

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC	)	CASE NO.
CORPORATION FOR A GENERAL	)	2009-00040
ADJUSTMENT IN RATES	)	

COMMISSION STAFF'S DATA REQUEST  
TO BIG RIVERS ELECTRIC CORPORATION

Big Rivers Electric Corporation ("Big Rivers"), pursuant to 807 KAR 5:001, is to file with the Commission the original and seven copies of the following information, with a copy to all parties of record. The information requested herein is due on or before March 24, 2009. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Big Rivers shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

Big Rivers fails or refuses to furnish all or part of the requested information, Big Rivers shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. a. Confirm that, outside of cash generated from providing wholesale electric and transmission service, Big Rivers' only current source of cash or working capital is through its existing \$15 million National Rural Utilities Cooperative Finance Corporation ("CFC") line of credit.

b. State the amount of cash reserve Big Rivers believes is necessary to have on hand at any given time excluding any cash that may be available under the \$15 million line of credit with CFC. Explain the basis for this amount and provide any analyses or studies that support the derivation of this amount.

2. List all of Big Rivers' long-term debts currently outstanding. For each debt included on this list, provide the names of the entities holding the debt, the original amount of the debt, the current outstanding balance, the interest rate, and a repayment schedule detailing payment due dates and the amount of principal and interest due on each date.

3. With regard to cash reserve balances required by Big Rivers' debt agreements:

a. Provide copies of all pages of those debt agreements that are pertinent to the required cash reserves.

b. State separately all cash reserve balances required by each of Big Rivers' debt agreements.

c. State whether Big Rivers is currently in compliance with these cash reserve requirements.

d. State the consequences to Big Rivers for not complying with these cash reserve requirements.

e. If Big Rivers is not currently in compliance with these cash reserve requirements, or will not be in compliance on January 5, 2010, state the estimated date by which Big Rivers could replenish these funds to levels meeting these requirements, assuming its proposed rates were allowed to become effective for services rendered on and after April 1, 2009.

4. Refer to Big Rivers' Application, Exhibit 47, page 8. Big Rivers states the Philip Morris Credit Corporation ("PMCC") loan in the amount of \$12.4 million is due on December 15, 2009.

a. Describe the consequences to Big Rivers if this payment is not made on or before December 15, 2009.

b. Summarize all discussions, correspondence, and results thereof between Big Rivers and PMCC with regard to postponing or refinancing the repayment of this loan. If no such discussions or correspondence have occurred, explain why.

5. Refer to Big Rivers' Application, Exhibit 47, page 41. Big Rivers states the quarterly payment in the amount of \$15.8 million on its new Rural Utilities Service ("RUS") note is due on January 4, 2010.

a. Describe the consequences to Big Rivers if this payment is not made on or before January 4, 2010.

b. Summarize all discussions, correspondence, and results thereof between Big Rivers and RUS with regard to postponing or refinancing the repayment of this loan. If no such discussions or correspondence have occurred, explain why.

6. a. Provide Big Rivers' cash and cash equivalent balances as of March 16, 2009.

b. Beginning with Big Rivers' cash and cash equivalent balance as stated in response to Item a., provide a detailed projected cash flow analysis up to January 5, 2010, showing each month separately, assuming Big Rivers' current rates remain in effect. Ensure that this analysis includes only cash flows and that no non-cash revenue or expense accruals are included. When presenting this analysis, separate receipts and disbursements by Uniform System of Accounts account numbers and titles in as much detail as is practical. State the basis for the projected amounts in each account. Where the pro forma adjustments shown in Big Rivers' Application, Exhibit 46, Seelye – 2 are incorporated into these projections, show the monthly impact of the adjustments. Where there is any degree of speculation in the projected cash flows, provide the impact on the analysis assuming a best- and worst-case scenario. For example, Exhibit 46, Seelye – 2, Schedule 1.11 details an adjustment decreasing

test year net revenues by \$18.9 million, in part, due to anticipated changes in test year off-system sales revenue resulting from changes in contract and market prices. When calculating the impact of this adjustment, use a range of market prices that could be expected between now and January 5, 2010, assuming the best and worst market conditions that could be reasonably anticipated. Using this approach, Big Rivers will develop two possible cash balances that can be reasonably anticipated on January 5, 2010, one assuming all best-case scenarios and another assuming all worst-case scenarios.

c. If the cash flow analysis provided in response to Item b. includes cash expenditures for capital improvements, explain the reasons why it is imperative that each project be completed when included in the analysis and why it could not be delayed until such time as funds are more readily available.

d. The cash flow analysis provided in response to Item b. includes two possible cash balances on January 5, 2010, assuming best- and worst-case scenarios of projected receipts and disbursements. State the anticipated cash available to Big Rivers on January 5, 2010 through its \$15 million line of credit with CFC under each of these scenarios, and state the anticipated date the line of credit would be required to be paid down to zero.

  
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Jeff Depouh  
Executive Director  
Public Service Commission  
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DATED: MARCH 18, 2009

cc: Parties of Record

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