specifications and the rejection limits set out in the Amended CSA and its predecessor coal supply agreement. When that happened, Big Rivers would receive compensating price adjustments for such lower quality coal as expressly contemplated in the Amended CSA and its predecessor coal supply agreement, but Big Rivers never rejected or threatened to reject the coal, and instead used such coal in the ordinary course of electricity generation.

11. Then, at the time in 2012 when Oxford had completed the delivery of carryover coal tonnages at the lower pricing applicable to 2011, the coal pricing under the Amended CSA

increased significantly. That was, of course, the bargain that Big Rivers and Oxford struck when entering into the Amended CSA. In 2012, however, Big Rivers did not want to live by that bargain. As a consequence, Big Rivers determined to source its coal supply needs covered by the Amended CSA either on a reduced pricing basis extracted from Oxford or elsewhere for less money, despite its contractual obligations to Oxford. At that time, Big Rivers began to make complaints about coal quality, and for the first time threatened to reject Oxford's coal, as a pretext to extract from Oxford a reduction in the pricing under the Amended CSA or to set up Oxford for a termination enabling Big Rivers to seek coal elsewhere at lower pricing. The strategy of Big Rivers becomes quite transparent with hindsight: it was building a contrived record so that it could claim it had the right to terminate the Amended CSA if Oxford refused to reduce the pricing under the Amended CSA.

12. This strategy was made clear when a Big Rivers representative told an Oxford representative in a meeting in late February 2012 that, if Oxford would reduce the price charged under the Amended CSA to the currently prevailing market price, "everything would be okay" despite its new quality complaints, and all of those complaints about quality would go away.

13. Oxford chose not to submit to such extortion. Oxford insisted instead that Big Rivers honor its contractual commitments under the Amended CSA and refused to renegotiate the pricing terms of the Amended CSA.

14. On multiple occasions, Oxford also exercised its contractual right to request the consent of Big Rivers to the supply of substitute coal by Oxford, which would have alleviated all of the quality concerns raised by Big Rivers absent a good faith basis. Despite its contractual obligation to not unreasonably withhold such consent, Big Rivers simply ignored Oxford's request each and every time.

15. Apparently believing that it could honor its contractual commitments only when economically beneficial to it, Big Rivers then sought to escape its contractual obligations under the Amended CSA by “terminating” it on the pretext that Oxford had failed to furnish coal of the quality it required, while having already ignored multiple times Oxford’s offer to supply alternate coal blends that would meet the newly-stated quality requirements of Big Rivers. Moreover, the termination action by Big Rivers failed to comply with the notice and cure provisions provided in the Amended CSA.

16. Oxford and its employees have suffered significant harm as a direct result of the improper termination of the Amended CSA by Big Rivers and the failure of Big Rivers to honor its contractual obligations under the Amended CSA.

17. Oxford now brings this action against Big Rivers to hold it accountable for its breach of the Amended CSA.

IV. FACTUAL BACKGROUND

18. Since 1985, Oxford and its predecessors have been in the business of producing and selling coal. Oxford continues in that business, including the ownership and operation of coal mines located in Muhlenberg County, Kentucky.

19. Until Big Rivers wrongfully terminated the Amended CSA, the active Oxford coal mines in Muhlenberg County included the Briar Hill and Rose France mines. Immediately prior to the material breach of the Amended CSA by Big Rivers in early March of 2012, Oxford had 195 employees in Muhlenberg County, and accordingly was one of the largest employers in Muhlenberg County.

20. On or about December 31, 2007, Phoenix Coal Corporation (“Phoenix”) entered into a Coal Supply Agreement (the “Original CSA”) with Western Kentucky Energy Corporation (“WKE”) that was the predecessor coal supply agreement to the Amended CSA. The Original

CSA embodied an agreement by Phoenix to sell, and an agreement by WKE to purchase, substantial volumes of coal for calendar years 2008 through 2011. In 2010 and 2011, the Original CSA required Phoenix to supply to WKE 750,000 tons of coal annually.

21. On or about July 17, 2009, Big Rivers acquired WKE. In the acquisition transaction, Big Rivers assumed the obligations of WKE under the Original CSA.

22. On September 30, 2009, Oxford acquired the surface coal mining assets of Phoenix, including the Original CSA. As a consequence of Oxford's assumption of the Original CSA, Oxford became responsible for all of the rights and obligations of Phoenix accruing after the assumption.

23. Oxford and Big Rivers subsequently entered into the Amended CSA effective July 1, 2010, which amended, restated, and substantially extended the term of the Original CSA. A true and correct copy of the Amended CSA is attached hereto as Exhibit 1.

24. Pursuant to the Amended CSA, Oxford agreed to supply and Big Rivers agreed to purchase various tonnages of coal in 2010 and 2011, and a minimum of 800,000 tons of coal in 2012 and each calendar year thereafter through and including 2015. The Amended CSA also provided an option for Big Rivers to purchase up to 200,000 additional tons of coal each calendar year from 2012 through 2015. Prices under the Amended CSA were fixed in advance, varied with quality, but increased each year from 2012 through 2015.

25. In each of 2010 and 2011, when compared to other opportunities for the sale of its coal, Oxford lost money on this legacy contract acquired from Phoenix because of below-market pricing, but it nonetheless continued to fully honor its contractual obligations to Big Rivers.

26. Before entering into the Amended CSA, Big Rivers solicited and took bids from several competing coal suppliers for the same tonnage to determine best available pricing, and

thereafter engaged in a negotiation with Oxford, with the entire process extending for approximately eight months before Big Rivers and Oxford finally agreed upon the pricing and other provisions of the long-term contract. As a generating utility, Big Rivers sought through this process to secure a dependable long-term supply of a minimum of 800,000 annual tons of coal. At the same time, Oxford sought to ensure through 2015 a secured market for this significant portion of its coal production at prices it could count on, thereby producing a stream of revenue it could rely on to fund its continued operations and meet its other working capital needs.

27. In the Amended CSA, Big Rivers and Oxford shared the risk of variances in market prices, agreeing to fixed BTU/lb. prices starting in 2012 and running through 2015. Although Oxford agreed to suffer below-market pricing through 2011, in exchange Big Rivers agreed to a price increase of more than 30% beginning in 2012. For 2013 through 2015, the agreed pricing reflected an increase each year over the prior year's pricing of approximately 5%.

28. In addition, Big Rivers and Oxford agreed in the Amended CSA that, starting in 2012, certain costs associated with Oxford's mining operations would be passed through to Big Rivers by quarterly adjustments for changes in the costs for diesel fuel, equipment and explosives used in the mining operations.

29. By late 2011, it had become clear that the agreed-upon prices set out in the Amended CSA were going to be above current market prices for 2012. However, just as Big Rivers received the benefit of below-market pricing in 2010 and 2011 under the prices of the Amended CSA, it was contractually obligated to pay the agreed-upon prices in 2012 and beyond, even if those prices turned out to be above market. That was the bargain Big Rivers made when it signed the Amended CSA. In exchange for a guaranteed long-term supply of coal, Big Rivers

promised to pay prices that were determined years in advance. Thus, when Big Rivers entered into the Amended CSA it took the risk that the obligated pricing could exceed market pricing, just as Oxford took the risk that the opposite could be the case.

30. Big Rivers, however, was unwilling to live by the bargain it made. Having reaped the rewards of below-market pricing in earlier years, when it came time to pay the substantial price increase to which it had committed, it determined to find an excuse to terminate instead of performing, thereby denying the contractual right of Oxford to benefit and recover some of its lost profits in the later years when the agreed-upon price turned out to be above market.

31. Accordingly, in late 2011 and early 2012, Big Rivers set out to create a contrived record of complaints regarding the quality of the coal being delivered by Oxford in order to establish a pretext for either renegotiating the Amended CSA's pricing terms or avoiding its contractual obligations altogether.

32. The Amended CSA set certain quality specifications for different classes of coal qualities to be delivered by Oxford to Big Rivers' coal piles, the most important of which is the British thermal unit per pound ("BTU/lb.") specification for the coal. Any variance in BTU/lb. was, however, directly compensated by a corresponding price variance, as the contract prices were all expressed, and paid, in dollars per million BTU ("MMBTU"). Coal could only be rejected by Big Rivers if it fell below certain specified minimum requirements for BTU/lb. and other standards.

33. Section 6.4 of the Amended CSA provides that Big Rivers could terminate the Amended CSA only if Oxford repeatedly failed to deliver conforming coal. Thus, if at least 4 shipments in any 30-day period failed to meet specifications, Big Rivers could demand reasonable assurances that future deliveries would meet the minimum standards of the Amended

CSA. Once Oxford provided those assurances and resumed shipments, Big Rivers had conditional termination rights if Oxford delivered two rejectable non-conforming shipments in any one month within the next six months after the assurances were provided.

34. Additionally, the general provisions regarding termination of the Amended CSA are set forth in Section 14 of the Amended CSA, which provides that, in the event of a material breach by Oxford, Big Rivers was obligated to give a written notice stating its intention to terminate not sooner than 15 days from the notice, whereupon Oxford had the right to cure before a termination could occur.

35. In late January and early February 2012, just as the increased pricing under the Amended CSA was to take effect (the 2011 pricing had remained in effect in early 2012 because the coal tonnage then being delivered represented carryover tons from 2011), Big Rivers began to complain that the coal Oxford was delivering, the quality of which coal was entirely consistent with the quality of coal Oxford had been supplying to Big Rivers for years, was now suddenly unacceptable. In that vein, on February 15, 2012, Big Rivers notified Oxford in writing that Big Rivers was suspending all shipments from Oxford until assurances were received from Oxford that future shipments would exceed the rejection limits of the Amended CSA. A true and correct copy of the February 15, 2012 suspension letter from Big Rivers is attached hereto as Exhibit 2. The quality of the coal Oxford had then been delivering to Big Rivers was wholly consistent with, if not better than, the coal quality of past shipments, none of which had been deemed rejectable, and which established a course of dealing and course of performance as to minimum acceptable quality parameters under the Amended CSA. Moreover, Big Rivers could and did use the coal Oxford had been delivering without any material problems. Consequently, the coal complained of in Exhibit 2 presented no material issues for Big Rivers.

36. Nevertheless, in an effort to mollify Big Rivers, Oxford provided the requested assurances in the form of an immediate response, through which it assured Big Rivers that quality would improve. Oxford's response is attached hereto as Exhibit 3. On February 23, 2012, Big Rivers accepted those assurances. A true and correct copy of the February 23, 2012 acceptance letter from Big Rivers is attached hereto as Exhibit 4.

37. Only four days later, continuing its subterfuge to avoid its obligations under the now higher-priced Amended CSA, Big Rivers sent a notice of rejection based on a claim of "debris" in the coal. Big Rivers alleged that the "debris" was a large piece of steel purportedly delivered by Oxford in a shipment Big Rivers received on February 24, 2012. A true and correct copy of the February 27, 2012 rejection letter from Big Rivers is attached hereto as Exhibit 5. This rejection letter was issued without basis. The piece of steel did not enter the coal pile or plant of Big Rivers, as it was routinely screened out by the truck dump grid, and caused no threat or damage to Big Rivers. Oxford has investigated but can find no evidence that the steel was contained in any of its coal deliveries, and Big Rivers has been unable to furnish any evidence that it was despite requests by Oxford. And in any event, even if that piece of steel had been in a truck originating at Oxford, given that it did not enter the coal pile at the Big Rivers generating station, which is the "Delivery Point" under Section 5.1 of the Amended CSA, and given that it was not therefore in a "Shipment" under Section 6.2 of the Amended CSA, the subject piece of steel was not present in a "Shipment" from Oxford and did not constitute "debris" present in a "Shipment" within the meaning of the Amended CSA so as to validate such a rejection letter. Additionally, the immateriality of the presence of a piece of steel on the dump grid is demonstrated by the fact that no damage could have been (or for that matter was) done to any of

the Big Rivers generating plant equipment, and the additional fact that all of the then-delivered coal was acceptable for (and for that matter was accepted into) the coal inventory of Big Rivers.

38. On February 25, 2012, Tom Waters of Oxford notified Mark McAdams of Big Rivers that Oxford had temporarily closed its preparation plant, but had purchased additional coal that could be provided to Big Rivers as substitute coal. A meeting was set for February 28, 2012 to discuss this issue as well as the alleged delivery of debris.

39. In meetings with Big Rivers representatives on February 28, 2012, Mr. Waters of Oxford sought the consent of Big Rivers to supply substitute coal pursuant to Section 4.6 of the Amended CSA to alleviate the quality concerns expressed by Big Rivers. Despite the obligation of Big Rivers not to unreasonably withhold its consent to the supply of substitute coal, Big Rivers refused to even respond to the requests. The refusal of Big Rivers to even consider Oxford's reasonable request was an unreasonable withholding of the consent sought.

40. During one of the meetings held on February 28, 2012 between Mr. Waters and Mr. McAdams, Big Rivers revealed its true purpose and intent. Mr. McAdams presented Mr. Waters with a spreadsheet that compared the price Big Rivers was obligated to pay under the Amended CSA with the then current pricing and price forecasts for coal purchased on the open market as determined by published pricing sources. His spreadsheet showed that Oxford's contract prices were higher than both current and forecast market prices published by various sources. Mr. McAdams told Mr. Waters that "everything would be okay" if Oxford lowered its pricing and that any complaints Big Rivers had about coal quality would go away if Oxford would reduce the price it charged Big Rivers from the Amended CSA's 2012 pricing of \$2.0402 per MMBTU to \$1.8946 per MMBTU. This price reduction would have reduced the prices in effect under the Amended CSA by over 7%, or well over \$2 million per year. In essence, Big

Rivers was happy to negotiate a lower price for the same quality of coal it was already complaining about, but it refused to even consider Oxford's request to solve the quality problem by supplying substitute coal.

41. Oxford determined to stand by its existing and partially performed agreement with Big Rivers, and thus would not agree to renegotiate the prices provided for in the Amended CSA. Oxford's determination was in keeping with Section 11 of the Amended CSA, which provided for changes to the quality or quantity of coal by mutual agreement when appropriate due to the suitability and amount of coal needed for the Big Rivers generating stations, but which did not include any provision for changes to prices (unless dictated by any such change in quality or quantity).

42. On March 2, 2012, Oxford received from Big Rivers a letter of rejection regarding a purportedly non-conforming Oxford shipment delivered on February 28, 2012, along with a notice improperly terminating the Amended CSA. In its March 2, 2012 rejection and termination letter, Big Rivers stated that its termination was due to Oxford's failure to meet certain quality specifications under the Amended CSA. A true and correct copy of the March 2, 2012 rejection and termination letter from Big Rivers is attached hereto as Exhibit 6.

43. The improper termination letter sent by Big Rivers on March 2, 2012 did not comply with the notice and cure provisions established in Section 14 of the Amended CSA, which provide that, upon any material breach, either party must give written notice of the party's "intention to terminate." The Amended CSA "shall not be terminated due to such material breach" if the non-terminating party cures such breach within 15 days of the date of the written notice. Big Rivers did not observe the required 15-day notice requirement, nor did it provide Oxford with an opportunity to cure the alleged breach by providing the requested substitute coal.

44. Undaunted by its rebuff of Oxford's request to supply conforming coal from another source, and consistent with its effort to shed the agreed-upon contract price owed to Oxford and gain favorable market pricing, on April 2, 2012, Big Rivers announced a solicitation of bids for 750,000 tons of coal or petroleum coke beginning May 1, 2012 and increasing to 800,000 tons from 2013 through 2017. A true and correct copy of the April 2, 2012 bid solicitation is attached hereto as Exhibit 7. The bid solicitation seeks fuel for the same generating stations, and in nearly identical quantities and qualities, as was being supplied by Oxford under the Amended CSA. The solicitation made clear that bidders may "provide fuel outside of these specifications as part of this bid." *Id.* at pg. 2.

45. The April 2 bid solicitation of Big Rivers establishes that it is willing to accept a quantity and quality of coal nearly identical to that which Oxford was supplying under the Amended CSA. The solicitation is further evidence that Big Rivers improperly terminated the Amended CSA simply so that it could satisfy its coal supply needs at the lower market prices that prevail in the current market relative to those provided for in the Amended CSA.

46. As set forth more fully both above and below, the improper termination of the Amended CSA by Big Rivers was both substantively unjustified and procedurally deficient. In addition, Big Rivers improperly and unreasonably withheld its consent to Oxford's reasonable request to supply substitute coal which would have resolved the insincere quality concerns of Big Rivers.

47. Since its improper termination of the Amended CSA, Big Rivers has refused to take delivery of any of its tonnage obligations under the Amended CSA.

48. The continuing breach by Big Rivers of its obligations under the Amended CSA has resulted in, and will continue to result in, significant harm to Oxford.

49. In particular, as a result of the refusal of Big Rivers to take delivery of any of its tonnage obligations under the Amended CSA, Oxford has lost and will continue to lose profits it is owed under the Amended CSA.

50. Also, as a result of the improper termination of the Amended CSA by Big Rivers, Oxford has been forced to idle its Briar Hill mining operations and reduce its Rose France mining operations, and to permanently terminate 113 of its employees involved with those operations. Oxford has incurred and will continue to incur losses on the disposal of assets and equipment, severance and health insurance costs for terminated employees, and accelerated reclamation costs for the Briar Hill mine closure.

A. Execution and Relevant Terms of the Coal Supply Agreements.

51. On or about December 31, 2007, the predecessors of Big Rivers and Oxford entered into a coal supply agreement in the form of the Original CSA, under which Oxford's predecessor was obligated to supply specified tons of coal during calendar years 2008 through 2011.

52. The Original CSA specified two qualities of coal – an 11,300 BTU/lb. product for delivery to WKE's Sebree Generating Complex (Green Station) and a 10,500 BTU/lb. product for delivery to WKE's D.B. Wilson Generating Station.

53. Prior to July 1, 2010, both Big Rivers and Oxford succeeded to the roles of their predecessors under the Original CSA. Then, effective as of that date, the coal supply agreement consisting of the Original CSA was amended, restated and extended by the Amended CSA.

54. Big Rivers provided the form for the Amended CSA, and controlled the primary drafting of it.

55. Section 3.1 of the Amended CSA provides that, in 2011, Oxford will supply to Big Rivers 750,000 tons of Quality B coal (a 10,500 BTU/lb. product), and that, in 2012 through

2015, Oxford will annually supply to Big Rivers 800,000 tons of Quality D coal (an 11,500 BTU/lb. product).

56. Section 3.2 of the Amended CSA provides that Big Rivers may also request a quantity of up to 200,000 additional tons of Quality B coal or Quality C coal (an 11,250 BTU/lb. product) to be supplied to it by Oxford annually during calendar years 2012 through 2015.

57. Oxford agreed to deliver this coal, and Big Rivers agreed to accept this coal, at the selected delivery points specified in Section 5.1 of the Amended CSA.

58. Section 4.6 of the Amended CSA provides that Oxford may request the consent of Big Rivers to supply substitute coal not produced from the "Coal Property," and that such consent shall not be unreasonably withheld.

59. Section 6.1 of the Amended CSA provides that the coal supplied by Oxford under the Amended CSA is to conform to certain quality specifications.

60. To that end, Section 6.1 of the Amended CSA enumerates Guaranteed Monthly Averages and Rejection Limits for BTU/lb., moisture, ash and sulfur for Quality A, Quality B, Quality C and Quality D coal.

61. For instance, Section 6.1 of the Amended CSA specifies that, for Quality B coal (a 10,500 BTU/lb. product), the BTU/lb. rejection limit is 10,300 BTU/lb. and the rejection limit for ash is 15.71 lbs/MMBTU.

62. Also, Section 6.1 of the Amended CSA specifies that, for Quality D coal (a 11,500 BTU/lb. product), the BTU/lb. rejection limit is 11,250 BTU/lb. and the rejection limit for ash is 10.87 lbs/MMBTU.

63. Section 8.1 of the Amended CSA established the base price per MMBTU for each calendar year and for each coal quality classification delivered. Pursuant to Section 8.7 of the

Amended CSA, that price varies monthly depending upon the average BTU/lb. of the actual Oxford shipments. Big Rivers pays only for the BTU/lb. that are supplied by Oxford.

64. Section 7.3 of the Amended CSA sets forth procedures for sampling and analyzing the coal supplied under the Amended CSA for purposes of determining whether such coal complies with the quality specifications set forth in Section 6.1 of the Amended CSA.

65. Pursuant to Section 6.3 of the Amended CSA, Big Rivers had the right to reject coal shipments in certain circumstances where the supplied coal quality fails to comply with the quality specifications set forth in Section 6.1 of the Amended CSA.

66. Section 6.4 of the Amended CSA governs the right of Big Rivers (referred to as “Buyer” in the Amended CSA) to suspend or terminate the Amended CSA on grounds that the coal supplied by Oxford (referred to as “Seller” in the Amended CSA) fails to comply with the quality specifications set forth in Section 6.1 of the Amended CSA:

If the coal sold hereunder fails to meet two consecutive months or more of the Guaranteed Monthly Weighted Averages as nominated and as set forth in §6.1 for any two (2) months in a four (4) month period, or if four (4) shipments are rejectable in any thirty (30) day period, Buyer may upon written notice delivered in accordance with §12, Notices, suspend future shipments except shipments already loaded into trucks. Seller shall, within ten (10) days after receipt of Buyer’s notice, provide Buyer with reasonable assurances that subsequent monthly deliveries of coal shall meet or exceed the Guaranteed Monthly Weighted Averages set forth in §6.1 and that the coal will exceed the Rejection Limits set forth in §6.1. If Seller fails to provide such assurances within said ten (10) day period, Buyer may terminate this Agreement by giving written notice of such termination at the end of the ten (10) day period. Buyer’s failure to terminate after the end of such ten (10) day period shall not constitute a waiver for a continuing default or for any subsequent defaults. If Seller provides such assurances to Buyer’s reasonable satisfaction, shipments hereunder shall resume and any tonnage deficiencies resulting from suspension may be made up at Buyer’s sole option. Buyer shall not unreasonably withhold its acceptance of Seller’s assurances, or delay the resumption of shipments. If Seller, after such assurances, fails to

meet any of the Guaranteed Monthly Weighted Averages for any one (1) month within the next six (6) months or if two (2) shipments are rejectable within any one (1) month during such six (6) month period, then Buyer may terminate this Agreement and exercise all its other rights and remedies under applicable law and in equity for Seller's breach.

67. Section 14 requires that, prior to either party's exercise of its termination rights, the terminating party must send written notice of its "intent to terminate." The Amended CSA may be finally terminated only if the alleged breach is not cured by the non-terminating party within fifteen (15) days of the terminating party's written notice of its intent to terminate (defined in the Amended CSA as the "Notice Period"). If the non-terminating party cures the alleged breach within the Notice Period, "then the Agreement shall not be terminated."

68. Section 19.1 of the Amended CSA provides that it "shall be construed in accordance with the laws of the Commonwealth of Kentucky, and all questions of performance of obligations hereunder shall be determined in accordance with such laws, without regard to choice of law principles."

B. Regular Course of Dealing Between Big Rivers and Oxford Regarding Coal Shipments, Sampling and Consequent Price Adjustments.

69. Commencing in 2008, Phoenix (the predecessor of Oxford) began to supply coal to WKE (the predecessor of Big Rivers) pursuant to the Original CSA.

70. Since 2008, the coal seller (Phoenix, succeeded by Oxford) under the applicable coal supply agreement (the Original CSA, superseded by the Amended CSA) has shipped coal to the coal buyer (WKE, succeeded by Big Rivers) that typically failed the written rejection limits under such coal supply agreement. Nevertheless, Big Rivers has always accepted those shipments and benefited from the consequent lower prices produced by the lower average BTU/lb. of such shipments. Upon information and belief, so long as the BTU/lb. was above 9,000, and so long as Oxford's price remained directly proportional to the BTU's supplied, it

made no material difference to Big Rivers whether the coal supplied by Oxford was above or below the rejection limits. As a consequence of that course of dealing and course of performance, the quality and termination provisions of the Amended CSA were effectively modified.

71. Pursuant to Sections 9.2 and 8.7 of the Amended CSA, Big Rivers regularly submitted to Oxford spreadsheets reflecting the results of coal sampling and analysis performed by Big Rivers on Oxford's coal shipments.

72. As a matter of course, Big Rivers regularly submitted such sampling and analysis spreadsheets to Oxford to enable Oxford to calculate the quality-based price in accordance with Section 8.7 of the Amended CSA.

73. Oxford used these spreadsheets to determine such quality-based price in accordance with Section 8.7 of the Amended CSA.

74. Despite quality reports that regularly showed rejection level specifications, until early 2012 Big Rivers never gave notice of or made demand for rejection or correction of a shipment. To the contrary, all communications regarding sampling and analysis undertaken by Big Rivers pursuant to Section 7.3 of the Amended CSA were made to the Oxford sales and accounting departments, and only for administration of the price computation.

75. In the two years prior to the improper termination by Big Rivers of the Amended CSA, more than 80% of Shipments failed to exceed the reject level of one or more quality specifications of the Amended CSA, although they were routinely close to those specifications and always well above 9,000 BTU/lb.

76. While the Amended CSA was in effect, Oxford regularly shipped coal to Big Rivers that contained ash in excess of the rejection limits set out in the Amended CSA. In fact,

the vast majority of daily shipments failed the ash rejection limits. But Big Rivers accepted these shipments, and, before February 2012, rarely even complained about high ash content, and never declared the coal as rejectable nor threatened to reject the coal.

77. Big Rivers rarely complained about high ash content because, to the degree ash is relevant as a quality specification under the Amended CSA at all, it is relevant primarily because it results in a lower BTU/lb. level. However, Big Rivers suffers no harm from a lower BTU/lb. level, as it only pays for the BTU/lb. that Oxford delivers. Hence, by its course of performance, Big Rivers clearly demonstrated that the ash specification was not a material specification for the coal shipped by Oxford.

78. Section 3.1 of the Amended CSA established that Oxford would deliver a 10,500 BTU/lb. product from July 2010 through the end of 2011. Commencing in 2012, the Amended CSA calls for Oxford to supply Quality D coal (an 11,500 BTU/lb. product). However, the parties understood that Oxford would have difficulty providing sufficient quantities of Quality D coal commencing in 2012. Accordingly, the parties verbally agreed that, in 2012, Oxford would continue to ship, and Big Rivers would continue to accept, a 10,500 BTU/lb. coal product. Of course, lower BTU/lb. levels were then compensated for by the directly proportional pricing per MMBTU under the Amended CSA. This agreement for the supply of a lower BTU/lb. coal was made by a verbal agreement between Big Rivers and Oxford; Big Rivers insisted on preparing an amendment to the Amended CSA to reflect the agreed-upon modification, but never followed through to prepare the amendment despite repeated requests by Oxford.

79. This verbal agreement was reached at a meeting between Tom Waters of Oxford and Mark McAdams of Big Rivers on September 27, 2011, at which they discussed the quality of coal that Big Rivers desired in 2012. Big Rivers told Oxford to ship a 10,500 BTU/lb. product in

2012, and Oxford understood that it was supposed to deliver a 10,500 BTU/lb. product under the Amended CSA for 2012.

80. The generating plants for Big Rivers can and do regularly burn a 10,500 BTU/lb. product without difficulty, as evidenced by its acceptance of the 10,500 BTU/lb. product in 2010 and 2011.

81. In accordance with the verbal agreement of Big Rivers and Oxford, Oxford was consistently delivering and Big Rivers was consistently accepting a 10,500 BTU/lb. product in January and February 2012.

82. At no point in time in 2010 or 2011, when the Amended CSA pricing (relative to the market) was economically beneficial to Big Rivers but not to Oxford, did Big Rivers provide notice to Oxford that Big Rivers had concerns with Oxford's ability to supply coal that met the quality specifications set forth in Section 6.1 of the Amended CSA. To the contrary, pursuant to Section 8.7 of the Amended CSA, Oxford continued to supply and Big Rivers continued to accept coal that rarely met the quality specifications of the Amended CSA as written, with corresponding calculation of the prices based upon the results of sampling and analysis of the supplied coal as provided in the Amended CSA.

83. Since it assumed the Original CSA and until February 2012, Oxford had supplied Big Rivers with, and Big Rivers had accepted delivery of and paid for, over 40,000 truck loads carrying more than 1,700,000 tons of coal under these contracts without a single suspension, rejection, or formal complaint from Big Rivers, despite the fact that the vast majority of those deliveries exceeded rejection limits.

C. **In a Contrived Effort to Renegotiate 2012 Prices, Big Rivers Asserts Quality Complaints and, Eventually, Furnishes an Improper Termination Notice.**

84. Starting in 2012, the agreed-upon contract price of coal under the Amended CSA finally exceeded market pricing instead of undercutting the market.

85. Even though Oxford continued to supply the same quality coal it had been delivering to Big Rivers for years, as verbally agreed, and continued to invoice for the coal based on the same contractual pricing per BTU/lb. supplied, going into 2012, Big Rivers began to complain about the quality of the coal being supplied by Oxford. Those were not genuine quality complaints. There were no material deficiencies in those shipments. Rather, the complaints of Big Rivers were designed only to force Oxford into agreeing to reduce the Amended CSA pricing, or to enable Big Rivers to escape its Amended CSA contract obligations altogether.

86. On February 15, 2012, Big Rivers provided notice that, in the 30 days prior to February 9, 2012, 15 of Oxford's shipments had purportedly failed to meet the rejection limits set out in the Amended CSA, and, citing Section 6.4 of the Amended CSA, Big Rivers suspended all future shipments.

87. Upon the suspension of shipments, Oxford is required under the Amended CSA to provide Big Rivers with reasonable assurances as to the subsequent monthly deliveries of coal.

88. Oxford provided assurances to mollify Big Rivers, even though Oxford believed the notice was unfounded, and on February 23, 2012, Big Rivers accepted Oxford's assurances and shipments resumed.

89. On February 27, 2012, Big Rivers provided notice that the February 24, 2012 shipment by Oxford was rejectable pursuant to Section 6.3 of the Amended CSA. Big Rivers

asserted that “the Shipment contained a large piece of steel which Oxford has acknowledged came from its mining operations.” That assertion was false.

90. Oxford did not and does not acknowledge that the piece of steel about which Big Rivers complained came from Oxford or any of its mining operations. Oxford has searched for a possible explanation for the piece of steel being in its delivered coal and has not found a plausible one.

91. Oxford does not know the source of the piece of steel, and Big Rivers has refused Oxford’s request to furnish any evidence that Oxford was the source.

92. Oxford delivers coal to Big Rivers at a delivery point that is shared with other suppliers, and the steel could, among other possibilities, have come from another supplier or even from the operations of Big Rivers.

93. Big Rivers could not or would not state which truck delivered the piece of steel and Big Rivers cannot establish that the steel came from a truck carrying Oxford’s delivery of coal.

94. In any event, that piece of steel does not qualify as “debris” under the Amended CSA because it was not present in the coal at the time it was delivered into the coal pile at Big Rivers which is the time when the presence of “debris” becomes a quality issue under the Amended CSA, and accordingly the piece of steel would not represent a material defect that would allow Big Rivers to reject a shipment. Indeed, because the piece of steel never reached the coal pile, let alone entered the generating plant of Big Rivers, it did not affect the use of the Oxford-delivered coal by Big Rivers, as is typically the case with and the reason for penalizing coal containing “debris.” Notably, despite its quality complaint, Big Rivers accepted the

February 24 shipment and, upon information and belief, used that coal without any adverse effect on any of its generating plant equipment.

95. On February 25, 2012, Tom Waters of Oxford notified Big Rivers by email that Oxford had temporarily closed its preparation plant, but had purchased additional coal that could be blended and provided to Big Rivers as substitute coal. A meeting was set for February 28, 2012 to discuss this issue as well as the alleged delivery of debris.

96. Mr. Waters met with various Big Rivers representatives on February 28 in three separate meetings and sought the consent of Big Rivers to allow Oxford to supply substitute coal during at least two of those meetings. This reasonable request, made repeatedly, was ignored or dismissed by Big Rivers each time. During his final meeting of the day with Mark McAdams of Big Rivers, Mr. McAdams stated to Mr. Waters that he “could not” respond to Oxford’s request.

97. During that same meeting with Mr. McAdams on February 28, 2012, the reason for the quality complaints by Big Rivers became apparent. Mr. McAdams said that “everything would be okay” and the complaints of Big Rivers regarding quality would go away if Oxford reduced the base price under the Amended CSA. Oxford, however, would not succumb to such extortion.

98. Big Rivers then carried out its implicit threat. On March 2, 2012, Big Rivers provided a “Notice of Shipment Rejection,” asserting that Oxford’s February 28, 2012 shipment was rejectable pursuant to Section 6.3 of the Amended CSA. Big Rivers stated that Oxford “delivered a Shipment of coal which failed to conform to the Rejection Limits set forth in Section 6.1 under [the Amended CSA] due to the Shipment containing excessive Ash. In particular, the ash content in Oxford’s Shipment for February 28, 2012 was 17.4 lbs/MMBTU according to the sample coal analysis taken from that Shipment on February 28, 2012 and

received by Big Rivers on March 1, 2008 [sic]. Under the [Amended CSA] the Rejection Limit for Ash is 12.5 lbs/MMBTU.”

99. The March 2, 2012 Notice of Shipment Rejection by Big Rivers was improper. As an initial matter, Big Rivers relied on the wrong ash standard. The Amended CSA establishes a rejection limit for ash of 12.5 lbs/MMBTU only on a Quality A 11,300 BTU/lb. product. But Oxford never shipped a Quality A product after 2010, and the Amended CSA did not call for shipment of an 11,300 BTU/lb. product after it was entered into on July 1, 2010.

100. More significantly, the ash content of a shipment is not a material term of the Amended CSA so long as the BTU/lb. of that shipment is at an acceptable level. The best evidence of that fact is the conduct, course of dealing, and course of performance of Big Rivers. Big Rivers rarely complained about ash content prior to March 2, 2012, and never rejected or threatened to reject any coal for excessive ash. The course of dealing and course of performance of Big Rivers and Oxford establishes that the only material and relevant indicator of quality was BTU/lb. To the degree that a higher ash content contributes to a lower BTU, Big Rivers receives a directly proportional diminished price. The BTU/lb. level for the February 28, 2012 shipment was 10,417, which was well above the rejection limit of 10,300 BTU/lb. for the 10,500 BTU/lb. product that Big Rivers and Oxford had agreed upon for 2012. Thus, the February 28, 2012 shipment was not rejectable – and in fact it was not rejected by Big Rivers, which instead accepted, burned, and generated electricity from that coal.

D. Big Rivers Improperly Terminates the Amended CSA.

101. By letter dated March 2, 2012, Big Rivers improperly terminated the Amended CSA, purportedly pursuant to Section 6.4 of the Amended CSA. Big Rivers did not comply with either the notice or cure provisions in Section 14 of the Amended CSA, and wrongfully refused

to accept substitute coal offered pursuant to Section 4.6 of the Amended CSA. The termination was baseless, defective, and a breach of contract.

102. The March 2, 2012 rejection and termination letter from Big Rivers asserts that the debris in the February 24, 2012 shipment and the high ash content in the February 28, 2012 shipment resulted in there being two rejectable shipments within one month during the six month period after February 23, 2012, which is when Big Rivers accepted Oxford's assurances and deliveries by Oxford were resumed. Big Rivers is wrong on both counts. Neither shipment was rejectable. Nor was the initial demand of Big Rivers for assurances justifiable. The improper termination notice furnished by Big Rivers was a mere pretext to allow Big Rivers to stop paying the increased prices it promised to pay when it entered into the Amended CSA.

103. Big Rivers has refused to accept delivery of any coal it is obligated to take under the Amended CSA since its March 2, 2012 letter.

104. The improper termination of the Amended CSA by Big Rivers, and its subsequent refusal to accept any of the coal it is obligated to take under the Amended CSA, constitute a repudiation of, and material breach of, the Amended CSA.

E. Oxford Suffers Harm as a Result of the Material Breaches by Big Rivers.

105. As a result of the improper termination of the Amended CSA by Big Rivers, and the subsequent refusal of Big Rivers to take delivery of coal from Oxford since March 2, 2012, Oxford has suffered, and continues to suffer, harm, including significant money damages far in excess of the jurisdictional limits of this Court.

106. Oxford has suffered, and will continue to suffer, millions of dollars of lost profits, in an amount to be proven at trial, due to the improper termination of the Amended CSA by Big Rivers.

107. Furthermore, the improper termination by Big Rivers has had a catastrophic effect on Oxford's operations. To date, Oxford has had to idle its Briar Hill mine and reduce operations at its Rose France mine, and it was forced to permanently terminate 113 of its 195 Muhlenberg County employees, all as a result of the refusal by Big Rivers to fulfill its contractual obligations under the Amended CSA.

108. Oxford has incurred and will continue to incur losses on the disposal of assets and equipment, severance and health insurance costs for terminated employees, and accelerated reclamation costs for the Briar Hill mine closure.

V. CAUSE OF ACTION – BREACH OF CONTRACT

109. Oxford incorporates by reference the preceding paragraphs as if fully set forth herein.

110. Oxford has fulfilled all of its duties, obligations and conditions precedent under the Amended CSA.

111. As set forth in detail above, Big Rivers has substantially and materially breached the terms of the Amended CSA by unjustifiably and improperly terminating the Amended CSA, and by failing and refusing to accept delivery of thousands of tons of coal from March 2, 2012 to the present, and by repudiating its obligation to purchase the remaining coal tonnage provided for under the Amended CSA.

112. The unreasonable withholding by Big Rivers of its consent to allow Oxford to supply substitute coal, which would have alleviated the quality concerns voiced by Big Rivers, was a material breach of contract.

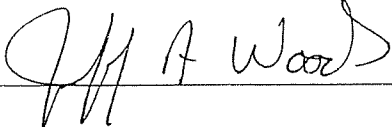
113. Despite demand, Big Rivers has failed and refused to remedy its material breaches of the Amended CSA.

114. Oxford has suffered and will continue to suffer substantial harm and damages in an amount to be proven at trial as a result of the breach of the Amended CSA by Big Rivers as set forth above.

VI. REQUESTED RELIEF

WHEREFORE, Plaintiff prays as follows:

1. That Judgment be entered in Plaintiff's favor and against Defendant declaring Defendant to be in material breach of the Amended CSA, and awarding Plaintiff damages as a result thereof and awarding Plaintiff its costs and expenses incurred herein.
2. For all other appropriate relief to which Plaintiff may be entitled.
3. Plaintiff requests a trial by jury.

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**Civil Action No. 12-CI-00160 – Complaint – Exhibit 1
(Commonwealth of Kentucky – Ohio Circuit Court)**

AMENDED AND RESTATED COAL SUPPLY AGREEMENT

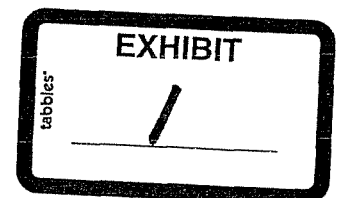
THIS AMENDED AND RESTATED COAL SUPPLY AGREEMENT (the "Agreement") is entered into, effective as of July 1, 2010, by and between; (i) BIG RIVERS ELECTRIC CORPORATION, a Kentucky corporation, 201 Third Street, Henderson, Kentucky 42420 (the "Buyer"); and (ii) Oxford Mining Company – Kentucky, LLC, having an address of 544 Chestnut Street, Coshocton, Ohio 43812 (the "Seller").

WHEREAS, on or about July 17, 2009, Buyer was assigned that certain Coal Supply Agreement from Western Kentucky Energy Corporation identified above as WKE-07-025 ("WKE-07-025");

WHEREAS, effective September 30, 2009, Seller acquired, among other things WKE-07-025 from Phoenix Coal Corporation and Charolais Coal Sales, LLC and assumed all of the obligations of Phoenix Coal Corporation and Charolais Coal Sales, LLC as Seller under WKE-07-025 accruing on and after the date of such acquisition and assumption; and

WHEREAS, Buyer and Seller wish to amend and restate this certain long term supply Agreement as set forth herein;

WHEREAS, the above recitals are incorporated herein as a substantive part of the Agreement. This Agreement establishes the terms and conditions pursuant to which the Buyer shall purchase and the Seller shall sell coal of the qualities and quantities described herein. The following terms constitute all of the terms and conditions of the binding agreement between the parties regarding this transaction.



WITNESSETH:

WHEREAS, Buyer desires to purchase steam coal; and

WHEREAS, Seller agrees to sell and deliver, and Buyer agrees to buy and accept, bituminous coal of quality, quantity, price, and on the terms and conditions stated as set forth herein.

NOW, THEREFORE, for and in consideration of the making and performance of the covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. GENERAL.

(a) The above recitals are true and correct and comprise a part of this Agreement.

(b) Seller will sell to Buyer, and Buyer will buy from Seller steam coal under all the terms and conditions of this Agreement.

(c) Each covenant, representation and warranty given by Seller herein is a material inducement for Buyer to enter into this Agreement.

SECTION 2. TERM. The term of this Agreement shall commence on January 1, 2008 and shall continue through December 31, 2015, unless earlier terminated as specifically provided herein.

SECTION 3. QUANTITY.

§ 3.1 Base Quantity. Seller shall sell and deliver and Buyer shall purchase and accept delivery of the following annual base quantity of coal ("Base Quantity").

<u>Year</u>	<u>Quality A Base Quantity (tons)</u>	<u>Quality B Base Quantity (tons)</u>
2008	432,000	275,000
2009	200,000	300,000
Jan. – June, 2010	185,146	178,110
July – Dec., 2010	0	386,744
2011	0	750,000

<u>Year</u>	<u>Quality A Base Quantity (tons)</u>	<u>Quality D Base Quantity (tons)</u>	<u>Quality B or C Optional Quantity (tons)</u>
2012	0	800,000	200,000
2013	0	800,000	200,000
2014	0	800,000	200,000
2015	0	800,000	200,000

§ 3.2 Optional Quantity. Buyer, in its sole discretion, may request up to 50,000 tons of Optional Quantity, on a quarterly basis, by providing the Seller thirty day's notice prior to the quarter of the planned deliveries. For example, in the event Buyer desires to increase the second quarter's deliveries by 25,000 tons of Optional Quantity, it shall provide notice on or before March 1, 2012 of its desired delivery increase. Buyer may elect Quality B or C, but must do so during the thirty day notice prior to the quarter of the planned deliveries. The foregoing provisions concerning time being of the essence shall not affect in any way the Suspension rights granted by Buyer in Section 6 of this Agreement.

§ 3.3 Delivery Schedule. Seller shall deliver the Base Quantity and any Optional Quantity in approximately equal monthly installments (plus or minus 15% in any given month, at

Buyer's sole option and discretion) during each calendar year, unless otherwise mutually agreed, provided that for each six month period of January through June and July through December, Buyer shall purchase and Seller shall deliver in the aggregate one half of the applicable annual Base Quantity during each such six month period.

Time is of the essence with respect to such deliveries. A failure by Seller to deliver coal or by Buyer to accept coal in accordance with the provisions of this § 3.2, other than a failure resulting from a force majeure event, as defined in § 10 hereof, shall constitute a material breach within the meaning of § 14 of this Agreement.

SECTION 4. SOURCE.

§ 4.1 Source. During the term of this Agreement (through December 31, 2015), Seller shall mine and supply the coal sold hereunder from any one or more of the mines currently owned or controlled by Seller (such mines being more particularly described in Exhibit A attached hereto and made a part hereof, and being collectively called the "Coal Properties"); provided that all coal sold by Seller hereunder shall comply with all of the terms and conditions hereof, including without limitation, the quality specifications provided in Section 6. If combinations of sources or pond fines are used to meet the quality specifications provided in Section 6, the delivered product shall be as homogeneous as operationally possible. The decision regarding which one or more of the Coal Properties will source the coal sold hereunder at any given time shall be at Seller's sole discretion. In event Seller, or any of its affiliates, acquire or come into the control of a new mine after the date hereof, such new mine shall be added as an

additional source under this Section 4.1, upon the prior written notice by Seller to Buyer of the addition of such new source and upon the approval of Buyer, which shall not be unreasonably withheld. Any coal supplied from a new mine shall comply with all the terms and conditions hereof, including without limitation, the quality specifications provided in Section 6. In the event a new mine is added as a source pursuant to the preceding sentence, Exhibit A shall be amended to include such new mine, from and after the date of the later of: (i) the notice by Seller, and (ii) the date the new mine is acquired by Seller. Once added to Exhibit A, such new mine would be included in the definition of "Coal Properties". The decision regarding which one or more of the Coal Properties will source the coal sold hereunder at any given time shall be at Seller's sole discretion.

§ 4.2 Assurance of Operation and Reserves. Seller represents and warrants that the Coal Property contains economically recoverable coal of a quality and in quantities which will be sufficient to satisfy all the requirements of this Agreement. Seller agrees and warrants that it or its producer will have adequate machinery, equipment and other facilities to produce, prepare and deliver coal in the quantity and of the quality required by this Agreement. Seller hereby dedicates to this Agreement sufficient reserves of coal meeting the quality specifications hereof so as to fulfill the quantity requirements hereof. Seller's dedication of reserves shall in no way be construed to limit or restrict either Seller's ability to claim a valid force majeure event under provisions of Section 10 herein.

§ 4.3 Non-Diversion of Coal. Seller agrees and warrants that it will not, without Buyer's express prior written consent, use or sell coal, from the Coal Property in a way that will reduce

the economically recoverable balance of coal in the Coal Property to an amount of coal less than that required to be supplied to Buyer

§ 4.4 Mining Overview. On or before March 1, of each contract year, Seller and Buyer shall meet and Seller shall have prepared a general overview of Seller's mining plan for the Coal Property with reasonable information to demonstrate Seller's capability to have coal produced from the Coal Property which meets the quantity and quality specifications of this Agreement. Seller shall not be obligated to provide Buyer with any written detail, however, Seller shall provide reasonable, timely, and adequate information to Buyer in regard to any foreseen mining conditions which might hinder, delay, or otherwise cause supply disruptions during the term of this Agreement. Buyer's receipt of any such mining information or data furnished voluntarily by Seller (the "Mining Information") shall not in any manner relieve Seller of any of Seller's obligations or responsibilities under this Agreement. Buyer's receipt and review, if any, of any Mining Information shall not be construed as constituting an approval of Seller's proposed mining overview or mining practices. Any such mining information furnished to Buyer by Seller shall be held in strict confidence and shall not be disclosed to third parties during the term of this Agreement and for a period of two (2) years thereafter. The parties acknowledge that Buyer has no right to approve, disapprove or require modification of Seller's mining plan. Buyer and Seller understand and acknowledge that a review, if any, by Buyer of the Mining Information shall be limited solely to a determination, for Buyer's purposes only, of Seller's capability to supply coal to fulfill Buyer's requirements of a dependable coal supply. In the event Buyer does not reasonably believe that Seller has sufficiently demonstrated Seller's capability to have coal

produced from the Coal Property which meets the quantity and quality specifications of this Agreement, then the Buyer may terminate this Agreement upon 30 days written notice to the Seller, and Buyer shall not have any further obligations to Seller hereunder.

§ 4.5 Relationship of the Parties. Seller agrees that it is not and will not hold itself out as a partner, joint venturer, employee, agent or representative of Buyer. Nothing herein contained shall be construed as creating a single enterprise, joint venture, agency, partnership, joint employer, owner-contractor, or lessor-lessee relationship between Buyer and Seller.

Seller shall have sole and exclusive authority to direct and control its respective activities and operations, and those of any subcontractors, undertaken in the performance of Seller's obligations under this Agreement. Seller shall exercise full and complete control over its respective work force and labor relations policies. Buyer shall have no authority or control over Seller's operations or work force.

§ 4.6 Substitute Coal. Notwithstanding the above representations and warranties, Seller shall promptly advise Buyer at least thirty (30) days prior to any scheduled delivery date in the event that Seller anticipates that it will be unable to produce or obtain coal from the Coal Property in the quantity and of the quality required by this Agreement, and such inability is not caused by a force majeure event as defined in § 10. Buyer may request, within five (5) business days after such notification, that Seller supply coal to Buyer not produced from the Coal Property ("Substitute Coal"). Seller will then have the right, with the express written consent of Buyer, which shall not be unreasonably withheld, to supply Substitute Coal. Alternatively, Seller may request Buyer's written consent, which shall not be unreasonably withheld, to supply Substitute

Coal. Any such supply of Substitute Coal shall be subject to all the terms and conditions of this Agreement including, but not limited to, the price provisions of § 8, the quality specifications of § 6.1, and the provisions of § 5 concerning reimbursement to Buyer for increased transportation costs. Buyer's failure to request that Seller provide Substitute Coal shall not limit or affect any rights and remedies Buyer may have for Seller's breach of its obligations to supply coal pursuant to this Agreement. Seller's delivery of Substitute Coal without having received the express written consent of Buyer shall constitute a material breach of this Agreement.

SECTION 5. DELIVERY.

§ 5.1 Delivery Point. For coal delivered between January 1, 2008 and June 30, 2010, Quality A coal shall be delivered to Buyer F.O.B. coal pile at Buyer's Sebree Generating Complex located at 9000 Highway 2096, Robards, Kentucky and Quality B coal shall be delivered to Buyer F.O.B. coal pile at Buyer's D.B. Wilson Generating Station located at 5660 State Route 85 West, Centertown, Kentucky (the "Delivery Point"). For coal delivered after June 30, 2010, Buyer may elect to have coal delivered to Buyer F.O.B. coal pile at Buyer's Sebree Generating Complex located at 9000 Highway 2096, Robards, Kentucky, or F.O.B. coal pile at Buyer's D. B. Wilson Generating Station located at 5660 State Route 85 West, Centertown, Kentucky or F.O.B. barge at Seller's Island Dock at mile post 73.3 on the Green River (the "Delivery Point"). Buyer may elect another delivery point; however, any additional expense or savings as a result of the election of an alternate delivery point shall be for Buyer's account.

§ 5.2 Title/Risk of Loss. Title to and risk of loss of coal sold hereunder will pass to Buyer and the coal will be considered to be delivered when trucks containing the coal are fully unloaded by Seller's trucking contractor at the applicable generating station Delivery Point or when barges are fully loaded and released from the Delivery Point.

§ 5.3 Barge Delivery. Buyer or its contractor shall furnish suitable barges in accordance with a delivery schedule provided by Buyer to Seller. Seller shall ensure that rake barges are loaded to a minimum of 1,525 tons per barge and that box barges are loaded to a minimum of 1,625 tons per barge unless river conditions are such that lesser amounts must be loaded or barges arrive at the loading point containing excess residual coal material. It shall be the responsibility of Buyer or its contractor to ensure barges supplied are clean and suitable for loading. In the event lesser amounts are loaded, notice of light loading and river condition requirements for such light loading shall accompany Seller's shipment notice. Seller shall arrange and pay for all costs of transporting the coal to the staging areas for loading of barges and for loading and trimming the coal into barges to the proper weight and proper distribution within the barges. Buyer shall arrange for transporting the coal from the Delivery Point to Buyer's generating station(s) and shall pay for the cost of such transportation. Seller shall be responsible for any delays, costs or other penalties assessed by Buyer's barging contractor and actually paid by Buyer for actual charges or costs incurred by Buyer which accrue at the Delivery Point which are deemed to have been caused by Seller, and not otherwise excused by an event of force majeure. If, in the reasonable opinion of Seller or its representative, the supplied barges contain an excess of residual material which makes them unsuitable for loading, it will be the

responsibility of Buyer or its contractor to remove any residual material from the supplied barges at Buyer's expense. Seller shall, as the loading operator, ensure that the barges provided by Buyer or Buyer's contractor are provided convenient and safe ingress, transit, berth, loading, and egress while the barges are at the Seller's Island Dock. Seller shall be responsible for all fleeting, switching, and other mooring fees associated with loading and safely harboring the barges until such time as Buyer's contractor removes the barges. Buyer or its contractor shall not unreasonably delay pick up of barges upon notice of loading and release.

SECTION 6. QUALITY.

§ 6.1 Specifications. (a) The coal delivered hereunder shall conform to the following specifications on an "as received" basis pursuant to Buyer's election of quality:

<u>Quality A Specifications</u> BTU/LB.	<u>Guaranteed Monthly Weighted Average</u> min. 11,300	<u>Rejection Limits (per shipment)</u> < 11,000
Ash	Max. 11.00 lbs./MMBTU	> 12.50 lbs./MMBTU
Moisture	Max. 11.00 lbs./MMBTU	> 12.50 lbs./MMBTU
Sulfur	Max. 3.50 lbs./MMBTU	> 3.65 lbs./MMBTU

Contract: WKE-07-025

<u>Quality B Specifications</u> BTU/LB.	<u>Guaranteed Monthly Weighted Average</u> min. 10,500	<u>Rejection Limits (per shipment)</u> < 10,300
Ash	Max. 14.00 lbs./MMBTU	> 15.00 lbs./MMBTU
Moisture	Max. 11.50 lbs./MMBTU	> 12.50 lbs./MMBTU
Sulfur	Max. 3.25 lbs./MMBTU	> 3.35 lbs./MMBTU

Effective July 1, 2010 – December 31, 2015

<u>Quality B Specifications</u> BTU/LB.	<u>Guaranteed Monthly Weighted Average</u> min. 10,500	<u>Rejection Limits (per shipment)</u> < 10,300
Ash	Max. 14.30 lbs./MMBTU	> 15.71 lbs./MMBTU
Moisture	Max. 11.95 lbs./MMBTU	> 12.86 lbs./MMBTU
Sulfur	Max. 3.25 lbs./MMBTU	> 3.50 lbs./MMBTU

Effective January 1, 2012 – December 31, 2015

<u>Quality C Specifications</u> BTU/LB.	<u>Guaranteed Monthly Weighted Average</u> min. 11,250	<u>Rejection Limits (per shipment)</u> < 11,000
Ash	Max. 9.78 lbs./MMBTU	> 10.67 lbs./MMBTU
Moisture	Max. 10.67 lbs./MMBTU	> 11.55 lbs./MMBTU
Sulfur	Max. 3.00 lbs./MMBTU	> 3.10 lbs./MMBTU

Effective January 1, 2012 – December 31, 2015

<u>Quality D Specifications</u> BTU/LB.	<u>Guaranteed Monthly Weighted Average</u> min. 11,500	<u>Rejection Limits (per shipment)</u> < 11,250
Ash	Max. 8.70 lbs./MMBTU	> 10.87 lbs./MMBTU
Moisture	Max. 9.57 lbs./MMBTU	> 10.87 lbs./MMBTU
Sulfur	Max. 2.85 lbs./MMBTU	> 3.00 lbs./MMBTU

All Qualities (lbs./MMBTU)

Sulfur	min. 1.80	< 1.80
Chlorine	max. 0.18	> 0.20
Fluorine	max. 0.02	> 0.03
Nitrogen	max. 1.50	> 1.65
Arsenic (ug/g)	max. 15	> 18
Vanadium (ug/g)	max. 75	> 130

SIZE (3" x 0"):

Top size (inches)*	max. 3"	> 4"
Fines (% by wgt) passing 1/4" screen	max. 45%	> 50 %

% BY WEIGHT:

VOLATILE	min. 32	< 30
FIXED CARBON	min. 40	< 38
GRINDABILITY (HGI)	min. 50	< 50

ASH FUSION TEMPERATURE (°F) (ASTM D1857)

REDUCING ATMOSPHERE

Initial Deformation	min. 2000	min. 1950
Softening (H=W)	min. 2200	min. 2100
Softening (H=1/2W)	min. 2300	min. 2200
Fluid	min. 2450	min. 2300

OXIDIZING ATMOSPHERE

Initial Deformation	min. 2300	min. 2150
Softening (H=W)	min. 2400	min. 2300
Softening (H=1/2W)	min. 2500	min. 2400
Fluid	min. 2600	min. 2500

* All the coal will be of such size that it will pass through a screen having circular perforations three (3) inches in diameter, but shall not contain more than forty-five percent (45%)

by weight of coal that will pass through a screen having circular perforations one-quarter (1/4) of an inch in diameter.

Note: As used herein: > means greater than;
 < means less than.

§ 6.2 Definition of "Shipment". As used herein, a "shipment" shall mean: one (1) day's delivery of loaded coal trucks or one (1) jumbo open-top barge, in accordance with Buyer's or Seller's sampling and analyzing practices. Buyer shall not be responsible for improperly loaded trucks in the event Seller controls or contracts the truck delivery and/or truck loading process. Furthermore, Buyer has the right to refuse delivery of over-weight or improperly loaded trucks and/or barges.

§ 6.3 Rejection. Buyer has the right, but not the obligation, to reject any shipment which fail(s) to conform to the Rejection Limits set forth in § 6.1. Buyer must reject such coal within seventy-two (72) hours of receipt of the coal analysis provided for in § 7.2 or such right to reject is waived. Buyer has the further right, but not the obligation, to reject at any time, any shipment which (i) contains extraneous materials, which include, but are not limited to, slate, rock, wood, corn husks, mining materials, metal, steel, etc. ("Debris") or (ii) can not be transported through the plant coal handling system as determined by Buyer.

In the event Buyer rejects such non-conforming coal, title to and risk of loss of the coal shall be considered to have never passed to Buyer and Buyer may, at its sole option, stop the non-conforming shipment in route, prevent the unloading of the non-conforming shipment, return the

coal to Seller or mutually agree with Seller upon a disposition for such coal shipment, all at Seller's cost and risk.

Seller shall replace the rejected coal within five (5) working days from notice of rejection with coal exceeding the Rejection Limits set forth in § 6.1. If Seller fails to replace the rejected coal within such five (5) working day period or the replacement coal is rightfully rejected, Buyer may purchase coal from another source in order to replace the rejected coal. Seller shall reimburse Buyer for (i) any amount by which the actual price plus transportation costs to Buyer of such coal purchased from another source exceeds the price of such coal under this Agreement plus transportation costs to Buyer from the Delivery Point; and (ii) any and all transportation, storage, handling, or other directly related expenses that have been incurred by Buyer for rightfully rejected coal.

If the non-conforming shipment has been unloaded at Buyer's generating station prior to the receipt of the coal analysis provided for in § 7.2, Buyer and Seller shall, at Buyer's option, confer for the purpose of reaching agreement on an adjustment to the Base Price to be paid for such coal. In addition, Seller shall reimburse Buyer for any penalties, costs or charges, including reasonable attorney's fees, associated with or resulting from the use of the non-conforming shipment. Buyer shall provide Seller with a written calculation of any such penalties, costs or charges within thirty (30) days after receipt of the coal analysis, or as soon as practicable thereafter. Seller shall make payment to Buyer within fifteen (30) days of receipt of the written calculation.

In the event Buyer and Seller are unable to reach an agreement concerning an adjustment to the Base Price, Buyer may, at its sole option, and upon written notice to Seller, require Seller to remove all coal constituting the non-conforming shipment from Buyer's property, or such other location as desired by Buyer, all at Seller's cost and risk. Seller shall remove such coal within five (5) days after receipt of Buyer's written notice relating thereto.

The remedies set forth herein are in addition to all of Buyer's other remedies under this Agreement and under applicable law and in equity for Seller's breach.

If Buyer fails to reject a shipment of non-conforming coal which it had the right to reject for failure to meet any or all of the Rejection Limits set forth in § 6.1 or because such shipment contained Debris, then such non-conforming coal shall be deemed accepted by Buyer; however, the quantity Seller is obligated to sell to Buyer under the Agreement shall be reduced by the amount of each such non-conforming shipment which is not rejected. Further, for shipments containing Debris, the estimated weight of such Debris shall be deducted from the weight of that shipment.

§ 6.4 Suspension and Termination. If the coal sold hereunder fails to meet two consecutive months or more of the Guaranteed Monthly Weighted Averages as nominated and as set forth in § 6.1 for any two (2) months in a four (4) month period, or if four (4) shipments are rejectable in any thirty (30) day period, Buyer may upon written notice delivered in accordance with § 12, Notices, suspend future shipments except shipments already loaded into trucks. Seller shall, within ten (10) days after receipt of Buyer's notice, provide Buyer with reasonable assurances that subsequent monthly deliveries of coal shall meet or exceed the Guaranteed

Monthly Weighted Averages set forth in § 6.1 and that the coal will exceed the Rejection Limits set forth in § 6.1. If Seller fails to provide such assurances within said ten (10) day period, Buyer may terminate this Agreement by giving written notice of such termination at the end of the ten (10) day period. Buyer's failure to terminate after the end of such ten (10) day period shall not constitute a waiver for a continuing default or for any subsequent defaults. If Seller provides such assurances to Buyer's reasonable satisfaction, shipments hereunder shall resume and any tonnage deficiencies resulting from suspension may be made up at Buyer's sole option. Buyer shall not unreasonably withhold its acceptance of Seller's assurances, or delay the resumption of shipments. If Seller, after such assurances, fails to meet any of the Guaranteed Monthly Weighted Averages for any one (1) month within the next six (6) months or if two (2) shipments are rejectable within any one (1) month during such six (6) month period, then Buyer may terminate this Agreement and exercise all its other rights and remedies under applicable law and in equity for Seller's breach. All costs, expenses or damages incurred by Buyer in obtaining Seller's assurance that subsequent deliveries will conform to the quality specifications shall be paid to Buyer by Seller.

SECTION 7. WEIGHTS, SAMPLING AND ANALYSIS.

§ 7.1 Weights for Truck Deliveries. The weight of the coal delivered hereunder by truck shall be determined on a per shipment basis by Buyer on the basis of scale weights at the Delivery Point unless another method is mutually agreed upon by the parties. Such scales shall

be duly reviewed by an appropriate independent testing agency and maintained in a condition such that the weights are deemed accurate and reliable so as to be used for payment purposes in accordance with the terms and conditions of this Agreement. To ensure such accuracy and reliability, such scales shall be tested and shall comply with appropriate conditions for weighing pursuant to the National Institute of Standards and Technology Handbook 44 for such scales. Seller shall have the right, at Seller's expense and upon reasonable notice, to have the scales checked for accuracy at any reasonable time or frequency. If the scales are found to be over or under the tolerance range allowable for the scale based on the National Institute of Standards and Technology Handbook 44, either party shall pay to the other any amounts owed due to such inaccuracy for a period not to exceed the mid-point of time in days between the last test and the point in time at which the scale is found to be inaccurate, provided however, the number of days shall not exceed one-half the number of days between scale tests.

§ 7.2 Weights For Barge Deliveries. The weight of the coal delivered hereunder shall be determined on a per barge basis to constitute a shipment by Seller on the basis of draft weights at the loading point, unless another method is mutually agreed upon by the parties. Such draft shall be duly performed by an appropriate independent testing agency and performed in a workmanlike manner pursuant to methodology for obtaining such that the weights are deemed accurate and reliable so as to be used for payment purposes in accordance with the terms and conditions of this Agreement. In the event that Buyer and Seller agree to utilize scales, to ensure such accuracy and reliability, such scales shall be tested and shall comply with appropriate standards for weighing as set out in the National Institute of Standards and Technology Handbook 44 for such scales.

Buyer or Seller, as the case may be, shall have the right, at their own expense and upon reasonable notice one to the other, to have the draft process or scales checked for process and accuracy at any reasonable time or frequency. In the event scales are utilized, if such scales are found to be over or under the tolerance range allowable for the scale based on the National Institute of Standards and Technology Handbook 44, either party shall pay to the other any amounts owed due to such inaccuracy for a period not to exceed 30 days or the time between tests, whichever is shorter.

§ 7.3 Sampling and Analysis for Truck Deliveries. The sampling and analysis of the coal delivered hereunder shall be performed by Buyer at the Delivery Point and the results thereof shall be accepted and used for the quality and characteristics of the coal delivered under this Agreement. Buyer shall send to Seller by facsimile or via email a copy of Buyer's analysis within five (5) business days after sampling the applicable shipment. All analyses shall be made in Buyer's or Buyer's contractor's laboratory at Buyer's expense in accordance with American Society of Testing and Measurement (hereinafter referred to as "A.S.T.M.") practices and procedures. Samples for analyses: (i) shall be taken by the most current industry-accepted standard for the mechanical sampling system in place; (ii) shall be mutually acceptable to both parties; and (iii) shall be taken with a frequency and regularity sufficient to provide reasonably accurate representative samples of the deliveries made hereunder. Seller represents that it is familiar with the sampling and analysis practices to be utilized hereunder, and finds them to be acceptable. Buyer shall notify Seller in writing of any significant changes in Buyer's sampling and analysis practices. Any such changes in Buyer's or Buyer's contractor's sampling and

analysis practices shall, except for A.S.T.M. accepted changes in practices, provide for no less accuracy than the sampling and analysis practices existing at the time of the execution of this Agreement, unless the parties otherwise mutually agree. Seller shall have the right, at Seller's expense and upon reasonable notice, to visit Buyer's or Buyer's sample collection area, sampler and Buyer's and/or Buyer's contractor's laboratory to review coal quality analysis processes and shall further have the right to suggest processes for improvement in accuracy at any reasonable time or frequency.

Each sample taken by Buyer shall be divided into four (4) parts and put into airtight containers, properly labeled and sealed. One part shall be used for analysis by Buyer; one part shall be used by Buyer as a check sample, if Buyer in its sole judgment determines it is necessary; one part shall be retained by Buyer until the twenty-fifth (25th) day of the month following the month of unloading (the "Disposal Date") and shall be delivered to Seller for analysis if Seller so requests before the Disposal Date; and one part ("Referee Sample") shall be retained by Buyer until the Disposal Date. Buyer shall provide a composite of all the analysis for presentation to Buyer by the fifteenth (15th) day of the month following the month of unloading. Seller, on reasonable notice to Buyer, shall have the right to have a representative present to observe the sampling and analyses performed by Buyer or Buyer's contractor. Unless Buyer requests a Referee Sample analysis before the Disposal Date, Buyer's analysis shall be used to determine the quality of the coal delivered hereunder. The Monthly Weighted Averages shall be determined by utilizing the individual shipment analyses and the weight of each shipment.

If any dispute arises before the Disposal Date, the Referee Sample retained by Buyer shall be submitted for analysis to an independent commercial testing laboratory ("Independent Lab") mutually chosen by Buyer and Seller. For each coal quality specification in question, a dispute shall be deemed not to exist and Buyer's analysis shall prevail and the analysis of the Independent Lab shall be disregarded if the analysis of the Independent Lab differs from the analysis of Seller by an amount equal to or less than:

- (i) 0.50% moisture
- (ii) 0.50% ash on a dry basis
- (iii) 100 Btu/lb. on a dry basis
- (iv) 0.10% sulfur on a dry basis.

For each coal quality specification in question, if the analysis of the Independent Lab differs from the analysis of Buyer by an amount more than the amounts listed above, then the analysis of the Independent Lab shall prevail and Buyer's analysis shall be disregarded. The cost of the analysis made by the Independent Lab shall be borne by Seller to the extent that Buyer's analysis prevails and by Buyer to the extent that the analysis of the Independent Lab prevails.

§ 7.4 Sampling and Analysis for Barge Delivery. The sampling and analysis of the coal delivered via barge hereunder shall be performed by Seller and the results thereof shall be accepted and used for the quality and characteristics of the coal delivered under this Agreement unless another method is mutually agreed upon by the parties. All analyses shall be made in the laboratory of Seller or Seller's contractor at Seller's expense in accordance with industry-accepted standards. Samples for analyses: (i) shall be taken by the most current industry-accepted standard for the mechanical sampling system in place (ii) shall be mutually acceptable

to both parties; (iii) may be composited; and (iv) shall be taken with a frequency and regularity sufficient to provide reasonably accurate representative samples of the deliveries made hereunder. Buyer acknowledges that it is familiar with the sampling and analysis practices to be utilized hereunder, and finds them to be acceptable. Seller shall notify Buyer in writing of any significant changes in Seller's sampling and analysis practices. Any such changes in Seller's or Seller's contractor's sampling and analysis practices shall, except for industry accepted changes in practices, provide for no less accuracy than the sampling and analysis practices existing at the time of the execution of this Agreement, unless the parties otherwise mutually agree.

Each sample taken by Seller shall be divided into four (4) parts and put into airtight containers, properly labeled and sealed. One part shall be used for analysis by Seller; one part shall be used by Seller as a check sample, if Seller in its sole judgment determines it is necessary; one part shall be retained by Seller until the twenty-fifth (25th) day of the month following the month of unloading (the "Disposal Date") and shall be delivered to Buyer for analysis if Buyer so requests before the Disposal Date; and one part ("Referee Sample") shall be retained by Seller until the Disposal Date. Buyer shall be given copies of all analyses made by Seller and Seller shall provide a composite of all the analysis for presentation to Buyer by the twelfth (12th) day of the month following the month of unloading. Buyer, on reasonable notice to Seller, shall have the right to have a representative present to observe the sampling and analyses performed by Seller or Seller's contractor. Unless Buyer requests a Referee Sample analysis before the Disposal Date, Seller's analysis shall be used to determine the quality of the coal delivered

hereunder. The Monthly Weighted Averages shall be determined by utilizing the individual shipment analyses and the weight of each shipment.

If any dispute arises before the Disposal Date, the Referee Sample retained by Seller shall be submitted for analysis to an independent commercial testing laboratory ("Independent Lab") mutually chosen by Buyer and Seller. For each coal quality specification in question, a dispute shall be deemed not to exist and Seller's analysis shall prevail and the analysis of the Independent Lab shall be disregarded if the analysis of the Independent Lab differs from the analysis of Seller by an amount equal to or less than:

- (i) 0.50% moisture
- (ii) 0.50% ash on a dry basis
- (iii) 100 Btu/lb. on a dry basis
- (iv) 0.10% sulfur on a dry basis.

For each coal quality specification in question, if the analysis of the Independent Lab differs from the analysis of Seller by an amount more than the amounts listed above, then the analysis of the Independent Lab shall prevail and Seller's analysis shall be disregarded. The cost of the analysis made by the Independent Lab shall be borne by Buyer to the extent that Seller's analysis prevails and by Seller to the extent that the analysis of the Independent Lab prevails.

In the event Buyer installs a sampling system at the generating station that is equivalent or better than that utilized by Seller, at Seller's reasonable sole option, Seller may agree to utilize Buyer's collected samples and analyses of such samples as the basis for payments hereunder. Such sampling processes shall include all those listed above as responsibility of Seller in terms of frequency and regularity sufficient to provide an accurate representative sample of the deliveries,

and will include the same number of sample divisions taken and retained. All analyses of samples collected by Buyer shall be made at Buyer's expense in accordance with then current industry-accepted standards. Seller shall have the right, upon reasonable notice, to inspect or have inspected Buyer's mechanical sampler, collection, and the sample analysis process.

SECTION 8. PRICE.

§ 8.1 Base Price. The base price of the coal to be sold and delivered hereunder shall be determined according to the following schedule as set out by year, by Delivery Point and by quality as nominated by Buyer on the basis of \$/MMBTU F.O.B. Delivery Point ("Base Price"):

<u>Year</u>	<u>Quality A 11,300 BTU</u>		<u>Quality B 10,500 BTU</u>	
	<u>F.O.B. Coal Pile</u>		<u>F.O.B. Coal Pile</u>	
	<u>Green Station</u>		<u>Wilson Station</u>	
2008	\$1.4500		\$1.4200	
2009	\$1.4935		\$1.4626	
January 1 – June 30, 2010	\$1.5383		\$1.5065	
July 1, 2010 – December 31, 2010			\$1.4994	
2011			\$1.5446	
	<u>Quality B</u>	<u>Quality C</u>	<u>Quality D</u>	
2012	\$2.0402	\$2.1402	\$2.2402	
2013	\$2.1352	\$2.2352	\$2.3352	
2014	\$2.2342	\$2.3342	\$2.4342	
2015	\$2.3372	\$2.4372	\$2.5372	

§ 8.2 Diesel Fuel Adjustment (Surcharge or Discount). In addition to the Base Price in §8.1 above, there shall be an adjustment to such price for changes in diesel fuel for each coal

quality (surcharge or discount) through December 31, 2011. The adjustment shall change in proportion to changes in the previous calendar quarter's Daily Average of the Average Rack Gross Price for Untaxed Ultra Low Sulfur Diesel Fuel (Branded and Unbranded) published in the OPIS Newsletter Prices and reported daily at 6:00 P.M. – Evansville, IN (hereinafter the "OPIS"). The adjustment to the Base Price to be in effect for any particular quarter shall be calculated by multiplying a fraction, the denominator of which shall be the "Base Fuel Index" (as hereinafter defined) and the numerator of which shall be the "Adjusted Fuel Index" (as hereinafter defined), times the "Diesel Fuel Cost Component." The effective dates of each quarterly adjustment shall be May 1, August 1, November 1 and February 1, as the case may be. The first quarterly adjustment shall be applied beginning May 1, 2008 and the last adjustment shall be applied beginning November 1, 2011. The adjustment shall be rounded to four decimal places and reset to zero prior to each calculation.

For purposes of this Section, the terms below shall have the following meanings in connection with the calculation of the adjustment for Diesel Fuel for any particular quarter:

"Adjusted Fuel Index" shall mean the difference between (i) the average OPIS for the relevant Calculation Period, and (ii) the Base Fuel Index.

"Base Fuel Index" shall mean 230, (being the average OPIS for July, August and September 2007).

"Calculation Period" shall mean the three-month period ending (i) March 31, for a May 1 adjustment date, (ii) June 30, for a August 1 adjustment date, (iii) September 30, for a November

I adjustment date, and (iv) December 31, for a February 1 of the subsequent year adjustment date.

“Diesel Fuel Price Component” shall mean the amount set forth for the relevant year and quality in the following table:

Diesel Fuel Price Component (\$/MMBTU):

	Quality A 11,300 Btu \$/MMBTU	Quality B 10,500 Btu \$/MMBTU
2008	\$0.29	\$0.21
2009	\$0.29	\$0.25
2010	\$0.10	\$0.25
2011	\$0.00	\$0.25

Example #1 for 11,300 BTU for 2008 to be effective from May 1 through July 31:

Calculation Period would be January, February and March 2008

Average OPIS for Calculation Period = 280.0 (hypothetical)

Base Fuel Index = 230

Fuel Adjustment Calculation = $[(280.0-230)/230]*\$0.29/\text{MMBTU}$

Fuel Adjustment = $+\$0.0630$ per MMBTU

Example #2 for 10,500 BTU for 2008 to be effective from May 1 through July 31:

Calculation Period would be January, February and March 2008

Average OPIS for Calculation Period = 280.0 (hypothetical)

Base Fuel Index = 230

Fuel Adjustment Calculation = $[(280.0-230)/230]*\$0.21/\text{MMBTU}$

Fuel Adjustment = +\$0.0457 per MMBTU

Example #3 for 11,300 BTU for 2008 to be effective from May 1 through July 31:

Calculation Period would be January, February and March 2008

Average OPIS for Calculation Period = 200.0 (hypothetical)

Base Fuel Index = 230

Fuel Adjustment Calculation = $[(200.0-230)/230]*\$0.29/\text{MMBTU}$

Fuel Adjustment = -\$0.0378 per MMBTU

Example #4 for 10,500 BTU for 2008 to be effective from May 1 through July 31:

Calculation Period would be January, February and March 2008

Average OPIS for Calculation Period = 200.0 (hypothetical)

Base Fuel Index = 230

Fuel Adjustment Calculation = $[(200.0-230)/230]*\$0.21/\text{MMBTU}$

Fuel Adjustment = -\$0.0274 per MMBTU

§ 8.3 Trucking and Diesel Fuel Adjustment. Effective July 1, 2010 through December 31, 2011, in addition to the Base Price in §8.1 above, there shall be added a trucking expense of \$4.70 per ton for all coal delivered to the Sebree Complex Delivery Point, a trucking expense of \$2.25 per ton for all coal delivered to the D. B. Wilson Station, and a trucking expense of \$2.25 per ton, as well as a barge loading expense of \$1.50 per ton, for all coal delivered to the Island Dock Delivery Point, as directed by Buyer (the "Transportation Charge"). The Transportation Charge provided for herein shall be adjusted on an annual basis as hereafter provided. The parties shall meet on or before September 1, 2011, and establish trucking and barge loading rates to the Delivery Points to be effective January 1, 2012. Thereafter, the parties shall meet each

September 1st for the remaining years of the term to ensure establishment of competitive and reliable transportation charges to the Delivery Points for the following year.

There shall be an adjustment to the Transportation Charge for changes in diesel fuel for transportation purposes (the "Trucking Diesel Fuel Adjustment"). The Trucking Diesel Fuel Adjustment shall be adjusted effective on the first day of each month, beginning July 1, 2010 through December 31, 2011 for trucking to the Delivery Points. In the event diesel fuel is in excess of \$2.50 per gallon, the adjustment shall be thirty (30) percent of any cost per gallon above \$2.50. For avoidance of doubt a sample calculation is made below and calculated as follows:

Example 1: Diesel fuel price for the month is \$2.40 per gallon; no adjustment.

Example 2: Diesel fuel price for the month is \$2.50 per gallon; no adjustment.

Example 3: Diesel fuel price for the month is \$2.75 per gallon; then, the Trucking Diesel Fuel Adjustment calculation shall be: $(\$2.75 - \$2.50) \times .30 = \$0.075$. Thus, the Transportation Charge and Trucking Diesel Fuel Adjustment for the month shall be: \$4.70 per ton + \$0.075 = \$4.775 or \$4.78 per ton (rounded to two decimal places) for truck delivery to the Sebree Complex Delivery Point. Likewise, the Transportation Charge and Trucking Diesel Fuel Adjustment for the Wilson Delivery Point would be: \$2.25 per ton + \$0.075 = \$2.325 or \$2.33 per ton; and for the Island Dock Delivery Point: \$1.50 per ton + \$0.075 = \$1.575 or \$1.58 per ton.

§ 8.4 Mining Operations Diesel Fuel Adjustment. Effective January 1, 2012, in addition to the Base Price in §8.1 above, there shall be a quarterly adjustment to such price for

changes in diesel fuel. The index values shall be adjusted based upon the preliminary index values for the three-month period ending November 30 (for adjustment effective January 1st), February 28 or 29 (for adjustment effective April 1st), May 31 (for adjustment effective July 1st), and August 31 (for adjustment effective October 1st) (hereinafter the "Calculation Period"). The adjustment shall change in proportion to changes in the first published PPI-Commodities #2 Diesel Fuel Index #WPU057303 (not seasonally adjusted) found in Table 6 of the Producer Price Indexes, published monthly by the U.S. Department of Labor, Bureau of Labor Statistics (hereinafter the "PPI Fuel"). The change in this component for each coal quality specification shall be calculated by multiplying a fraction, the denominator of which shall be 235.7 (hereinafter the "Base Fuel Index") which is the Preliminary PPI Fuel for May 2010 and the numerator of which shall be the difference between the average PPI Fuel for the Calculation Period and 235.7, times 14.0% of the current calendar year \$/MMBTU price (the "Diesel Fuel Component") for each coal quality (Quality B, C, and D). The adjustment shall be rounded to four decimal places and reset to zero prior to each calculation.

Example Mining Operations Diesel Fuel Adjustment based upon Quality C:

Average PPI Fuel for Calculation Period	= 300.0
Base Fuel Index	= 235.7
Diesel Fuel Adjustment	= $[(300.0-235.7)/235.7]*\$0.2996/\text{MMBTU}$
Diesel Fuel Component	= +\$.0817 per MMBTU

§ 8.5 Mining Operations Equipment Adjustment. Effective January 1, 2012, in addition to the Base Price in §8.1 above, there shall be a quarterly adjustment to such price for changes in the price of steel. The adjustment shall change in proportion to changes in the first published PPI-Commodities Construction Machinery and Equipment #WPU1012 found in the Producer Price Indexes, published monthly by the U.S. Department of Labor, Bureau of Labor Statistics (hereinafter the "PPI Equipment"). The change in this component for each coal quality specification shall be calculated by multiplying a fraction, the denominator of which shall be 190.8 (hereinafter the "Base Equipment Index") which is the Preliminary PPI Equipment for May 2010 and the numerator of which shall be the difference between the average PPI Equipment for the relevant Calculation Period and 190.8, times 15.0% of the current calendar year \$/MMBTU price (the "Steel Component") for each coal quality (Quality B, C, and D). The adjustment shall be rounded to four decimal places and reset to zero prior to each calculation.

Example Mining Operations Equipment Adjustment based upon Quality C:

Average PPI Equipment for Calculation Period	= 170.0
Base Equipment Index	= 190.8
Equipment Adjustment	= [(170.0-190.8)/190.8]*\$0.3210/MMBTU
Equipment Component	= (\$0.0350) per MMBTU

§ 8.6 Mining Operations Explosive Adjustment. Effective January 1, 2012, in addition to the Base Price in §8.1 above, there shall be a quarterly adjustment to such price for changes in

the price of explosives. The adjustment shall change in proportion to changes in the first published PPI-Commodities Fertilizer Materials Index #WPU0652 found in the Producer Price Indexes, published monthly by the U.S. Department of Labor, Bureau of Labor Statistics (hereinafter the "PPI Explosives"). The change in this component for each coal quality specification shall be calculated by multiplying a fraction, the denominator of which shall be 229.7 (hereinafter the "Base Explosives Index") which is the Preliminary PPI Explosives for May 2010 and the numerator of which shall be the difference between the average PPI Explosives for the relevant Calculation Period and 229.7, times 6.0% of the current calendar year \$/MMBTU price (the "Explosives Component) for each coal quality (Quality B, C, and D). The adjustment shall be rounded to four decimal places and reset to zero prior to each calculation.

Example Mining Operations Explosive Adjustment:

Average PPI Explosives for Calculation Period	= 250.0
Base Explosives Index	= 229.7
Explosives Adjustment	= [(250.0-229.7)/229.7]*\$0.1284/MMBTU
Explosives Component	= +\$0.0113 per MMBTU

A Sample calculation of this procedure is attached hereto Exhibit "B" and shall serve as a guide for administration of the Diesel Fuel, Equipment and Explosive Adjustments.

§ 8.7 Payment Calculation. Payment shall be based solely upon the tonnage and BTU/LB received pursuant to Section 6. QUALITY and Section 7. WEIGHTS, SAMPLING AND ANALYSIS and Section 8 PRICE. If there are any adjustments pursuant to Section 6.

QUALITY, such adjustments shall apply for the month the coal was delivered to the Delivery Point.

SECTION 9. INVOICES, BILLING AND PAYMENT.

§ 9.1 Invoicing Address. Invoices will be sent to Buyer at the following address:

Big Rivers Electric Corporation
201 Third Street
Henderson, Kentucky 42420
Attn.: Supervisor, Fuels Accounting

§ 9.2 Payment Procedures for Coal Shipments. For all coal delivered pursuant to Article 5 hereof, and unloaded at the Delivery Point, if delivered by truck or unloaded at the generating station if delivered by barge, between the first (1st) and fifteenth (15th) days of any calendar month, Buyer shall make preliminary payment for one-hundred percent (100%) of the amount owed for the coal (based on the assumption that the coal will meet all guaranteed monthly quality parameters) by the twenty-fifth (25th) day of such month of unloading, except that, if the twenty-fifth (25th) day is not a regular work day, payment shall be made on the next regular work day. All preliminary payments shall be calculated based upon the then current Base Price on a cents per MMBTU basis as calculated by the guaranteed monthly weighted average BTU/lb. Seller shall invoice Buyer for all coal delivered pursuant to Article 5 hereof, and unloaded at the Delivery Point or the generating station, as the case may be, between the first (1st) and fifteenth (15th) days of any calendar month by the 20th day of the month, based upon the then current

Base Price on a cents per MMBTU basis as calculated by the guaranteed monthly weighted average BTU/lb.

For all coal delivered, as defined in Article 5 hereof, and unloaded at the Delivery Point, or the generating station, as the case may be, between the sixteenth (16th) day and the last day of any calendar month, Buyer shall make a payment for one-hundred percent (100%) of the amount owed for the coal by the tenth (10th) day of the month following the month of unloading, except that, if the tenth (10th) day is not a regular work day, payment shall be made on the next regular work day. Also by the tenth (10th) day of the following the month of unloading of coal at the Delivery Point, a reconciliation of amounts paid and amounts owed during said month shall be made, including any adjustments for any applicable discounts or other adjustments provided herein, except that, if the tenth (10th) day is not a regular work day, payment shall be made on the next regular work day. Seller shall invoice Buyer for all coal delivered pursuant to Article 5 hereof, and unloaded at the Delivery Point, or the generating station, as the case may be, between the sixteenth (16th) day and last day of any calendar month by the 5th day of the following month, based upon the then current Base Price on a cents per MMBTU basis as calculated by the guaranteed monthly weighted average BTU/lb.

In the event Seller notifies Buyer that a pattern has developed whereby payments are not being paid when due, as set forth herein, Buyer shall review its internal approval and payment procedures and remedy such payment practices, if any develop. Except as provided in § 9.3 below, the amount of any correct invoice not paid within five (5) business days when due, shall

bear interest at eight percent (8.0%) per annum based from the date due until such time as the payment is made in full to Seller.

In the event any one or more barges delivered to a generating station are not unloaded within five (5) days after being placed at such generating station, Seller may request that Buyer pay for the coal in said barges during the next normal payment cycle and Buyer shall comply with any such request.

Seller shall provide the appropriate bank notice and wiring instructions.

§ 9.3 Withholding. Buyer shall have the right to withhold from payment of any billing or billings (i) any sums which it is not able in good faith to verify or which it otherwise in good faith disputes and (ii) any amounts owed to Buyer from Seller. Buyer shall notify Seller promptly in writing of any such issue, stating the basis of its claim and the amount it intends to withhold. If such disputed amount or damage or likely damages exceed \$100,000, Seller shall have the right to suspend shipments until such time as the dispute is resolved and settlement of withholding occurs.

Payment by Buyer, whether knowing or inadvertent, of any amount in dispute shall not be deemed a waiver of any claims or rights by Buyer with respect to any disputed amounts or payments made. Any disputed amounts withheld by Buyer that are later found to have been withheld improperly, other than amounts disputed resulting from errors, lack of documentation, or other related incident surrounding any disputed amount or similar legitimate and reasonable

dispute, shall be subject to interest at eight percent (8.0%) per annum based from the date due until such time as the payment is made in full to Seller.

SECTION 10. FORCE MAJEURE.

§ 10.1 General Force Majeure. Notwithstanding anything herein to the contrary, if an event occurs that would otherwise be a force majeure event under this Section 10.1, but Seller is still able to perform its obligations hereunder (after taking into account all of Seller's then existing obligations to deliver coal to third parties from the unaffected Coal Properties) through one or more of the Coal Properties (or portions thereof) that are not affected by such force majeure event, then such event shall not be considered a force majeure event hereunder. If either party hereto is delayed in or prevented from performing any of its obligations or from utilizing the coal sold under this Agreement due to acts of God, war, riots, civil insurrection, acts of the public enemy, terrorism, strikes, lockouts, labor disputes, disturbances or unrest, damage to plants, equipment or facilities, fires, floods or earthquakes, inability to obtain permits or authorizations from any governmental authority after prudent and timely submission and application of same, mine accidents that are solely responsible for delaying or preventing performance of Seller, or unanticipated conditions in coal seams not discernable by prudent engineering which are beyond the reasonable control and without the fault or negligence of the party affected thereby, then the obligations of both parties hereto shall be suspended to the extent made necessary by such event; provided that the affected party gives written notice to the other party as early as practicable of the nature and probable duration of the force majeure event. Failure to give such notice and to furnish the designated information shall be deemed a waiver of

the affected party's rights under this § 10 for the such period of time during which the affected party failed to give notice. The party declaring force majeure shall exercise due diligence to avoid the force majeure event or shorten its duration and will keep the other party advised as to the continuance of the force majeure event.

During any period in which Seller's ability to perform hereunder is affected by a force majeure event, Seller shall not deliver any coal to any other buyers to whom Seller's ability to supply is similarly affected by such force majeure event unless contractually committed to do so at the beginning of the force majeure event; and further shall deliver to Buyer under this Agreement at least a pro rata portion (on a per ton basis) of its total contractual commitments for all its buyers in place at the beginning of the force majeure event to whom Seller's ability to supply is similarly affected by such force majeure event.

An event which affects the Seller's ability to obtain Substitute Coal will not be considered a force majeure event hereunder. Events of force majeure as defined above affecting a supplier or contractor of a party hereto, other than for the production and shipping of coal, will be treated as the affected party's force majeure provided that the affected party diligently and promptly obtains an alternate source of supply or services.

Buyer reserves the right to purchase replacement coal from other sources during the occurrence of a force majeure event affecting Seller and Seller reserves the right to sell coal to third parties during the occurrence of a force majeure event affecting Buyer. If tonnage deficiencies result from a Seller's or Buyer's declared force majeure event lasting thirty (30) days or less, such deficiencies may be made up at the non-affected party's sole option on a mutually

agreed-upon schedule. Any tonnage deficiencies resulting from a Seller's or Buyer's declared force majeure event lasting longer than thirty (30) days shall not be made up except by mutual agreement of the parties.

In the event that an event of force majeure that materially affects a party's ability to perform its obligations hereunder continues for a period exceeding sixty (60) days, then the party not claiming force majeure may elect to terminate this Agreement by giving written notice to the affected party. In the event of such termination, neither party shall have any further liability to the other except for those obligations or liabilities which may have accrued with respect to performance or defaults prior to said termination.

§ 10.2 Environmental Law Force Majeure. The parties recognize that, during the term of this Agreement, legislative or regulatory bodies or the courts may adopt, change, or amend environmental laws, regulations, policies or restrictions that will make it impossible or commercially impracticable (uneconomical) for Seller to deliver or Buyer to utilize this or like kind and quality coal which thereafter would be delivered hereunder. If as a result of the adoption, change or amendment of such environmental laws, regulations, policies, or restrictions, or change in the interpretation or enforcement thereof, Buyer decides that it will be impossible or commercially impracticable (uneconomical) for Buyer to utilize such coal, or Seller decides that it will be impossible or commercially impracticable (uneconomical) for Seller to deliver such coal, the affected party shall so notify the other party, and thereupon Buyer and Seller shall promptly consider whether corrective actions can be taken in the mining and preparation of the coal at Seller's mine and/or in the handling and utilization of the coal at Buyer's generating

stations. If in Buyer's sole judgment such actions make it commercially impracticable (uneconomical) for Buyer to so utilize coal which thereafter would be delivered hereunder without violating any applicable law, regulation, policy or restriction, Buyer shall have the right, upon the later of sixty (60) days notice to Seller or the effective date of such adoption, change or amendment of such environmental laws, regulations, policies, or restrictions, or change in the interpretation or enforcement thereof, to terminate this Agreement without further obligation hereunder on the part of either party hereto except for those obligations or liabilities which may have accrued with respect to performance or defaults prior to said termination.

If in Seller's sole judgment such actions make it commercially impracticable (uneconomical) for Seller to produce and deliver coal which would otherwise be delivered hereunder without violating any applicable law, regulation, policy or restriction, Seller shall have the right, upon the later of sixty (60) days notice to Buyer or the effective date of such adoption, change or amendment of such environmental laws, regulations, policies, or restrictions, or change in the interpretation or enforcement thereof, to terminate this Agreement without further obligation hereunder on the part of either party hereto except for those obligations or liabilities which may have accrued with respect to performance or defaults prior to said termination.

SECTION 11. CHANGES.

Buyer or Seller may, by mutual agreement, at any time by written notice pursuant to § 12 of this Agreement, make changes within the general scope of this Agreement in any one or more of the following: quality of coal or coal specifications, quantity of coal, method or time of shipments, place of delivery (including transfer of title and risk of loss), method(s) of weighing,

sampling or analysis, or government imposition as hereinafter defined, and such other provision as may affect the suitability and amount of coal for Buyer's generating stations.

For the purposes of this Agreement, Government Imposition shall be defined as (i) taxes (other than state or federal income taxes or payroll taxes), (ii) fees and/or costs, including those occasioned by compliance with interpretations of law in force on the date of this Agreement, but only if, the interpretations are issued by a court, governmental body, or regulatory agency, and are different from the interpretations of the relevant laws as they existed on the date of this Agreement (other than fees and/or costs which (a) are brought about by the inefficient operations of Seller, (b) are attributable to Seller's negligence, or (c) are the result of criminal fines or civil penalties imposed on Seller by any government or governmental agency and relating to the mining, production, severance, preparation, sale of the coal). The Base Price includes all Government Impositions as of the date of this Agreement.

If any such changes makes necessary or appropriate an increase or decrease in the then current Base Price of coal, or in any other provision of this Agreement, an equitable adjustment shall be negotiated in good faith regarding changes in: price, whether current or future or both, and/or in such other provisions of this Agreement as are affected directly or indirectly by such change, and the Agreement shall thereupon be modified in writing accordingly.

Any claim by the Seller for adjustment under this § 11 shall be asserted within thirty (30) days after the date of Seller's receipt of the written notice of change, it being understood, however that Seller shall not be obligated to proceed under this Agreement as changed until an equitable adjustment has been agreed upon. The parties agree to negotiate promptly and in good

faith for a period not to exceed thirty (30) days from the date of notice provided by the party seeking adjustment, to agree upon the nature and extent of any equitable adjustment. In the event the parties cannot agree upon an adjustment, this Agreement shall terminate ninety days from the date that negotiations cease.

SECTION 12. NOTICES.

§ 12.1 Form and Place of Notice. Any official notice, request for approval or other document required or permitted to be given under this Agreement shall be in writing, unless otherwise provided herein, and shall be deemed to have been sufficiently given when delivered in person, transmitted by facsimile or other electronic media, delivered to an established mail service for same day or overnight delivery, or dispatched in the United States mail, postage prepaid, for mailing by first class, certified, or registered mail, return receipt requested, and addressed as follows:

If to Buyer:	Big Rivers Electric Corporation 201 Third Street (42420) P.O. Box 24 Henderson, Kentucky 42419-0024 Attn: Director, Fuel Procurement
With a copy to:	Big Rivers Electric Corporation 201 Third Street (42420) P. O. Box 24 Henderson, Kentucky 42419-0024 Attn: Supervisor, Fuels Accounting
If to Seller:	Oxford Mining Company-Kentucky, LLC P. O. Box 427 544 Chestnut Street Coshocton, OH 43812 Attn: Charles C. Ungurean, President and CEO

§ 12.2 Change of Person or Address. Any party may change the person or address specified above upon giving written notice to the other party of such change.

§ 12.3 Electronic Data Transmittal. Seller hereby agrees, at Seller's reasonable cost, to electronically transmit shipping notices and/or other data to Buyer in a format acceptable to and established by Buyer upon Buyer's reasonable request. Buyer shall provide Seller with the appropriate format and will inform Seller as to the electronic data transmission requirements at the appropriate time.

SECTION 13. INDEMNITY AND INSURANCE.

§ 13.1 Indemnity. Seller agrees to indemnify and save harmless Buyer, its officers, directors, employees and representatives from any responsibility and liability for any and all claims, demands, losses, legal actions for personal injuries, including death, property damage and pollution (including reasonable inside and outside attorney's fees) (the "Claims") (i) relating to the trucks provided by Seller or Seller's contractor while such trucks are delivering coal to the Delivery Point, (ii) due to any failure of Seller, their respective employees, agents, representatives, contractors or subcontractors, to comply with any laws, regulations or ordinances, relative to Seller's performance of this Agreement, or (iii) due to the acts or omissions of Seller, their respective employees, agents, representatives, contractors or subcontractors.

Buyer agrees to indemnify and save harmless Seller, its officers, directors, employees and representatives from any responsibility and liability for any and all Claims relating to the ownership or use of the coal from and after the time that the coal is delivered to Buyer at the Delivery Point.

§ 13.2 Insurance. Seller agrees to carry insurance coverage with minimum limits as follows.

(a) Commercial General Liability, including Completed Operations and Contractual Liability, \$1,000,000 single limit liability.

(b) Automobile General Liability, \$1,000,000 single limit liability.

(c) In addition, Seller shall carry excess liability insurance covering the foregoing perils in the amount of \$4,000,000 for any one occurrence.

(d) Workers' Compensation and Employer's Liability with statutory limits.

If any of the above policies are written on a claims made basis, then the retroactive date of the policy or policies will be no later than the effective date of this Agreement. Prior to the execution of this Agreement, Certificates of Insurance satisfactory in form to the Buyer and signed by the Seller's insurer shall be supplied by the Seller to the Buyer evidencing that the above insurance is in force and that not less than thirty (30) calendar days written notice will be given to the Buyer prior to any cancellation or material reduction in coverage under the policies. The Seller shall cause its insurer to waive all subrogation rights against the Buyer respecting all losses or claims arising from performance hereunder. Evidence of such waiver satisfactory in

form and substance to the Buyer shall be exhibited in the Certificate of Insurance mentioned above. Seller's liability shall not be limited to its insurance coverage.

SECTION 14. TERMINATION FOR DEFAULT.

If either party hereto commits a material breach of any of its obligations under this Agreement at any time, including but not limited to a breach of a representation or warranty, then the other party has the right to give written notice describing such breach and stating its intention to terminate this Agreement no sooner than fifteen (15) days after the date of the notice (the "Notice Period"). If such material breach is curable and the breaching party cures such material breach within the Notice Period, then the Agreement shall not be terminated due to such material breach. If such material breach is not curable or the breaching party fails to cure such material breach within the Notice Period, then this Agreement shall terminate at the end of the Notice Period in addition to all the other rights and remedies available to the aggrieved party under this Agreement and at law and in equity.

SECTION 15. TAXES, DUTIES AND FEES.

Seller shall pay when due, and the price set forth in § 8 of this Agreement shall be inclusive of, all taxes, duties, fees and other assessments of whatever nature imposed by governmental authorities with respect to the transactions contemplated under this Agreement except as provided in Section 11. Changes.

SECTION 16. DOCUMENTATION AND RIGHT OF AUDIT.

Seller and Buyer shall maintain all records and accounts pertaining to payments, quantities, quality analyses, and source for all coal supplied under this Agreement for a period

lasting through the term of this Agreement and for two (2) years thereafter. Buyer and Seller shall have the right at no additional expense to audit, copy and inspect such records and accounts at any reasonable time upon reasonable notice during the term of this Agreement and for two (2) years thereafter.

SECTION 17. EQUAL EMPLOYMENT OPPORTUNITY.

To the extent applicable, Seller shall comply with all of the following provisions which are incorporated herein by reference: Equal Employment Opportunity regulations set forth in 41 CFR § 60-1.4(a) and (c) prohibiting discrimination against any employee or applicant for employment because of race, color, religion, sex, or national origin; Vietnam Era Veterans Readjustment Assistance Act regulations set forth in 41 CFR § 50-250.4 relating to the employment and advancement of disabled veterans and veterans of the Vietnam Era; Rehabilitation Act regulations set forth in 41 CFR § 60-741.4 relating to the employment and advancement of qualified disabled employees and applicants for employment; the clause known as "Utilization of Small Business Concerns and Small Business Concerns Owned and Controlled by Socially and Economically Disadvantaged Individuals" set forth in 15 USC § 637(d)(3); and subcontracting plan requirements set forth in 15 USC § 637(d).

SECTION 18. COAL PROPERTY INSPECTIONS.

Buyer and its representatives and others as may be required by applicable laws, ordinances and regulations shall have the right, but not the obligation, upon reasonable notice at reasonable times and at their own expense to inspect the Coal Property, including the loading facilities, scales, sampling system(s), wash plant facilities, and mining equipment for

conformance with this Agreement. Seller shall undertake reasonable care and precautions to prevent personal injuries to any representatives, agents or employees of Buyer (collectively, "Visitors") who inspect the Coal Property. Any such Visitors shall comply with Seller's regulations and rules regarding conduct on the work site, made known to Visitors prior to entry, as well as safety measures mandated by state or federal rules, regulations and laws. Buyer understands that coal mines and related facilities are inherently high-risk environments. Buyer's failure to inspect the Coal Property or to object to defects therein at the time Buyer inspects the same shall not be construed as constituting an approval of Seller's mining plan or mining practices, relieve Seller of any of its responsibilities, nor be deemed to be a waiver of any of Buyer's rights hereunder.

SECTION 19. MISCELLANEOUS.

§ 19.1 Applicable Law. This Agreement shall be construed in accordance with the laws of the Commonwealth of Kentucky, and all questions of performance of obligations hereunder shall be determined in accordance with such laws, without regard to choice of law principles.

§ 19.2 Headings. The paragraph headings appearing in this Agreement are for convenience only and shall not affect the meaning or interpretation of this Agreement.

§ 19.3 Waiver. The failure of either party to insist on strict performance of any provision of this Agreement, or to take advantage of any rights hereunder, shall not be construed as a waiver of such provision or right.

§ 19.4 Remedies Cumulative. Remedies provided under this Agreement shall be cumulative and in addition to other remedies provided under this Agreement or by law or in equity.

§ 19.5 Severability. If any provision of this Agreement is found contrary to law or unenforceable by any court of law, the remaining provisions shall be severable and enforceable in accordance with their terms, unless such unlawful or unenforceable provision is material to the transactions contemplated hereby, in which case the parties shall negotiate in good faith a substitute provision.

§ 19.6 Binding Effect. This Agreement shall bind and inure to the benefit of the parties and their successors and assigns.

§ 19.7 Assignment. Neither party may assign this Agreement or any rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or denied. Notwithstanding the foregoing, no consent is required for an assignment or other transfer by a party as part of a merger, reorganization or consolidation involving such party.

§ 19.8 Entire Agreement. This Agreement contains the entire agreement between the parties as to the subject matter hereof, and there are no representations, understandings or agreements, oral or written, which are not included herein.

§ 19.9 Amendments. Except as otherwise provided herein, this Agreement may not be amended, supplemented or otherwise modified except by written instrument signed by both parties hereto.

§ 19.10 Brokers. Seller hereby indemnifies and holds Buyer harmless from all losses, costs, demands, and expenses Buyer may incur in connection with claims made against Buyer by any brokers claiming by, through or on behalf of Seller arising from this Agreement.

SECTION 20. CONFIDENTIALITY

Seller and Buyer agree to maintain in strict confidence the terms and conditions of this Agreement and any information or data relating hereto exchanged or obtained by the parties during negotiation and performance of this Agreement. Neither Buyer nor Seller shall disclose any of the terms and conditions hereof to any third party (except to affiliates of Seller or Buyer) without the prior written consent of the other party, except where such disclosure may be required by law or in connection with a judicial or administrative proceedings before courts, regulatory bodies, or agencies such as the Kentucky Public Service Commission involving a party hereto, in which event the party intending to make such disclosure shall advise the other in advance and cooperate to minimize the disclosure to the extent possible. In the event that this Agreement or its material terms and condition are disclosed to the Kentucky Public Service Commission in accordance with law, then this Agreement shall be considered within the public domain and no longer subject to this §20; however any information obtained through negotiations and performance of this Agreement shall remain confidential pursuant to this §20. The obligations of Buyer and Seller arising under this § 20, shall continue for a period of three (3) years following termination or expiration of this Agreement.

SECTION 21. ETHICAL DEALING

Each party represents and warrants that it has not given or received and shall not give or receive any commission, payment, kickback, secret rebate or other thing of value to or from any employee or agent of the other party or to any supplier of services in connection with this Agreement. Each party acknowledges that the giving or receiving of any such commission, payment, kickback, secret rebate or other thing of value constitutes a breach of ethical standards, is potentially in violation of applicable law and may result in immediate termination of this and other outstanding agreements between the parties.

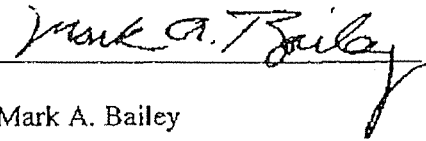
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date corresponding to each of their signature blocks below, but this Agreement shall be effective as of the date first above written.

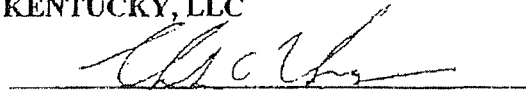
BUYER:

SELLER:

BIG RIVERS ELECTRIC CORPORATION

OXFORD MINING COMPANY - KENTUCKY, LLC





Mark A. Bailey
Chief Executive Officer and President

Name: CHARLES C. UNGUREAN
Title: PRESIDENT + CEO

Date: 6/29/10

Date: 7/1/2010

Contract: WKE-07-025

EXHIBIT "A" TO COAL SUPPLY AGREEMENT

Oxford Mining Company – Kentucky, LLC Coal Properties:

<u>Mine Name</u>	<u>Permit Number</u>
Briar Hill Mine	889-0134
Rose France Mine	889-0153
K O Mine	889-0136
Star Mine	889-0148
COVOL No. 2	889-8005

EXHIBIT "B" TO COAL SUPPLY AGREEMENT

For example calculation purposes

2012 Quality B Base Price \$2.0402 / MMBTU

Diesel Fuel Adjustment

Where: Base Fuel Index = 235.7
Avg. PPI Fuel for Calculation Period = 300.0

Diesel Fuel Component: $[(300.0 - 235.7) / 235.7] \times \$0.2856/\text{MMBTU}$ \$0.0779 / MMBTU

Equipment Adjustment

Where: Base Steel Index = 190.8
Avg. PPI Equipment for Calculation Period = 170.0

Steel Component: $[(170.0 - 190.8) / 190.8] \times \$0.3060/\text{MMBTU}$ (\$0.0334) / MMBTU

Explosive Adjustment:

Where: Base Explosive Index = 229.7
Avg. PPI Explosives for Calculation Period = 250.0

Explosives Component: $[(250.0 - 229.7) / 229.7] \times \$0.1224/\text{MMBTU}$ \$0.0108 / MMBTU

ADJUSTMENT TO BASE PRICE FOR QUARTER: **\$0.0553 / MMBTU**

EXHIBIT "B" TO COAL SUPPLY AGREEMENT

For example calculation purposes

2012 Quality C Base Price \$2.1402 / MMBTU

Diesel Fuel Adjustment

Where: Base Fuel Index = 235.7
Avg. PPI Fuel for Calculation Period = 300.0

Diesel Fuel Component: $[(300.0 - 235.7) / 235.7] \times \$0.2996/\text{MMBTU}$ \$0.0817 / MMBTU

Equipment Adjustment

Where: Base Steel Index = 190.8
Avg. PPI Equipment for Calculation Period = 170.0

Steel Component: $[(170.0 - 190.8) / 190.8] \times \$0.3210/\text{MMBTU}$ (\$0.0350) / MMBTU

Explosive Adjustment:

Where: Base Explosive Index = 229.7
Avg. PPI Explosives for Calculation Period = 250.0

Explosives Component: $[(250.0 - 229.7) / 229.7] \times \$0.1284/\text{MMBTU}$ \$0.0113 / MMBTU

ADJUSTMENT TO BASE PRICE FOR QUARTER **\$0.0580 / MMBTU**

EXHIBIT "B" TO COAL SUPPLY AGREEMENT

For example calculation purposes

2012 Quality D Base Price **\$2.2402 / MMBTU**

Diesel Fuel Adjustment

Where: Base Fuel Index = 235.7
Avg. PPI Fuel for Calculation Period = 300.0

Diesel Fuel Component: $[(300.0 - 235.7) / 235.7] \times \$0.3136/\text{MMBTU}$ **\$0.0855 / MMBTU**

Equipment Adjustment

Where: Base Steel Index = 190.8
Avg. PPI Equipment for Calculation Period = 170.0

Steel Component: $[(170.0 - 190.8) / 190.8] \times \$0.3360/\text{MMBTU}$ **(\$0.0366) / MMBTU**

Explosive Adjustment:

Where: Base Explosive Index = 229.7
Avg. PPI Explosives for Calculation Period = 250.0

Explosives Component: $[(250.0 - 229.7) / 229.7] \times \$0.1344/\text{MMBTU}$ **\$0.0119 / MMBTU**

ADJUSTMENT TO BASE PRICE FOR QUARTER: **\$0.0608 / MMBTU**

**Civil Action No. 12-CI-00160 – Complaint – Exhibit 2
(Commonwealth of Kentucky – Ohio Circuit Court)**



201 Third Street
P.O. Box 24
Henderson, KY 42419-0024
270-827-2561
www.bigrivers.com

February 15, 2012

Via Electronic Correspondence

Mr. Charles C. Ungurean
President and C.E.O.
Oxford Mining Company – Kentucky, LLC
544 Chestnut Street
Coshocton, OH 43812

RE: Contractual Notice of Suspension per Amended and Restated Coal Supply Agreement (WKE-07-025).

Dear Mr. Ungurean:

During the thirty days prior to February 9, 2012, Oxford Mining Company – Kentucky, LLC (Oxford) has delivered fifteen (15) shipments of coal which were rejectable under our Amended and Restated Coal Supply Agreement (the Agreement).

These shipments were rejectable for excesses (beyond the Rejection Limits per Shipment) on varying dates in respect to moisture, ash, sulfur, and/or BTU/lb. In this regard, we have attached a sheet which depicts quality deficiencies.

Pursuant to Section 6.4 of the Agreement, Big Rivers Electric Corporation suspends all future shipments under the Agreement, except those shipments already loaded into trucks prior to receipt of this Notice.

Per our Agreement, Oxford shall, within ten (10) days after receipt of this Notice, provide Big Rivers with reasonable assurances that subsequent shipments of coal shall meet or exceed the Rejection Limits set forth in Section 6.1 of the Agreement.

We await your provision of such assurances. Please feel free to contact me with any questions.

Respectfully,

A handwritten signature in black ink, appearing to read "Mark W. McAdams", is written over a circular stamp.

Mark W. McAdams
Director – Fuels Procurement



Oxford Mining (WKE-07-025)

Jan-12

	Oxford # 631/632 @ Green				QI=10500			
	Moisture	air Ash	air Sulfur	air BTU		SO ₂	Days	
1-Jan	0.00	0.00	0.00	0	0.00	0.00	1	
2-Jan	0.00	0.00	0.00	0	0.00	0.00	2	
3-Jan	0.00	0.00	0.00	0	0.00	0.00	3	
4-Jan	11.34	18.01	2.84	10069	5.50	5.50	4	
5-Jan	11.47	17.89	3.07	10087	5.94	5.94	5	
6-Jan	10.52	21.10	2.97	9724	5.95	5.95	6	
7-Jan	0.00	0.00	0.00	0	0.00	0.00	7	
8-Jan	0.00	0.00	0.00	0	0.00	0.00	8	
9-Jan	0.00	0.00	0.00	0	0.00	0.00	9	
10-Jan	10.63	20.22	3.48	9581	6.90	6.90	10	
11-Jan	0.00	0.00	0.00	0	0.00	0.00	11	
12-Jan	11.49	18.30	3.59	10098	6.92	6.92	12	
13-Jan	11.05	14.20	3.54	10803	6.39	6.39	13	
14-Jan	0.00	0.00	0.00	0	0.00	0.00	14	
15-Jan	0.00	0.00	0.00	0	0.00	0.00	15	
16-Jan	9.52	14.12	3.97	11097	6.97	6.97	16	
17-Jan	9.75	19.29	3.87	10173	7.42	7.42	17	
18-Jan	10.41	19.74	3.73	10015	7.26	7.26	18	
19-Jan	9.83	20.69	3.72	9997	7.28	7.28	19	
20-Jan	10.48	15.79	3.54	10669	6.47	6.47	20	
21-Jan	0.00	0.00	0.00	0	0.00	0.00	21	
23-Jan	11.29	24.45	3.15	9181	6.70	6.70	22	WL
23-Jan	11.49	16.69	3.34	10373	6.27	6.27	23	GN
24-Jan	10.86	18.73	3.44	10154	6.61	6.61	24	
25-Jan	11.18	19.66	3.37	9888	6.65	6.65	25	
26-Jan	11.58	20.96	3.51	9678	7.08	7.08	26	
27-Jan	0.00	0.00	0.00	0	0.00	0.00	27	
28-Jan	0.00	0.00	0.00	0	0.00	0.00	28	
29-Jan	0.00	0.00	0.00	0	0.00	0.00	29	
30-Jan	0.00	0.00	0.00	0	0.00	0.00	30	
31-Jan	0.00	0.00	0.00	0	0.00	0.00	31	
Mean Avg.	10.81	18.74	3.45	10098	6.64	6.64		
Guarantee	12.55	15.02	3.41	10500	6.50	6.50		BTU basis is GWMMA 10,500 BTU/lb.
GMWA lbs	11.95	14.30	3.25	10,500				
JAN MWA lbs	10.61	18.49	3.40					
MWA %	10.74	18.71	3.44					

12-Feb

	Oxford # 703 @ Green				QI=10500			
	Moisture	air Ash	air Sulfur	air BTU		SO ₂	Days	
1-Feb	10.09	16.89	3.59	10564	6.62	6.62	1	
2-Feb	10.62	18.10	3.74	10302	7.07	7.07	2	
3-Feb	10.39	17.87	3.61	10351	6.80	6.80	3	
4-Feb	0.00	0.00	0.00	0	0.00	0.00	4	
5-Feb	0.00	0.00	0.00	0	0.00	0.00	5	
6-Feb	11.31	16.28	3.47	10475	6.46	6.46	6	
7-Feb	0.00	0.00	0.00	0	0.00	0.00	7	
8-Feb	11.35	13.45	2.81	10909	5.02	5.02	8	
9-Feb	12.07	16.61	3.05	10169	5.85	5.85	9	
10-Feb	0.00	0.00	0.00	0	0.00	0.00	10	
11-Feb	0.00	0.00	0.00	0	0.00	0.00	11	
12-Feb	0.00	0.00	0.00	0	0.00	0.00	12	
13-Feb	0.00	0.00	0.00	0	0.00	0.00	13	
14-Feb	0.00	0.00	0.00	0	0.00	0.00	14	
15-Feb	0.00	0.00	0.00	0	0.00	0.00	15	
16-Feb	0.00	0.00	0.00	0	0.00	0.00	16	
17-Feb	0.00	0.00	0.00	0	0.00	0.00	17	
18-Feb	0.00	0.00	0.00	0	0.00	0.00	18	
19-Feb	0.00	0.00	0.00	0	0.00	0.00	19	
20-Feb	0.00	0.00	0.00	0	0.00	0.00	20	
21-Feb	0.00	0.00	0.00	0	0.00	0.00	21	
22-Feb	0.00	0.00	0.00	0	0.00	0.00	22	
23-Feb	0.00	0.00	0.00	0	0.00	0.00	23	
24-Feb	0.00	0.00	0.00	0	0.00	0.00	24	
25-Feb	0.00	0.00	0.00	0	0.00	0.00	25	
26-Feb	0.00	0.00	0.00	0	0.00	0.00	26	
27-Feb	0.00	0.00	0.00	0	0.00	0.00	27	
28-Feb	0.00	0.00	0.00	0	0.00	0.00	28	
29-Feb	0.00	0.00	0.00	0	0.00	0.00	29	
1-Mar	0.00	0.00	0.00	0	0.00	0.00	30	
2-Mar	0.00	0.00	0.00	0	0.00	0.00	31	
average	10.97	16.53	3.38	10462	6.30	6.30		
Guarantee	12.55	15.02	3.41	10500	6.50	6.50		

Mr. Ungurean:

Attached are two documents; the first being a Contractual Notice of Suspension due to exceedance of the Rejection Limits per Shipment; and, the second, a sheet documenting the coal shipment quality from mid-January through early February.

are available to work with your team in regard to assurances of quality of coal delivered.

Mark McAdams
Director – Fuel Procurement
Big Rivers Electric Corporation

The information contained in this transmission is intended only for the person or entity to which it is directly addressed or copied. It may contain material of confidential and/or private nature. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is not allowed. If you receive this message and the information contained therein by error, please contact the sender and delete the material from your/any storage medium.

**Civil Action No. 12-CI-00160 – Complaint – Exhibit 3
(Commonwealth of Kentucky – Ohio Circuit Court)**

Tom Waters

From: Tom Waters
Sent: Wednesday, February 15, 2012 2:41 PM
To: Mark McAdams
Cc: Tom Waters
Subject: Oxford Kentucky WKE-07-025
Attachments: img-215131044-0001.pdf

Mark-

We are in receipt of your Letter of Suspension dated February 15, 2012. Oxford Mining Company-Kentucky, LLC hereby responds with the following comments and assurances.

1. As you know, Oxford completed BREC Vendor Nos. 640 and 675 in January 2012. In completing these two orders to BREC, Oxford had difficulties keeping all of the coal shipments to BREC in compliance. Our Alan Culbertson did communicate to your Logistics person that the quality would improve once the two vendor numbers were completed. Please review the attached document to see that the qualities have improved in February 2012 and we are in a much better position with regard to quality.

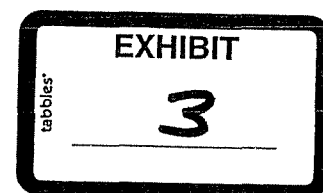
2. In order to improve the quality further, Oxford will immediately increase the amount of higher BTU coals into the mix of coals supplied to BREC. This will serve to improve the BTU and lower the ash of the revised product. This improvement will be by adding a washed product or a higher BTU raw product. As you know, we are washing the No. 11 and 12 seams of coal as well as producing raw No. 9, 10 and 12 seams.

3. The improvement in quality will be immediate. It has always been our plan to ship coals that are in compliance. I visited the mines today and we are seeing thicker seams of coal (with generally higher BTU, lower Moisture and Ash).

We respectfully request that we be allowed to return to normal shipment on February 16, 2012. You will see an immediately improvement of the coal quality on this contract.

Best regards,

Tom Waters



**Civil Action No. 12-CI-00160 – Complaint – Exhibit 4
(Commonwealth of Kentucky – Ohio Circuit Court)**



201 Third Street
P.O. Box 24
Henderson, KY 42419-0024
270-627-2561
www.bigrivers.com

February 23, 2012

Via Electronic Correspondence

Mr. Charles C. Ungurean
President and C.E.O.
Oxford Mining Company – Kentucky, LLC
544 Chestnut Street
Coshocton, OH 43812

RE: Contractual Notice of Acceptance of Assurances and resumption of coal shipments per Amended and Restated Coal Supply Agreement (WKE-07-025).

Dear Mr. Ungurean:

On February 15, 2012, Big Rivers Electric Corporation (Big Rivers) provided Notice that Oxford Mining – Kentucky, LLC (Oxford) had delivered fifteen (15) coal shipments during the thirty days prior to February 9, 2012, that failed to meet the Rejection Limits (were rejectable) under our Amended and Restated Coal Supply Agreement (the Agreement). Pursuant to Section 6.4 of the Agreement, Big Rivers suspended all future shipments under the Agreement, except those shipments already loaded into trucks prior to receipt of this Notice.

Later the same day, Oxford sent correspondence to Big Rivers that it could and would correct the quality matters which led to the suspension and requested that shipments resume on February 16, 2012. Upon receipt of Oxford's February 15, 2012 correspondence, Big Rivers immediately sought an external evaluation and review from its mine engineering consultant, Integrity Development, and scheduled a meeting at Oxford's mining and coal preparation facilities on Monday, February 20, 2012.

Pursuant to the assurances provided by Oxford prior to and during the February 20th meeting, and after review of same internally and by Integrity Development, Big Rivers accepts such assurances and we hereby provide Notice of resumption of shipments from Oxford. Going forward, the terms and conditions of §6.4 of the Agreement applicable to quality after a suspension and a resumption of shipments, along with all other terms and conditions of the Agreement, shall apply to Oxford's deliveries of coal to Big Rivers.

Page 2

February 23, 2012

Mr. Charles C. Ungurean

RE: Contractual Notice of Acceptance of Assurances and resumption of coal shipments per Amended and Restated Coal Supply Agreement (WKE-07-025).

Please contact me should you have any questions. We look forward to resuming coal deliveries under our Agreement.

Respectfully,

A handwritten signature in black ink, appearing to read "Mark W. McAdams", with a long, sweeping horizontal stroke extending to the right.

Mark W. McAdams
Director – Fuels Procurement

**Civil Action No. 12-CI-00160 – Complaint – Exhibit 5
(Commonwealth of Kentucky – Ohio Circuit Court)**



201 Third Street
P.O. Box 24
Henderson, KY 42419-0024
270-827-2561
www.bigrivers.com

February 27, 2012

Via Electronic Correspondence

Mr. Charles C. Ungurean
President and C.E.O.
Oxford Mining Company – Kentucky, LLC
544 Chestnut Street
Coshocton, OH 43812

RE: Contractual Notice of Shipment Rejection due to Debris, February 24, 2012, per Amended and Restated Coal Supply Agreement (WKE-07-025).

Dear Mr. Ungurean:

On Friday, February 24, 2012, Oxford Mining Company – Kentucky, LLC (Oxford) delivered a Shipment of coal which is rejectable pursuant to Section 6.3 Rejection under our Amended and Restated Coal Supply Agreement (the "Agreement") due to the Shipment containing Debris. In this instance, the Shipment contained a large piece of steel which Oxford has acknowledged came from its mining operations.

Pursuant to the terms of the Agreement, Big Rivers sent Oxford a Notice of Suspension on February 15, 2012. Shortly thereafter, Oxford furnished Big Rivers with assurances that it could perform. After reviewing those assurances and conferring on Oxford's site with its representatives, Big Rivers accepted Oxford's assurances of performance and reinstated shipments on February 23, 2012.

As set out above, Oxford shipped coal to Big Rivers containing Debris on February 24, 2012. Big Rivers rejects this Shipment for the failure of Oxford to ship coal which is free from Debris as required by Section 6.3 of the Agreement. Please be advised that this rejection constitutes one (1) of the two (2) shipments within any one (1) month during the six (6) months following reinstatement of shipments pursuant to Section 6.4 Suspension and Termination.

In addition to the foregoing, Big Rivers has received Oxford's email correspondence of Saturday, February 25, 2012, concerning Oxford's shut down of its preparation plant and its statement that it has purchased substitute coal. Oxford may intend to deliver this substitute coal in satisfaction of its obligations under the Agreement. Big Rivers will address this issue in separate correspondence.



Page 2

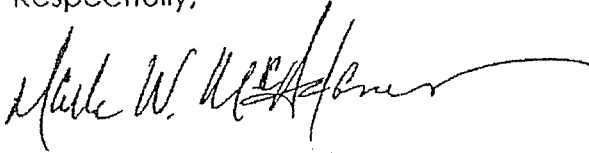
February 27, 2012

Mr. Charles C. Ungurean

RE: Contractual Notice of Shipment Rejection due to Debris, February 24, 2012,
per Amended and Restated Coal Supply Agreement (WKE-07-025).

Please feel free to contact me with any questions.

Respectfully,

A handwritten signature in black ink, appearing to read "Mark W. McAdams", with a long, sweeping horizontal flourish extending to the right.

Mark W. McAdams
Director – Fuels Procurement

**Civil Action No. 12-CI-00160 – Complaint – Exhibit 6
(Commonwealth of Kentucky – Ohio Circuit Court)**



201 Third Street
P.O. Box 24
Henderson, KY 42419-0024
270-827-2561
www.bigrivers.com

March 2, 2012

Via Electronic Correspondence

Mr. Charles C. Ungurean
President and C.E.O.
Oxford Mining Company – Kentucky, LLC
544 Chestnut Street
Coshocton, OH 43812

RE: Contractual Notice of Shipment rejection due to Ash. February 28, 2012. and Notice of contract termination per Amended and Restated Coal Supply Agreement (WKE-07-025).

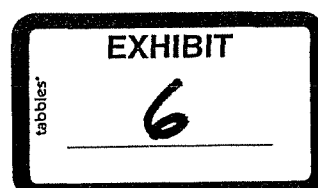
Dear Mr. Ungurean:


On Tuesday, February 28, 2012, Oxford Mining Company – Kentucky, LLC (Oxford) delivered a Shipment of coal which failed to conform to the Rejection Limits set forth in Section 6.1 under our Amended and Restated Coal Supply Agreement (the "Agreement") due to the Shipment containing excessive Ash. In particular, the ash content in Oxford's Shipment for February 28, 2012 was 17.4 lbs/MMBTU according to the sample coal analysis taken from that Shipment on February 28, 2012 and received by Big Rivers on March 1, 2008. Under the Agreement the Rejection Limit for Ash is 12.5 lbs/MMBTU.

This correspondence is to provide Notice of rejection of such Shipment pursuant to Section 6.3 of the Agreement. The basis for this Notice, and the rejection of the February 28, 2012 Shipment is Oxford's failure to meet the required Rejections Limits.

Pursuant to the terms of the Agreement, Big Rivers sent Oxford a Notice of Suspension on February 15, 2012. Shortly thereafter, Oxford furnished Big Rivers with assurances that it could perform. After reviewing those assurances and conferring on Oxford's site with its representatives, Big Rivers accepted Oxford's assurances of performance and reinstated shipments on February 23, 2012. In reinstating shipments under the Agreement, Big Rivers relied upon the representations made by Oxford concerning its plan for shipping coal to Big Rivers which would meet the specifications required by §6.1 of the Agreement.

Oxford shipped coal to Big Rivers containing Debris on February 24, 2012, which was rejected pursuant to Notice on February 27, 2012. Big Rivers also rejects the Shipment on February 28, 2012 for Ash content in excess of the Rejection Limits



Your Touchstone Energy[®] Cooperative 

as specified in Section 6.1 of the Agreement. Please be advised that this rejection constitutes the second rejection of a Shipment since deliveries were reinstated on February 23, 2012. Section 6.4 of the Agreement provides as follows with respect to Oxford's performance following its suspension and subsequent reinstatement:

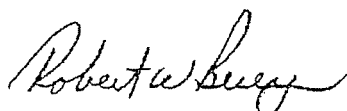
If Seller, after such assurances, fails to meet any of the Guaranteed Monthly Weighted Averages for any one (1) month within the next six (6) months or if two (2) shipments are rejectable within any one (1) month during such six (6) month period, then Buyer may terminate this Agreement and exercise all its other rights and remedies under applicable law and in equity for Seller's breach. All costs, expenses or damages incurred by Buyer in obtaining Seller's assurance that subsequent deliveries will conform to the quality specifications shall be paid to Buyer by Seller.

Since its February 23, 2012 reinstatement which was eight days ago, Oxford has delivered two Shipments which were rejectable. As a consequence, Big Rivers, pursuant to the events documented by its Notice of Suspension and the two subsequent Notices of rejection, hereby further provides Notice of that it is terminating the Agreement effective March 2, 2012 pursuant to the provisions of §6.4 of the Agreement.

This termination is effective as of close of business today. In addition, this termination is made without waiver of the right of Big Rivers to assert additional events constituting a basis for termination of the Agreement including, but not limited to, the accuracy of the representations made to Big Rivers and upon which it relied when it reinstated deliveries on February 23, 2012.

Please feel free to contact me with any questions.

Respectfully,



Robert W. Berry
Vice President – Production
Big Rivers Electric Corporation

**Civil Action No. 12-CI-00160 – Complaint – Exhibit 7
(Commonwealth of Kentucky – Ohio Circuit Court)**



April 2, 2012

To Whom It May Concern:

RE: SPOT AND TERM FUEL SUPPLY BID INVITATION – BREC-12-04

Deadline for Bids: Friday, April 20, 2012, NOON Central Time

Big Rivers Electric Corporation (BREC) is soliciting proposals for steam coal and petroleum coke for BREC's Wilson, Coleman, Green, Reid, and Station Two (Henderson) generating stations. Enclosed herein you will find the "Bid Package", which consists of: this cover letter of instructions, Exhibit A - Fuel Supply Bid, and Exhibit B - Fuel Quality Specification.

BREC is seeking to procure spot solid steam fuel, quality noted herein (including alternative fuels), commencing on or about May 1, 2012 through December 31, 2012; and will also consider term offers for years 2013 through 2017, or some portion thereof. However, should you desire to present an alternate plan, you are encouraged to do so. BREC will consider varying qualities of coal and alternative fuels, pricing structures, or other innovative concepts that would present a value-added benefit to both parties.

BREC is seeking approximately 250,000 to 500,000 tons of solid fuel for the remainder of 2012 as spot delivery, and up to 800,000 tons of coal per year, for years 2013 through 2017. BREC reserves the right to accept all, a portion, or none of the tonnage offered. The term "ton" as used herein shall mean a net short ton of 2,000 pounds avoirdupois weight.

Bidder may offer any fuel (including petroleum coke, fuel blends or other alternative fuels) Bidder would like to offer for sale.

Bidder is invited to submit more than one quotation for each different fuel specification offered. However, all requested information must be provided for each individual set of fuel specifications proposed, including a FUEL SUPPLY BID (Exhibit A) and an ULTIMATE FUEL ANALYSIS. Bidder must provide a recent ULTIMATE FUEL ANALYSIS, to include full ash mineral, trace elements and equilibrium moisture analysis for your bid to be considered.



Prices quoted shall be inclusive of any and all costs, including but not limited to taxes, fees, insurance requirements, on-site haulage, on-site blending, barge fleeting, and switching charges, loading charges/costs or like fees and expenses, which for purposes of this bid, shall be the responsibility of the Bidder. Fuel should be priced F.O.B. barge, truck or generating station(s).

Attached are fuel quality specification sheets (Exhibit B) to provide a guideline for bidding purposes. Bidder may provide fuel outside of these specifications as part of this bid. Fuel quality offered should be based upon this method (which is the same as the payment basis): as-received samples of fuel per shipment (a day's delivery of trucks or per barge loaded) calculated on a monthly weighted-average. This will represent the quality for the Bidder's monthly weighted-average and basis for establishing rejection limits in any fuel supply agreement that may result.

All quotations may be subject to a pre-award audit (which may include an examination of Bidder's operating and/or held reserves, financial stability, and quality control operations reasonably necessary) to ensure that the Bidder has the fuel of the quantity and quality as offered in the bid and is a creditworthy counter party to the transaction.

BREC reserves the right to have their representatives visit the mining operation(s), sampling systems, and loading facilities of the Bidder; to take fuel samples for analysis; to obtain other information as to the suitability of the fuel; and to otherwise evaluate the Bidder's capability to perform pursuant to its bid. Acceptance of bid(s) may be made conditional upon the results of such investigations and/or analysis.

Bidders must be willing to warrant that there are unencumbered reserves or supply equivalent to the total required to supply the tonnage and quality for the proposed term. Bidder must furnish recent fuel quality analysis of the fuel being offered. This data must be supplied as an attachment to Exhibit A. Such analyses should show the ranges of fuel quality and denote the laboratory performing the testing. The mineral ash and trace element analyses should be expressed as their respective portion of the ash sample. Guaranteed Fuel Quality should be supplied on sheets 4 and 5 of 7 of Exhibit A. *Bidder's offer(s) will be evaluated upon the proposed Guaranteed Monthly-Weighted Average for quality offered in bid, as well as the offered Rejection Limit, for that quality proposal/bid.*

ENCLOSED IS A COPY OF THE BID FORM (EXHIBIT A) WHICH MUST BE USED IN SUBMITTING YOUR BID. FAILURE TO USE THIS BID FORM MAY RESULT IN THE REJECTION OF YOUR BID. THE BID MUST BE FULLY COMPLETED IN INK OR IN TYPEWRITTEN FORM AND SUBMITTED AS DESCRIBED BELOW. A COPY SHOULD BE RETAINED FOR YOUR RECORDS.

AN ORIGINAL AND ONE COPY OF EACH BID PROPOSAL MUST BE SUBMITTED IN A SEALED ENVELOPE AND THE ENVELOPE MUST BE MARKED: BREC FUEL BID OFFER - BREC-12-04. BIDS SHOULD BE EITHER MAILED BY CERTIFIED MAIL OR DELIVERED BY THE BIDDER TO:

Mr. Robert W. Berry
Vice President Production
Big Rivers Electric Corporation
201 Third Street
Henderson, Kentucky 42420

Bids must be received on or before **NOON CENTRAL TIME, on FRIDAY, APRIL 20, 2012** at the above address, shall remain in effect until **FRIDAY, MAY 11, 2012** and may not be withdrawn within this period unless a written request from the Bidder is approved by BREC. *It is incumbent upon bidder to provide bid documents by the due date and time or the bid(s) cannot be considered.*

A "Short List" of Bidders (a list of the most competitive finalists) will be developed taking into account factors such as, but not being limited to, (in BREC'S sole discretion):

1. Suitability of the fuel.
2. Bidder's ability to meet quality specifications based on fuel reserve characteristics and quality control procedures.
3. Total evaluated cost to BREC of burning the fuel (including an assessment of transportation costs and fuel quality impact on operating costs).
4. Demonstrated reliability of supplier.
5. Reserves.
6. Financial capabilities / creditworthiness.
7. Results of test shipment(s) of fuel, if required.
8. Geological evaluation and testing.
9. References or past performance.

While not anticipated, BREC also reserves the right to request that the Bidder furnish a performance bond of an amount sufficient to provide adequate protection in the event that due diligence indicates the Bidder may be unable to satisfactorily perform the duties and obligations imposed on Bidder, under any contract which is entered into as a result of this bid.

Each Bidder must sign the Fuel Supply Bid with its usual signature and shall give its full business address. Bids shall be signed in the official name of the Bidder, followed by the signature and the designation of the president, secretary, or other person(s) signing who is authorized to legally bind the Bidder for bid purposes (price, term, quantity, etc.). The name of each person signing shall also be typed or printed below the signature.

BREC will use reasonable efforts to protect the confidential nature of all proposals and other information received pursuant to this BREC Invitation, but reserves the right to disclose such information and/or proposals to consultants that it may retain or other parties (including but not limited to creditors, consultants, legal counsel, or regulatory bodies) many of which BREC has or will enter into confidentiality agreements to assist in the evaluation and contract effort. If necessary, BREC will comply with all requests for information by a court or government agency.

Bidder will be responsible for the completeness and accuracy of all information contained or used in preparation of its proposal and will also be responsible for supplying all necessary supporting information.

BREC reserves the right to modify or withdraw this Bid Invitation, to request additional information, to waive technicalities or irregularities, to reject any or all proposals, and to terminate any subsequent discussions at any time. BREC also reserves the right to negotiate with Bidder the terms and conditions of this quotation; however, BREC encourages Bidders to *provide their most competitive offer on the bid form.* BREC further reserves the right to accept one or more proposal(s) for a portion or for all of the quantities of fuel proposed by any Bidder.

Nothing herein shall obligate BREC to compensate or reimburse Bidder for any time, costs, or other purposed expense associated with the preparation of this proposal, or the submission of any information or data in connection therewith. Further, BREC shall not be obligated under any contract or possible order that will result from any proposal unless and until such has been approved and executed by duly authorized officials of both companies.

The Bidders placed on the "Short List" will be notified of their selection to the list as soon as possible. The proposal from those "Short List" Bidders shall remain in effect thereafter and until such time as Bidder has been eliminated from the bidding or has executed an agreement with BREC. Bidder may indicate its exception to this requirement by stating such under "Exception to Expiration Date" in Section 6 of Exhibit A.

If you have any questions regarding this solicitation, please contact Mark McAdams (270) 844-6169.

EXHIBIT A
FUEL SUPPLY BID

Submitted By: _____ Date _____

***** ENTER BIDDER'S COMPANY NAME AND DATE *****
AT TOP OF *EACH* OF THE SHEETS 1 THROUGH 8

MULTIPLE QUOTATIONS MAY BE OFFERED, BUT THIS FORM MUST BE USED FOR EACH. AN ORIGINAL OF EACH QUOTATION MUST BE SUBMITTED IN A SEALED ENVELOPE. THE ENVELOPE MUST BE ADDRESSED TO BIG RIVERS ELECTRIC CORPORATION (BREC) WITH THE ENVELOPE MARKED: ***BREC FUEL BID OFFER BREC-12-04***. BIDS MUST BE RECEIVED BY BREC, ADDRESS BELOW, NOT LATER THAN **NOON CENTRAL TIME, FRIDAY, APRIL 20, 2012.**

TO: Mr. Robert W. Berry
Vice President Production
Big Rivers Electric Corporation
201 Third Street
Henderson, Kentucky 42420

In response to your invitation for bids, dated April 2, 2012, we the undersigned propose to supply fuel of quality, in quantities, at prices, and under the terms and conditions stated in this Fuel Supply Bid, Exhibits, and in the Invitation letter.

Bidder represents that it is [] the "Producer" of the fuel offered hereby.

[] a "Fuel sales agent" acting on behalf of the producer(s) named hereinafter.

If Bidder is a Fuel sales agent, Bidder warrants that it has written authority from the fuel producer(s) involved in the submittal of this bid. The Fuel sales agent agrees to be fully liable for performance of any order awarded on this bid; and that said agent further agrees to defend, indemnify and hold harmless BREC from the Producer(s) from any claims, demands or actions made against BREC by the Producer or any other party on the grounds that agent acted contrary to agents authority on the Bid. A Producer's Statement for each Producer named, executed by both the Producer and sales agent, is made a part of this bid to Section 7 of this Exhibit A.

Bidder warrants that the prices in this bid have been arrived at independently without consultation or collusion with any other Bidder, potential Bidder, or any officer, agent or employee of BREC.

This bid will remain in effect until midnight FRIDAY, MAY 11, 2012, and may not be withdrawn within this period unless a written request from the Bidder is approved by BREC.

Submitted By: _____ Date _____

1. The PRODUCER of the fuel proposed under this bid will be:

_____ Company Name and Contact Person
_____ Business Address
_____ City, State, Zip
(_____) _____ (Phone Number)
_____ E-mail address

Type of Organization: Corporation _____ Partnership _____
Proprietorship _____ Other (Specify below) _____

_____ Principle Office Address

Years in fuel business _____

Producer's Union Affiliation _____

Producers' Business Volume for Fuel Sales
during the most current 5 calendar years (please break-out by year):

2007: _____ tons	Sales 2007: \$ _____
2008: _____ tons	Sales 2008: \$ _____
2009: _____ tons	Sales 2009: \$ _____
2010: _____ tons	Sales 2010: \$ _____
2011: _____ tons	Sales 2011: \$ _____

Submitted By: _____ Date _____

SALES AGENT: _____ Company Name and Contact Person

_____ Business Address

_____ City, State, Zip

(_____) _____ Phone Number

_____ Email

2. Source(For Each Mine)

Mine Name(s): _____

Mine Location(s) (County and State): _____

Mine Permit No(s): _____ Mine MSHA ID No(s): _____

Type of Mining: _____ Seam(s): _____

Preparation: _____ % Raw, _____ % Washed, or Blend of raw _____ % and _____ % washed

3. Price

A. Bidder's Quantity and Price

F.O.B. PRICE

Tonnage Offered	<u>BARGE</u>		<u>TRUCK</u>		<u>STATION(S)</u>	
	<u>\$/MMBTU</u>	<u>Dollars/Ton</u>	<u>\$/MMBTU</u>	<u>Dollars/Ton</u>	<u>\$/MMBTU</u>	<u>Dollars/Ton</u>
2012 _____	_____	_____	_____	_____	_____	_____
2013 _____	_____	_____	_____	_____	_____	_____

Submitted By: _____ Date _____

F.O.B. PRICE

Tonnage Offered	<u>BARGE</u>		<u>TRUCK</u>		<u>STATION(S)</u>	
	<u>\$/MMBTU</u>	<u>Dollars/Ton</u>	<u>\$/MMBTU</u>	<u>Dollars/Ton</u>	<u>\$/MMBTU</u>	<u>Dollars/Ton</u>
2014 _____	_____	_____	_____	_____	_____	_____
2015 _____	_____	_____	_____	_____	_____	_____
2016 _____	_____	_____	_____	_____	_____	_____
2017 _____	_____	_____	_____	_____	_____	_____

B. Loading Points - Bidder hereby offers the fuel to be loaded as listed below:

() The fuel quoted herein as F.O.B. barge shall be loaded at _____ Dock, at mile point _____ on the _____ River, near (City and State)_____.

() The fuel quoted herein as F.O.B. station(s) shall be loaded at (loading point name) _____ near (City and State)_____ and carried by the _____ trucking company to _____ Station(s).

() The fuel quoted herein as F.O.B. truck shall be loaded at (loading point or mine name) near (City and State)_____.

4. Fuel Quality Specifications

Bidder represents and warrants that the quality of fuel shipped hereunder will conform to the following specifications on an as-received basis:

Guaranteed Analysis, Monthly Weighted Average

<u>DESCRIPTION</u>	<u>GUARANTEED MONTHLY WEIGHTED AVERAGE</u>	<u>REJECTION LIMITS (PER SHIPMENT)</u>
BTU/lb	Min. _____	< _____
Moisture	Max. _____ %	> _____
Ash	Max. _____ %	> _____
Sulfur	Max. _____ %	> _____
Sulfur	Min. _____ %	< _____
Chlorine	Max. _____ %	> _____
Fluorine	Max. _____ %	> _____
Iron Oxide (Fe ₂ O ₃)	Max. _____ %	> _____
Calcium Oxide (CaO)	Max. _____ %	> _____
Sodium Oxide (Na ₂ O)	Max. _____ %	> _____
Nitrogen	Max. _____ %	> _____
Arsenic	Max _____ ug/g	> _____
Vanadium	Max _____ ug/g	> _____
Mercury	Max _____ ug/g	> _____
ASH/SULFUR RATIO	Min. _____	< _____
Size (3" x 0"):		
Top size (inches)	Max. _____	> _____
Fines (% by wgt)		
Passing 1/4 inch		
Screen	Max. _____	> _____
 % BY WEIGHT:		
VOLATILE	Min. _____	< _____
FIXED CARBON	Min. _____	< _____
GRINDABILITY (HGI)	Min. _____	< _____
BASE ACID RATIO (B/A)	_____	> _____
SLAGGING FACTOR*	Max. _____	> _____
FOULING FACTOR**	Max. _____	> _____

Submitted By: _____ Date _____

ASH FUSION TEMPERATURE (FAHRENHEIT) (ASTM D1857)

<u>DESCRIPTION</u>	<u>GUARANTEED MONTHLY WEIGHTED AVERAGE</u>	<u>REJECTION LIMITS (PER SHIPMENT)</u>
<u>REDUCING ATMOSPHERE</u>		
Initial Deformation	Min. _____	Min. _____
Softening (H=W)	Min. _____	Min. _____
Softening (H=1/2W)	Min. _____	Min. _____
Fluid	Min. _____	Min. _____
<u>OXIDIZING ATMOSPHERE</u>		
Initial Deformation	Min. _____	Min. _____
Softening (H=W)	Min. _____	Min. _____
Softening (H=1/2W)	Min. _____	Min. _____
Fluid	Min. _____	Min. _____

*Slagging Factor (Rs) = (B/A) x (Percent Sulfur by Weight (Dry))

**Fouling Factor (Rf) = (B/A) x (Percent Na₂O by Weight (Dry))

The Base Acid Ratio (B/A) is herein defined as:

$$\text{BASE ACID RATIO (B/A)} = \frac{\text{Fe}_2\text{O}_3 + \text{CaO} + \text{MgO} + \text{Na}_2\text{O} + \text{K}_2\text{O}}{(\text{SiO}_2 + \text{Al}_2\text{O}_3 + \text{TiO}_2)}$$

TYPICAL SIZING:

- > 1.5" _____ %
- .75" < 1.5" _____ %
- .25" < .75" _____ %
- < .25" _____ %

The fines content of the fuel shall be that resulting from the normal mining and preparation sizing of the fuel, and no fine screenings or slurry shall be added unless noted as a "fines" fuel bid offering.

Note: 1. As used herein > means greater than;
< means less than.

Note: 2. Shipment shall be defined as:
Definition of "Shipment". As used herein, a "shipment" shall mean one barge load, or one day's truck deliveries in accordance with buyer's sampling and analyzing practices at the receiving generating station.

Submitted By: _____ Date _____

5. Payment Calculations

The unit prices offered by Bidder in Section 3 should be the base price(s) in \$/MMBTU and will be used with the monthly weighted-average quality and tonnage results for the payment calculation. Adjustments may be made to reflect variances from the Bidder specified guaranteed monthly weighted-averages as shown in Section 4. Fuel Quality Specifications during “short list” discussions, if any.

6. Expiration Date of Offer

Unless denoted differently below, this bid will remain in effect until **MIDNIGHT CENTRAL TIME on FRIDAY, MAY 11, 2012**, and may not be withdrawn within this period except by written consent from BREC. The bid for those Bidders who are chosen on the “short list” shall remain in effect thereafter and until such time as Bidder has been eliminated from the bid evaluation or has entered into a fuel supply agreement with BREC.

Exception to Expiration Date of bid: _____

7. PRODUCER'S STATEMENT

The undersigned Producer (the “Producer”) states that it has authorized _____ (the “Bidder”) to offer fuel produced by Producer in the quantity and quality set forth in the bid to which this statement is attached (the “Bid”).

The Producer acknowledges that, if a contract is awarded to the Bidder pursuant to the Bid or pursuant to a modification of the Bid, then BREC in its discretion will require either (a) that the Producer execute the Fuel Supply Agreement as a seller jointly and severally obligated with the Bidder or (b) that the Producer execute a Producer’s Certificate under which, among other things, the Producer will agree, represent, and warrant that it owns, or has the right to produce fuel from, reserves which contain economically recoverable fuel in the quantity and quality required by the Fuel Supply Agreement and that it will not use or sell Fuel from such reserves in a way that will reduce the economically recoverable balance of Fuel to an amount less than that required by the Fuel Supply Agreement.

Submitted By: _____ Date _____

BIDDER

PRODUCER

(NAME OF COMPANY)

(NAME OF COMPANY)

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

8. BID SIGNATURE

Submitted by: _____
Company Name (herein referred to as "Bidder")

Address: _____ Telephone No. () _____

By: _____ *

Signature

By: _____
(Individual's Name)

Title: _____

E-Mail address _____

* BIDS MUST BE SIGNED BY AN OFFICIAL OF THE ORGANIZATION SUBMITTING THE BID WHO HAS THE AUTHORITY FOR ESTABLISHING PRICES AND SUBMITTING BIDS FOR THAT ORGANIZATION.

EXHIBIT "B"

FUEL QUALITY SPECIFICATIONS

MONTHLY WEIGHTED AVERAGE BASIS

The information below shows the minimum fuel quality that is desired on a monthly average basis. Fuel quality offers exceeding the minimum quality are desired and will be given consideration per below *.

	<u>Spec "A"</u>	<u>Spec "B"</u>	<u>Spec "C"</u>	<u>Spec "D"</u>	<u>Spec "E"</u>	<u>Pet Coke</u>
BTU/lb (Minimum)	11,800	11,500	11,250	11,000	10,500	13,500
Volatile Matter (Min)	34%	34%	34%	34%	34%	7%
Ash (Max) %	10.00	10.50	11.50	12.00	15.00	1
Moisture (Max) %	10.00	11.00	11.50	12.00	12.50	12
SO ₂ LB/MMBTU (Max)	5.50	5.75	6.00	6.25	6.50	8.50
SO ₂ LB/MMBTU (Min)	2.50	2.50	2.50	2.50	2.50	2.50
Sizing (Max)	3" x 0	3" x 0	3" x 0	3" x 0"	3" x 0"	3" x 0
Fines (Max)	55% < 1/4"	55% < 1/4"	55% < 1/4"	55% < 1/4"	55% < 1/4"	55% < 1/4"

Ash Fusion Temperature (Degrees Fahrenheit)	<u>Reducing Atmosphere</u>
Initial Deformation	1900 Min
Softening (H=W)	1950 Min
Softening (H= 1/2W)	2000 Min
Fluid	2050 Min

Typical Slagging / Fouling Indices of Ash

Slagging	< 1.25
Fouling	< 0.25

$$\text{Base / Acid ratio} = \frac{(\text{CaO}) + \text{MgO} + \text{Fe}_2\text{O}_3 + \text{Na}_2\text{O} + \text{K}_2\text{O}}{(\text{SiO}_2 + \text{Al}_2\text{O}_3 + \text{TiO}_2)}$$

$$\text{Slagging Index} = (\text{Base / Acid}) * (\text{Percent Sulfur, Dry})$$

$$\text{Fouling Index} = (\text{Base / Acid}) * (\text{Na}_2\text{O in Ash})$$

$$\text{Calculation of Lb. SO}_2 \text{ / MMBTU} = \frac{\text{Percent Sulfur} * 20,000}{\text{BTU / Lb}}$$

*BREC evaluates fuel in regard to its entire fuel portfolio of supply. BREC may in its sole discretion, from time to time and according to its needs and the fuel offered, evaluate and/or purchase fuels which fall within or outside the above specifications. However, in no event shall BREC be obligated to evaluate or purchase any fuel whatsoever whether it falls outside or is within parameters specified above.

**Civil Action No. 12-CI-00160 – Complaint – Big Rivers Answer
(Commonwealth of Kentucky – Ohio Circuit Court)**

COMMONWEALTH OF KENTUCKY
OHIO CIRCUIT COURT

OXFORD MINING COMPANY - KENTUCKY, LLC

PLAINTIFF

VS.

CIVIL ACTION NO. 12-CI-00160

BIG RIVERS ELECTRIC CORPORATION

DEFENDANT

ANSWER OF BIG RIVERS ELECTRIC CORPORATION
TO COMPLAINT AND COUNTERCLAIM

Defendant, Big Rivers Electric Corporation (“Big Rivers”), states as follows for its Answer to the Complaint:

Responses to Averments in Complaint

1. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in paragraph 1.
2. Big Rivers admits paragraph 2.
3. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in paragraph 3.
4. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in paragraph 4.
5. Big Rivers denies paragraph 5.
6. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in paragraph 6.
7. Big Rivers admits so much of paragraph 7 as avers that Big Rivers and Plaintiff, Oxford Mining Company - Kentucky, LLC (“Oxford”), entered into an Amended and Restated Coal

Supply Agreement (the "Amended CSA") effective July 1, 2010, and Big Rivers admits that the Amended CSA amended and restated the existing Coal Supply Agreement between the parties and that the Amended CSA extended the term of the existing Coal Supply Agreement. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the remaining averments contained in paragraph 7.

8. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in the first sentence of paragraph 8; admits that the market price of coal has decreased since late 2011, and admits that the pricing under the Amended CSA increased in 2012 as alleged in the second sentence of paragraph 8. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averment that the 2012 pricing was above the market price for coal. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averment that the pricing under the Amended CSA increased substantially beginning at the outset of 2012.

9. Big Rivers denies paragraph 9, except that Big Rivers admits that the price of coal could increase under the Amended CSA based upon changes in certain indexes as therein provided.

10. Big Rivers denies paragraph 10 insofar as Oxford alleges a course of dealing. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averment that a course of performance existed between Big Rivers and Oxford with respect to the Amended CSA, except that Big Rivers admits that Oxford consistently could not, or would not, produce and deliver coal meeting the specifications or the rejection limits required by the Amended CSA, and Big Rivers is without knowledge or information sufficient to form a belief concerning whether Oxford consistently could not, or would not, ship coal pursuant to the predecessor Agreement which met

average minimum specifications or rejection limits. Big Rivers denies the last sentence of paragraph 10, except it admits that it did not reject Oxford's coal prior to February 2012. Big Rivers denies paragraph 10 to the extent not expressly admitted herein.

11. Big Rivers denies paragraph 11, except it admits that the coal pricing under the Amended CSA increased in January 2012 as provided in the Amended CSA.

12. Big Rivers denies paragraph 12.

13. Big Rivers denies paragraph 13.

14. Big Rivers denies paragraph 14.

15. Big Rivers denies paragraph 15.

16. Big Rivers denies paragraph 16.

17. Big Rivers admits so much of paragraph 17 as avers that Oxford has brought this action. Big Rivers is without knowledge or information sufficient to form a belief as to the remaining averments contained in paragraph 17.

18. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in paragraph 18.

19. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in paragraph 19, except it denies that it wrongfully terminated the Amended CSA.

20. Big Rivers admits the first sentence of paragraph 20. Big Rivers denies the second and third sentences of paragraph 20 except to the extent that the averments therein contained accurately state terms and conditions contained in the Original CSA, which terms and conditions speak for themselves.

21. Big Rivers denies paragraph 21, except it admits that in the transaction referred to Big Rivers assumed the obligations of WKE under the Original CSA.

22. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in paragraph 22, except Big Rivers admits that Oxford assumed the Original CSA.

23. Big Rivers admits paragraph 23, except that Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averment that the Amended CSA substantially extended the term of the Original CSA, concerning which the Amended CSA and the Original CSA will speak for themselves.

24. Big Rivers states that the terms and conditions of the Amended CSA are set forth in Exhibit 1 to the Complaint and that those terms and conditions speak for themselves. Without waiving the foregoing, Big Rivers admits that paragraph 24 purports to paraphrase certain of the terms and conditions contained in the Amended CSA, which terms and conditions will speak for themselves. Big Rivers denies paragraph 24 except to the extent admitted herein.

25. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in paragraph 25, except it denies that Oxford “fully honored its contractual obligations to Big Rivers during 2010 and 2011.”

26. Big Rivers admits so much of paragraph 26 as alleges that it solicited and took bids from other coal suppliers prior to entering the Amended CSA, denies that the sole determinant with respect to its negotiations was to determine best available pricing, admits that it negotiated with Oxford and admits that it agreed to the terms and conditions contained in the Amended CSA. Big Rivers admits that it sought to obtain a long term supply of a minimum of 800,000 annual tons of

coal from Oxford and admits that it wanted that supply of coal to be dependable, meaning, among other things, that the representations made by Oxford were true, that the coal was delivered timely, was of the proper size, and met the required specifications. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in the final sentence of paragraph 26. Big Rivers denies paragraph 26, except to the extent admitted herein.

27. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in paragraph 27, except that it admits the averments contained in the last sentence of paragraph 27.

28. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in paragraph 28, except that Big Rivers admits that the Amended CSA provided for adjustments to the base price in Section 8.1 through Section 8.5 of the Amended CSA, which speak for themselves.

29. Big Rivers admits so much of paragraph 29 as avers that under the Amended CSA it was contractually obligated to pay the agreed upon prices as therein provided, even if those prices turned out to be above market, under the assumption that Oxford's coal met the specifications set forth in the Amended CSA. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the remaining averments contained in paragraph 29.

30. Big Rivers denies paragraph 30.

31. Big Rivers denies paragraph 31.

32. Big Rivers denies paragraph 32.

33. Big Rivers denies paragraph 33 and states that the terms and conditions pursuant to which Big Rivers could terminate the Amended CSA are set forth therein and those terms and

conditions speak for themselves.

34. Big Rivers denies paragraph 34.

35. Big Rivers denies the first sentence of paragraph 35. Big Rivers denies the second and third sentences of paragraph 35, except it admits that on February 15, 2012 it sent the original of Exhibit 2 to the Complaint to Oxford. Big Rivers denies the fourth, fifth, and sixth sentences of paragraph 35.

36. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in paragraph 36, except it admits that Oxford sent Exhibit 3 to Big Rivers, which speaks for itself, and that Big Rivers accepted and relied upon the assurances and representations of Oxford as set forth in Exhibit 3 and as made on February 20, 2012, in accordance with Exhibit 4 to the Complaint.

37. Big Rivers denies the first five sentences of paragraph 37 and the last two sentences of Paragraph 37, except it admits that it sent Exhibit 5 to Oxford based upon a shipment of coal by Oxford to Big Rivers which contained a large piece of steel which was “debris” under the Amended CSA and also which could not be transported through the plant handling system. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in the sixth sentence of paragraph 37.

38. Big Rivers denies paragraph 38, except it admits that Tom Waters sent an email to Mark McAdams dated February 25, 2012 stating that Oxford had laid off 43 persons, temporarily shut down its prep plant and purchased some additional coal as a replacement. Big Rivers further admits that the February 25, 2012 email was sent two days after Big Rivers had accepted Oxford’s representation that the prep plant would be used to prepare coal for delivery to Big Rivers which

would meet the required specifications.

39. Big Rivers denies paragraph 39.

40. Big Rivers denies paragraph 40.

41. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in paragraph 41, except Big Rivers denies that it demanded, requested or suggested a price renegotiation.

42. Big Rivers admits that it sent Exhibit 6 to Oxford on March 2, 2012 and admits the contents thereof. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the remaining averments contained in paragraph 42.

43. Big Rivers denies paragraph 43. Section 14 is not applicable to the termination of the Amended CSA. The Amended CSA was terminated based upon Section 6.4, the provisions of which operate independently of Section 14.

44. Big Rivers denies paragraph 44, except it admits that it issued a bid solicitation on April 2, 2012, a copy of which is attached to the Complaint as Exhibit 7.

45. Big Rivers denies paragraph 45.

46. Big Rivers denies paragraph 46.

47. Big Rivers admits paragraph 47, except it denies that the termination was improper and denies that it has any obligation to take tonnage from Oxford.

48. Big Rivers denies paragraph 48.

49. Big Rivers denies paragraph 49.

50. Big Rivers denies paragraph 50.

51. Big Rivers admits paragraph 51.

52. Big Rivers admits paragraph 52, except Big Rivers denies that BTU was the only quality specification in the Original CSA.

53. Big Rivers admits paragraph 53.

54. Big Rivers denies paragraph 54.

55. Big Rivers admits paragraph 55, but states that the parties have recognized that the Quality D coal referenced in the Amended CSA contains a typographical error. The parties further have recognized that the BTU quality to be supplied during the years 2012 through 2015 was to be either the Quality B specifications or Quality C specifications.

56. Big Rivers admits paragraph 56 except that the parties have recognized that the referenced B or C coal in the Amended CSA contains a typographical error and that the 200,000 thousand tons of optional coal was to meet Quality D specifications.

57. Big Rivers admits paragraph 57.

58. Big Rivers denies paragraph 58, absent Oxford's prior compliance with the notice provisions of Section 4.6, which compliance did not occur under the applicable facts and circumstances.

59. Big Rivers admits paragraph 59.

60. Big Rivers admits paragraph 60 except that Big Rivers denies that the qualities referenced in paragraph 60 are a complete listing of all quality specifications required by the Amended CSA.

61. Big Rivers admits paragraph 61 except that Big Rivers denies that the qualities referenced in paragraph 61 are all of the qualities to which rejection limits apply.

62. Big Rivers admits paragraph 62 except that Big Rivers denies that the qualities

referenced in paragraph 62 are all of the qualities to which rejection limits apply.

63. Big Rivers denies paragraph 63, except Big Rivers admits that Section 8.1 establishes the base price per MMBTU for each calendar year and for each coal quality classification delivered.

64. Big Rivers admits paragraph 64.

65. Big Rivers admits paragraph 65.

66. Big Rivers admits paragraph 66, except that Oxford has inaccurately quoted Section 6.4 of the Amended CSA.

67. Big Rivers denies paragraph 67.

68. Big Rivers admits paragraph 68.

69. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in paragraph 69.

70. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in the first sentence of paragraph 70. Big Rivers denies the remainder of the averments contained in paragraph 70.

71. Big Rivers admits paragraph 71.

72. Big Rivers admits that it submitted information to Oxford pursuant to Section 8.7 of the Amended CSA but is without knowledge or information sufficient to form a belief as to the remaining averments contained in paragraph 72.

73. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in paragraph 73.

74. Big Rivers denies paragraph 74.

75. Big Rivers denies so much of paragraph 75 as avers that the Amended CSA was

terminated improperly. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the remaining averments contained in paragraph 75.

76. With respect to the first two sentences of paragraph 76, Big Rivers admits that Oxford shipped coal to Big Rivers which contained ash in excess of the rejection limits but is without knowledge or information sufficient to form a belief as to the truth of the averments that Oxford regularly shipped such coal or that the vast majority of such shipments failed the ash rejection limits. With respect to the third sentence of paragraph 76, Big Rivers admits that it accepted shipments that were rejectable, as permitted by the Amended CSA, admits that it complained about high ash content to Oxford, admits that it did not reject shipments prior February 2012, but denies the remaining averments contained in the third sentence of paragraph 76.

77. Big Rivers denies paragraph 77.

78. Big Rivers admits the first sentence of paragraph 78. With respect to the second sentence of paragraph 78, Big Rivers admits that the Amended CSA mistakenly, by reason of a transposition of columns, requires Oxford to deliver 800,000 tons of coal per year beginning January 1, 2012 which contained 11,500 BTU/lb. The Amended CSA should have provided that Big Rivers had the option to require Oxford to deliver up to 200,000 tons of 11,500 BTU/lb. coal on an annual basis and should have provided that Oxford would deliver 800,000 tons of 10,500 BTU/lb. coal or 11,250 BTU/lb. on an annual basis as designated by Big Rivers. This error was discovered in approximately March or April 2011 and the parties agreed to correct the aforementioned error. Pursuant to Section 3.1 and Section 6.1 of the Amended CSA, Big Rivers elected Quality B coal for the base quantity of 800,000 tons for the year 2012. Big Rivers denies the remaining averments in paragraph 78, except to the extent that such averments are consistent with the foregoing.

79. Big Rivers denies paragraph 79, except that Big Rivers admits that it elected Quality B coal for 2012 in late December 2011 and communicated that election to Oxford.

80. Big Rivers denies paragraph 80, but admits that some of its generating units burn 10,500 BTU coal as part of a blended product containing higher BTU coal or petroleum coke and admits that only the Green units can burn 10,500 BTU coal on a stand alone basis.

81. Big Rivers denies paragraph 81.

82. Big Rivers denies the first sentence of paragraph 82. With respect to the second sentence of paragraph 82, Big Rivers admits that during 2010 and 2011, at a time when Big Rivers had available petroleum coke for blending, it accepted coal from Oxford that did not meet quality specifications of the Amended CSA and that such coal was paid for in accordance with the Amended CSA. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the remaining averments in the second sentence of paragraph 82.

83. Big Rivers admits paragraph 83, except that Big Rivers denies that there were no complaints made by it prior to February 2012 and is without knowledge or information sufficient to form a belief as to the truth of the averment that the vast majority of the deliveries exceeded rejection limits.

84. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in paragraph 84.

85. Big Rivers denies paragraph 85.

86. Big Rivers admits paragraph 86, except it denies that the shipments referenced therein purportedly failed to meet rejection limits and states that such shipments did fail to meet rejection limits.

87. Big Rivers admits paragraph 87 except that, following suspension, Oxford was required to provide Big Rivers “with reasonable assurances that subsequent monthly deliveries of coal shall meet or exceed the Guaranteed Monthly Weighted Averages set forth in Section 6.1 and that the coal will exceed the Rejection Limits set forth in Section 6.1.”

88. Big Rivers admits that Oxford made assurances but denies that Oxford ever communicated to Big Rivers that such assurances were made to mollify or appease Big Rivers and denies that Oxford ever communicated to Big Rivers, prior to the filing of this action, that the notice of suspension was unfounded. Big Rivers further admits that it relied upon the truthfulness of the assurances made by Oxford and, based upon such reliance, Big Rivers accepted such assurances and reinstated shipments. Big Rivers learned on, or about, February 28, 2012, that such assurances were false and that Oxford knew such assurances were false when made.

89. Big Rivers admits the first sentence of paragraph 89. Big Rivers denies the second sentence of paragraph 89.

90. Big Rivers denies so much of paragraph 90 as avers that Oxford did not acknowledge that the piece of steel came from Oxford or its mining operations. Big Rivers admits that Oxford presently does not acknowledge that the piece of steel came from Oxford or its mining operations. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in the second sentence of paragraph 90.

91. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in paragraph 91 except that Big Rivers denies it has refused to furnish any evidence that Oxford was the source of the piece of steel.

92. Big Rivers admits that paragraph 92 contains a theoretical possibility but on the date

in question the only deliveries of coal to Green were from Oxford and it was a driver for Oxford's contract trucker who pointed out the presence of the piece of steel during the course of the deliveries on the day in question.

93. Big Rivers admits so much of paragraph 93 as avers that it cannot identify which of the Oxford trucks contained the piece of steel, but denies the remaining averments in paragraph 93.

94. Big Rivers denies paragraph 94, except it admits it used the coal in question after the piece of steel was removed from the grate where it was found by the driver for Oxford's contract trucker.

95. For its response to paragraph 95, Big Rivers realleges, reaffirms, and incorporates by reference its response to paragraph 38.

96. For its response to paragraph 96, Big Rivers realleges, reaffirms, and incorporates by reference its response to paragraph 39, except that Big Rivers admits that Mr. McAdams did not have the authority to respond for the company concerning substitute coal issues and Big Rivers states that Oxford failed to follow the requirements of the Amended CSA with respect to obtaining permission to deliver substitute coal.

97. For its response to paragraph 97, Big Rivers realleges, reaffirms, and incorporates by reference its response to paragraph 40.

98. Big Rivers denies paragraph 98, except it admits that it properly terminated the Amended CSA on March 2, 2012 and admits that Oxford has quoted a portion of the March 12, 2012 termination letter accurately.

99. Big Rivers denies paragraph 99, except it admits that the applicable ash standard was 15.71 lbs/MMBTU, a standard which Oxford also failed to meet.

100. Big Rivers denies paragraph 100.

101. Big Rivers denies paragraph 101.

102. Big Rivers denies paragraph 102.

103. Big Rivers denies paragraph 103.

104. Big Rivers denies paragraph 104.

105. Big Rivers denies paragraph 105.

106. Big Rivers denies paragraph 106.

107. Big Rivers denies paragraph 107.

108. Big Rivers is without knowledge or information sufficient to form a belief as to the truth of the averments contained in paragraph 108.

109. For its response to paragraph 109, Big Rivers realleges, reaffirms, and incorporates by reference its responses to paragraphs 1 through 108.

110. Big Rivers denies paragraph 110.

111. Big Rivers denies paragraph 111.

112. Big Rivers denies paragraph 112.

113. Big Rivers denies paragraph 113.

114. Big Rivers denies paragraph 114.

115. Big Rivers denies all averments in the Complaint not admitted specifically herein.

116. The terms and conditions of the Amended CSA speak for themselves and Big Rivers denies all averments which attempt to paraphrase terms and conditions contained in the Amended CSA to the extent that such attempts to paraphrase fail to state accurately the terms and conditions of the Amended CSA.

117. To the extent that the headings in the Complaint require a response, Big Rivers denies the averments contained in each such heading.

Affirmative Defenses

118. The Complaint fails to state a claim for which relief may be granted.

119. Venue is improper in Ohio Circuit Court or the Ohio Circuit Court is not the appropriate forum to hear and try this action even if venue is proper in Ohio Circuit Court.

120. Oxford has failed to mitigate its alleged damages.

121. Waiver bars the claims of Oxford in this action.

122. Oxford is not the real party in interest with respect to all, or some portion of, its damage claims.

123. If Big Rivers breached the Amended CSA, which Big Rivers denies, the prior breach of the Amended CSA by Oxford, including, but not limited to, Oxford's breach of the implied covenant of good faith and fair dealing, bars its right to recover in this action.

124. The doctrine of unclean hands bars the claims of Oxford in this action.

125. Section 14 of the Amended CSA has no application to the termination of the Amended CSA about which Oxford complains in this action.

126. Section 19.3 of the Amended CSA bars Oxford's claims to the extent those claims are based upon a course of dealing, course of performance, or modification.

127. Section 19.8 of the Amended CSA or Section 19.9 of the Amended CSA, either or both, bar Oxford's claims in this action to the extent those claims are based upon course of dealing, course of performance, or modification.

128. Following the February 15, 2012 suspension of coal deliveries pursuant to the

Amended CSA, Oxford knew that it was obligated to provide reasonable assurances of performance to Big Rivers. Oxford also knew that it was obligated to furnish assurances which stated the true facts concerning how Oxford planned to deliver coal in the future which met or exceeded the Guaranteed Monthly Weighted Averages and exceeded the Rejection Limits. To induce Big Rivers to reinstate deliveries of coal pursuant to the Amended CSA, Oxford made false representations to, and concealed material facts from, Big Rivers on February 15, 2012 and again on February 20, 2012, with the expectation that Big Rivers would act upon such false representations. When Oxford made the false representations and concealed the material facts it had knowledge of the actual facts. In good faith, Big Rivers relied upon the false representations of Oxford and changed its position to its detriment and its prejudice by reinstating deliveries of coal. Big Rivers would not have reinstated deliveries of coal had it known the true facts. As a result of its false representations, Oxford is estopped from asserting breach of contract claims against Big Rivers in this action.

COUNTERCLAIM

Big Rivers states as follows for its Counterclaim against Oxford:

1. Big Rivers is a corporation organized and operating under the laws of the Commonwealth of Kentucky. Big Rivers engages in the business of producing, generating, transmitting, and selling electricity to its member cooperatives which, in turn, distribute that electricity to their member consumers located in twenty-two counties in western Kentucky. Big Rivers also purchases and sells electricity in the open market.
2. Oxford is a limited liability company with a principal office at 41 South High Street, Suite 3450, Columbus, Ohio 43215.
3. On September 30, 2009, Phoenix Coal Corporation and Charolais Coal Sales, LLC

assigned to Oxford a Coal Supply Agreement dated as of December 31, 2007, between Western Kentucky Energy Corp., Buyer, and Phoenix Coal Corporation and Charolais Coal Sales, LLC, Seller (the December 31, 2007 Coal Supply Agreement is referred to herein as “Original CSA”). Under the terms of the Assignment and Assumption of Contracts, Oxford became obligated to perform the obligations of the Seller under the Original CSA.

4. On July 1, 2010, Oxford and Big Rivers entered into the Amended CSA, which was an amendment to, and restatement of, the Original CSA.

5. During the time that the Original CSA and the Amended CSA were in effect, Oxford delivered coal to Big Rivers which failed to meet the required specifications.

6. Despite its best efforts, Big Rivers was not able to mitigate all of the harm caused by the coal which Oxford delivered to Big Rivers that failed to meet the specifications required by the original CSA or the Amended CSA, either or both.

7. On February 15, 2012, Big Rivers suspended deliveries of coal by Oxford pursuant to, and in accordance with, Section 6.4 of the Amended CSA.

8. On February 23, 2012, in reliance upon the accuracy and veracity of assurances made by Oxford and in accordance with Section 6.4 of the Amended CSA, Big Rivers reinstated coal shipments.

9. After the reinstatement of deliveries of coal pursuant to Section 6.4 of the Amended CSA following the assurances made by Oxford, Oxford made shipments of coal to Big Rivers which were rejectable. Section 6.4 of the Amended CSA provides, in part, as follows with respect Oxford’s delivery of rejectable shipments following a suspension and a reinstatement of deliveries:

If Seller, after such assurances, fails to meet any of the Guaranteed Monthly

Weighted Averages for any one (1) month within the next six (6) months or if two (2) shipments are rejectable within any one (1) month period during such six (6) month period, then Buyer may terminate this Agreement and exercise all its other rights and remedies under applicable law and in equity for Seller's breach.

10. On February 24, 2012, and March 2, 2012, Oxford delivered shipments of coal to Big Rivers' Green Station which were rejectable under the Amended CSA.

11. On March 2, 2012, in accordance with Section 6.4 of the Amended CSA, Big Rivers terminated the agreement.

12. Pursuant to Section 6.4 of the Amended CSA, Big Rivers is permitted, following termination, to "exercise all its other rights and remedies under applicable law and in equity for Seller's breach."

13. As a proximate result of Oxford's breach of the original CSA and the Amended CSA by failing to deliver shipments of coal to Big Rivers which met the required specifications, Big Rivers sustained damages in the form of additional maintenance costs, additional trucking expense, and additional fuel purchases.

14. Pursuant to Section 6.4 of the Amended CSA, Oxford is obligated to pay Big Rivers all costs, expenses or damages incurred by Big Rivers in obtaining Oxford's assurances that subsequent deliveries of coal would conform to the quality specifications required by the Amended CSA.

15. As a proximate result of Oxford's failure to deliver coal pursuant to the Amended CSA which met the required specifications, Big Rivers incurred costs, expenses and damages in obtaining Oxford's assurances that subsequent deliveries would conform to the required quality specifications. Pursuant to Section 6.4 of the Amended CSA, Big Rivers is entitled to recover all

such costs, expenses or damages from Oxford herein.

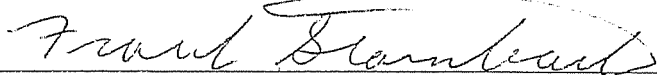
16. Big Rivers has performed, or caused to be performed, all conditions precedent or such conditions have occurred.

17. The amounts which Big Rivers is entitled to recover from Oxford are in an amount which is in excess of the minimum dollar amount necessary to establish the jurisdiction of this Court.

WHEREFORE, Big Rivers respectfully prays the Court for the following relief:

1. For judgment dismissing the Complaint, with prejudice, at the sole cost and expense of Oxford, and for its costs herein expended;
2. For judgment awarding Big Rivers damages pursuant to its Counterclaim in a reasonable sum;
3. For judgment awarding Big Rivers prejudgment interest on any amounts it recovers herein;
4. For a trial by jury of all issues so triable; and
5. For judgment granting Big Rivers such further relief, legal or equitable, as may be just and proper.

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



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CERTIFICATE OF SERVICE

I have served the Answer of Big Rivers Electric Corporation to the Complaint and Counterclaim by mailing a true copy thereof, postage prepaid, to:

Jeff A. Woods, Esq.
Justin W. Ross, Esq.
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Lexington, KY 40507-1746

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Hartford, KY 42347

Counsel for Plaintiff, Oxford Mining Company - Kentucky, LLC

This the 17th day of May, 2012. A courtesy copy was sent via email to the foregoing counsel and to Alan Kraus, Esq., at Alan.Kraus@lw.com, who is listed as "of counsel" for Plaintiff.



Frank Stainback

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 **Item 15)**

2 *a. During the period from November 1, 2011 through April*
3 *30, 2012, have there been any changes to Big Rivers'*
4 *written policies and procedures regarding its fuel*
5 *procurement?*

6 *b. If yes,*

7 *(1) Describe the changes;*

8 *(2) Provide the written policies and procedures as*
9 *changed;*

10 *(3) State the date(s) the changes were made; and*

11 *(4) Explain why the changes were made.*

12 *c. If no, provide the date Big Rivers' current fuel*
13 *procurement policies and procedures were last changed,*
14 *when they were last provided to the Commission, and*
15 *identify the proceeding in which they were provided.*

16

17 **Response)**

18 *a. Yes. During the period from November 1, 2011, through April*
19 *30, 2012, Big Rivers made changes to its written policies and*
20 *procedures regarding its fuel procurement.*

21 *b.*

22 *(1) The Fuel Procurement Policies and Procedures (Policy 120)*
23 *was modified to update language and recognize staffing*

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
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CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 changes. Hedge Policy (Policy 111) was modified to update
2 language (MISO participation, old policy references, etc.)
3 and general cleanup. Energy Related Transaction
4 Authority Policy (Policy 105) was (i) updated to recognize
5 MISO participation authority, (ii) updated for Solid Fuel
6 Transaction Authority, (iii) added reagent (lime and
7 limestone) to the Policy, and (iv) made revisions to account
8 for the retirement of the Senior Vice President Financial &
9 Energy Services and Chief Financial Officer and the
10 addition to the Authority Matrix of the Vice President
11 Production. The Appendix A to the Energy Related
12 Transaction Authority Policy (Policy 105) has been revised
13 to (i) recognize MISO participation, updated the Solid Fuel
14 transaction authority, (ii) include the addition of reagent
15 (lime and limestone), (iii) update various matters with
16 energy and emission transactions, (iv) recognize the
17 retirement of the Senior Vice President Financial & Energy
18 Services and the addition of the Vice President Production,
19 and (v) recognize the title change of Director, Power
20 Portfolio Optimization to Managing Director, Energy
21 Services.

22 (2) The revised / updated policies are attached.

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 (3) The Fuel Procurement Policies and Procedures and Hedge
2 Policy were modified March 16, 2012. The Energy Related
3 Transaction Authority Policy was last revised February 21,
4 2012. Appendix A to the Energy Related Transaction
5 Authority Policy (Policy 105) was last revised July 12, 2012.
6 (4) The changes were made to (i) recognize updated market
7 pricing for Solid Fuel, (ii) add reagent to the Authority
8 Matrix, (iii) recognize Big Rivers' entry into MISO and
9 associated transactions within MISO and PJM, and (iv)
10 recognize the retirement and addition of new managerial
11 levels.

12 c. Not Applicable.

13
14
15
16
17

**Witnesses) Mark W. McAdams and
Michael J. Mattox**

Subject: Fuel Procurement Policies and Procedures	Original Effective Date <u>07/16/2009</u> Original Approval Date <u>12/21/2007</u> Date Last Revised <u>03/16/2012</u>	Approved By: Board
----------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------	----------------------------------

The purpose of the Fuel Procurement Policies and Procedures guidelines is to present the principles that govern the procurement of fuel, reagent, and associated transportation. This document is not intended to provide a step-by-step procedural flow, but place an emphasis on procurement policies and a concise overview of appropriate procurement practices. The awarding of Contracts and Purchase Orders will comply with business controls including corporate governance, authority limit matrices, auditing recommendations, and other established practices and limitations.

FUEL PROCUREMENT POLICIES AND PROCEDURES

A. Definitions:

1. "Agreement" means a legally binding document, in which one party agrees to sell and the other agrees to buy fuel, reagent, or transportation services for such, which is executed by both Buyer and Seller.
2. "Award Recommendation" means the Company's approval process for the review and approval by Senior Management of a recommended fuel, reagent, or transportation purchase that fall outside the limits established in the Company's granted authority limits.
3. "Company" means Big Rivers Electric Corporation.
4. "Contract" is an Agreement, Letter Agreement, Purchase Order, or Spot Contract for fuel supply, reagent, or such transportation with certain terms and conditions that describe the business transaction under which the Company procures fuel, reagent, and related transportation.
5. "Contract purchase" means any purchase of fuel, reagent, or transportation on behalf of the Company under a contract, typically more than one year's duration.
6. "Department" means the Company's Fuels Department.
7. "Director" means the Company's Director of Fuels.
8. "Emergency" means extraordinary conditions affecting fuel production, transportation, or usage, including but not limited to strikes, lockouts or other labor problems, embargoes, mining impediments and other problems affecting the production or transportation of fuel, existing and/or forecasted extreme weather conditions, or any other conditions or circumstances that could be reasonably foreseen as impairing the continued supply of fuel to Company facilities.
9. "Environmental standards" mean the legal requirements for compliance with emission levels or other environmental requirements applicable to one or more of the Company's generating units.
10. "Fuel" means combustibles purchased by the Company for one or more of its generating stations.

Subject: Fuel Procurement Policies and Procedures	Original Effective Date <u>07/16/2009</u> Original Approval Date <u>12/21/2007</u> Date Last Revised <u>03/16/2012</u>	Approved By: Board
----------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------	----------------------------------

11. "Vice President Production" means the Company's principal individual responsible for power generation and fuel procurement, among other duties.
12. "Solicitation" means the process of soliciting bids (written or oral) for the supply of fuel, reagent, and/or related transportation services.
13. "Spot Contract" is a type of agreement that may be issued by the Company for the supply of fuel, reagent, or related transportation of such with a term of typically one year or less.
14. "Spot Purchase" means any purchase of fuel, reagent, or related transportation on behalf of the Company where the terms and conditions are incorporated in the Letter Agreement, Purchase Order or Spot Contract and the term is typically of one year or less.
15. "Station" means one of the Company's generating facilities.
16. "Supplier" means the seller or counterparty to an agreement who is obligated to comply with and fulfill the agreement's terms and conditions.
17. "Unit" means a generating unit at a station.
18. "Unit bus bar cost" is the total variable production cost including the maintenance cost associated with burning the fuel.

B. Fuel Procurement Policies:

The Company's fuel procurement policy is to obtain an adequate supply of fuel and reagent of sufficient quality at the most competitive overall evaluated cost on a unit bus bar basis consistent with the Company's obligations to provide adequate and reliable service to its customers, to meet operational and environmental standards, and to meet any other applicable legal requirements. The Company will use its best efforts to secure its fuel and reagent supply at competitive prices through solicitation for such.

Implementation of this policy is of highest priority to the Company. The Fuels Department shall be organized and staffed, and fuel procurement procedures and administration shall be conducted, in an efficient and practical manner consistent with this policy. Fuel, reagent, and related transportation shall be purchased at competitive prices considering all material factors. The factors include but are not limited to: quantity needed to maintain an adequate supply, quality necessary to ensure generating unit operating and maintenance characteristics and environmental standards, reliability of the supplier, creditworthiness, and forward planning to meet projected system requirements, and meeting emergency or other unusual circumstances that might affect operating conditions. From time to time, the Director of Fuels will review the Company's Fuel Procurement Policies and Procedures and recommend updates as appropriate.

Subject: Fuel Procurement Policies and Procedures	Original Effective Date <u>07/16/2009</u> Original Approval Date <u>12/21/2007</u> Date Last Revised <u>03/16/2012</u>	Approved By: Board
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C. Organization:

1. Department Structure. The Department shall be organized and staffed to effectively administer the Company's fuel procurement function.
2. Organizational Responsibility. The Vice President Production to whom the Director reports, has the responsibility for fuel procurement. The Director is responsible for the Department. Other departments may be called upon by the Department to the extent the Director or Vice President Production considers advisable in the execution of the functions of the Department.
3. Approval Authority (Award Recommendation). An Award Recommendation will be prepared for all fuel purchases that exceed the term, tenor, or notional amount of authority of the Director of Fuels which is specified in the single transaction authority limits by the Company. The Award Recommendation will be drafted by the Director, reviewed by Fuels legal counsel, and executed by the Vice President Production within the authority granted by the Energy Related Transaction Authority Policy. Greater expenditures shall require the signature of the Company's President and Chief Executive Officer and within his trading authority as established by the Board of Directors. These levels of authority may be amended, supplemented, or superseded as dictated by the Company.
4. Reports. The Director will instruct the Department to prepare, maintain and distribute reports to management and others as deemed necessary for business operations and regulatory requirements.
5. Records. The Department shall maintain the following records:
 - a. Open Contract Files. The Department shall maintain the following on open status for at least one-year or longer as the contract term or other conditions warrant:
 1. For each current contract supplier, the files will contain:
 - a) Contract documents, amendments, purchase orders and escalation documentation;
 - b) General correspondence;
 - c) Invoices and invoice verification data;
 - d) Delivery records and quality analyses data;
 - e) Inspection reports and other data.
 2. A record of transportation equipment owned or leased by the Company (as applicable).
 3. A list containing current suppliers and known potential Suppliers of fuel.
 - b. Closed Contract Files. The Department shall maintain its files according to the Company's record retention plan.

Subject: Fuel Procurement Policies and Procedures	Original Effective Date <u>07/16/2009</u> Original Approval Date <u>12/21/2007</u> Date Last Revised <u>03/16/2012</u>	Approved By: Board
----------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------	----------------------------------

6. General Administrative Duties.

The Department shall subscribe to and have membership in appropriate trade and industry publications and/or associations, to include reports of governmental or consulting agencies concerning fuel, reagent, and related transportation market information, to include fuel prices and/or projections. Department personnel shall use their best efforts to keep current with fuel market conditions, prices and availability, and other developments relating to fuel procurement.

D. Fuel Supply Procedures:

1. Projections. In conjunction with other departments of the Company, the Department shall prepare annually a projection of fuel usage and cost at each Station for the number of years required for use in the Company's planning process.
2. Contract/Spot Mix. Subject to the approval of the Vice President Production, the Director shall determine whether a contract purchase is advisable, considering the following factors: (a) the availability of adequate supplies from qualified suppliers, (b) the advisability or need to have an adequate supply committed for an existing or planned unit (subject to inventory limits specified by the Company), (c) the desire to maintain practical flexibility as to market conditions and other factors affecting price and availability, (d) existing and anticipated environmental standards, (e) such other factors as may reasonably affect the implementation of the Company's Fuel Procurement Policy and (f) fuel impact on generation facilities' operation and maintenance.
3. Current Requirements. The Department shall review and analyze the data available to the Department for purposes of conducting fuel and reagent purchases in a timely manner to meet the requirements of the Company.
4. Supplier Qualifications. The Company shall select potential suppliers on the basis of evaluation, market intelligence, performance information (as available), industry research, and creditworthiness, as determined by the Director and his staff. No potential qualified supplier shall be preferred or discriminated against because of race, religion, color, sex, age or marital status of the supplier or any of its representatives.

A supplier evaluation (to include site visit and mine engineering and/or performance report) may be performed to determine if a supplier has the ability to deliver in the time frame requested the quantity and quality of coal or reagent bid at the offered price.

5. Solicitations. The Department shall maintain a current list of Suppliers and shall review that list from time to time to ensure that it remains current. Normally, the Company shall purchase its fuel and reagent through sealed bid solicitations; however, the Company reserves the right to utilize its market intelligence to seize opportunity purchases of fuels and reagent, request oral, written, or electronic offers, potentially followed by negotiations, when in its judgment market conditions provide an opportunity to obtain fuel or reagent more advantageously than through mailed bid solicitations and usual procedures. When the Company foregoes the solicitation process, documentation shall be appended to the resulting purchase order file describing the conditions.

Subject: Fuel Procurement Policies and Procedures	Original Effective Date <u>07/16/2009</u> Original Approval Date <u>12/21/2007</u> Date Last Revised <u>03/16/2012</u>	Approved By: Board
----------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------	----------------------------------

A notice of a request for quotation (“RFQ”) shall be provided to normal industry newsletters and information postings. The normal solicitation process shall require that potential suppliers be notified in writing as to the general quantities, terms and quality specifications required. An RFQ number will be assigned to for the quotation package. An RFQ will include: instructions to bidders (date and time due); scope of supply (quantity and quality); potential term; standard terms and conditions of typical agreements.

Offers from potential suppliers shall be returned by the requested date and time or they will be rejected. A bid log shall be kept for logging in receipt of bid offers. Attendees viewing the opening of the bid shall initial the bid document as opened and the log as at the completion of the opening. Offers shall be opened and logged in the presence of the Vice President Production and Director of Fuel or their representative in their absence, and another selected representative outside of the Fuels Department.

All appropriate bid data shall be documented and electronically categorized for the process of evaluation of the various offerings of fuel and reagent. The documents shall be maintained in a secured area and shall be kept pursuant to normal record keeping practices.

6. Contract Awards. The Department shall review and analyze each Contract offer. The Director, or his/her representative, may engage in preliminary negotiations to determine which offers warrant further consideration. The Director and/or representative shall investigate the potential supplier and proposed source of supply; and, as to any offer for fuel, the Department shall verify the adequacy of the proposed source of supply as to quantity, quality, and timely deliverability.

The evaluation shall include, but not necessarily be limited to, the response to the RFQ (items required by the RFQ for satisfactory operational, environmental, and economic criteria); diversity of supply; supplier credit assessment; transportation mode and cost; and diversity of suppliers to provide the lowest evaluated cost of electrical energy to the Unit bus bar over the long term.

From this initial evaluation, a select group of potential suppliers (a “short-list”) of suppliers shall be developed for more in-depth evaluation. The Department may then engage in preliminary discussions to ensure that the offer warrants further evaluation and consideration. The objective of the negotiating discussions is to ensure that the Company achieves balanced terms and conditions and the lowest evaluated electrical energy delivered to the Unit bus bar and reliable supply consistent with other qualifiers related to supplier reliability, environmental restraints, transportation options, etc.

The recommended Supplier(s) shall be selected by the negotiating team based upon the evaluation criteria and the results of the negotiating discussions. The Department shall prepare a detailed Award Recommendation for approval. The Award Recommendation shall document the selection criteria and pertinent factors, and in circumstances where more than one company is selected, the recommendation shall describe the tonnage requirements and other responsibilities of each of the other recommended Suppliers.

All contracts for which the term, tenor or notional amount exceed the limits specified for the Director of Fuels must be approved and signed by individual(s) authorized per the Energy Related Transaction Authority Policy.

Subject: Fuel Procurement Policies and Procedures	Original Effective Date <u>07/16/2009</u> Original Approval Date <u>12/21/2007</u> Date Last Revised <u>03/16/2012</u>	Approved By: Board
----------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------	----------------------------------

7. **Spot Purchases.** Spot purchases may be made by the Company whenever considered advisable by the Director in furtherance of the Company's fuel and reagent needs, subject to the limit of authority as outlined by the Company.
 8. **Documentation.** Contracts shall be signed by a duly appointed officer of the Supplier and an Officer of the Company. A purchase order may be issued for a spot purchase. A purchase order shall contain all terms of that purchase. Further, the Department shall maintain documentation of the final list (log) of bidders, a copy of the entire bid package; bidder's responses; and the bid evaluation summary used for decision support.
 9. **Fuel Oil.** Fuel Supply Procedures principally address procurement of solid fuel. Fuel oil is procured on an "as-needed" basis due to the infrequency of use of this fuel and the nature of the oil markets. When the need for oil arises, the Fuels Department shall act to solicit vendors for offers. Orders are assigned on the basis of lowest delivered cost per mmBTU and ability to fill the order. Solicitation results shall be documented and purchase orders issued in the Fuels Department for those purchases initiated and completed by the Department.
- E. Fuel Supply and Reagent Agreement Administration:**
1. **Compliance.** The Department shall review and analyze daily business and operational reports to properly administer all fuel and transportation agreements.
 2. **Coal weights.** Coal weights shall be obtained by either the Company or by Supplier, upon agreement by Company. Coal weight is obtained by scale or draft method, depending upon Company site or methodology employed by Supplier to ascertain weights. In either event, coal weights are obtained by industry-accepted standards, and in cases where scales are utilized, are duly tested and maintained in proper order for such purpose. In cases where draft weights are utilized, the Company employs processes to verify actions to obtain draft weights and that such measures are by industry-accepted standards. Coal quantity is obtained by Station personnel and reported through the fuels information system or is provided by the Supplier pursuant to the contract agreement.
 3. **Coal sampling.** Coal sampling and analysis shall be performed by either the Company or the Supplier, upon agreement by Company. Coal sampling and analysis shall be performed according to procedures adopted by the Company's laboratory in accordance with A.S.T.M. standards for coal sampling, coal sample preparation, coal sample identification, handling of sample, and coal analysis. Coal quality is assessed and reported through the fuels information system by the Company's laboratory personnel or is provided by the Supplier pursuant to the contract agreement.
 4. **Amendments.** A contract shall not be materially amended except after analysis by the Department and recommendation of the Director of Fuels or the Vice President Production. No material contract or purchase order addendum shall be made except upon recommendation of the Director and subject to the approval limits of the Company.

Subject: Fuel Procurement Policies and Procedures	Original Effective Date <u>07/16/2009</u> Original Approval Date <u>12/21/2007</u> Date Last Revised <u>03/16/2012</u>	Approved By: Board
----------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------	----------------------------------

5. **Contract Administration.** The Director and the Department shall remain informed as to the terms and conditions of each current contract, and maintain the necessary data to administer the contracts. Every supplier request for a change in terms, conditions, or prices must be written and supported by adequate data in conformity with the contract. Each such request shall be analyzed by the Department against the contract provisions, and reported with recommendations to the

Director. After review by the Director, the supplier request and Department's recommendations shall be approved as required by the Company. If any request is not approved in whole or in part, the Director shall advise the supplier, specifying the Company's objections with an adequate explanation. If the supplier's request is not approved, negotiation between the supplier and Company as dictated by contract terms shall be the primary method of resolving the issue.

6. **Force Majeure.** A supplier's claim for relief from compliance with fuel supply agreement terms due to force majeure conditions must be in writing with an adequate description of conditions warranting nonperformance. Each force majeure claim shall be reviewed by the Director and the company's legal counsel.
7. **Inspections.** The Director shall request inspections of mining and other facilities of a contract fuel and/or reagent supplier or other facilities as required or deemed necessary to manage the performance and contractual relationship (Contract Administration).

F. Fuel and Reagent Supply Agreement Enforcement:

1. **General Enforcement Policy.** Supplier obligations under Fuel or Reagent Supply Agreements shall be enforced by the Company in a reasonable, fair, and practical manner to achieve supplier compliance with the Company's overall procurement policy and the continuing supply of fuel to meet current and anticipated system requirements.
2. **Director Responsibility.** Whenever it is determined that a shipment does not meet Fuel Supply or Reagent Agreement terms, the Director, or his/her designee, shall inform the supplier and direct that subsequent shipments be in compliance. When necessary the Vice President Production and the Director may determine, or receive advice, as to further action needed to assure fuel or reagent supply agreement compliance.
3. **Legal Assistance.** The Department shall have access to, and shall receive advice from, legal counsel as provided by the Company on any matter relating to fuel, reagent, and related transportation procurement, contracts and amendments thereto, administration, and enforcement. Should a dispute as to a supplier's performance fail to be satisfactorily resolved by the Director, the matter shall be referred to legal counsel. Legal counsel may consider further negotiation, arbitration (if provided by the contract), or litigation. No arbitration or litigation shall commence except on the advice of said counsel with approval by senior management.

G. Inventory Levels:

The Company has an obligation to ensure continuous low cost, reliable service to its members. Decisions affecting fuel inventory shall consider these obligations.

Subject: Fuel Procurement Policies and Procedures	Original Effective Date <u>07/16/2009</u> Original Approval Date <u>12/21/2007</u> Date Last Revised <u>03/16/2012</u>	Approved By: Board
----------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------	----------------------------------

The Company shall maintain an adequate inventory while allowing for enough flexibility to permit inventory levels to be responsive to known and anticipated changes in conditions in an attempt to avoid risks and stoppages due to unforeseen conditions. Inventory shall be recommended based upon, but not limited to, supplier performance, environmental conditions, labor matters, logistical issues and concerns, and generation requirements and dispatch. The

general level of inventory shall be monitored for such matters and recommendations to adjust inventory to meet anticipated conditions shall be made from time to time. Such inventory recommendations shall be made by the Director for approval by the Senior Management of the Company.

Coal inventories and reagent shall be monitored and reported regularly via the Company's fuel information system(s).

H. Emergency Procurement:

Any one or more of the procedures described herein may be waived by the Vice President Production, when, in the informed judgment of the Director, and on his recommendation, fuel must be purchased without complying with one or more of such provisions due to extraordinary conditions including strikes, lockouts or other labor problems affecting fuel production, embargoes, mining or other problems affecting production or transportation, existing and/or forecasted extreme weather conditions, or any other conditions or circumstances that can be reasonably foreseen as impairing the continued supply of fuel and reagent to the Company from its existing suppliers. When such a purchase is made, documentation of circumstances will be appended to the purchase order and/or contract file.

I. Transportation Services Contracts:

Transportation services bids shall be requested and Contracts negotiated whenever appropriate. Consideration shall be given to plant requirements, supplier loading capabilities, relative location of supplier to Stations, transportation mix, unloading capabilities and capacities at Stations, logistic constraints, transportation provider economics, Station material handling economics, and any other factor which might affect the delivery of Fuel and reagent to the Company's Stations.

Unless otherwise dictated by Emergency situations, the Solicitation process will be utilized for transportation services. The selection of transportation provider will generally be based upon, but not necessarily limited to cost, reliability, insurance, past / current performance, container availability and suitability for purpose, material handling capacities and constraints, transportation mix, and any other mitigating factors in terms of logistics.

All transportation service agreements shall be in written contractual form duly executed by an authorized supplier of service and the Company.

J. Ethics and Conduct:

The Company recognizes the importance of following appropriate business ethics to guide the conduct of the Fuels Department in the performance of its duties and responsibilities.

Subject: Fuel Procurement Policies and Procedures	Original Effective Date	<u>07/16/2009</u>	Approved By: Board
	Original Approval Date	<u>12/21/2007</u>	
	Date Last Revised	<u>03/16/2012</u>	

Fuels staff shall adhere to the ethical standards and policies of the Company including, but not limited to, the Business Ethics Policy and the Conflicts of Interest Policy for Big Rivers' Employees. Also, each contractual document shall denote that the contract was prepared and executed in ethical dealing.

Fuels staff shall endeavor to serve the best interests of the Company, its Members, and stakeholders in the performance of their duties and responsibilities.

Number	Date	Notes	Approved by
Original	12/21/2007	Approved to be effective at close of unwind	Board
Rev. 1	03/16/2012	Update out of date language and staffing changes	Board

Subject: Hedge Policy	Original Effective Date <u>07/16/2009</u> Original Approval Date <u>06/15/2007</u> Date Last Revised <u>03/16/2012</u>	Approved By: Board
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1. Objective

The Big Rivers Electric Corporation (“Big Rivers”) Hedge Policy outlines the energy-related hedging policy (natural gas, coal, and electricity) that will guide disciplined hedging of forward energy resources. This Hedge Policy is designed to reduce member wholesale rate volatility and to maintain rates within desired tolerances. The primary purpose of this policy is to identify specific time and volume (as a % of total projected native load) criteria for procuring projected energy-related needs.

This policy largely employs a price-averaging strategy of declining percentage of energy supply positions held over forward time periods. This strategy protects Big Rivers from potential adverse impacts that could result in either significant energy price increases or decreases. The strategy also maintains some elements of procurement flexibility. For example, during times of extremely attractive market conditions, this policy allows for increasing the amount of forward energy hedged above the stated ranges with the concurrence of the Board of Directors (“Board”). A key component of the policy is a monthly compliance report for the Board, which is outlined herein.

Although this document is primarily concerned with managing energy costs and risks, a limited amount of discussion on capacity adequacy, transmission congestion risk, emission allowances and fuel transportation based on similar principles is included. Appendix A includes a more comprehensive review of the objectives of this policy.

2. Hedge Policy Criteria

The hedging criteria identified within this policy address the primary energy supply portfolio components that affect rates and reliability the most. Accordingly, the hedge criteria in the following sections represent the risk tolerance of Big Rivers and identify the processes Big Rivers will employ to manage these key energy supply risks.

a. Fixed Price Energy Policy - Volumetric and Lead Time Criteria for Energy Hedging

The policy employs a total energy hedging methodology whereby the MWh equivalent of all energy hedges are compared to the expected native load of Big Rivers. Total energy hedged is the MWh equivalent of the sum of fuel purchases and electricity purchases. To apply as an energy hedge, fuel purchases must be combined with physical generation ownership or contracted capacity. The MWh equivalent hedge from fuel purchases will be the volume of mmBTUs of fuel procured for the unit or contract divided by the expected average heat rate of the generation unit or contract divided by 1,000.

Rolling Monthly Hedge Ranges

One criteria of this policy is to have energy procured within defined volumetric ranges during the following rolling timeframes. These ranges identify the percentage of Big Rivers’ projected total energy needs that will be procured with fixed price energy over a given time period. For purposes of this policy, energy needs are considered hedged or procured to the extent that the projected need is met by 1) authorized power transactions, as defined in the Big Rivers Energy Related Transaction Policy, or 2) authorized fuel transactions combined with physical generation unit ownership, heat rate transactions, or physical capacity transactions. Additionally, power option transactions with out of the money strike prices may be used to hedge forward volumes,

Subject: Hedge Policy	Original Effective Date	<u>07/16/2009</u>	Approved By: Board
	Original Approval Date	<u>06/15/2007</u>	
	Date Last Revised	<u>03/16/2012</u>	

provided that they do not account for more than 15 percent of the projected energy needs in any given month, and they are not more than 50 percent out of the money at the time of the transaction.

Lead Time	Months 1 thru 3	Months 4 thru 12	Quarters 5 thru 8	Quarters 9 thru 12	Years 4 thru 5
Measurement Period	Rolling	Rolling	Rolling	Rolling	Calendar Year
Hedging Frequency	Monthly	Monthly	Quarterly	Quarterly	Annual
Range (%)	85-100	80-100	60-85	50-75	10-50

For the above table, Big Rivers will hedge projected energy needs based on the following criteria:

- **Lead Time:** The amount of time from the current period. Defined in months, quarters, or years.
- **Measurement Period:** This is the mechanism under which this volumetric range is measured. There are two measures - rolling, where the measurement period changes monthly and calendar year, where the measurement period is only changed at the change of a calendar year. In the case of conflict, the rolling criterion has precedence over calendar year.
- **Hedging Frequency:** This is primarily useful in conjunction with the rolling measurement period. This is the frequency that the rolling measurement period changes for policy compliance reporting purposes. The hedging frequency period prevents, for example, a situation where the transaction execution staff would have to hedge month 36 (the last month of quarter 12) at a time where monthly purchases are very illiquid (not readily available).
- **Range:** This is the range of overall energy needs that will be hedged with fixed price energy, of which up to 15 percent may be covered with options..

Energy procurements that deviate from the stated range will require approval of the Board, and will be part of the regular reporting to the Board.

b. Natural Gas, Fuel Oil, and Coal Hedging

Natural gas, coal, fuel oil, and power hedging will be a complementary hedging activity since Big Rivers has natural gas and coal-fired generation and because it procures replacement power when generation units are unavailable. Big Rivers may also hedge with natural gas, fuel oil or coal if it enters a transaction that uses a natural gas, fuel oil, or coal index price to derive its electricity cost. Such natural gas, fuel oil, and coal-related generation or purchase transactions, while considered capacity, would not be considered energy hedges until the projected natural gas, fuel oil, and coal volumes are procured. The monthly hedge criteria are measured based on total energy exposure for native load (total projected electricity needed for native load minus energy already hedged). In order to allow flexibility in overall energy hedging

Subject: Hedge Policy	Original Effective Date <u>07/16/2009</u> Original Approval Date <u>06/15/2007</u> Date Last Revised <u>03/16/2012</u>	Approved By: <p style="text-align: center;">Board</p>
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decisions (e.g., economically hedging additional needs via natural gas or coal contracts versus power purchases), specific sub-targets for natural gas hedging are not set within this policy.

c. MISO Resource Adequacy Requirements

Big Rivers will comply with all MISO capacity requirement rules.

d. Congestion Hedging with Financial Transmission Rights (FTR)

It will be Big Rivers’ policy to actively participate in the MISO FTR allocation and auction process with a prudent and predetermined strategy for addressing the planning year congestion risk.

Big Rivers will target to mitigate a minimum of 50% of congestion risk (measured by annual native load requirements) prior to or by the end of the MISO annual FTR auction.

Big Rivers will target to mitigate a minimum of 70% of congestion risk prior to the month of delivery.

e. Emission Allowance Hedging

Big Rivers must meet EPA environmental compliance standards. This hedging policy calls for the establishment of an emission allowance procurement process to meet expected future requirements. Fixed price hedges for emission allowances include 1) actual or expected emission allowances allocated to Big Rivers from the EPA, 2) fixed price allowance purchases and sales, and 3) projected, budgeted, and Board-approved emission control equipment additions. Options with "out of the money" strike prices may be used to hedge forward volumes, provided that they do not account for more than 15 percent of the projected emission needs in any given month, and they are not more than 50 percent out of the money at the time of the transaction. Big Rivers will price average into its emission allowance position when purchasing emission allowances. Emission allowance needs will be managed similar to its approach for energy. Big Rivers will maintain fixed price allowance hedges based on the following table.

Lead Time	Current Calendar Year	Calendar Year Two	Calendar Year Three
Minimum (%)	80	70	60

Per applicable regulatory requirements, Big Rivers will hold enough allowances in all compliance accounts to cover emissions for the current reporting period. Specifically, all compliance accounts shall be populated with sufficient allowances to cover emissions for the current reporting period prior to the accounts being closed by the EPA, which is currently two (2) consecutive calendar months after the end of the reporting period. Furthermore, the Designated Representative will ensure that all compliance accounts have an adequate number of allowances prior to running “Final Compliance True up” after the accounts have been closed by the EPA.

Big Rivers will not buy emission allowances from the market for any given year if it results in emission allowances that exceed 105 percent of its expected needs without prior Board approval.

Subject: Hedge Policy	Original Effective Date <u>07/16/2009</u> Original Approval Date <u>06/15/2007</u> Date Last Revised <u>03/16/2012</u>	Approved By: Board
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f. Resource Diversity Management

Big Rivers will manage its resource diversity concentration risks on a rolling 12-month basis by diversifying its energy supply resources as follows:

Capacity resources (generation and purchased power contracts) shall not exceed 30 percent concentration from a single resource or supplier. Fuel supply contracts will be diversified such that no more than 20 percent (but not more than 1.2 million tons) will be from a single supplier for any rolling 12-month period.

Exceptions to these limits shall require approval of Big Rivers' Board.

g. Risk Measurement and Compliance Reporting

Risk measurement and policy compliance within the volumetric and lead time criteria will be demonstrated on a regular basis in the ACES portfolio model risk report. This report will generally cover three years of projections with five-year runs performed as needed.

Responsibility

It shall be the responsibility of the Board, CEO and IRMC to ensure compliance with this policy. Implementation of this policy shall adhere to the authority granted in the Energy Related Transaction Policy.

Number	Date	Notes	Approved by
Original	06/15/2007	Approved to be effective at close of unwind	Board
Rev. I	03/16/2012	Update out-of-date language (joining MISO, old policy reference), general cleanup	Board

Subject: Hedge Policy	Original Effective Date <u>07/16/2009</u> Original Approval Date <u>06/15/2007</u> Date Last Revised <u>03/16/2012</u>	Approved By: Board
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Appendix A—Comprehensive Policy Objectives and Implementation Controls

Insulate portfolio from near term shocks

Spot market wholesale power, coal, natural gas, capacity and emission allowance market volatility can create a financial burden to Big Rivers and, therefore, Big Rivers’ objective is to minimize exposure to this short-term volatility. In order to mitigate the financial exposure to short-term price shocks, Big Rivers should continually reduce its exposure to these markets as a certain time period nears. Upcoming months should be hedged close to 100 percent as the month nears. An upcoming calendar year should be more hedged than out years. This should provide more budget certainty and reduce the likelihood of unsettling cost changes.

Interaction with Rates

Although purchases above the specified hedge ranges are not generally pursued, the flexibility of this hedging strategy allows for rate impact assessments to play an important role. In general, if satisfied with the rate consequence, Big Rivers can buy towards the top of the hedge range or seek approval from the Board to exceed the ranges.

During an upcoming 12-month period, a rate driven target to fill and/or a trailing stop can be used to drive residual purchases. Since this time interval allows hedges up to 100 percent (if achievable), a rate objective could be used in this timeframe while imposing little risk of becoming too out of balance with the market as is the case for the out years.

Another key component of the hedging strategy is to understand the impact of various market conditions on Big Rivers’ all-in member rates. Ongoing analyses of the relationship between Big Rivers’ rates and various market price levels allows recognition of market conditions where additional purchases are warranted to pursue an attractive absolute rate level.

Execution Strategy and Potential Departures

Execution strategies will be developed to implement this hedging policy. Hedges will be entered based on disciplined execution strategies developed to comply with this policy. Execution strategies will include considerations of hedge timing, market price levels, rates and the Big Rivers budget.

Departures above the monthly ranges or for additional years past the stated horizon should only occur when market prices indicate fundamental value. Fundamental value will be determined with a historical view of market prices combined with forward looking fundamental supply and demand dynamics given expected generation diversity. Fundamental value can also address Big Rivers’ desire to stabilize a portion of its long-term rates through long-term transactions or asset ownership.

As an example, given current market price dynamics, Big Rivers could consider buying above the hedging ranges and/or for added years if forward power drops below \$28/MWh for an annual 7x24 block. The

Subject: Hedge Policy	Original Effective Date <u>07/16/2009</u> Original Approval Date <u>06/15/2007</u> Date Last Revised <u>03/16/2012</u>	Approved By: Board
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execution strategy may specify the magnitude and duration of departure from the stated hedging ranges. It might indicate that at \$25/MWh prices add 15 percent to the range and extend hedging to four years.

Execution strategies are continually in the development stage, but will become an important aspect of the hedging policy. Approved execution strategies will be firmly followed, but may be modified through the IRMC.

Subject: Hedge Policy	Original Effective Date <u>07/16/2009</u> Original Approval Date <u>06/15/2007</u> Date Last Revised <u>03/16/2012</u>	Approved By: Board
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Appendix B – ACES Report on the Big Rivers Portfolio

Purpose – A consistent report to formally communicate risk, hedging activities, and other information to the IRMC and the Board, including:

- Projected costs,
- Changes in projections compared to the previous report and the budget,
- Market changes,
- Probability or “certainty” in the projections,
- Potential changes in projected costs due to stress events such as drastic forward price changes,
- Actual hedges compared to hedge policy ranges.

Addendums – Periodically or as necessary the report may contain risk assessments or decision support information for issues such as:

- Hedging opportunities outside of policy (e.g., long-term transaction/power plant investments),
- Longer term portfolio risk assessments.

Subject: Energy Related Transaction Authority Policy	Original Effective Date <u>06/15/2007</u> Original Approval Date <u>06/15/2007</u> Date Last Revised <u>02/21/2012</u>	Approved By: Board
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1. Policy Purpose

The purpose of this policy is to define the authority granted by the Big Rivers Electric Corporation (“Big Rivers”) Board of Directors (“Board”) to the President & Chief Executive Officer (“CEO”) to execute, or to delegate authority to execute energy-related transactions. Furthermore, it sets forth clarity and empowerment among those with transaction authority and is designed to encourage communication among individuals with transaction authority and the Board.

2. Objective

The objective of Big Rivers’ Energy Related Transaction Authority Policy is to define:

- Who has authority to execute transactions,
- The commodities and products that can be transacted,
- The authorized lead-time and term for each transaction,
- The authorized maximum price and volume,
- Counterparty contract and credit requirements,
- The process for approving new commodities, products or locations,
- Big Rivers’ intention regarding hedging and speculating,
- Other relevant factors associated with due diligence in authorizing transactions to be executed.

3. Procedural Requirements

The following defines the procedural requirements that apply to all commodities and products transacted pursuant to this policy.

Execution Authority

Execution Authority is outlined by commodity in the authority matrix sections found below. All column limits in these matrices are applied independently of one another for each authority level, in that no individual column limit may be exceeded without authorization, regardless of whether a transaction does not exceed another column limit for that same authority level. Limits for each level of authority are cumulative, and include all column limits up to and including that level. The authority granted in this policy should not violate any other policy limits.

The transaction limits apply to both purchases and sales. Daily limits are applied to gross amounts transacted in total for the day, and not to purchases and sales netted together.

This policy identifies Board-authorized levels for the CEO and explicitly gives the CEO the authority to delegate authority levels to Big Rivers’ staff and ACES Power Marketing (“APM”). The CEO has the authority to modify delegated authority levels (noted in Appendix A) at his sole discretion as long as the delegated authority does not exceed his own authority per this policy. All delegated authority levels below the VP Production level will be recommended by the VP Production and approved by the CEO.

Subject: Energy Related Transaction Authority Policy	Original Effective Date <u>06/15/2007</u> Original Approval Date <u>06/15/2007</u> Date Last Revised <u>02/21/2012</u>	Approved By: Board
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Contract Requirements

Transactions with counterparties shall only be permitted if Big Rivers has either:

- An active, valid, and executed agreement enabling such transaction activity with that counterparty,
- Long-form confirmations may be used as a valid agreement in lieu of a permanent agreement, when necessary if approved in writing by the Big Rivers CEO.

Credit Requirements

Credit limits for each counterparty shall not be intentionally exceeded. *(Note: Since credit exposures are a function of not only positions transacted, but also a function of market pricing and volatility, credit exposure to counterparty may unintentionally exceed a credit limit purely due to changes in the forward market).*

Entering into unsecured transactions with a counterparty that has total credit exposure greater than or equal to its open line of credit and the total of any security currently provided will not be allowed unless approved in writing by the Big Rivers CEO.

Credit Sleeving

All sleeving transactions for credit purposes shall be approved by the CEO. *(Note: Sleeving is an arrangement where a more financially reputable entity acts as middleman for a smaller, undercapitalized entity in the purchase or sale of power.)*

Contract Sleeving

This policy does not prohibit Big Rivers from being positioned between another member or customer of APM and an external counterparty in order to bridge a contract gap that exists. The sleeve must:

- Be only for physical power, transmission or natural gas, not transportation,
- Be only for terms of one month or less.

Contract sleeving on behalf of Big Rivers is approved when it is either the only or the most economical path to pursue at the discretion of APM, with prompt after-the-fact notice to the Big Rivers VP Production.

Transaction Communications

All communications for bilateral electric power transactions must be transacted via a recorded communication method. Examples include, but are not limited to, voice recorded communication land or

Subject: Energy Related Transaction Authority Policy	Original Effective Date <u>06/15/2007</u> Original Approval Date <u>06/15/2007</u> Date Last Revised <u>02/21/2012</u>	Approved By: Board
-------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------	----------------------------------

cellular phone, instant messaging or via an online broker account. Recorded communications must be maintained and controlled by personnel who are independent of the transaction function.

Deal Capture

Any transactions executed by a Big Rivers employee must be promptly forwarded to APM after the deal execution.

Speculation

Speculation refers to a purchase or sales transaction in which the intent was to realize a profit without taking physical delivery. No speculative transaction activities shall be permitted, and no speculative transaction positions shall be initiated. Transactions will be permitted only for purposes of hedging and portfolio optimization.

Non-Standard Products

The Board must pre-approve any transaction that involves commodities or products not listed in this policy.

Transactions Requiring Board Approval

Transactions which meet any of the following criteria must be pre-approved by the Board prior to execution:

- The transaction is a new commodity or within the list of commodities not previously transacted by Big Rivers,
- The transaction is at a location in which no transactions are permitted,
- The transaction is for something other than: physical spot or forward electricity, natural gas, fuel oil, solid fuel, ancillary services, capacity, power transmission, financial transmission rights, gas transportation, gas imbalance and storage, solid fuel transportation, exchange transacted energy products, over-the-counter (OTC) financial energy transactions, OTC energy options, federal SO₂ or NO_x emission allowances, renewable energy credits or a unit outage insurance product.

Examples of new instruments would include the use of derivatives with different risk characteristics or the use of derivatives to implement different business strategies or goals. New instruments or locations would also include those instruments or locations that may be transacted on a “one-off” basis, which would be implementation of a derivative instrument or entry into a commodity market that, despite the anticipation of being transacted just once, would still fit the definition of a new instrument or location.

The purpose of defining a process for such transactions as noted above is to ensure that the exposures associated with them are thoroughly reviewed and understood by the Board and appropriate transaction

Subject: Energy Related Transaction Authority Policy	Original Effective Date <u>06/15/2007</u> Original Approval Date <u>06/15/2007</u> Date Last Revised <u>02/21/2012</u>	Approved By: Board
-------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------	----------------------------------

controls are in place. The Board must approve the use of such transactions prior to execution using the process defined below:

- a) **Transaction Proposal** - The proposal is the responsibility of the person or business group proposing the transaction. The proposal should address the business need, risks, transaction controls, valuation methodology, accounting methodology, operations workflow/ methodology, and assessment of legal and regulatory issues.
- b) **Board Review** - The Board will perform a review of the benefits and risks of the proposed transaction. The Board will assess the proposed transaction and make a determination whether to add the proposed transaction to the approved list.
- c) **Approval (Pilot Program)** – The Board may approve limited use of the proposed transaction to ensure that proper controls are in place to monitor the activity. The Board may approve the proposed transaction without instituting a Pilot Program if the proposed transaction is going to be used once (one off), where it would not be prudent to test it in a shorter time frame or smaller quantity due to constraints such as liquidity or length of term of product. The Board will use more scrutiny in approval of one-off transactions.

Subject: Energy Related Transaction Authority Policy	Original Effective Date	<u>06/15/2007</u>	Approved By: Board
	Original Approval Date	<u>06/15/2007</u>	
	Date Last Revised	<u>02/21/2012</u>	

4. Bilateral Electric Power and Transmission Transaction Authority

The following outlines transaction limits, definitions, and procedural requirements for power and power transmission transactions.

Title	Product	Per Transaction Limits (up to)				Per Delivery Day Limits (up to)		Aggregate Limits	
		Term	Lead Time	MW Size	\$/MWH	Total Volume MWH	Total \$	Total Volume MWH	Total \$
Board	Electric Power and Transmission	No Limit	No Limit	No Max.	No Max.	No Max.	No Max.	No Max.	No Max.
CEO	Electric Power and Transmission	> 1 Year	≤ 2 Years	50	\$150	21,600	\$10.8 million	1,800,000	\$110 million
		≤ 3 Years		No Max.	No Max.				
		≤ 1 Year							

Power Authority Matrix Explanations

- Transaction limits represent the MW volume per hour and dollars/MWH for each transaction executed.
- Per Delivery Day Limits represent the total MWH volume and dollars for all transactions delivered in a given transaction day.
- Aggregate Limits represent the sum total MWH volume and dollars for all forward transactions.
- Lead time represents the time period from the date the transaction is executed to the start of the transaction.
- Authorized products include electric power, both forwards and options, transmission, including both physical and financial derivatives. Options may only be entered into by the Big Rivers CEO or his designee.
- Authority for PJM and MISO products is defined in the authority matrices below.

Subject: Energy Related Transaction Authority Policy	Original Effective Date <u>06/15/2007</u> Original Approval Date <u>06/15/2007</u> Date Last Revised <u>02/21/2012</u>	Approved By: Board
-------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------	----------------------------------

Delivery Locations

Transactions at delivery locations outside the eastern interconnect are not permitted. Transaction at delivery locations that are normal to the daily course of business for Big Rivers, to the extent transmission is available, are authorized as follows:

Unrestricted Delivery Locations

- SERC Reliability Region
- MISO
- PJM
- RFC Reliability Region
- SPP

Transaction at any other delivery locations within the eastern interconnection shall be restricted as follows:

Restricted Delivery Locations

Other eastern interconnection locations only with approval by the Big Rivers CEO.

Firmness of Power

The product firmness of all transactions must be provided for in an executed agreement between Big Rivers and the appropriate counterparty. Sales commitments must never be more firm than the supply source, including the purchase side of back-to-back sales, swaps, sleeves or spreads unless the Big Rivers CEO gives explicit written authority to sell power that is more firm than the supply source. Energy purchased as firm liquidated damages may be resold as such.

Transmission Firmness and Volume

Transmission purchases need to be of equal firmness and volume to the energy component that such transmission purchase is associated with, unless pre-approved otherwise by the Big Rivers CEO. (Note: Purchasing small percentages of additional transmission to cover transmission losses is permitted.) In addition, transmission may be reserved but not utilized if an energy schedule is not confirmed prior to scheduling deadlines outside of Big Rivers' or APM's control. When this occurs it is not considered a violation of this policy.

Subject: Energy Related Transaction Authority Policy	Original Effective Date	<u>06/15/2007</u>	Approved By: Board
	Original Approval Date	<u>06/15/2007</u>	
	Date Last Revised	<u>02/21/2012</u>	

5. MISO Transaction Authority

The following outlines transaction limits, definitions, and procedural requirements for MISO products.

		MISO Per Transaction Limits (up to)			
Title	Product	Delivery Lead Time	Term	MW Size	\$/MWh
Board	All MISO Products	No Limit	No Limit	No Max	No Max
CEO	Generation Awards	As Required by MISO	1 Operating Day	No Max	MISO Price Cap
	Demand Awards				
	Ancillary Service Awards				
	Capacity	≤ 3 Years	≤ 3 Years	500	
	Financial Transmission Rights	≤ 4 Years	≤ 4 Years	425	\$20
	Virtual Transaction Awards	As Required by MISO	1 Operating Day	No Max	MISO Price Cap
Imports/Exports					

MISO Authority Matrix Explanations

- Virtual transaction award limits are per each bid/offer nodal point. Virtual purchase awards and virtual sales awards are monitored separately.
- Imports and exports are per location and are monitored separately.
- Generation Award Limits are per generating unit.
- Demand Award Limits are per each load nodal point.
- Limits for Ancillary Service Awards apply to the Regulation and Operating (Spinning and Supplemental) Reserve Market only.
- Capacity limits apply to bilateral transactions executed to meet MISO resource adequacy requirements such as MISO Aggregate Planning Resource Credits (APRC) as well as capacity transacted via the MISO Capacity Auction.
- Only Financial Transmission Rights that are bought and sold via the annual and monthly auctions or in the secondary market are monitored per the limits above. Participation in the Annual Allocation of financial transmission rights is not considered a transaction subject to this Policy.
- Delivery lead time represents the time period between trade execution and start of flow.

Note that all MISO ISO day-ahead transactions, such as price-sensitive offers and bids for importing and exporting from MISO, are financially firm. Hence an exception from the firmness of power for adjustments to these day ahead transactions intraday is acceptable due to the fact that these adjustments are hourly and non-firm.

Subject: Energy Related Transaction Authority Policy	Original Effective Date	<u>06/15/2007</u>	Approved By: Board
	Original Approval Date	<u>06/15/2007</u>	
	Date Last Revised	<u>02/21/2012</u>	

6. PJM Transaction Authority (Non-Bilateral)

The following outlines transaction limits, definitions, and procedural requirements for PJM products.

		PJM Per Transaction Limits (up to)			
Title	Product	Delivery Lead Time	Term	MW Size	\$/MWh
Board	All PJM Products	No Limit	No Limit	No Max	No Max
CEO	Generation Awards	Not Presently Transacted	Not Presently Transacted	Not Presently Transacted	Not Presently Transacted
	Demand Awards				
	Ancillary Service Awards				
	Capacity	≤ 4 Years	≤ 4 Years	425	\$20
	Financial Transmission Rights	As Required by PJM	1 Operating Day	No Max	PJM Price Cap
	Virtual Transaction Awards				
	Imports/Exports				

PJM Authority Matrix Explanations

- Virtual transaction award limits are per each bid/offer nodal point. Incremental purchase awards and decremental sales awards are monitored separately.
- Imports and exports are per location and are each monitored separately.
- Only financial transmission rights that are bought and sold via the annual and monthly auctions or in the secondary market are monitored per the limits above. Participation in the Annual Allocation of financial transmission rights is not considered a transaction subject to this Policy.

Note that PJM RTO day-ahead transactions, such as price-sensitive offers and bids for importing and exporting from PJM are financially firm. Hence an exception from the firmness of power for adjustments to these day ahead transactions intraday is acceptable due to the fact that these adjustments are hourly and non-firm.

Subject: Energy Related Transaction Authority Policy	Original Effective Date	<u>06/15/2007</u>	Approved By: Board
	Original Approval Date	<u>06/15/2007</u>	
	Date Last Revised	<u>02/21/2012</u>	

7. Natural/Synthetic Gas and Transportation Transaction Authority

The following outlines transaction limits, definitions, and procedural requirements for natural/synthetic gas (Gas) and transportation transactions.

Title	Product	Per Transaction Limits (up to)				Per Delivery Day Limits (up to)		Aggregate Limits (up to)	
		Term	Lead Time	Physical Volume per Day MMBtu	\$/ MMBtu	Physical Volume MMBtu	Total \$	Total Physical Volume MMBtu	Total \$
Board	Gas Products	No Limit	No Limit	No Max.	No Max.	No Max.	No Max.	No Max.	No Max.
CEO	Physical	> 1 Year	≤ 2 Years	25,000	\$15	25,000	\$375,000	1.2 million	\$18 million
		≤ 1 Year		No Max.	No Max.	No Max.	No Max.		

Gas Authority Matrix Explanations

- Transaction limits represent the physical MMBtu volume per day and dollars/MMBtu for each transaction executed.
- Per delivery day limits represent the total physical MMBtu volume and dollars for all transactions delivered in a given day.
- Aggregate limits represent the total physical MMBtu volume and dollars for all forward transactions.
- Lead time represents the time period from the date a transaction is executed to the start of the transaction.
- The dollar limits are based upon commodity gas only and do not include transportation, however, the term, lead time, and volume limits do apply to transportation.
- Gas products include physical gas, as well as transportation, imbalance and storage. The above authority matrix applies to both exchange transacted and OTC derivative products.

Gas Firmness

The product firmness of all transactions must be provided for in an executed agreement between Big Rivers and the appropriate counterparty. Sales commitments of Gas must never be more firm than the Gas supply source unless pre-approved by the Big Rivers CEO.

Subject: Energy Related Transaction Authority Policy	Original Effective Date <u>06/15/2007</u> Original Approval Date <u>06/15/2007</u> Date Last Revised <u>02/21/2012</u>	Approved By: Board
-------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------	----------------------------------

Transportation Firmness and Volume

Transportation purchases need to be of equal firmness and volume to the Gas component that such transportation purchase is associated with, unless pre-approved otherwise by the Big Rivers CEO.

Delivery Locations

Gas transactions may only be executed at the following locations:

- Pipelines and hubs that serve Big Rivers' gas powered generation unit(s).

Physical Gas transactions may only be executed at other locations upon approval of the Big Rivers CEO and such transactions must support the hedging needs of Big Rivers.

Subject: Energy Related Transaction Authority Policy	Original Effective Date	<u>06/15/2007</u>	Approved By: Board
	Original Approval Date	<u>06/15/2007</u>	
	Date Last Revised	<u>02/21/2012</u>	

8. Fuel Oil Transaction Authority

The following outlines transaction limits, definitions, and procedural requirements for physical fuel oil transactions.

Fuel oil hedging will be conducted to hedge price risk associated with fuel oil used for plant start-up or to hedge potential fuel oil or diesel fuel price risk contained within solid fuel contracts.

<u>Title</u>	<u>Product</u>	<u>Per Transaction Limits (up to)</u>				<u>Aggregate Limits (up to)</u>	
		<u>Term</u>	<u>Lead Time</u>	<u>Physical - Volume Gallons</u>	<u>\$/Gallon</u>	<u>Total Physical - Volume Gallons</u>	<u>Total \$</u>
Board	Physical Fuel Oil	No Limit	No Limit	No Max	No Max	No Max	No Max
CEO	Physical Fuel Oil	> 1 Year	≤ 2 Years	1,000,000	\$6	6,000,000	\$36 million
		≤ 3 Years		No Max	No Max		
		≤ 1 Year					

Fuel Oil Authority Matrix Explanations

- Transaction limits represent the total gallons and dollars/gallon for each transaction executed.
- Aggregate limits represent the sum total gallon volume and dollars for all forward transactions.
- Lead time represents the time period from the date a transaction is executed to the start of the transaction.

Subject: Energy Related Transaction Authority Policy	Original Effective Date	<u>06/15/2007</u>	Approved By: Board
	Original Approval Date	<u>06/15/2007</u>	
	Date Last Revised	<u>02/21/2012</u>	

9. Solid Fuel Transaction Authority

The following outlines transaction limits, definitions, and procedural requirements for solid fuel transactions.

Title	Product	Per Transaction Limits (up to)				Aggregate Limits (up to)	
		Term	Lead Time	Volume Tons	\$/MMBtu	Total Volume Tons	Total \$
Board	Physical Solid Fuel	No Limit	No Limit	No Max	No Max	No Max	No Max
CEO	Physical Solid Fuel	> 3 Months ≤ 3 Years	≤ 2 Years	1,500,000	\$2.50	2 million	\$120 million
		≤ 3 Months		200,000	\$2.85		

Solid Fuel Authority Matrix Explanations

- Authorized products include physical spot and forward transactions and options on physical forwards.
- Per transaction limits represent the total quantity in tons and dollars/MMBtu for each transaction executed.
- Aggregate limits represent the sum total quantity in tons and dollars for all forward transactions.
- Lead time represents the time period from the date a transaction is executed to the start of the transaction.

Subject: Energy Related Transaction Authority Policy	Original Effective Date	<u>06/15/2007</u>	Approved By: Board
	Original Approval Date	<u>06/15/2007</u>	
	Date Last Revised	<u>02/21/2012</u>	

10. Solid Fuel Transportation Transaction Authority

The following outlines transaction limits, definitions, and procedural requirements for solid fuel transportation transactions.

Title	Product	Per Transaction Limits (up to)				Aggregate Limits (up to)	
		Term	Lead Time	Volume Tons	\$/Ton	Total Volume Tons	Total \$
Board	Barge, Rail or Truck Transportation	No Limit	No Limit	No Max	No Max	No Max	No Max
CEO	Barge, Rail or Truck Transportation	> 1 Year ≤ 3 Years	≤ 2 Years	3 million	\$9	6 million	\$54 million
		≤ 1 Year		No Max	No Max		

Solid Fuel Transportation Authority Matrix Explanations

- Authorized products include barge, rail and truck transportation transactions.
- Per transaction limits represent the total quantity in tons and dollars/ton for each transaction executed.
- Aggregate limits represent the sum total quantity in tons and dollars for all forward transactions.
- Lead time represents the time period from the date a transaction is executed to the start of the transaction.

Subject: Energy Related Transaction Authority Policy	Original Effective Date	<u>06/15/2007</u>	Approved By: Board
	Original Approval Date	<u>06/15/2007</u>	
	Date Last Revised	<u>02/21/2012</u>	

11. Emission Allowances Transaction Authority*

The following outlines transaction limits, definitions, and procedural requirements for emissions transactions.

Title	Product	Per Transaction Limits (up to)				Aggregate Limits (up to)	
		Term	Lead Time	Volume Tons	\$/Ton	Total Volume Tons	Total \$
Board	Federal SO ₂ and NO _x Emission Allowances	No Limit	No Limit	No Max	No Max	No Max	No Max
CEO	Federal SO ₂ Emission Allowances	> 1 Year ≤ 2 Years	≤ 2 Years	5,000	\$500	20,000	\$10 million
		≤ 1 Year		No Max	No Max		
	Federal NO _x Emission Allowances	> 1 Year ≤ 2 Years		2,500	\$2,500	12,500	\$30 million
		≤ 1 Year		No Max	No Max		

Emission Allowance Authority Matrix Explanations

- The authority matrix above represents authority for SO₂ and NO_x emission allowances.
- Per transaction limits represent the total quantity in tons and dollars/ton for each transaction executed.
- Aggregate limits represent the sum total quantity in tons and dollars for all forward transactions.
- Lead time represents the time period from the date a transaction is executed to the start of the transaction.

*Per Appendix A of the Kentucky Public Service Commission order dated March 6, 2009 in case 2007-00455 Big Rivers commits to not sell SO₂ allowances in its inventory (excluding the 14,000 SO₂ allowances acquired in conjunction with the Unwind Transaction) unless the sale is cost-effective based on a written policy which reflects short- and long-term allowance needs and prices.

Subject: Energy Related Transaction Authority Policy	Original Effective Date	<u>06/15/2007</u>	Approved By: Board
	Original Approval Date	<u>06/15/2007</u>	
	Date Last Revised	<u>02/21/2012</u>	

12. Limestone Reagent Transaction Authority

The following outlines transaction limits, definitions, and procedural requirements for limestone reagent transactions.

Title	Product	Per Transaction Limits (up to)				Aggregate Limits (up to)	
		Term	Lead Time	Volume Tons	\$/Ton	Total Volume Tons	Total \$
Board of Directors	Physical Limestone Reagent	No Limit	No Limit	No Max	No Max	No Max	No Max
CEO	Physical Limestone Reagent	> 3 Months ≤ 3 Years	≤ 2 Years	750,000	\$20	1.50 million	\$30 million
		≤ 3 Months		No Max	No Max		

Limestone Reagent Authority Matrix Explanations

- Authorized products include physical spot and forward transactions and options on physical forwards.
- Per transaction limits represent the total quantity in tons and dollars for each transaction executed.
- Aggregate limits represent the sum total quantity in tons and dollars for all forward transactions.
- Lead time represents the time period from the date a transaction is executed to the start of the transaction.

Subject: Energy Related Transaction Authority Policy	Original Effective Date	<u>06/15/2007</u>	Approved By: Board
	Original Approval Date	<u>06/15/2007</u>	
	Date Last Revised	<u>02/21/2012</u>	

13. Lime Reagent Transaction Authority

The following outlines transaction limits, definitions, and procedural requirements for lime reagent transactions.

Title	Product	Per Transaction Limits (up to)				Aggregate Limits (up to)	
		Term	Lead Time	Volume Tons	\$/Ton	Total Volume Tons	Total \$
Board of Directors	Physical Lime Reagent	No Limit	No Limit	No Max	No Max	No Max	No Max
CEO	Physical Lime Reagent	> 3 Months ≤ 3 Years	≤ 2 Years	650,000	\$125	650,000	\$81 million
		≤ 3 Months		No Max	No Max		

Lime Reagent Authority Matrix Explanations

- Authorized products include physical spot and forward transactions and options on physical forwards.
- Per transaction limits represent the total quantity in tons and dollars for each transaction executed.
- Aggregate limits represent the sum total quantity in tons and dollars for all forward transactions.
- Lead time represents the time period from the date a transaction is executed to the start of the transaction.

Subject: Energy Related Transaction Authority Policy	Original Effective Date	<u>06/15/2007</u>	Approved By: Board
	Original Approval Date	<u>06/15/2007</u>	
	Date Last Revised	<u>02/21/2012</u>	

14. Acknowledgements

Clear Authority and Staff and APM Authority Delegations

Where authority is further downward delegated, it must be approved by written signature of the next authority level up prior to any execution. In no case will the delegation of authority to Big Rivers staff or APM exceed that of the Big Rivers CEO.

Violations and Sanctions

Violations of this Authority Policy must not occur. Any person covered by this policy who becomes aware of a violation of the Authority Policy has an affirmative duty to report the violation to the department head in which the violation occurred and to the Vice President of Governmental Relations and Enterprise Risk Management who in turn shall inform the Big Rivers CEO. However, if it is believed that the Big Rivers CEO is involved then the Big Rivers Chairman of the Board shall be notified. The responsible party (ies) will be sanctioned according to Big Rivers Risk Management Sanctions Policy (for Big Rivers Employees only, APM employees are governed by the ACES Power Marketing Trading Sanctions Policy).

Policy Effective


This Transaction Authority Policy is in effect upon the Board’s approval and shall remain in effect until a revised policy has been approved by the Board.

Responsibility

It shall be the responsibility of the Board, the CEO, the Big Rivers-IRMC and the APM-IRMC to ensure compliance with this policy.

Number	Date	Notes	Approved by
		Replaced Risk Management Policy for Power Supply	Board
Original	06/15/2007	Trading Authority Policy w/o matrices	Board
Rev 1	10/16/2009	Name change to Energy Related Transaction Authority Policy with matrices	Board
Rev 2	11/19/2010	MISO Transaction Authority added	Board
Rev 3	12/17/2010	Updated Solid Fuel Transaction Authority	Board
Rev 4	03/18/2011	Added limestone and lime, general cleanup	Board
Rev 5	02/21/2012	Made revisions to account for retirement of Senior VP Energy Services	Board



Your Touchstone Energy Cooperative 

Appendix A to Energy Related Transaction Authority Policy 105

APPROVED BY: CEO	APPROVAL DATE:	7/12/12
CEO Signature <i>Mark A. T. Bailey</i>		
Revision 6		
STAFF AND APM TRANSACTING AUTHORITY DELEGATIONS		

1. Purpose

The purpose of this appendix is to define the authority granted by the Big Rivers CEO ("CEO") to Big Rivers' staff and APM to execute energy-related transactions.

2. Objective

The objective of this appendix is to extend authority within Policy 105 to Big Rivers' internal staff and APM.

3. Procedural Requirements

As an appendix to Policy 105, all requirements and criteria stated within Policy 105 apply to this appendix.

Delegation of authority regarding Contract Requirements

The CEO delegates his authority to use a long form confirmation as a valid agreement in lieu of a master agreement when necessary to the VP Production and the Managing Director Energy Services and the Director of Resources and Forecasting.

4. Bilateral Electric Power and Transmission Transaction Authority

The following outlines Big Rivers' staff and APM transaction limits for power and power transmission transactions.

Title	Product	Per Transaction Limits (up to)				Per Delivery Day Limits (up to)		Aggregate Limits (up to)	
		Term	Lead Time	MW Size	\$/MWH	Total Volume MWH	Total \$	Total Volume MWH	Total \$
VP Production	Electric Power and Transmission	> 1 Month ≤ 1 Year	≤ 1 Year	105	\$85	16,200	\$8.1 million	657,000	\$55.8 million
		≤ 1 Month		210	No Max				
Managing Director Energy Services	Electric Power and Transmission	> 1 Month ≤ 3 Months	≤ 1 Year	105	\$75	14,000	\$7.0 million	500,000	\$37.5 million
		> 1 Week ≤ 1 Month		105	\$100				
		≤ 1 Week	≤ 1 Month	No Max.	No Max.				
Director of Resources & Forecasting	Electric Power and Transmission	> 1 Month ≤ 3 Months	≤ 1 Year	105	\$75	14,000	\$7.0 million	500,000	\$37.5 million
		> 1 Week ≤ 1 Month		105	\$100				
		≤ 1 Week	≤ 1 Month	No Max.	No Max.				
Power Scheduling Analyst	Electric Power and Transmission	≤ 1 Week	≤ 1 Month	450	No Max.	10,800	\$6.0 million	200,000	\$25 million
APM	Electric Power and Transmission	≤ 1 Daily	≤ 1 Week	450	No Max.	10,800	\$5.4 million	100,000	\$12 million

Delegation of authority regarding Firmness of Power

The CEO delegates his authority to sell power that is more firm than the supply source to the VP Production.

Delegation of authority regarding Transmission Firmness and Volume

The CEO delegates his authority to execute transmission purchases not of equal firmness and volume to the energy component that such transmission purchase is associated with to the VP Production.

Delegation of authority regarding Restricted Delivery Locations

The CEO delegates his authority to execute transactions at other Eastern interconnection locations to the VP Production.

5. MISO Transaction Authority

The following outlines Big Rivers' staff and APM transaction limits for MISO products.

		MISO Per Transaction Limits (up to)			
Title	Product	Delivery Lead Time	Term	MW Size	\$/MWh
VP Production	Generation Awards	As Required by MISO	1 Operating Day	425	MISO Price Cap
	Demand Awards			1750	
	Ancillary Service Awards			425	
	Capacity	≤ 2 Years	≤ 2Years	425	\$20
	Financial Transmission Rights	≤ 1 Year	≤ 1 Year	425	\$20
	Virtual Transaction Awards Imports/Exports	As Required by MISO	1 Operating Day	No Max No Max	MISO Price Cap
Managing Director Energy Services and Director of Resources & Forecasting	Generation Awards	As Required by MISO	1 Operating Day	425	MISO Price Cap
	Demand Awards			1700	
	Ancillary Service Awards			425	
	Capacity	≤ 1 Year	≤ 1Year	425	\$15
	Financial Transmission Rights	≤ 6 months	≤ 6 months	425	\$12
	Virtual Transaction Awards Imports/Exports	As Required by MISO	1 Operating Day	400 500	MISO Price Cap
Power Scheduling Analyst	Generation Awards	As Required by MISO	1 Operating Day	425	MISO Price Cap
	Demand Awards			1675	
	Ancillary Service Awards			425	
	Capacity	≤ 6 Months	≤ 6 Months	425	\$12
	Financial Transmission Rights	Not Authorized	Not Authorized	Not Authorized	Not Authorized
	Virtual Transaction Awards Imports/Exports	As Required by MISO	1 Operating Day	400 450	MISO Price Cap
APM	Generation Awards	As Required by MISO	1 Operating Day	425	MISO Price Cap
	Demand Awards			1650	
	Ancillary Service Awards			425	
	Capacity	≤ 6 Months	≤ 6 Months	425	\$8
	Financial Transmission Rights	≤ 6 Months	≤ 6 Months	425	\$10
	Virtual Transaction Awards Imports/Exports	As Required by MISO	1 Operating Day	400 400	MISO Price Cap

6. PJM Transaction Authority (Non-Bilateral)

The following outlines Big Rivers' staff and APM transaction limits for PJM products.

		PJM Per Transaction Limits (up to)			
Title	Product	Delivery Lead Time	Term	MW Size	\$/MWh
VP Production	Generation Awards	Not Presently Transacted	Not Presently Transacted	Not Presently Transacted	Not Presently Transacted
	Demand Awards				
	Ancillary Service Awards				
	Capacity				
	Financial Transmission Rights	≤ 1 Year	≤ 1 Year	210	\$20
	Virtual Transaction Awards	As Required by PJM	1 Operating Day	No Max	PJM Price Cap
Imports/Exports	No Max				
Managing Director Energy Services and Director of Resources & Forecasting	Generation Awards	Not Presently Transacted	Not Presently Transacted	Not Presently Transacted	Not Presently Transacted
	Demand Awards				
	Ancillary Service Awards				
	Capacity				
	Financial Transmission Rights	≤ 1 Year	≤ 3 months	105	\$12
	Virtual Transaction Awards	As Required by PJM	1 Operating Day	400	PJM Price Cap
Imports/Exports	500				
Power Scheduling Analyst	Generation Awards	Not Presently Transacted	Not Presently Transacted	Not Presently Transacted	Not Presently Transacted
	Demand Awards				
	Ancillary Service Awards				
	Capacity				
	Financial Transmission Rights	Not Authorized	Not Authorized	Not Authorized	Not Authorized
	Virtual Transaction Awards	As Required by PJM	1 Operating Day	400	PJM Price Cap
Imports/Exports	450				
APM	Generation Awards	Not Presently Transacted	Not Presently Transacted	Not Presently Transacted	Not Presently Transacted
	Demand Awards				
	Ancillary Service Awards				
	Capacity				
	Financial Transmission Rights	Not Authorized	Not Authorized	Not Authorized	Not Authorized
	Virtual Transaction Awards	As Required by PJM	1 Operating Day	400	PJM Price Cap
Imports/Exports	400				

7. Natural/Synthetic Gas and Transportation Transaction Authority

The following outlines Big Rivers' staff and APM transaction limits for natural/synthetic gas (Gas) and transportation transactions.

Title	Product	Per Transaction Limits (up to)				Per Delivery Day Limits (up to)		Aggregate Limits (up to)	
		Term	Lead Time	Physical MMBtu Volume per Day	S/MMBtu	Total Physical Volume MMBtu	Total \$	Total Physical Volume MMBtu	Total \$
VP Production	Physical	> 1 Month ≤ 1 Year	≤ 1 Year	20,000	\$15	20,000	\$300,000	400,000	\$6 million
		≤ 1 Month		No Max	No Max	No Max	No Max		
Managing Director Energy Services	Physical	> 1 Week ≤ 1 Month	≤ 1 Year	10,000	\$15	10,000	\$150,000	200,000	\$3 million
		≤ 1 Week	≤ 1 Month	No Max	No Max	No Max	No Max		
Director of Resources & Forecasting	Physical	> 1 Week ≤ 1 Month	≤ 1 Year	10,000	\$15	10,000	\$150,000	200,000	\$3 million
		≤ 1 Week	≤ 1 Month	No Max	No Max	No Max	No Max		
APM	Physical*	≤ 1 Week	≤ 1 Week	20,000	\$15	20,000	\$300,000	100,000	\$1.5 million
	Pipeline Payback			60,000	\$15	60,000	\$900,000	60,000	\$900,000

***Excludes purchases for pipeline payback. Purchases for pipeline payback are addressed separately in the row below.**

Delegation of authority regarding Gas Firmness

The CEO delegates his authority to sell gas that is more firm than the supply source to the VP Production.

Delegation of authority regarding Transportation Firmness and Volume

The CEO delegates his authority to execute transportation purchases not of equal firmness and volume to the gas component that such transportation purchase is associated with to the VP Production.

8. Fuel Oil Transaction Authority

The following outlines Big Rivers' staff and APM transaction limits for fuel oil transactions.

<u>Title</u>	Product	Per Transaction Limits (up to)				Aggregate Limits (up to)	
		Term	Lead Time	Physical-Volume Gallons	\$/Gallon	Total Volume Gallons	Total \$
VP Production	Physical Fuel Oil	> 1 Month ≤ 1 Year	≤ 1 Year	750,000	\$6	4,000,000	\$24 Million
		≤ 1 Month		No Max	No Max		
Director of Fuels Procurement	Physical Fuel Oil	> 1 Week ≤ 1 Month	≤ 1 Year	500,000	\$6	1,000,000	\$6 million
		≤ 1 Week	≤ 1 Month	No Max	No Max		
APM	Physical Fuel Oil	As directed	As directed	As directed	As directed	As directed	As directed

9. Solid Fuel Transaction Authority

The following outlines Big Rivers' staff transaction limits for solid fuel.

Title	Product	Per Transaction Limits (up to)				Aggregate Limits (up to)	
		Term	Lead Time	Volume Tons	\$/MMBtu	Total Volume Tons	Total \$
VP Production	Physical Solid Fuel	> 3 Months ≤ 1 Year	≤ 1 Year	500,000	\$2.50	1.0 million	\$60 million
		≤ 3 Months		100,000	\$2.85		
Director of Fuels Procurement	Physical Solid Fuel	> 3 Months ≤ 6 Months	≤ 1 Year	250,000	\$2.50	500,000	\$30 million
		≤ 3 Months		50,000	\$2.85		

10. Solid Fuel Transportation Authority

The following outlines Big Rivers' staff transaction limits for solid fuel transportation transactions.

Title	Product	Per Transaction Limits (up to)				Aggregate Limits (up to)	
		Term	Lead Time	Volume Tons	\$/Ton	Total Volume Tons	Total \$
VP Production	Barge, Rail or Truck Transportation	> 3 Months ≤ 3 Years	≤ 1 Year	2.5 million	\$5	5 million	\$20 million
		≤ 3 Months		No Max	No Max		
Director of Fuels Procurement	Barge, Rail or Truck Transportation	> 1 Month ≤ 1 Year	≤ 1 Year	750,000	\$5	2 million	\$10 million
		≤ 1 Month	≤ 1 Month	No Max	No Max		

11. Emission Allowance Transaction Authority

The following outlines Big Rivers' staff and APM transaction limits for emission allowance transactions.

Title	Product	Per Transaction Limits (up to)				Aggregate Limits (up to)	
		Term	Lead Time	Volume Tons	\$/Ton	Total Volume Tons	Total \$
VP Production	Federal SO2 Emission Allowances	≤ 1 Year	≤ 1 Year	2,500	\$300	10,000	\$3 million
	Federal NOx Emission Allowances	≤ 1 Year		1,250	\$2,000	5,000	\$10 million
Director of Fuels Procurement, Managing Director Energy Services and Director of Resources & Forecasting	Federal SO2 Emission Allowances	≤ 1 Year	≤ 6 months	2,000	\$275	5,000	\$1 million
	Federal NOx Emission Allowances	≤ 1 Year		500	\$1,500	2,000	\$3 million
APM	Federal SO2 Emission Allowances	As directed	As directed	As directed	As directed	As directed	As directed
	Federal NOx Emission Allowances	As directed		As directed	As directed		

12. Limestone Reagent Transaction Authority

The following outlines Big Rivers' staff transaction limits for limestone reagent transactions.

Title	Product	Per Transaction Limits (up to)				Aggregate Limits (up to)	
		Term	Lead Time	Volume Tons	\$/Ton	Total Volume Tons	Total \$
VP Production	Physical Limestone Reagent	≤ 1 Year	≤ 1 Year	187,500	\$18	375,000	\$6.75 million
Director of Fuels Procurement	Physical Limestone Reagent	≤ 3 Months	≤ 1 Year	93,750	\$18	187,500	\$3.375 million

13. Lime Reagent Transaction Authority

The following outlines Big Rivers' staff transaction limits for lime reagent transactions.

Title	Product	Per Transaction Limits (up to)				Aggregate Limits (up to)	
		Term	Lead Time	Volume Tons	\$/Ton	Total Volume Tons	Total \$
VP Production	Physical Lime Reagent	≤ 1 Year	≤ 1 Year	162,500	\$120	162,500	\$19.5 million
Director of Fuels Procurement	Physical Lime Reagent	≤ 3 Months	≤ 1 Year	81,250	\$120	81,250	\$9.75 million

14. Acknowledgements

Violations and Sanctions

Violations of this Authority Policy must not occur. Any person covered by this policy who becomes aware of a violation of the Authority Policy has an affirmative duty to report the violation to the department head in which the violation occurred and to the Vice President of Governmental Relations and Enterprise Risk Management who in turn shall inform the Big Rivers CEO. However, if it is believed that the Big Rivers CEO is involved then the Big Rivers Chairman of the Board shall be notified. The responsible party(ies) will be sanctioned according to Big Rivers Risk Management Sanctions Policy (for Big Rivers Employees only, APM employees are governed by the ACES Power Marketing Trading Sanctions Policy).

Appendix Effective

This Transaction Authority Appendix is in effect upon the CEO's approval and shall remain in effect until a replacement appendix has been approved by the CEO.

Responsibility

It shall be the responsibility of the CEO, VP Production and the Big Rivers-IRMC and the APM-IRMC to ensure compliance with this policy.

Revisions

Big Rivers Policy 105/Appendix A Revision Record			
Number	Date	Notes	Approved by
Rev. 0	11-04-09	Energy Related Trans	Mark Bailey
Rev. 1	11-22-10	MISO and other misc. updates	Mark Bailey
Rev. 2	1-4-11	Updated Solid Fuel Transaction Authority	Mark Bailey
Rev. 3	3-18-11	Added Limestone and Lime, general cleanup	Mark Bailey
Rev. 4	12-5-11	Update Bi-Lateral and Emission limits, add authority for PJM FTRs, add VP of Production	Mark Bailey
Rev. 5	5-7-11	Remove Senior VP Energy Services from document due to retirement/elimination of role	Mark Bailey
Rev. 6		Change Director of Power Portfolio Optimization to Managing Director Energy Services	Mark Bailey

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 **Item 16)**

2 *a. State whether Big Rivers is aware of any violations of its*
3 *policies and procedures regarding fuel procurement that*
4 *occurred prior to or during the period from November 1,*
5 *2011 through April 30, 2012.*

6 *b. If yes, for each violation:*

7 *(1) Describe the violation;*

8 *(2) Describe the action(s) that Big Rivers took upon*
9 *discovering the violation; and*

10 *(3) Identify the person(s) who committed the violation.*

11

12 **Response)**

13 a. Big Rivers is unaware of any violations of its policies and
14 procedures regarding fuel procurement that occurred during the
15 period November 1, 2011, through April 30, 2012. Big Rivers is
16 also unaware of any previously unreported violations of its
17 policies and procedures regarding fuel procurement.

18 b. Not applicable.

19

20

21 **Witness)** Mark W. McAdams

22

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 **Item 17) *Identify and explain the reasons for all changes in the***
2 ***organizational structure and personnel of the departments or divisions***
3 ***that are responsible for Big Rivers' fuel procurement activities that***
4 ***occurred during the period from November 1, 2011 through April 30, 2012.***
5

6 **Response) Mr. C. William Blackburn, Senior Vice President Financial & Energy**
7 **Services and Chief Financial Officer, retired from Big Rivers in late January 2012.**
8 **As part of a subsequent reorganization, Big Rivers' Fuel Procurement and Energy**
9 **Services Departments, which had previously reported to Mr. Blackburn, began**
10 **reporting to Mr. Robert W. Berry, Vice President Production.**

11 **Following this reporting period, in June 2012, Ms. Lindsay N. Barron**
12 **was appointed to the position of Managing Director, Energy Services. Ms. Barron**
13 **reports to Mr. Berry, and Big River's Natural Gas Fuel Procurement organization**
14 **now reports to Ms. Barron. Ms. Barron has an Associate's Degree in Management**
15 **Information Systems, a Bachelor of Science in Accounting, and a Masters of**
16 **Business Administration. Ms. Barron holds the designation of CPA and CMA.**
17 **She held several positions in Big Rivers' Finance and Power Supply organizations**
18 **before leaving for Vectren. At Vectren she worked in the Power Supply and MISO**
19 **Settlement departments prior to becoming the Manager of Market Research and**
20 **Analysis. Ms. Barron returned to Big Rivers in September 2010 as its Director of**
21 **Risk Management and Strategic Planning. She served in that position until**
22 **assuming her current Managing Director duties.**

23 **Charts reflecting these changes are attached hereto.**
24
25

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

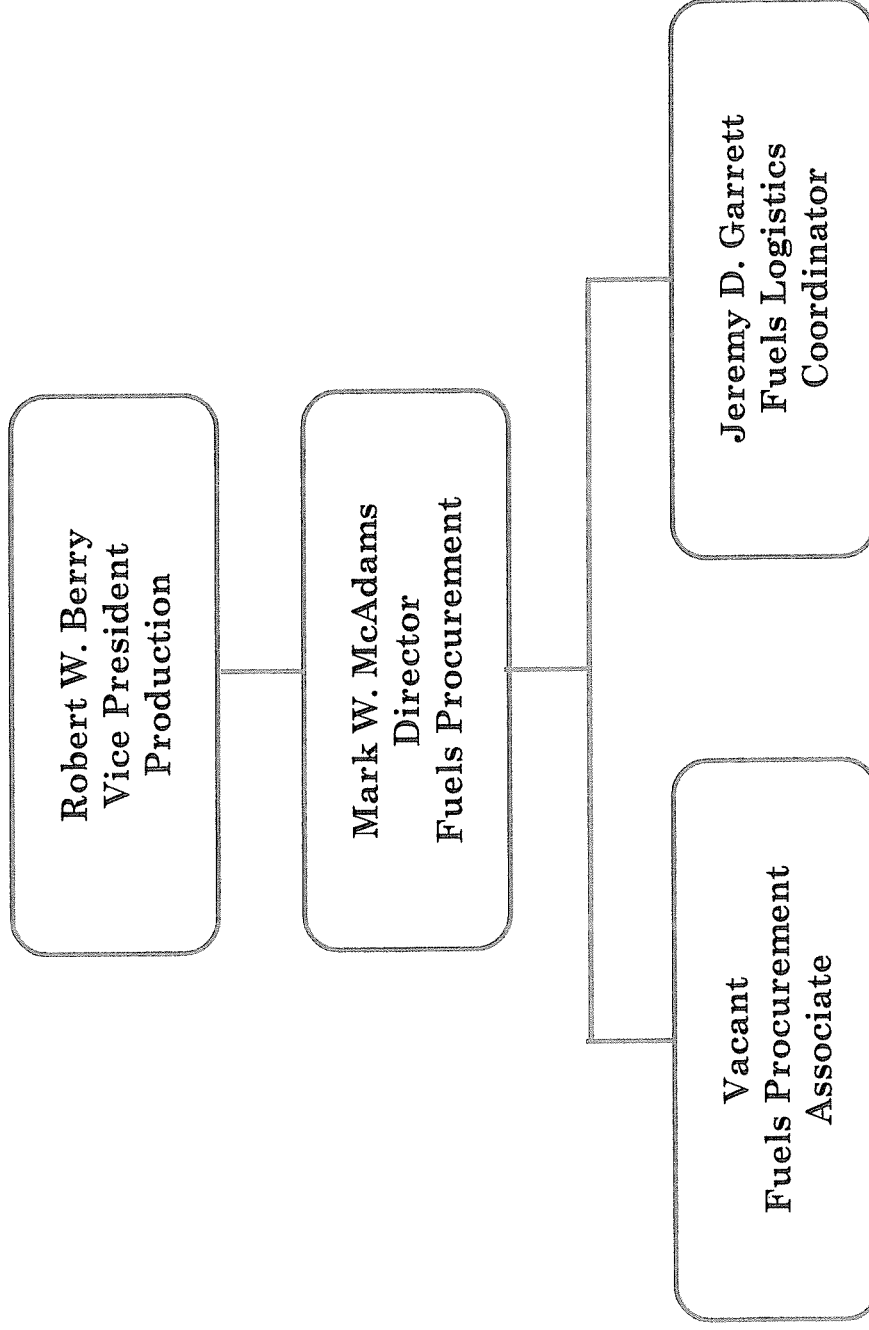
1

2 **Witnesses)** Mark W. McAdams and

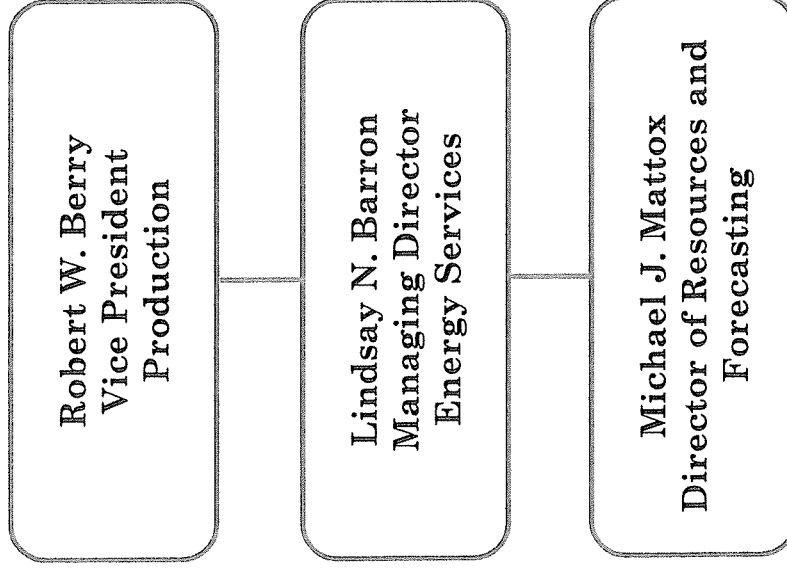
3 Michael J. Mattox

4

**Big Rivers Electric Corporation
Fuels Procurement Organization
June 2012**



**Big Rivers Electric Corporation
Natural Gas Fuel Procurement Organization
June 2012**



BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 **Item 18)**

- 2 *a. Identify all changes that Big Rivers has made during the*
3 *period under review to its maintenance and operation*
4 *practices that also affect fuel usage at Big Rivers'*
5 *generation facilities.*
6 *b. Describe the impact of these changes on Big Rivers' fuel*
7 *usage.*

8
9 **Response)**

- 10 a. Driven by lower than expected power prices in the off system
11 sales market, and the fact that Big Rivers did not obtain the full
12 rate relief requested in its last general rate case (Case No. 2011-
13 00036), Big Rivers was forced to defer some maintenance
14 activities during the period under review in order to reduce
15 expenses and increase revenues to facilitate meeting its loan
16 covenants. The Wilson Unit outage that was scheduled in
17 March 2012 was reduced in scope and the duration was
18 shortened by twenty-eight days. Additionally, the Green Unit 2
19 outage that was scheduled to begin April 28, 2012, was deferred
20 until the spring of 2013.
21 b. The reduced outage duration during this time period provided
22 Big Rivers the opportunity for an additional twenty-eight days
23 of generation at Wilson Station and three additional days of
24 generation at Green Station over the original budgeted amount.
25 For this added generation, Big Rivers consumed approximately

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 109,500 additional tons of fuel over the original budgeted
2 amount.

3

4

5 **Witness)** Lawrence V. Baronowsky

6

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 **Item 19)** *List each written coal supply solicitation issued during the*
2 *period from November 1, 2011 through April 30, 2012.*

3

4 *a. For each solicitation, provide the date of the solicitation,*
5 *the type of solicitation (contract or spot), the quantities*
6 *solicited, a general description of the quality of coal*
7 *solicited, the time period over which deliveries were*
8 *requested, and the generating unit(s) for which the coal*
9 *was intended.*

10 *b. For each solicitation, state the number of vendors to*
11 *whom the solicitation was sent, the number of vendors*
12 *who responded, and the selected vendor. Provide the bid*
13 *tabulation sheet or corresponding document that ranked*
14 *the proposals. (This document should identify all vendors*
15 *who made offers.) State the reasons for each selection.*
16 *For each lowest-cost bid not selected, explain why the bid*
17 *was not selected.*

18

19 **Response)**

20 BRE-12-04 (Spot and Term Solicitation)

21

a.

22

i. Date solicitation was issued: April 2, 2012.

23

Date solicitation was returned: April 20, 2012.

24

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

- 1 ii. Type of solicitation: Spot 2012 and term (2013 – 2017) written
2 bid solicitation (web-based distribution).
- 3 iii. Quantities solicited: Spot between 250,000 to 500,000 tons;
4 Term – up to 800,000 tons per year.
- 5 iv. Quality of coal solicited:
- 6 (a) BTU/lb.: 10,500 to 13,500;
- 7 (b) Ash (lbs/MMBTU): 0.74 to 14.29;
- 8 (c) Moisture (lbs/MMBTU): 8.89 to 11.90;
- 9 (d) Sulfur (lbs SO₂): 5.50 to 6.50 (coal); and
- 10 (e) Sulfur (lbs SO₂): up to 8.50 (petroleum coke).
- 11 v. Time period over which deliveries were requested:
- 12 (a) Spot solicitation: April through December 2012.
- 13 (b) Term solicitation: Years 2013 through 2017.
- 14 vi. Generating units for which the coal was intended include:
15 Coleman, Green, HMP&L Station Two, Reid, and Wilson.
- 16 b.
- 17 i. Number of vendors solicited: The coal solicitation was posted
18 to Big Rivers' web site for supplier review, print-out, and
19 written bid proposal submission. Big Rivers also notified coal
20 and petroleum coke journals for industry notification of the
21 placement of the solicitation on the web site and referral to the
22 web address for review and download. Due to change in
23 software provider for the web site, we do not have the number
24 of downloads available to report.

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 Wilson Stations. The offer was accepted and a spot
2 contract executed.
3 TCP Pet Coke - provided an additional pet coke
4 opportunity from the CITGO refinery for the remainder of
5 2012. The pet coke has been successfully blended at
6 Wilson and Green Stations with regional coal. The TCP
7 pet coke offer was competitive, was accepted, and a spot
8 contract executed.
9 Coal Network - provided a small offer of distressed coal
10 which was available for loading within the next several
11 months. The coal had already been tested and utilized at
12 Green Station and was acquired due to its competitive
13 price. The offer was accepted and the parties completed a
14 spot coal supply agreement.
15 Armstrong Coal - provided an offer of spot coal for the
16 remainder of 2012 via truck or F.O.B barge. The coal was
17 offered with multiple qualities that could be utilized at
18 Wilson, Green, or Coleman Stations, as coal needs arose.
19 This offer was more competitive than other coal offers,
20 was accepted, and a spot contractual agreement
21 completed.
22 Peabody CoalSales - provided an offer via barge from its
23 Somerville Mining operation through nearby terminal
24 Evansville Marine. This offer was a competitive offer for

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

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10

Green or Wilson Stations and could be utilized via blending at Coleman Station. The competitive offer was accepted and a spot contract executed.

(b) *Selected term coal vendors:*

Term coal vendors have not been selected during the period from November 1, 2011, through April 30, 2012.

Witness) Mark W. McAdams

In the Matter of:

AN EXAMINATION OF THE APPLICATION)
OF THE FUEL ADJUSTMENT CLAUSE OF)
BIG RIVERS ELECTRIC CORPORATION) Case No.
FROM NOVEMBER 1, 2011) 2012-00323
THROUGH APRIL 30, 2012)

CONFIDENTIAL RESPONSE to
Item 19.b.iv of the Commission Staff's Data Request
dated August 22, 2012
FILED: September 11, 2012

INFORMATION SUBMITTED UNDER PETITION FOR
CONFIDENTIAL TREATMENT

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 **Item 20)** *List each oral coal supply solicitation issued during the*
2 *period from November 1, 2011 through April 30, 2012.*

3
4 *a. For each solicitation, state why the solicitation was not*
5 *written, the date(s) of the solicitation, the quantities*
6 *solicited, a general description of the quality of coal*
7 *solicited, the time period over which deliveries were*
8 *requested, and the generating unit(s) for which the coal*
9 *was intended.*

10 *b. For each solicitation, identify all vendors solicited and*
11 *the vendor selected. Provide the tabulation sheet or other*
12 *document that ranks the proposals. (This document*
13 *should identify all vendors who made offers.) State the*
14 *reasons for each selection. For each lowest-cost bid not*
15 *selected, explain why the bid was not selected.*

16
17 **Response)**

18 *a.*
19 *i. Bid BRE-12-01 was an oral solicitation due to the market*
20 *price of petroleum coke falling and the potential for*
21 *opportunity of lower priced alternative fuel being available to*
22 *blend with coal at the Wilson and/or Green generating*
23 *stations. Petroleum coke suppliers have various companies*
24 *soliciting them for acquisition; thus, many firms do not*
25 *participate in utility written solicitations. Big Rivers also*

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

- 1 solicited current and regional suppliers of coal to assess the
2 pet coke versus the coal markets.
- 3 ii. Date solicitation was orally issued: January 5, 2012.
4 Date solicitations to be returned electronically: January 9,
5 2012.
- 6 iii. Type of solicitation: Spot 2012.
- 7 iv. Quantity solicited: 250,000 tons.
- 8 v. Quality of fuel solicited: 10,500 to 14,500 BTU/lb.
- 9 vi. Time period for delivery: January through December 2012
- 10 vii. Generating units: Green, Wilson, Coleman, HMP&L Station
11 Two and Reid.
- 12 b.
- 13 i. Number of vendors solicited: 20 suppliers.
- 14 ii. Responding vendors: Eleven (11) vendors responded to the
15 oral solicitation.
- 16 iii. Selected vendors: Oxbow Carbon & Minerals, ExxonMobil,
17 and TCP Pet Coke (all petroleum coke providers).
- 18 iv. The bid tabulation spreadsheet is being provided under a
19 Petition for Confidential Treatment.
- 20 v. The rationale for each selection is as follow:
- 21 Oxbow Carbon & Minerals - presented the lowest cost,
22 alternative fuel offer and was selected for blending with coal
23 at Green and/or Wilson Stations. Oxbow's offer was for less
24 tonnage than requested under the solicitation and was from
25 a refinery that had not provided pet coke to Big Rivers in

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 past business. This small order was a test of this refinery's
2 pet coke product.
3 ExxonMobil - has provided pet coke to Big Rivers in the past
4 and was able to offer up to six months of pet coke pricing firm
5 on 125,000 tons of product. Having experience with this
6 refinery pet coke, Big Rivers was able to utilize this pet coke
7 to blend down the overall fuel cost for Green and Wilson
8 Stations. The offer, combined with Oxbow Carbon &
9 Minerals still did not meet the total tonnage sought for
10 blending.
11 TCP Pet Coke - has also provided pet coke from the CITGO
12 refinery and Big Rivers was aware that this pet coke would
13 perform in a blend scenario at either Green or Wilson
14 Stations. The acquisition of this offer completed the open
15 position sought under the oral solicitation for pet coke to
16 blend with coal under contract.
17 Koch Carbon - offered petroleum coke that was subject to
18 prior sale. A sale of that offer occurred prior to Big Rivers
19 being able to strike upon the deal.

20
21
22
23

Witness) Mark W. McAdams

Big Rivers Electric Corporation
Case No. 2012-00323
Oral Solicitation Response Template

Big Rivers Oral Solicitation Response Sheet.

Solicitation: BRE-01-12 (oral, spot solid fuel).

Date Solicited: January 5, 2012 (telephonically, followed by electronic correspondence).

Response Date: **January 9, 2012, by 1PM Central Time (via e-mail)**

Return E-Mail Address: david.ashby@bigrivers.com

Bid Validity Date: **January 13, 2012**

Company Name	Product Source	Seam	Tonnage	BTU/lb.	Percent As-Received		HGI
					Moisture	Ash	
XYZ Coal Company	Big Coal Mine #1	#9 Seam	125,000	11,000	10.000	12.000	55.000
					3.400		

For purposes of an example response:

Big Rivers Electric Corporation
Case No. 2012-00323
Oral Solicitation Response Template

Big Rivers Oral Solicitation Response Sheet.

Solicitation: BRE-01-12 (oral, spot solid fuel).

Date Solicited: January 5, 2012 (telephonically, followed by ele
Response Date: January 9, 2012, by 1PM Central Time (via e-m
Return E-Mail Address: david.ashby@bigrivers.com
Bid Validity Date: January 13, 2012

Company Name	Product Source	Seam	Price		Barge	F.O.B. Point		Station
			\$/Ton	\$/MMBTU		Truck	Truck	
XYZ Coal Company	Big Coal Mine #1	#9 Seam	\$ 42.50	\$ 1.9318	MP 32 Green	At Mine		N/A

For purposes of an example response:

Big Rivers Electric Corporation
Case No. 2012-00323
Oral Solicitation Response Template

Bid Information:

- 1.) Big Rivers is seeking up to, or a portion of, 250,000 short tons.
- 2.) Term: January through December 31, 2012, or a portion thereof.
- 3.) Quality: BTU ranging from 10,500 to 14,500 BTU/lb.
- 4.) Moisture, Ash, Sulfur, HGI, etc. - please provide commensurate with your bid.
- 5.) Bidders are welcome to bid as many qualities of solid fuel as they elect.
- 6.) Indicate whether the bid is based upon F.O.B. barge, truck, and/or station.
- 7.) If bids are F.O.B. Station, indicate the fully delivered price and denote transportation cost in Notations to Bid Offer below.
- 8.) Include any necessary notations and/or exceptions below, particularly to include any escalation.
- 9.) Big Rivers may procure all, some, or none of the tonnage.
- 10.) Big Rivers reserves the right to request further information, particularly in respect to fuel quality and/or operational performance.
- 11.) Big Rivers reserves the right to inspect operations prior to awarding any business.
- 12.) Bidder is not entitled to any compensation or consideration due to its filing of a bid offer.
- 13.) Big Rivers reserves the right to negotiate portions or all of the offer.
- 14.) The validity date of this bid solicitation is through end of day, January 13, 2012.

Notations to Bid Offer:

In the Matter of:

AN EXAMINATION OF THE APPLICATION)
OF THE FUEL ADJUSTMENT CLAUSE OF)
BIG RIVERS ELECTRIC CORPORATION) Case No.
FROM NOVEMBER 1, 2011) 2012-00323
THROUGH APRIL 30, 2012)

CONFIDENTIAL RESPONSE to
Item 20.b.iv of the Commission Staff's Data Request
dated August 22, 2012
FILED: September 11, 2012

INFORMATION SUBMITTED UNDER PETITION FOR
CONFIDENTIAL TREATMENT

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2011 THROUGH APRIL 30, 2012
CASE NO. 2012-00323**

**Response to Commission Staff's Request for Information
dated August 22, 2012**

September 11, 2012

1 **Item 21)**

2 *a. List all intersystem sales during the period under review*
3 *in which Big Rivers used a third party's transmission*
4 *system.*

5 *b. For each sale listed above:*

6 *(1) Describe how Big Rivers addressed, for FAC reporting*
7 *purposes, the cost of fuel expended to cover any line*
8 *losses incurred to transmit its power across the third*
9 *party's transmission system; and*

10 *(2) State the line loss factor used for each transaction*
11 *and describe how that line loss factor was*
12 *determined.*

13

14 **Response)**

15 a. Please see the attached table.

16 b. (1) Big Rivers uses the line losses approved by third-party
17 transmission systems for purposes of allocating fuel costs to
18 intersystem sales made across third-party transmission
19 systems.

20 (2) The Tennessee Valley Authority ("TVA") line loss factor
21 used is 3%, which is the line loss factor listed in the TVA tariff.
22 TVA is the only third-party transmission system used for

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1 intersystem sales during the period from November 1, 2011, to
2 April 30, 2012.

3

4

5 **Witnesses)**

6

a. Michael J. Mattox

7

b.(1) Ralph A. Ashworth

8

b.(2) Michael J. Mattox

9

Big Rivers Electric Corporation
Intersystem Sales
November 1, 2011 through April 30, 2012

Counterparty	Nov MWh Delivered	Dec MWh Delivered	Jan MWh Delivered	Feb MWh Delivered	Mar MWh Delivered	Apr MWh Delivered
Constellation Energy Commodities Group, Inc.	18,432	0	0	0	0	0
EDF Trading North America, LLC	18,428	0	0	0	0	0
PowerSouth Energy Cooperative	0	0	0	460	0	0

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1 **Item 22)** *Describe each change that Big Rivers made to its methodology*
2 *for calculating intersystem sales line losses during the period under*
3 *review.*

4

5 **Response)** Big Rivers has made no changes during the period November 1, 2011,
6 to April 30, 2012, to its methodology for calculating intersystem sales line losses.

7

8

9 **Witness)** Michael J. Mattox

10

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1 **Item 23)** *State whether, during the period under review, Big Rivers has*
2 *solicited bids for coal with the restriction that it was not mined through*
3 *strip mining or mountain top removal. If yes, explain the reasons for the*
4 *restriction on the solicitation, the quantity in tons and price per ton of the*
5 *coal purchased as a result of this solicitation, and the difference between*
6 *the price of this coal and the price it could have obtained for the coal if*
7 *the solicitation had not been restricted.*

8

9 **Response)** Big Rivers has not solicited any bids for coal with the restrictions
10 that it was not mined through strip mining or mountain top removal.

11

12

13 **Witness)** Mark W. McAdams

14

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1 **Item 24)** *Provide a detailed discussion of any specific generation*
2 *efficiency improvements Big Rivers has undertaken during the period*
3 *under review.*

4

5 **Response)** Big Rivers continuously monitors and adjusts its combustion process
6 in attempt to improve the heat rate on all of its generating units. During the
7 period under review, Big Rivers was able to reduce the heat rate of its generating
8 fleet by over 200 Btu/kWh (see graph attached hereto). Also during this period,
9 Big Rivers replaced the existing low NO_x burners in the HMP&L Station Two
10 Unit 1 boiler with new low NO_x burners. The new burners reduced the heat rate
11 on the HMP&L Unit 1 boiler by 347 Btu/kWh, from 10,821 Btu/kWh in March
12 before the retrofit, to 10,474 Btu/kWh currently. The new burners allow Big
13 Rivers to operate the unit at full capacity at a lower cost, to the benefit of its'
14 Members.

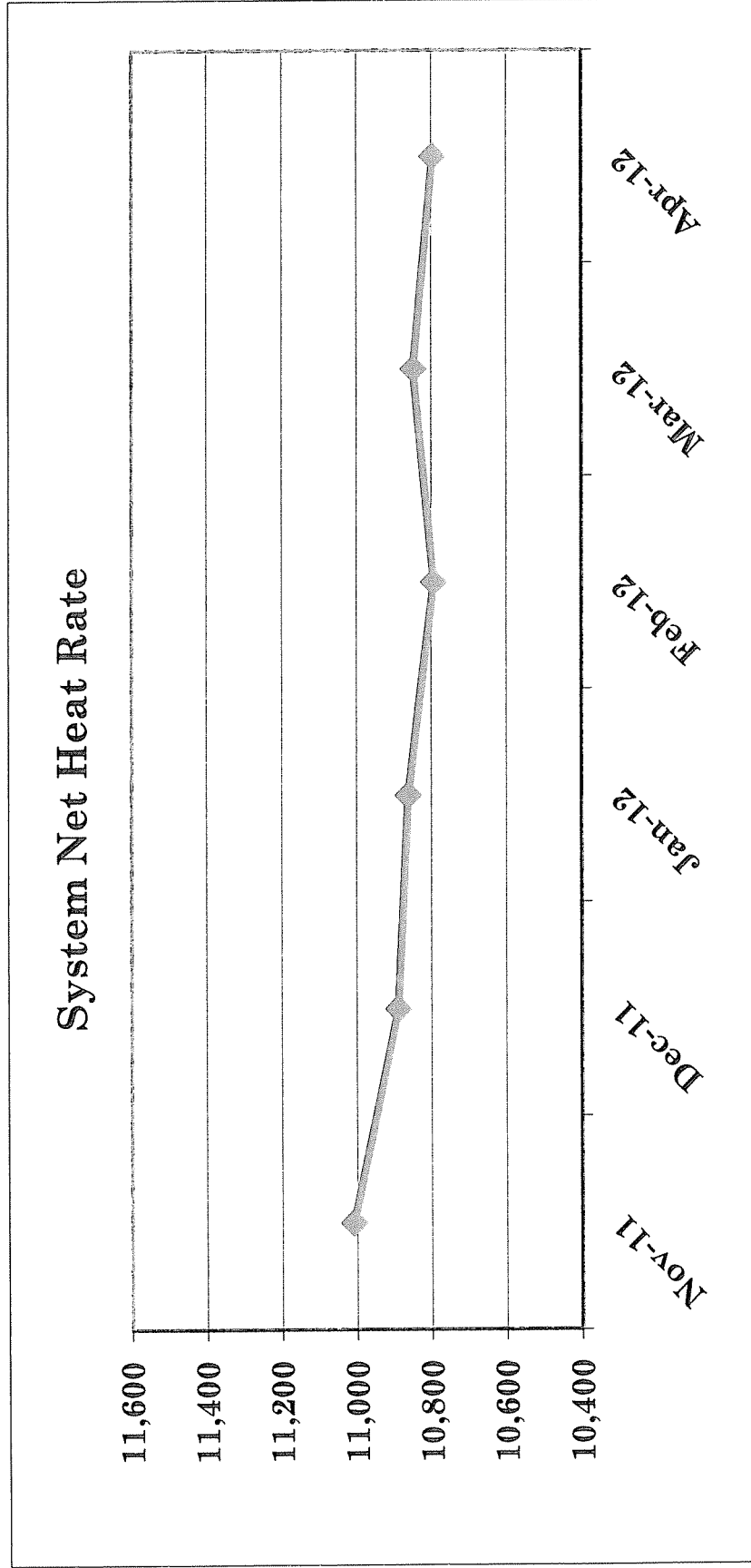
15

16

17 **Witness)** Lawrence V. Baronowsky

18

Big Rivers Electric Corporation
Case No. 2012-00323



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1 **Item 25)** *Explain whether closures of coal mines due to decreased*
2 *demand for coal could potentially lead to coal shortages that could affect*
3 *reliability. Include in the explanation whether evidence of such a*
4 *potential shortage exists today.*

5

6 **Response)** There are mine closures in the Central Appalachian ("CAPP") region
7 due to remaining coal reserves being uneconomical to mine, particularly during
8 periods of economic recession, milder weather conditions, and lower cost
9 competing fuels such as natural gas.

10 Regulatory issues are also having an impact on larger end-users,
11 particularly utilities, with respect to installation or upgrading of flue gas
12 desulphurization ("FGD") units (scrubbers). The installation of scrubbers will also
13 have an impact upon the CAPP region, which instituted a great number of mining
14 operations based on Phase One and Two of the Clean Air Act, which essentially
15 created demand for "compliance coal" found in the CAPP region. With the
16 installation of scrubbers, large end-users will seek lower cost, higher sulfur fuel,
17 moving from CAPP region coal procurement to the lower cost Illinois Basin
18 ("ILB").

19 From time to time, as buying opportunities shift internationally,
20 some of the otherwise uneconomical mining operations may come into the money
21 due to demand for near metallurgical coal. Moreover, though, given depleting and
22 more difficult reserves and regulatory / environmental challenges (mountain-top
23 removal, valley fill and stream issues, etc.) surrounding mining in the CAPP
24 region, more mines are likely to close operations.

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1 Given the depleting reserves of CAPP and installation of FGD
2 systems, the Northern Appalachian ("NAPP") and ILB are the next basins of coal
3 supply of choice by many large end-users. Given Big Rivers' proximity to the ILB,
4 particularly the Western Kentucky coal mines, we anticipate continued coal
5 procurement in this region. There are several ILB operations that are poised to
6 commence mining or are now mining large volumes of coal with planned
7 expansion(s). Examples of operations poised to commence mining are: White Oak
8 Resources, Carbonado Coal, and Rhino Energy. Other operations that have
9 recently commenced mining or are increasing production include: Hillsboro
10 (Natural Resources / Cline); River View Mining (Alliance Coal), Bear Run
11 (Peabody), and Armstrong Coal.

12 The current trend with regard to the coal industry is the
13 consolidation and/or acquisition of smaller firms, resulting in large corporate,
14 publicly-held mining institutions. There are very few small to mid-sized,
15 independent mining firms remaining. Those that do remain are challenged by the
16 economic, regulatory, and environmental matters that are more readily managed
17 by firms that have more expansive resources and staffing.

18 The overall number of operating firms providing coal to meet coal-
19 fired electric utility generating demands continues to dwindle (i.e., overall fewer
20 number of competing offers of coal supply upon solicitation). While utility
21 solicitations still result in total coal volume offered in excess of demand, the
22 competing number of firms overall has been reduced, leaving fewer larger
23 corporate entities as the sources for coal supply.

24 These larger corporate firms are also subject to the downturns of the
25 marketplace; however, they are also large enough to play in the international

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1 marketplace. For the past several years, coal exports have risen dramatically.
2 The same firms that are opening and/or expanding mining operations in the ILB
3 are also either already participating or are looking at export opportunities, and
4 are in the process of or have secured export terminal capacity for several years
5 forward as worldwide demand for coal continues to grow. While these expansions
6 continue, coal supply sourced by Big Rivers will remain available; but the region
7 will soon see additional utility demand that formerly bought coal in the CAPP
8 region, and may see much more coal moving into the global market via export as
9 demand increases in other countries, having an overall impact on demand and
10 supply balance, as well as pricing.

11
12
13 Witness) Mark W. McAdams
14