

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION, LG&E ENERGY MARKETING INC.,)	
WESTERN KENTUCKY ENERGY CORP.,)	CASE NO. 2005-00029
WKE STATION TWO INC., AND WKE CORP.)	
FOR APPROVAL OF AMENDMENTS TO)	
TRANSACTION DOCUMENTS)	

O R D E R

On January 14, 2005, Big Rivers Electric Corporation (“Big Rivers”), LG&E Energy Marketing, Inc. (“LEM”), Western Kentucky Energy Corp. (“WKEC”), WKE Station Two Inc. (“Station Two Subsidiary”), and WKE Corp. jointly filed an application for approval of proposed amendments to certain agreements among the applicants that had been originally approved by the Commission in Case Nos. 1997-00204¹ and 1998-00267.² Big Rivers is a rural electric cooperative organized under KRS Chapter 279 and is a utility subject to the Commission’s jurisdiction. LEM, WKEC, Station Two Subsidiary, and WKE Corp. are subsidiaries or affiliates of LG&E Energy, LLC (“LG&E

¹ Case No. 1997-00204, The Application of Big Rivers Electric Corporation, Louisville Gas and Electric Company, Western Kentucky Energy Corp., Western 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, final Order dated April 30, 1998 and rehearing Order dated June 11, 1998.

² Case No. 1998-00267, The Application of Big Rivers Electric Corporation for Approval of the 1998 Amendments to Station Two Contracts Between Big Rivers Electric Corporation and the City of Henderson, Kentucky and the Utility Commission of the City of Henderson, final Order dated July 14, 1998.

Energy”). None of those entities are utilities and none are subject to the jurisdiction of the Commission. They have joined in the application solely because they were parties to the cases in which the Commission originally approved the agreements now being amended.

The proposed amendments are contained and described in a July 18, 2003 “Letter Agreement,” which is Exhibit A to the pending application. The amendments are necessary to properly reflect: (1) a recent corporate reorganization of one of the parties to many of the original transaction documents;³ and (2) the applicants’ confirmation of their original understanding as to the definition of “certain customers” in Section 6.5.1 of the Transmission Agreement. As to the corporate reorganization, Alcan Aluminum Corporation merged into Alcan Corporation, and Alcan Corporation then merged with three new corporations, one of which is Alcan Primary Products (“Alcan Primary”). All of the rights, interests, and obligations of Alcan Aluminum Corporation in the transaction documents have been assigned and transferred to Alcan Primary. As to the applicants’ understanding of the term “certain customers” to mean the “Smelters,” those “certain customers” are deemed to be “Alcan” and “Southwire.”

The amendments contained in the Letter Agreement have no substantive effect on the parties’ obligations under the transaction documents, except to update certain definitions. Big Rivers indicated that the amendments are minor in nature and require

³ The affected transaction documents are listed on page 2 of the Letter Agreement. See Application, Exhibit A.

only the approvals of the parties to the Letter Agreement, not the approvals of all the parties to the original transaction documents.⁴

The Commission has reviewed the amendments to the transaction documents, as described in the Letter Agreement, and finds that they are reasonable and appropriate to reflect the corporate reorganization of Alcan and the applicants' understanding of the term "certain customers."

Applications filed with the Commission must satisfy the minimum filing requirements set forth in 807 KAR 5:001, Section 8. The pending application is supported by information relating to Big Rivers which is sufficient to satisfy those minimum filing requirements. However, a deviation is requested from the minimum filing requirements to the extent that the application does not contain sufficient information relating to the non-jurisdictional joint applicants. Based on the nature of the application and the relief requested, the Commission finds good cause to grant the deviation.

IT IS THEREFORE ORDERED that:

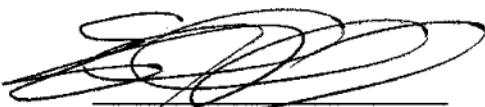
1. The amendments to the various transaction documents as contained in the July 18, 2003 Letter Agreement are approved.
2. The request for a deviation by the non-jurisdictional joint applicants from the requirements of 807 KAR 5:001, Section 8, is granted.

⁴ Response to Commission Staff's First Data Request dated February 15, 2005, Item 2.

Done at Frankfort, Kentucky, this 9th day of March, 2005.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Executive Director