

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BIG RIVERS ELECTRIC CORPORATION'S)
APPLICATION FOR APPROVAL OF RESTRUCTURING)
AGREEMENT AND FOR AUTHORITY TO ISSUE) CASE NO. 10217
NOTES OR OTHER EVIDENCES OF INDEBTEDNESS)
PURSUANT THERETO)

O R D E R

On April 8, 1988, Big Rivers Electric Corporation ("Big Rivers") filed an application for approval of a portion of a debt restructuring agreement ("Restructuring Agreement"), dated August 31, 1987 and executed on March 30, 1988, among Big Rivers, the Rural Electrification Administration ("REA"), and two banks, Manufacturers Hanover Trust Co. and Irving Trust Co. Specifically, Commission approval is sought for: (1) the portion of the Restructuring Agreement relating to Big Rivers and the two banks; and (2) the issuance of evidences of indebtedness to the two banks.

Intervenors in this case are the Attorney General's Office, Utility and Rate Intervention Division ("AG"), National-Southwire Aluminum Company ("NSA"), and Alcan Aluminum Corporation ("Alcan"). Big Rivers, NSA, and Alcan filed in prepared form their direct testimony and Big Rivers similarly filed its rebuttal testimony. Numerous requests for information were filed and responses were provided by Big Rivers, NSA, and Alcan. Hearings were held at the Commission's offices in Frankfort, Kentucky,

commencing on June 1 and concluding on June 7, 1988. A total of seven witnesses testified and were cross-examined.

At the conclusion of the hearing, all parties presented closing arguments and Big Rivers requested the Commission to establish a briefing schedule. The Commission then conducted an on the record discussion with the parties regarding the 60 day time limit, set forth in KRS 278.300(2), for Commission review of financing applications. Big Rivers stated that it had no objections to extending the Commission's review period by 22 days, to June 30, 1988, based on the unique circumstances of this case. Those circumstances include the voluminous nature of the parties' testimony, the unanticipated need for the hearing to run almost 5 days, the highly complex and technical nature of the issues presented, and the need of Big Rivers for an opportunity to respond in writing to NSA's motion for involuntary dismissal filed on June 6, 1988.

Based on the evidence of record and being advised, the Commission is of the opinion and hereby finds that the facts recited herein constitute good cause for the continuation of Big Rivers' application for 22 days. All parties should have an adequate opportunity to respond to NSA's motion for involuntary dismissal and the Commission similarly needs adequate time to review and consider the motion and responses. Furthermore, due to the complex nature of the issues presented in this case, the Commission ruled during the hearing that the parties should also be afforded an opportunity to file briefs on the merits.

IT IS THEREFORE ORDERED that Big Rivers' application for financing be and it hereby is continued for a period of time not to exceed 22 days from June 8, 1988.

Done at Frankfort, Kentucky, this 8th day June, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Skeman Jr.
Chairman

Robert M. Davis
Vice Chairman

James N. Williams
Commissioner

ATTEST:

Executive Director