

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BIG RIVERS)	
ELECTRIC CORPORATION,)	
LOUISVILLE GAS AND ELECTRIC)	
COMPANY, WESTERN KENTUCKY)	
ENERGY CORP., WESTERN)	CASE NO. 97-204
KENTUCKY LEASING CORP.,)	
AND LG&E STATION TWO INC. FOR)	
APPROVAL OF WHOLESALE RATE)	
ADJUSTMENT FOR BIG RIVERS)	
ELECTRIC CORPORATION AND FOR)	
APPROVAL OF TRANSACTION)	

O R D E R

The Commission, on its own motion, HEREBY ORDERS that Big Rivers Electric Corporation ("Big Rivers") shall file by March 13, 1998 an original and 12 copies of the following information with copies to all parties of record.

1. Item 15 of the Commission's Order dated February 27, 1998 requested, among other things, an economic analysis of the benefits to Big Rivers from the revisions to the transactions. The response referenced the major changes in cash flow and stated that a full economic analysis of the revisions was provided in the revised financial model and comparison of cash flows as shown in Exhibit_(SUP-10) and Exhibit_(SUP-17). Exhibit_(SUP-10) shows the incremental change in cash flows for each year and combines the effect of several changes. Exhibit_(SUP-17) shows the projected cash flows with and without potential future costs under the high-case scenario to meet EPA's proposed rule. Neither exhibit is responsive to the request.

For each specific change or revision to the transactions, provide the actual annual payment stream (to or by Big Rivers) and the change in cash flow. All assumptions utilized should be clearly referenced and changes in payments or cash flow should not be combined for separate revisions to the transactions. In addition, Big Rivers should provide and discuss the net present value of the revisions over the life of the agreement.

2. Refer to the response to the Commission's February 27, 1998 Order, Item 22. Provide the referenced Tables KPSC-22A, KPSC-22B, and KPSC-22C relating to Big Rivers' original (November 1997) and modified (February 1998) principal and interest payment schedules. Include a detailed explanation of what is shown on each table.

3. Refer to the response to the Commission's February 27, 1998 Order, Item 26(a). The response indicates that Supplemental Testimony Exhibit SUP-4 shows the correct contract maximum and minimum hourly and annual power purchases, and that the Power Purchase Agreement will be revised.

a. Explain how Big Rivers determined that Exhibit SUP-4 contained the correct contract limits, rather than the current version of the Power Purchase Agreement.

b. Explain why Exhibit SUP-4 did not reflect the amounts contained in the current version of the Power Purchase Agreement.

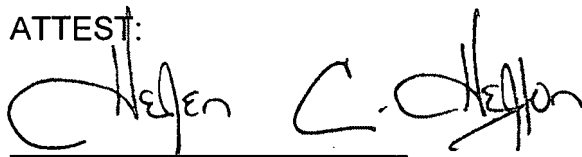
Done at Frankfort, Kentucky, this 10th day of March, 1998.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:



Executive Director