

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC)
CORPORATION FOR AN ORDER APPROVING)
FUEL ADJUSTMENT CLAUSE PASS THROUGH) CASE NO. 95-027
OF UTILITIES GROSS RECEIPTS LICENSE)
TAX FOR HANCOCK COUNTY SCHOOLS)

O R D E R

IT IS ORDERED that Big Rivers Electric Corporation ("Big Rivers") shall file, within 14 days of the date of this Order, the original and 10 copies of the following information with the Commission, with a copy to all parties of record. Each copy of the information should be placed in a separate volume with each item numbered to correspond to the request included herein. When numerous sheets are required for an item, each sheet should be appropriately indexed; for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention shall be given to copied material to ensure its legibility.

1. For what use was the natural gas purchased?
2. Provide the purchase orders for natural gas purchased from 1988 to present.
3. When did Big Rivers discover that NRG was not charging the school tax? Why did six years pass before it was discovered that the school tax had not been charged?

4. Provide all correspondence between Big Rivers and NRG and Hancock County Fiscal Court concerning the school tax.

5. a. How did Big Rivers learn of NRG's position on the collection of school taxes? Provide copies of any correspondence between Big Rivers and NRG.

b. Describe the relationship between NRG and Western Kentucky Gas Company.

6. How did Big Rivers conclude the school tax was owed?

7. a. (1) Has Big Rivers already paid the \$10,061.26 school tax?

(2) If yes,

(a) When was payment made?

(b) Provide the accounting entries made to record the transaction.

(3) If no, has Big Rivers recorded the tax on its books?

(a) If yes, indicate when the tax was recorded and provide the accounting entries made to record the transaction.

(b) If no, when will Big Rivers pay or book the tax?

8. During the period 1988 through February 1994, did Big Rivers accrue the school tax on its books? If yes, provide the appropriate accounting entries.

9. Provide the calculations which support the school tax amount of \$10,061.26. Include any supporting workpapers, documents, or assumptions used in the calculations.

10. During the period February 1994 through September 26, 1994,

a. Did Big Rivers accrue the school tax on its books? If yes, provide the appropriate accounting entries. If no, explain why not.

b. Did Big Rivers pay the school tax? If yes, explain how and provide the appropriate accounting entries. If no, explain why not.

c. Did Big Rivers include the school tax in its fuel adjustment clause ("FAC") calculations? If yes, explain how the tax was included. If no, explain why the tax was not included.

11. During the period since September 26, 1994,

a. Has Big Rivers accrued or paid the school tax? If yes, provide the appropriate accounting entries. If no, explain why not.


b. Has Big Rivers included the school tax in its FAC calculations? If yes, how was the tax included? If no, why was the tax not included?

12. Why should this expense be recovered through the FAC in a period other than the period in which it was incurred?

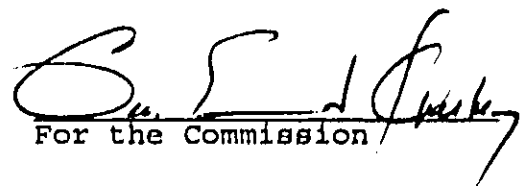
13. Why does Big Rivers' proposal not constitute retroactive rate-making?

Done at Frankfort, Kentucky, this 24th day of March, 1995.

ATTEST:


Executive Director

PUBLIC SERVICE COMMISSION


For the Commission