

CASE

NUMBER:

99-360

Big Rivers Electric Corporation

Tariffs

Regular

LARGE INDUSTRIAL CUSTOMER RATE SCHEDULE

IN THE MATTER OF THE TARIFF FILING OF BIG RIVERS ELECTRIC CORPORATION TO REVISE THE LARGE INDUSTRIAL CUSTOMER RATE SCHEDULE

SEQ NBR	Date	Remarks
1	(M) 08/27/99	RATE SCHEDULES 7 AND 10 (BIG RIVERS/JAMES M. MILLER)
2	09/03/99	Order suspending tariff up to and including February 25, 2000.
3	09/28/99	Order setting forth the procedural schedule to be followed.
4	(M) 10/08/99	MOTION TO INTERVENE (FRANK KING KENERGY CORP)
5	10/15/99	Data Request Order, response due 10/25/99.
6	10/25/99	Order granting joint motion of Kenergy Corp. and Meade County RECC to intervene.
7	11/05/99	Data Request Order; response due 11/15/2000.
8	(M) 11/12/99	MOTION TO INTERVENE (DAVID DENTON BIG RIVERS RECC)
9	11/15/99	Order rescheduling hearing to 12/6/99 at 9:00 in Hearing Room 1.
10	(M) 11/15/99	RESPONSE TO DATA REQ CONTAINED IN NOV 5,99 ORDER (JAMES MILLER BIG RIVERS)
11	11/17/99	Order granting motion of Jackson Purchase Energy Corporation to intervene.
12	11/24/99	Letter granting petition for conf. filed 11/15/99 by Big Rivers.
13	11/29/99	Order rescheduling 12/6 hearing to 1/10/2000
14	(M) 12/01/99	RESPONSE TO DATA REQ OF INFORMAL CONFERENCE ON NOV 23,99 (BIG RIVERS DAVID SPAINHOWARD)
15	12/22/99	Order identifying the issues expected to be raised at the 1/10 hearing.
16	01/04/00	Memorandum regarding conference of 11/23/99.
17	(M) 01/05/00	RESPONSE TO ORDER OF DEC 22,99 (JAMES MILLER BIG RIVERS)
18	(M) 01/06/00	RESPONSE TO ORDER OF DEC 22,99 WITH CONFIDENTIAL PETITION (JAMES MILLER BIG RIVERS)
19	(M) 01/25/00	TRANSCRIPT FILED FOR HEARING ON JAN 10,2000 (CONNIE SEWELL COURT REPORTER)
20	02/16/00	Letter granting petition for confidentiality filed 1/6/2000 by Big Rivers.
21	02/25/00	Final Order approving proposed Rate Schedule 10 and Revised Rate Schedule 7.
22	(M) 03/17/00	AFFIDAVITS OF PUBLICATION & TEAR SHEETS FOR HEARING NOTICES (JAMES MILLER BIG RIVERS)

SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC
ATTORNEYS AT LAW

Ronald M. Sullivan
Jesse T. Mountjoy
Frank Stainback
James M. Miller
Michael A. Fiorella
William R. Dexter
Allen W. Holbrook
R. Michael Sullivan
P. Marcum Willis
Bryan R. Reynolds
Mark G. Luckett
Anne H. Shelburne

March 15, 2000

RECEIVED
MAR 17 2000
PUBLIC SERVICE
COMMISSION

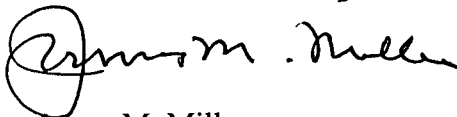
Martin J. Huelsmann, Jr.
Executive Director
Public Service Commission of KY
211 Sower Blvd., P.O. Box 615
Frankfort, KY 40602-0615

Re: Big Rivers Electric Corporation's Purchase and Sales Tariffs for
Cogenerators and Small Power Producers, PSC Case No. 99-354
-and-
The Tariff Filing of Big Rivers Electric Corporation to Revise the Large
Industrial Customer Rate Schedule, PSC Case No. 99-360

Dear Mr. Huelsmann:

Enclosed are the affidavits of publication and tear sheets concerning the published notices of the hearing dates in the above-styled cases. A copy of this letter, without attachments, is being served by mail on each of the parties on the attached service list.

Sincerely yours,



James M. Miller

JMM/ej
Enclosures

cc: Service Lists

Telephone (270) 926-4000
Telecopier (270) 683-6694

100 St. Ann Building
PQ Box 727
Owensboro, Kentucky
42302-0727

Service List
Case No. 99-354

Wells T. Lovett
208 West Third Street
Owensboro, KY 42303

Michael C. Dotten
Eric R. Todderud
Heller Ehrman White & McAuliffe
200 S.W. Market Street, Suite 1750
Portland, OR 97201

Counsel for Willamette Industries

Frank N. King, Jr.
Dorsey, King, Gray & Norment
318 Second Street
Henderson, KY 42420

Counsel for Kenergy & Meade County RECC

**SERVICE LIST
CASE NO. 99-360**

Frank N. King, Jr., Esq.
Dorsey King Gray & Norment
318 Second Street
Henderson, Kentucky 42420

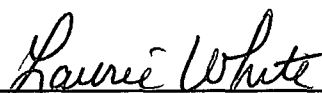
Counsel for Kenergy and Meade County RECC

W. David Denton, Esq.
Denton & Keuler
P.O. Box 929
Paducah, KY 42002-0929

Counsel for Jackson Purchase Energy Corporation

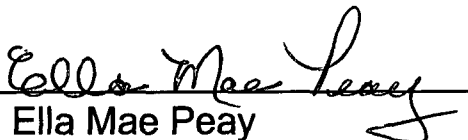
AFFIDAVIT OF PUBLICATION

Laurie White of Owensboro, Kentucky being first duly sworn, says that she is Credit Coordinator of the Owensboro Messenger-Inquirer, Inc. a newspaper printed and published in the State of Kentucky, County of Daviess, and that the advertisement is a true copy which has been published in the Messenger Inquirer on the following dates, viz: December 23rd, 1999.



Laurie White

Subscribed and sworn to before me, a Notary Public within and for the State and County aforesaid, by Laurie White to me personally known, this 31st day of December, 1999. My commission expires the 28th day of February, 2001.



Ella Mae Peay

County of Daviess
Notary Public State of Kentucky

Your Health

MESSSENGER-INQUIRER, Thursday, December 23, 1999

The permit area is approximately 1.0 mile south from KY 1389's junction with KY 951 and located 0.2 mile east of Smeathers Lateral Creek. The Latitude is 37 deg. 49' 05" and the Longitude is 87 deg. 51' 50". The total bond now in effect for the increments is a surety for \$37,998.00. Approximately 7% of the original bond amount of \$39,600.00 is included in the application for release.

Reclamation work performed includes: backfilling, regrading, topsoil replacement and drainage control, including soil preparation, seeding, planting, and mulching in accordance with the approved reclamation plan. The results thus achieved are of the Phase III status for increments #3, #5, and #6. Written comments, objections, or requests for a public hearing or informal conference must be filed with the Director, Division of Field Services, #2 Hudson Hollow, Frankfort, Kentucky 40601 by January 24, 2000. A public hearing on the application has been scheduled for January 25, 2000 at 9:00 a.m. at the Department for Surface Mining, Reclamation and Enforcement's Madisonville Regional Office, State Office Building, 625 Hospital Drive, Madisonville, KY 42431. The hearing will be cancelled if no request for a hearing or informal conference is received by January 24, 2000.

The permit area is approximately 0.5 miles east from Short Station Road's junction with Windy Hill Road and located 0.75 miles north of North Fork of Panther Creek. The latitude is 37 deg. 43' 25" and the longitude is 86 deg. 54' 25".

The bond in effect for Increment No. 3 is a surety in the amount of \$10,020.00. Approximately 65% of the original bond amount of \$15,300.00 is included in the application for release. Reclamation work performed includes: Area has been fully reclaimed, seeded and grasses are fully established. Increment No. 3 has met its required production. Written comments, objections, and request for a public hearing or informal conference must be filed with the Director, Division of Field Services, #2 Hudson Hollow, Frankfort, KY 40601 by January 14, 2000. A public hearing on the application has been scheduled for February 15, 2000 at 11:00 a.m. at the Department for Surface Mining, Reclamation and Enforcement's Madisonville Regional Office, 625 Hospital Drive, Madisonville, KY 42431. The hearing will be cancelled if no request for a hearing or informal conference is received by January 14, 2000.

Permit No. 2 of permit number 930-0009 which was last issued on April 4, 1994. The application covers an area of approximately 31.0 acres located 21 miles north of Knottsville in Daviess County. The permit area is approximately 0.4 miles north of KY 951's junction with Pup Creek Road and located 0.2 miles north of Pup Creek. The latitude is 37 deg. 47' 57" and the longitude is 86 deg. 52' 54".

The bond in effect for Increment No. 2 is a surety in the amount of \$28,830.00. Approximately 37% of the original bond amount of \$78,000.00 is included in the application for release. Reclamation work performed includes: Area has been fully reclaimed, seeded, and grasses are fully established. Increment No. 2 has met its required production. Written comments, objections, and request for a public hearing or informal conference must be filed with the Director, Division of Field Services, #2 Hudson Hollow, Frankfort, KY 40601 by January 14, 2000. A public hearing on the application has been scheduled for February 15, 2000 at 10:00 a.m. at the Department for Surface Mining, Reclamation and Enforcement's Madisonville Regional Office, 625 Hospital Drive, Madisonville, KY 42431. The hearing will be cancelled if no request for a hearing or informal conference is received by January 14, 2000.

The permit area is approximately 0.4 miles north of KY 951's junction with Pup Creek Road and located 0.2 miles north of Pup Creek. The latitude is 37 deg. 47' 57" and the longitude is 86 deg. 52' 54".

The bond in effect for Increment No. 2 is a surety in the amount of \$28,830.00. Approximately 37% of the original bond amount of \$78,000.00 is included in the application for release. Reclamation work performed includes: Area has been fully reclaimed, seeded, and grasses are fully established. Increment No. 2 has met its required production. Written comments, objections, and request for a public hearing or informal conference must be filed with the Director, Division of Field Services, #2 Hudson Hollow, Frankfort, KY 40601 by January 14, 2000. A public hearing on the application has been scheduled for February 15, 2000 at 10:00 a.m. at the Department for Surface Mining, Reclamation and Enforcement's Madisonville Regional Office, 625 Hospital Drive, Madisonville, KY 42431. The hearing will be cancelled if no request for a hearing or informal conference is received by January 14, 2000.

An Equal Opportunity Employer.
Call 683-7889

010 LEGAL NOTICES

010 LEGAL NOTICES

NOTICE OF HEARING REGARDING BIG RIVERS ELECTRIC CORPORATION

The public hearing previously scheduled for December 6, 1999, at 9:00 a.m., Eastern Standard Time, has been rescheduled for Monday, January 10, 2000, at 9:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Kentucky Public Service Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, regarding Case No. 99-354, proposed tariffs for the purchase from and sale to qualifying facility cogenerators and small power producers served by Big Rivers Electric Corporation's member distribution cooperatives, and regarding Case No. 99-360, a change in Big Rivers Electric Corporation's existing Large Industrial Customer Rate Schedule and proposed Large Industrial Customer Expansion Rate Schedule. The Big Rivers Electric Corporation member distribution cooperatives are: Jackson Purchase Energy Corporation, Kenergy Corp., and Meade County Rural Electric Cooperative Corporation.

92¢

020 IN M



Who Des We prayed to
God took you
In life we low
death we low
hears you!
one etc
Sally
WIFE, C
GRAND
SISTER.

2F 12/23
Sullivan

AFFIDAVIT OF PUBLICATION OF NOTICE

Affiant, being first duly sworn, states as follows:

1. Affiant is employed by The Gleaner, publisher of the newspaper The Gleaner, as its Classified Sales Rep.

2. The Gleaner is a newspaper of general circulation within the City of Henderson, County of Henderson, Commonwealth of Kentucky, and surrounding areas. It is published daily except Monday.

3. A notice, a true copy of which is attached hereto, was published in said newspaper on the 20th day of December, 1999.

Becky Yates

Subscribed, sworn to and acknowledged before me by Becky
Yates on this 28 day of December, 1999.

Karen B. Bryant
Notary Public, Ky. State at Large
My commission expires: May 26, 2000

Gasified

<http://www.kplaza.com> Plaza, Henderson, KY 42420
Webster Counties

99 LEGAL NOTICE

NOTICE OF HEARING REGARDING BIG RIVERS ELECTRIC CORPORATION

The public hearing previously scheduled for December 6, 1999, at 9:00 a.m., Eastern Standard Time, has been rescheduled for Monday, January 10, 2000, at 9:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Kentucky Public Service Commission's Offices at 730 Schenkel Lane, Frankfort, Kentucky, regarding Case No. 99-354, proposed tariffs for the purchase from and sale to qualifying facility cogenerators and small power producers served by Big Rivers Electric Corporation's member distribution cooperatives, and regarding Case No. 99-360, a change in Big Rivers Electrical Corporation's existing Lard Industrial Customer Rate Schedule and proposed Large Industrial Customer Expansion Rate Schedule. The Big Rivers Electric Corporation member distribution cooperatives are: Jackson Purchase Energy Corporation, Kenergy Corp., and Meade County Rural Electric Cooperative Corporation.

PUBLIC NOTICE
Official notice is here-

NO SECURITY DEPOSIT!

DAKOTA SPORT

#Y5004 -- Bright White

V-6 Engine • Sport Appearance

Official notice is hereby given pursuant to the Property Maintenance Code that property located at 606 Short Seventh Street, in the name of Tabatha Hoggard, has been inspected and found to be in violation of the Property Maintenance code of the City of Henderson, Kentucky, and ordered razed. It is the determination of the Code Inspection officer, the structure be bid for demolition within 21 days of this notice. Pursuant to KRS 424.130.

PUBLIC NOTICE

Official notice is hereby given pursuant to the Property Maintenance Code that property located at 1305 Clay St., in the name of Mr. or Mrs. Gary Harmon, Sr., has been inspected and found to be in violation of the Property Maintenance code of the City of Henderson, Kentucky, and ordered razed. It is the determination of the Code Inspection officer, the structure be bid for demolition within 21 days of this notice. Pursuant to KRS 424.130.

100 ANNOUNCEMENTS



NOTICE
New Year

HOLIDAY DEADLINES
The Gleaner Classified Department will be closed Friday, December 31st in observance of New Year's. (Closed Saturday & Sunday as usual). We will reopen Monday, January 3rd with regular hours. The following early deadlines will be in effect.

HAPPY ADS WITH PHOTO
Deadline for publication on Friday, Dec. 31st is Tuesday, Dec. 28th at 3 p.m.
Deadline for publication on Saturday, Jan. 1st is Wednesday, Dec. 29th at noon.
Deadline for publication on Sunday, Jan. 2nd is Wed., Dec. 29th, at 3 p.m.

LINE ADS
Deadline for publication on Friday, Dec. 31st is Thurs., Dec. 30th at noon.
Deadline for publication on Sat. & Sun., Jan. 1st & 2nd is Thurs. Dec. 30th at 2 p.m.

PUBLIC NOTICES
Deadline for publication on Fri., Dec. 31st is Wed., Dec. 29th, 10:00 a.m.
Deadline for publication on Sat. & Sun., Jan. 1st & 2nd is Thurs. Dec. 30th 10 a.m.

- V-6 Engine
- Air Conditioning
- AM Cassette
- Sport Appearance Package
- Aluminum Wheels

989 or **\$178** per month

DURANGO SPORT



- Magnesium V-8 Engine
- Power Windows & Locks
- Power Mirrors
- AM/FM Cassette

Down! **\$297** per month

GRAND CARAVAN



- V-6 Engine
- AM/FM Cassette
- 7-Passenger
- Sliding Door on Both Sides

Down! **\$259** per month

Sway
DODGE

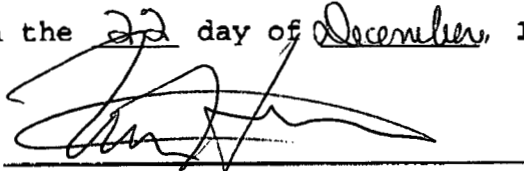
AFFIDAVIT OF PUBLICATION OF NOTICE

Affiant, being first duly sworn, states as follows:

1. Affiant is employed by Julesburg Courier, publisher of the newspaper Julesburg Courier, as its General Mgr.

2. Julesburg Courier is a newspaper of general circulation within the City of Benton, County of Marshall, Commonwealth of Kentucky, and surrounding areas. It is published Weekly.

3. A notice, a true copy of which is attached hereto, was published in said newspaper on the 22 day of December, 1999.



Subscribed, sworn to and acknowledged before me by Jim Hurst
_____ on this 22 day of December, 1999.

Valera Stone
Notary Public, Ky. State at Large
My commission expires: 11-21-02

3 NOTICE

3 NOTICE

3 NOTICE

3 NOTICE

3 NOTICE

7 SERVICES

ACCEPTING REQUEST FOR AUDIT QUOTATIONS

The Marshall County Board of Education will be accepting request for audit quotations until January 7, 2000 at 2:00 p.m. Quotation forms are available at the Marshall County Board of Education, 86 High School Road, Benton, KY 42025, 527-8628. The Marshall County Board of Education reserves the right to refuse any or all bids.

NOTICE OF HEARING REGARDING BIG RIVERS ELECTRIC CORPORATION

The public hearing previously scheduled for December 6, 1999, at 9:00 a.m., Eastern Standard Time, has been rescheduled for Monday, January 10, 2000, at 9:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Kentucky Public Service Commission's Offices at 730 Schenkel Lane, Frankfort, Kentucky, regarding Case No. 99-354, proposed tariffs for the purchase from and sale to qualifying facility cogenerators and small power producers served by Big Rivers Electric Corporation's member distribution cooperatives, and regarding Case No. 99-360, a change in Big Rivers Electric Corporation's existing Large Industrial Customer Expansion Rate Schedule. The Big Rivers Electric Corporation member distribution cooperatives are: Jackson Purchase Energy Corporation, Kenergy Corp., and Meade County Rural Electric Cooperative Corporation.

COMMONWEALTH OF KENTUCKY
MARSHALL CIRCUIT COURT
CIVIL ACTION NO. 99-CI-00261

MERCANTILE BANK, N.A.

NOTICE OF SALE

BRADLEY HOWELL, et al.

PLAINTIFF

DEFENDANTS

Pursuant to a judgment and order of sale in the above styled action, the Commissioner will offer for sale on or about the hour of 1:00 p.m., on January 7, 2000, at public auction to the highest bidder, at the Marshall County Courthouse, Benton, Kentucky, the following described property:

Beginning at an iron pin in the South right-of-way line of U.S. Highway 68; thence, South 2 degrees 58 minutes West for a distance of 148.72 feet; thence, South 5 degrees 27 minutes East 130.57 feet to an iron pin; thence, in a westerly direction for a distance of 162 feet; thence in a northerly direction for a distance of 289.22 feet to the South right-of-way line of U.S. Highway 68; thence, in a Southeasterly direction with said right-of-way line to the point of beginning.

Being the same property conveyed to Bradley Howell and Sherry Howell by deed dated September 10, 1996, of record in Deed Book 289, page 409, Marshall County Clerk's Office.

Terms: The following terms are in effect unless otherwise mentioned above: Property is to be sold for cash or in the alternative, on credit for thirty days with ten percent (10%) of the purchase price due on the date of sale. If sold on credit, purchaser shall be required to execute a bond with approved surety per KRS 462.705, unpaid balance shall bear interest at the rate of 12% per annum from date of sale until paid. The property is to be sold free and clear of all liens, encumbrances, and interest of all parties to the Marshall Circuit Court action. The purchaser at the commissioner's sale shall be responsible for the current year real estate taxes (1999). **Some sales may be canceled and any announcements made at the sale take precedence over printed matter contained herein.** The Master Commissioner does not have access to the inside of the above mentioned property.

Dated this 1st day of December, 1999.

ROBERT D. MATTINGLY, JR.
MASTER COMMISSIONER

MERCANTILE BANK, N.A.

NOTICE OF SALE

COMMONWEALTH OF KENTUCKY
MARSHALL CIRCUIT COURT
CIVIL ACTION NO. 99-CI-00296

PLAINTIFF

TEENAGER will baby-sit after school or weekends. References available, 437-3048.

ABOVE-ALL TREE SERVICE
Trimming & Removal
Free Estimates
527-1103

APPLIANCE RECYCLE SERVICE
Free pick-up, phone 527-5374.

WILL sit with elderly or disabled, Monday-Friday, days only. Good references. 270-527-3279.

KARATE- Give your children a gift this year that will last a lifetime. 2 weeks free. 270-527-0937.

A & W HOME REPAIR

GUTTERS
Cleaning & Repair
Pressure Cleaning
Moisture Control
No job too Small
270-395-8257
Toll Free
1-888-545-8257

MINI

7 SERVICES

7 SERVICES

A & I Rental & Sales

Monday - Friday
7am - 5pm
Open Saturday 7-11
270-597-9900

Panel

1 888 4 4 4

For information Contact Enrollment

AFFIDAVIT OF PUBLICATION OF NOTICE

Affiant, being first duly sworn, states as follows:

1. Affiant is employed by Wm Wadsworth, publisher

of the newspaper Wm Wadsworth, as its

Assistant Rep.

2. The Wadsworth is a newspaper of general

circulation within the city of Madisonville County of

Kentucky, Commonwealth of Kentucky, and surrounding areas. It

is published daily.

3. A notice, a true copy of which is attached hereto, was

published in said newspaper on the 21st day of December, 1999.

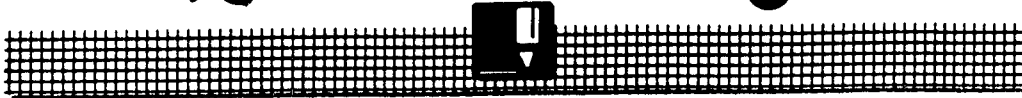
Melanie Reynolds

Subscribed, sworn to and acknowledged before me by Melanie

Reynolds on this 21st day of December, 1999.

John Allen
Notary Public, Ky. State at Large
My commission expires: 5-21-00

Grayson County News - Gazette



P.O. Box 305 ♦ 208 South Main Street ♦ Leitchfield, KY 42755

A Media General Newspaper
Phone 502-259-9622 ♦ Fax 502-259-5537
Carol R. Bond ♦ General Manager

Carol R. Bond
General Manager

STATE OF KENTUCKY
COUNTY OF GRAYSON

I, Carol R. Bond, General Manager of the GRAYSON COUNTY
NEWS-GAZETTE, newspaper of general circulation, published at Leitchfield,
Kentucky, do solemnly swear that from my personal knowledge and references to the
files of the said publication an advertisement for Sullivan, Mounjoy, &
was inserted on Dec. 23, 1999. Stainback

Carol R. Bond
General Manager

Subscribed and sworn before me this 5th day of Jan. 2000

Notary Public

My commission expires Feb. 1, 2001



250-0622

package, call 242-7416 or 242-6117 nights. (pd.1/3).

1990 Mitsubishi Sigma. Body and interior good condition. Motor needs work. \$1000. Call 259-1582. (cc. 12/23).

factory wheels, alloy steel, rally. Worlds most complete inventory of OEM, wheels ship nationwide. 1-800-4WHEELS Stock wheels (and hub caps) only buy, sell. 1-800-194-3357. www.ackerwheel.com. (nh20,23).

NO DOWN! Homes TO CREDIT. REEDED! Gov't foreclosures. Guaranteed approval! 1-800-360-620, ext 8509. (nh20,23).

Technologies 1-800-617-3476. (cnhi.20,23). \$4300. Day, 270-756-5212, evening 270-422-4061. (275. 20,23).

EMPLOYMENT OPPORTUNITY
4 DAY WORK WEEK
PAID BENEFITS
COMPETITIVE PAY RATES

Warehouse positions, full-time afternoon & evenings shifts, medium duty work, 4 day work week, 3 days off with periodic mandatory overtime. **Starts at \$7.75 per hr. after probation. You go to \$8.00/HR, and after 30 days you qualify for insurance. We offer company paid health, life, dental, and disability insurance.** At the end of one year of full-time employment, you're making \$8.50/HR. —o after one year you can join our 401K plan and after qualifying, get paid holidays, personal days, and vacations.

Apply in person Monday thru Friday
8:00 a.m. - 3:00 p.m
Miller & Hartman South, Hwy. 920 E.
Salt River Rd., Leitchfield, Ky.
 An Equal Opportunity Employer

NOTICE OF HEARING
REGARDING BIG RIVERS
ELECTRIC CORPORATION

The public hearing previously scheduled for December 6, 1999 at 9:00 a.m. Eastern Standard Time, has been rescheduled for Monday, January 10, 2000 at 9:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Kentucky Public Service Commission's Offices at 730 Schenkel Lane, Frankfort, Kentucky, regarding Case No. 99-354, proposed offers for the purchase from and sale to qualifying facility cogenerators and small power producers served by Big Rivers Electric Corporation's member distribution cooperatives, and regarding Case No. 99-360 a change in Big Rivers Electric Corporation's existing Large Industrial Customer Rate Schedule and proposed Large Industrial Customer Expansion Rate Schedule. The Big Rivers Electric Corporation member distribution cooperatives are: Jackson Purchase Energy Corporation, Kenergy Corp., and Meade County Rural Electric Cooperative Corporation.

Urnis convey to certain escape and Tracy Escue a certain parcel of land located in Grayson County, Ky., on the south side of U.S. 62, approximately 1.5 miles northeast of Big Clifty.

Eugene L. Nelson and Audrey E. Nelson (formerly known as Audrey E. Felts) convey to James E. Money and Stephanie A. Money lot #'s 23 and 24 in Pinehaven Subdivision located near Broadford in Grayson

Deborah Mudd and Gary Phelps convey to Greg Embry and Charlene S. Embry two certain tracts of land located and being in Grayson County, Ky.

Dana Stratton, as Executor of the Estate of Robert W. Stratton conveys to Greg Embry and Charlene S. Embry a certain parcel of land located in Leitchfield, Grayson County, Ky.

0.5 miles west of Leitchfield.

Betty S. Whalin conveys to William S. Embry lot # 51, located and being in Cascade Acres, Section 1 in Cascade Acres, Ky.

Harry Barclay and Gwendith Barclay convey to Eric Barclay a certain tract or parcel of land lying on the waters of Conoloway Creek, adjoining the U.S. Government Fee Line, in Grayson County, Ky.

607 West Washington
P.O. Box 439
Princeton, Kentucky 42445
(502) 365-5588

Notarized Proof Of Publication

STATE OF KENTUCKY

COUNTY OF CALDWELL

Before me, a Notary Public, in and for said County and State, this 22 day of December

19 99, came John S. Hutcheson III, personally known to me, who, being duly sworn, states as follows:

That he is Editor and Publisher, of The Times Leader and that said publication of dates December

22, 1999, carried the advertising of Notice of Hearing
Regarding Big Rivers Electric Corporation



John S. Hutcheson III
John S. Hutcheson III, Editor & Publisher

Jennifer Pryor
(Notary Public)

My Commission expires: 5-17-00

THE TIMES LEADER

CLASSIFIEDS

Princeton, Ky.



NOTICE OF HEARING REGARDING BIG RIVERS ELECTRIC CORPORATION

The public hearing previously scheduled for Dec. 6, 1999, at 9 a.m. Eastern Standard Time, has been rescheduled for Monday, Jan. 10, 2000, at 9 a.m., Eastern Standard Time, in Hearing Room 1 of the Kentucky Public Service Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, regarding Case No. 99-354, proposed tariffs for the purchase from and sale to qualifying facility cogenerators and small power producers served by Big Rivers Electric Corporation's member distribution cooperatives, and regarding Case No. 99-360, a change in Big Rivers Electric Corporation's existing Large Industrial Customer Rate Schedule and proposed Large Industrial Customer Expansion Rate Schedule. The Big Rivers Electric Corporation member distribution cooperatives are: Jackson Purchase Energy Corporation, Kenergy Corp., and Meade County Rural Electric Cooperative Corporation.

NOTICE

Notice is hereby given that a public hearing will be held on December 28, 1999, at the hour of 8:00 a.m., by the Caldwell County Fiscal Court, in Caldwell County Circuit Courtroom, Caldwell County Courthouse, Princeton, Kentucky, to consider the addition of one (1) road known as Weaver Lane, located in Magisterial District 2, the addition of one (1) road known as Haney Drive, located in Magisterial District 2, unto the Caldwell County Road System and the removal of Crain Road, located in Magisterial District 1, from the Caldwell County Road System. Public comments will be considered at this hearing.

CALDWELL COUNTY FISCAL COURT

West Kentucky REAL ESTATE AND AUCTION, INC.



REALTOR

Hwy. 62 West

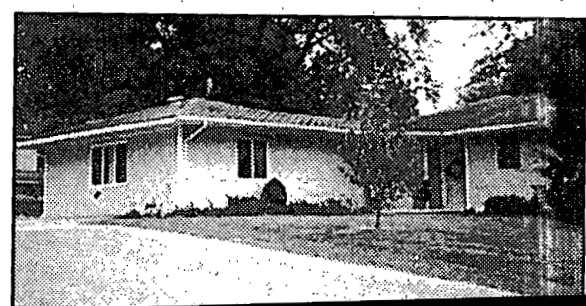
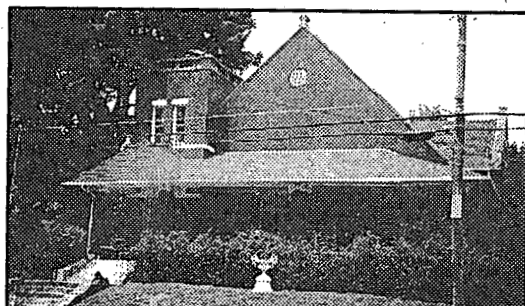
DEAN DEARING
Broker-Associate...365-6384
SHIRLEY B. GRAY
Sales Associate...365-6209

270-365-7200

WAYNE BOYD...Broker...365-7272
DIANE GOODWIN...Sales Associate...365-7356

PRINCETON, KY.

JOSEPHINE MITCHELL
Sales Associate...235-5650 (Call Collect)
KENNETH WINN
Sales Associate/Appraiser...545-7118



AFFIDAVIT OF PUBLICATION

I hereby certify that I am Linda Thompson,
 (name)
Classified Ad Manager of the Breckinridge County Herald News
 (title)
 a newspaper published in the City of Harrisonburg, County
 of Breckinridge; Commonwealth of Kentucky. I further
 certify that the attached Notice of Hearing in the matter of _____
Big Rivers Electric Corporation
 was published in said newspaper on the 22 day of Dec, 1999.

Linda Thompson

Subscribed and sworn to before me this the 10th day of
March, ~~19~~ 2000.

My commission expires 6-18-2002.

Sherry D Hicks
 Notary Public
 Ky State at Large

Cost Plus Food Store vs. John S. Rodgers, court trial, judgment in favor of plaintiff, plus court costs.
 Hardinsburg Farm Supply vs. David Basham, court trial, judgment in favor of

plea of guilty, 30 days in jail after 10 days, credit 2 months, no alcohol/drugs/public offenses, complete probation, \$4,000 fine, 1 year probation, \$85 costs.

Tonya Joasey, theft by deception, pretrial conference, plea of guilty, 10 days probation 2 years after 1 hour, on conditions, no cold checks, make restitution, \$85 costs.

McGetee, Leroy Humphrey, Diane Humphrey to Robert T. Crabtree and Peggy Ann Crabtree, land in Breckinridge County.
 Paul Edward Henderson and Bonnie

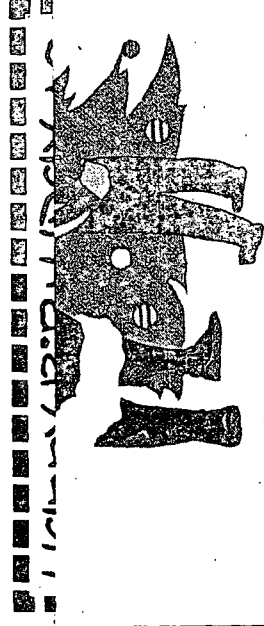
Rudolph Haynes Jr. and Patrick Alexander Haynes, land in Breckinridge County.
 Chester Rudolph Haynes Jr., Sue Haynes and Patrick Alexander Haynes to

\$54

The Herald-News
 Wednesday, December 22, 1999

CLASSIFIED

13



WESTERN KENTUCKY GAS

Experience problems with your...
 the Avenue of...

FOR RENT - 3 bedroom apartment in Hardinsburg

NOTICE OF HEARING REGARDING BIG RIVERS ELECTRIC CORPORATION
 The public hearing previously scheduled for December 6, 1999, at 9:00 a.m., Eastern Standard Time, has been rescheduled for Monday, January 10, 2000, at 9:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Kentucky Public Service Commission's Offices at 730 Schenkel Lane, Frankfort, Kentucky, regarding Case No. 99-354, proposed tariffs for the purchase from and sale to qualifying facility cogenerators and small power producers served by Big Rivers Electric Corporation's member distribution cooperatives, and regarding Case No. 99-360, a change in Big Rivers Electric Corporation's member distribution cooperatives, and regarding Case No. 99-360, a change in Big Rivers Electric Corporation's existing Large Industrial Customer Rate Schedule and proposed Large Industrial Customer Expansion Rate Schedule. The Big Rivers Electric Corporation member distribution cooperatives are: Jackson Purchase Energy Corporation, Kenergy Corp., and Meade County Rural Electric Cooperative Corporation.

Stop Renting Now!
 mobile home in Custer area.
 Call 536-3521. Sheroran.
 48-TFC

WEATHERHOLT HILLS APARTMENTS- Now renting 2 & 3 bedroom apartments, potential free rent to qualified applicants. We furnish range and refrigerator, gas and water. Rent based on income. Government subsidized. Please come by or call Mon. & Thurs from 9-4. 707 Elm Street, Cloverport KY 40111. (502) 788-6771. Equal Housing Opportunity. 2-TFC

For Sale or Rent

Trading Post Homes
1-800-645-6448

ROUGH RIVER LISTINGS
 www.swiftsite.com/ajreality.
 Advertise on the world wide web. Call 270-257-8800. 50-51c

ROUGH RIVER WATERFRONT LOTS. Restricted area. City water and electric available. 222.swiftsite.com/ajreality. Call AJ Realty 270-257-8800. 50-51c

AFFIDAVIT OF PUBLICATION

STATE OF KENTUCKY)
) SS
COUNTY OF McCRACKEN)
)

I, JUDY GORDON, being Classified Advertising Manager of The Paducah Sun, published in Paducah, Kentucky, hereby states that The Paducah Sun carried the advertisement of: NOTICE OF HEARING REGARDING BIG RIVERS ELECTRIC CORPORATION

ON THE FOLLOWING DATES: DECEMBER 21, 1999

SIGNATURE: Judy Gordon

DATE: DECEMBER 21, 1999

Subscribed and sworn to before me by the Affiant named in the afore-going Affidavit, being personally known to me this 21ST day of DECEMBER, 2000.

My commission expires AUGUST 11, 2003

Cassidy J.C. Kinsey
Notary Public

AFFIDAVIT OF PUBLICATION OF NOTICE

Affiant, being first duly sworn, states as follows:

1. Affiant is employed by Chris Evans, publisher of the newspaper The Crittenden Press, as its editor.

2. The Crittenden Press is a newspaper of general circulation within the City of Marion, County of Crittenden, Commonwealth of Kentucky, and surrounding areas. It is published weekly.

3. A notice, a true copy of which is attached hereto, was published in said newspaper on the 23 day of December, 1999.



Subscribed, sworn to and acknowledged before me by _____
Chris Evans on this 23 day of December, 1999.

Karen Stone
Notary Public, Ky. State at Large
My commission expires: March 19, 2002

CLASSIFIEDS

Mobile Homes For Sale

FOR SALE OR RENT, 14x65, two bedroom or 14x70 three bedroom, Shady Grove, situated on about two acres, 667-2056 or 821-5165. (21-26-p-1)

Legals

NOTICE OF HEARING REGARDING BIG RIVERS ELECTRIC CORPORATION

The public hearing previously scheduled for Dec. 6, 1999 at 9 a.m., Eastern Standard Time, has been rescheduled for Monday, Jan. 10, 2000 at 9 a.m., Eastern Standard Time, in Hearing Room 1 of the Kentucky Public Service Commission's Offices at 730 Schenkel Lane, Frankfort, Kentucky, regarding Case No. 99-354, proposed tariffs for the purchase from and sale to qualifying facility co-generators and small power producers served by Big Rivers Electric Corporation's member distribution cooperatives and regarding Case No. 99-360, a change in Big Rivers Electric Corporation's existing Large Industrial Customer Rate Schedule and proposed Large Industrial Customer Expansion Rate Schedule. The Big Rivers Electric Corporation member distribution cooperatives are: Jackson Purchase Energy Corporation, Kenegy Corporation and Meade County Rural Electric Cooperative Corporation. (11-25-c)

LEGAL NOTICE

I, Madeline Henderson, Clerk of Crittenden County District Court, Marion, Ky., do certify that the following has filed notice of Final Settlement: Charles Eugene Williams, executor with will annexed of Gene A. Damron, deceased. Hon. Robert B. Frazer, attorney, Marion, Kentucky.

The foregoing Settlement is to be heard at the regular session of Crittenden District Court on Jan. 19, 2000. All persons having exceptions to said Settlements are to file same at once.
*Madeline Henderson, Clerk
Crittenden District Court
(11-25-c)*

LEGAL NOTICE

I, Madeline Henderson, Clerk of Crittenden County District Court, Marion, Kentucky, do certify that the following has filed notice of periodical accounting:

David and Rhonda Tinsley, conservator for Rebecca Nicole Tinsley whose address is 4296 Irma White Road, Marion, Kentucky, 42064.

The foregoing Settlement is to be heard at the regular session of Crittenden District Court on Jan. 12, 2000. All persons having exceptions to said Settlements are to file same at once.

*Madeline Henderson, Clerk
Crittenden District Court
(11-25-c)*

LEGAL NOTICE

Notice is hereby given that on Dec. 15, 1999 John Richard Faith of 1509 Cedar Grove Rd., Salem, Ky., 42078 was appointed executor with will annexed of Robert B. Easley, deceased, whose address was 1207 Wilson Farm Rd., Marion, Ky., 42064.

All persons having claims against said estate are hereby notified to present the same properly proven as required by law to the executor with will annexed on or before the 21st day of June, 2000 and all claims not so proven and presented by that date shall be forever barred.

All persons indebted to the estate of the above-named decedent will please call and settle said debts immediately.

*Madeline Henderson, Clerk
Crittenden District Court
(11-25-c)*

"Service From Service Experts"

SERVICE DIRECTORY

Heating • Plumbing • Babysitting • Automotive • Construction • Cleaning

FARMERS, LOGGERS, contractors, etc. We have oil, hydraulic fluid and batteries. Dooms Truck & Car Service, 3000 Highway 641. Call 965-4470. (6-ffc)

3R's CONSTRUCTION - Reliable, Reasonable, References. Buildings and Home Improvements.
Marion, Ky. (502)965-9143. (18-ffc)

BACKHOE SERVICES: Will do septic tanks, field beds, sewer lines, water lines, basements and footers and septic tank pumping. Call Dimitri Croft at 988-2748 (35-ffc)

MARION MINING BOLT MACHINE SHOP Open to the public Monday-Friday. Parts & shaft repair, lathe and mill work, surface grinder, heat treating and re-build work. 965-5217. (6-ffc)

FARM & CONSTRUCTION gasoline, diesel, oil, grease & hydraulic fluid. Call 965-3151 for delivery. Beavers Bros., 301 South Main, Marion, Kentucky. (41-ffc)

IS YOUR BRICK OR ROCK CHIMNEY foundation, steps, etc. in need of repair? If so call me for a free estimate. Spanky's Tuckpointing, 365-9944. (41-25-p)

IF INTERESTED IN beginning guitar lessons, call 965-2534 after 5 p.m. (21-25-p)

RICH'S HEATING & COOLING - Electrical and Appliance installation and repair. Call Rich Rozwalka at 965-4481. (47-ffc)

HOLEMAN'S ELECTRICAL SERVICE - homes, mobile homes. For all your electrical repair call 965-4090 anytime or 853-8171 days. (21-25-p)

NATURAL & LP GAS SERVICE and installation. 40 years experience. J.C. Crockett, 965-2682. (81-26-p)

NEED A ROOF? DON'T FUSS. CALL US LABOR'S ROOFING & CONSTRUCTION. 965-9846. (41-25-p)

LEGAL NOTICE

I, Madeline Henderson, Clerk of Crittenden County District Court, Marion, Ky., do certify that the following has filed notice of periodical settlement:

Denese Ann Keene, 185 Airport Rd., Marion, Ky., 42064, guardian of Seth David Brown Keene, a minor.

The foregoing Settlement is to be heard at the regular session of Crittenden County District Court, Marion, Ky., on Jan. 19, 2000. All persons having exceptions to said Settlements are to file same at once.

*Madeline Henderson, Clerk
Crittenden District Court
(11-25-c)*

LEGAL NOTICE

I, Madeline Henderson, Clerk of Crittenden County District Court, Marion, Ky., do certify that the following has filed notice of Final Settlement, Thomas Michael Lewis, 1965 Parkersville Rd., Edciville, Ky., 42038, administrator of the estate of Lonnie M. Lewis, deceased.

The foregoing Settlement is to be heard at the regular session of Crittenden District Court on Jan. 19, 2000. All persons having exceptions to said Settlements are to file same at once.

LEGAL NOTICE

I, Madeline Henderson, Clerk of Crittenden County District Court, Marion, Kentucky, do certify that the following has filed notice of periodical accounting:

David and Rhonda Tinsley, conservator for Rebecca Nicole Tinsley whose address is 4296 Irma White Road, Marion, Kentucky, 42064.

The foregoing Settlement is to be heard at the regular session of Crittenden District Court on Jan. 12, 2000. All persons having exceptions to said Settlements are to file same at once.

*Madeline Henderson, Clerk
Crittenden District Court
(11-25-c)*

TERRY CROFT

Concrete Products & Backhoe Services
Installing Water Lines, Sewer Lines, Septic Tank Systems and Pumping Septic Tanks

We Also Manufacture: Concrete Septic Tanks, Water and Feeder Troughs and More

For All Your Needs Give Us A Call!

SHOP - (270) 988-3313
HOME - (270) 988-3856

*Madeline Henderson, Clerk
Crittenden District Court
(11-25-c)*

NOTICE OF

CIRCUIT COURT CLERKS' EXAM

The test required by Section 100 of the Kentucky Constitution and Supreme Court Rule 1.060 will be administered Saturday, Jan. 15, 2000, in Davidson Hall at the University of Louisville. Sign-in is at 8 a.m., Eastern Standard Time. No late arrivals will be admitted after 8:20 a.m. Pre-registration for the examination is required. To request a pre-registration form (and/or study materials), you must call 502-652-3305. No one will be admitted to the test who has not pre-registered; all pre-registration forms must be postmarked no later than Jan. 5, 2000. (11-25-c)

Merry Christmas!

Merry Christmas & Happy New Year



Hope this season goes beyond your expectations with happiness, health and prosperity that are right on track.

Thank you for a great year.

CONVENIENT CAR CARE
N. Yandell St., Marion, Ky. • 965-9090/965-9729
Rommel Ellington, Jr.

Is Your Bank Ready for the New Millennium?



Your Neighbors and Friends



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 1999-360
BIG RIVERS ELECTRIC CORPORATION

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on February 25, 2000.

See attached parties of record.

Stephanie J. Bell
Secretary of the Commission

SB/hv
Enclosure

Honorable David A. Spainhoward
Vice President
Contract Adm. & Regulatory Affairs
Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY. 42419 0024

Honorable James M. Miller
Sullivan, Mountjoy, Stainback &
Miller PSC
Counsel for Big Rivers Electric
100 St. Ann Building
P.O. Box 727
Owensboro, KY. 42302 0727

Honorable Douglas L. Beresford
Geo. F. Hobday, Jr.
Long, Aldridge & Norman LLP
Counsel for Big Rivers Electric
701 Pennsylvania Avenue, N.W.
Suite 600
Washington, DC. 20004

Honorable Frank N. King,
Dorsey, King, Gray & Norment
Counsel for Kenergy and Meade County
RECC
318 Second Street
Henderson, KY. 42420

Honorable W. David Denton
Counsel for Jackson Purchase Energy
Denton & Keuler
P. O. Box 929
Paducah, KY. 42002 0929

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF BIG RIVERS)
ELECTRIC CORPORATION TO REVISE) CASE NO. 99-360
THE LARGE INDUSTRIAL CUSTOMER)
RATE SCHEDULE)

O R D E R

On August 27, 1999, Big Rivers Electric Corporation ("Big Rivers") filed for approval of a new rate schedule ("Rate Schedule 10") for direct serve customers of its three member cooperatives with new or expanded peak loads of 5 Megawatts ("MW") or greater. Rate Schedule 10, as proposed, would apply to any direct serve customer that initiated service after August 31, 1999 or expanded an existing load, in aggregate, by 5 MW or greater above its peak load for the 12 months ending August 31, 1999. Big Rivers proposed to effectively "close" its existing tariff for such direct serve customers, Rate Schedule 7, so that only those customers whose loads do not exceed by 5 MW or more their peak load during the 12 months prior to September 1, 1999, would continue to be served thereunder.

Big Rivers' member cooperatives, Kenergy Corporation, Jackson Purchase Energy Corporation, and Meade County Rural Electric Cooperative Corporation, were granted leave to intervene herein. The three member cooperatives all expressed their support for the proposed tariff. All direct serve customers were notified of Big Rivers' proposed Rate Schedule 10 but none chose to intervene or file comments. An informal

conference was held in this proceeding on November 23, 1999, attended by Big Rivers, its three member cooperatives and Commission Staff. A formal hearing in this matter was held on January 10, 2000.

BACKGROUND

Since July of 1998, Big Rivers has obtained the power requirements necessary to meet the loads of its member cooperatives' retail customers from two primary sources: a Power Purchase Agreement with LG&E Energy Marketing ("LEM"); and a contract with the Southeastern Power Administration ("SEPA"). Collectively, these two power sources are referred to as "Base Power." Under both sources, Big Rivers receives a specified, limited quantity of power which, as of 1998, was forecasted to meet its total system requirements for several years. While it was anticipated that additional power resources might be required to supply portions of these loads at some future point in time, Big Rivers and its member cooperatives intended to preserve the Base Power to serve the existing and foreseeable loads of its member cooperatives' existing customers.

The loads of Big Rivers' member cooperatives have experienced greater growth than was anticipated when Big Rivers entered into the LEM agreement in July 1998. This growth has resulted in Big Rivers' power supply requirements being forecasted to exceed its power supply resources within the next 2-3 years based on normal weather conditions and no new industrial loads. With the known load additions scheduled this year by existing industrial customers, a repeat of the hotter-than-normal 1999 temperatures will create the potential that Big Rivers' load could exceed its power supply during the summer of 2000.

DISCUSSION AND ANALYSIS

Big Rivers is in a unique situation among the major electric utilities regulated by this Commission. It has recently emerged from bankruptcy and, as a cooperative, has no shareholders to absorb increased purchased power costs that are not recovered in rates. It is dependent upon two unaffiliated sources of power supply, both of which are limited in quantity. It began this power supply arrangement at approximately the same time that the wholesale power markets began to experience significant volatility in the pricing and availability of power, both short-term and long-term, due to shortages of power during peak times in the summer of 1998. For these reasons, Big Rivers has proposed to segregate its load into two components for rate-setting purposes. These special circumstances have caused the Commission to consider unique solutions that are applicable only to Big Rivers' situation. Thus, the Commission's decision in this proceeding is recognizing the unique circumstances faced by a single regulated electric utility, rather than establishing a precedent for all regulated electric utilities.

Big Rivers and its member cooperatives desire to preserve the benefits of its Base Power for those customers and the associated loads for which those benefits were intended when it emerged from bankruptcy. Based on current and foreseeable short-term market conditions in the wholesale power markets, Big Rivers anticipates that any new sources of power supply will cost more than its Base Power which is already reflected in its existing "system average cost-based rates." In order to preserve the price benefits of its Base Power for its existing customers, Big Rivers seeks to avoid filing a general rate case which would pass along the higher cost of a new source of power supply to all existing customers.

Big Rivers proposes to segregate its industrial load into two components. Existing industrial customers with expansions of less than 5 MW would continue to be served under the Rate Schedule 7. The proposed Rate Schedule 10 would be for new industrial loads, or expanded loads of existing industrial customers, of 5 MW or more. Rate Schedule 10 would reflect market-based rates that would be the product of new power supply arrangements negotiated by Big Rivers on behalf of those customer loads. Under this approach, any cost increase attributable to these new power supply arrangements would be charged to the new or expanded loads that are primarily responsible for increasing Big Rivers' overall system load to a level greater than its total system power supply resources.

Big Rivers' proposal presents the Commission with a change in the manner in which increased costs incurred to serve load growth are reflected in rates. Historically, utilities have proposed, and the Commission has required, that the increased cost of new capacity constructed to serve load growth be added to the utility's existing average cost, resulting in a higher system average cost that is spread among all customers. Typically, a utility not in Big Rivers' financial position and with control of its own generating capacity would have ultimate control of how it would meet load growth and would not have the same concerns that Big Rivers has regarding the availability and price of additional power supply resources.

However, the situation that Big Rivers faces does not include the circumstances that have been historically typical for either Big Rivers or this Commission. We have thoroughly investigated the proposed tariff and the issues related thereto and find that, in this instance, it should be approved on a temporary, pilot basis. The pilot will be

effective for a period of approximately three years, from the date of this Order until December 31, 2002. This time-frame is based on Big Rivers' assessment of when the wholesale power market might be expected to change as a result of additional capacity anticipated to be added to the regional grid in the form of Exempt Wholesale Generators, or "merchant" plants that are under consideration by many companies. As a pilot, Big Rivers will be required to file periodic reports with the Commission to facilitate monitoring the impacts of the tariff as they materialize.¹

The Commission will review the pilot before the end of the trial period, and will require Big Rivers to submit an assessment report of the pilot six months prior to the end of the pilot. The assessment report should provide a detailed review of the first two years of the pilot phase of Rate Schedule 10. In addition, if wholesale power market conditions change significantly during the pilot period, either Big Rivers or the Commission can initiate a proceeding to review the pilot tariff.

One other issue that arose during the course of this proceeding was the concern that the customers served under Rate Schedule 10 might have a role in selecting their wholesale source of power supply. This is a matter of significant concern to the Commission, as Kentucky has not approved any form of electric restructuring or retail wheeling which would allow customers to choose their source of supply. Big Rivers represented, both through data responses and at the formal hearing, that it, and not the customers, would be ultimately responsible for the decisions to contract for power to

¹ As a supplement to its Annual Report, Big Rivers will file a schedule detailing all activity under Rate Schedule 10. This schedule will show each customer served under Rate Schedule 10, the size of the load served, the source(s) of power used to serve that load, the cost of the power from each source, and the total revenues generated by Rate Schedule 10.

provide service to customers under Rate Schedule 10. Based on these representations, the Commission will approve this pilot tariff.

IT IS THEREFORE ORDERED that:

1. Big Rivers' proposed Rate Schedule 10 and the Revised Rate Schedule 7 are approved on a pilot basis and shall be effective for service rendered on and after the date of this Order.

2. The pilot period shall run through December 31, 2002, unless terminated earlier by the Commission upon a finding of good cause. If the pilot continues through February 2002, Big Rivers shall file, no later than June 30, 2002, an assessment report of the first two years of the pilot.

3. Big Rivers shall be under a continuing obligation to inform the Commission in a timely manner of any significant change in circumstances that would necessitate a review of the tariffs approved herein.

4. The Commission shall review the pilot prior to June 30, 2002 upon a request by Big Rivers, a complaint, or the Commission's own motion if future changes in the wholesale power markets indicate that the findings upon which this Order is based are no longer valid.

Done at Frankfort, Kentucky, this 25th day of February, 2000.

By the Commission

ATTEST:


Executive Director



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-3460

Ronald B. McCloud, Secretary
Public Protection and
Regulation Cabinet

Martin J. Huelsmann
Executive Director
Public Service Commission

Paul E. Patton
Governor

February 16, 2000

James M. Miller, Esq.
Sullivan, Mountjoy, Stainback
& Miller, P.S.C.
100 St. Ann Building
Post Office Box 727
Owensboro, Kentucky 42302-0727

RE: Big Rivers Electric Corporation
Case No. 99-360
Petition for Confidential Protection

Dear Mr. Miller:

The Commission has received the petition filed January 6, 2000, on behalf of Big Rivers Electric Corporation to protect as confidential certain material contained in the Company's Response to the Commission's Issue List of December 22, 1999. A review of the information has determined that it is entitled to the protection requested on the grounds relied upon in the petition, and it will be withheld from public inspection.

If the information becomes publicly available or no longer warrants confidential treatment, you are required by 807 KAR 5:001, Section 7(9)(a) to inform the Commission so that the information may be placed in the public record.

Sincerely,

A handwritten signature in black ink, appearing to read "Martin J. Huelsmann".

Martin J. Huelsmann
Executive Director



AN EQUAL OPPORTUNITY EMPLOYER M/F/D

SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC

ATTORNEYS AT LAW

Ronald M. Sullivan
Jesse T. Mountjoy
Frank Stainback
James M. Miller
Michael A. Fiorella
William R. Dexter
Allen W. Holbrook
R. Michael Sullivan
P. Marcum Willis
Bryan R. Reynolds
Mark G. Luckett
Anne H. Shelburne

January 5, 2000

Ms. Helen Helton
Executive Director
Public Service Commission
730 Schenkel Lane, P.O. Box 615
Frankfort, Kentucky 40601-0615

RECEIVED
JAN 06 2000
PUBLIC SERVICE
COMMISSION

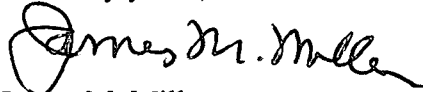
Re: Big Rivers Electric Corporation, Case No. 99-360

Dear Ms. Helton:

By order entered in this matter on December 22, 1999, the Commission, among other things, identified four issues that it expects Big Rivers Electric Corporation ("Big Rivers") to be prepared to address at the hearing on January 10, 2000. In an effort to advance the hearing and the discussion of those issues, Big Rivers has prepared, and we enclose with this letter, written responses to each of the issues posed by the Commission. Because one of the responses includes proprietary business information, the responses are filed with a Petition for Confidential Treatment which is prepared and filed herewith in accordance with 807 KAR 5:001§7.

A copy of this letter and all attachments, including the Petition for Confidential Treatment, have been served on the parties identified on the attached service list.

Sincerely yours,


James M. Miller

JMM/ej

Enclosures

cc: Service List

Telephone (270) 926-4000
Telecopier (270) 683-6694

100 St. Ann Building
PO Box 727
Owensboro, Kentucky
42302-0727

**SERVICE LIST
CASE NO. 99-360**

Frank N. King, Jr., Esq.
Dorsey King Gray & Norment
318 Second Street
Henderson, Kentucky 42420

Counsel for Kenergy and Meade County RECC

W. David Denton, Esq.
Denton & Keuler
P.O. Box 929
Paducah, KY 42002-0929

Counsel for Jackson Purchase Energy Corporation

RECEIVED
JAN 06 2000
PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

The Tariff Filing of Big Rivers Electric)
Corporation to Revise the Large Industrial) Case No. 99-360
Customer Rate Schedule)

PETITION OF
BIG RIVERS ELECTRIC CORPORATION
FOR CONFIDENTIAL TREATMENT

Pursuant to 807 K.A.R. 5:001 §7, Big Rivers Electric Corporation ("Big Rivers") respectfully petitions the Kentucky Public Service Commission ("Commission") to classify and protect as confidential certain material (the "Confidential Information") contained in the Response of Big Rivers to the Commission's Issue List of December 22, 1999, which has been filed with the Commission by Big Rivers in redacted form on January 6, 2000. In further support of this petition, Big Rivers states:

1. The Confidential Information, for which Big Rivers seeks confidential treatment, falls within a category of commercial information "generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of Big Rivers." KRS 61.878(1)(c)1.
2. If and to the extent that any of the Confidential Information becomes generally available to the public Big Rivers will notify the Commission and have its confidential status removed. 807 K.A.R. 5:001, §7(9)(a).
3. One (1) copy of the response containing the Confidential Information, with the Confidential Information highlighted with transparent ink, and ten (10) copies of the

1 response with the Confidential Information redacted, are attached to this petition. 807

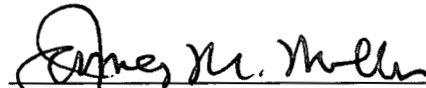
2 K.A.R. 5:001 §7 (2)(a)2 and (2)(b).

3 4. The Confidential Information contains sensitive commercial information
4 regarding the negotiations that Big Rivers and one of its member distribution
5 cooperatives have engaged in with a potential industrial customer. In order to commence
6 those negotiations, Big Rivers and its member distribution cooperative were required to
7 enter into confidentiality agreements which require that the information about the
8 negotiations, including the identity of the potential customer, be maintained as
9 confidential. The Confidential Information is, however, directly responsive to questions
10 raised by the Commission, and must be disclosed to the Commission in the Response and
11 at the hearing on January 10, 2000, for the Commission to make an informed decision
12 about the tariff proposed by Big Rivers. The public disclosure of this information, in
13 addition to damaging the relationship of Big Rivers with the potential customer and its
14 distribution cooperative member, would provide Big Rivers' competitor, the utility
15 currently serving the customer, with an unfair advantage by providing to it information
16 about confidential business negotiations between Big Rivers and one of its customers.
17 Big Rivers operates in an increasingly competitive marketplace, and the public disclosure
18 of sensitive commercial information would place it at a severe competitive disadvantage.

19 6. The material for which Big Rivers is seeking confidential treatment is not
20 generally known outside of Big Rivers, and is not disseminated within Big Rivers except
21 to those employees and professionals with a legitimate business need to know and act
22 upon the information.

1 WHEREFORE, Big Rivers respectfully requests that the Commission classify and
2 protect as confidential the Confidential Information filed with this petition, on this the 5th
3 day of January, 2000.

4 SULLIVAN, MOUNTJOY, STAINBACK
5 & MILLER, P.S.C.

6
7
8 

9
10 James M. Miller
11 100 St. Ann Building, P. O. Box 727
12 Owensboro, Kentucky 42302-0727
13 (502) 926-4000

14
15 LONG ALDRIDGE & NORMAN LLP
16 Douglas L. Beresford
17 George F. "Geof" Hobday, Jr.
18 701 Pennsylvania Avenue, N.W.
19 Suite 600
20 Washington, D.C. 20004
21 (202) 624-1200

22
23
24 Attorneys for Big Rivers Electric
25 Corporation
26

RECEIVED

JAN 06 2000

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

The Tariff Filing of Big Rivers Electric)
Corporation to Revise the Large Industrial) Case No. 99-360
Customer Rate Schedule)

BIG RIVERS ELECTRIC CORPORATION
RESPONSE TO THE COMMISSION'S
ISSUES LIST OF
DECEMBER 22, 1999

Items 1-4

January 5, 2000

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

BIG RIVERS ELECTRIC CORPORATION
RESPONSE TO THE COMMISSION'S
ISSUE LIST OF DECEMBER 22, 1999

CASE NO. 99-360

Item 1) The specific reasons for the proposed tariffs, including but not limited to: (1) the reasons for the changes in Big Rivers' forecast for industrial load growth since 1997; (2) the nature of the new customers that are considering locating in the service territories of Big Rivers' member cooperatives or that have expressed an interest in being served by Big Rivers; and (3) the time-table Big Rivers believes it should attempt to meet in order to be able to serve these loads.

Response)

Big Rivers' principal obligation under its member wholesale power contracts is to provide its members' power requirements in the amounts required at the best rates possible. Big Rivers no longer operates generating stations or owns generating reserves that can be managed to provide the power supply to meet those obligations; it must now meet those obligations by managing contractual rights to power. If Big Rivers is to prudently and successfully perform those tasks, it requires the same flexibility in managing power contracts that it had in managing its power resources before it entered into the lease with the LG&E Entities. The proposed large industrial tariff is a response to that need which was prompted by several circumstances.

A. LOAD-SWITCHING CUSTOMER GROWTH

Rate Schedule 10 is required by Big Rivers as a critical business tool to manage the immediate business risks to Big Rivers and its members created by the prospect that

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6
7 "Incremental" pricing is an element of Rate Schedule 10 that enables Big Rivers
8 to control the price risk to Big Rivers and its members associated with these potential load-
9 switching customers, who could require Big Rivers to immediately purchase power from a third
10 party to market prices to meet their demand. "Rolled in" pricing (i.e., average system cost) has
11 historically worked well for typical industrial expansion because there is generally an 18 to 24
12 month lead time for the new customer to plan and build a new industrial facility. During that
13 time a contract can be negotiated and the new customer's needs can be incorporated into the
14 utility's resource planning. In this case, the timing is very different, and may be almost
15 immediate. Big Rivers does not know the size, duration, firmness or other characteristics of the
16 load to be served if called upon by the load-switching customers. Factors such as load size, load
17 factor, term, market volatility, capacity reservation costs, risk management, and potential for
18 back-up power make these loads unpredictable. Big Rivers' preference is to provide for new and
19 expanded loads with a special contract. Rate Schedule 10 will give Big Rivers the necessary
20 negotiating ability and flexibility to reach agreements with these unpredictable industrial users.
21 Thus, Big Rivers needs a tariff in place immediately for these load-switching customers.
22

23 Another difference which justifies a departure from "rolled in" pricing is that
24 these load-switching customers do not constitute true economic expansion. Typical industrial
25 expansion involves increased employment, as well as secondary effects such as residential and
26 commercial load growth in a utility's service territory. These secondary effects mitigate the rate
27 increase impact by providing increased load over which the cost increase can be spread. In this
28 instance of load-switching customers, there are no secondary load growth effects. These effects

1 have already been realized. As a result, existing customers subsidize the windfall benefit
2 realized by those customers that switch. The load-switching customers, by contrast, are not
3 increasing employment, or residential or commercial development, but are merely switching
4 from one utility supplier to another.

5
6 The large size of these load-switching customers has also prompted Big Rivers to
7 seek approval of its proposed Rate Schedule 10 tariff at this time. Big Rivers may be called upon
8 to serve extremely large loads which will exceed Big Rivers' resources as early as the middle of
9 next year. The 1997 Power Requirements Study showed that Big Rivers will be 56 MW short in
10 the year 2000 if such load switching occurs (Attachment 1 hereto). Big Rivers' 1999 Power
11 Requirements Study (PRS) (Attachment 2 hereto) shows that Big Rivers will be short by 92 MW
12 at peak times in the year 2000 if one 125 MW load switches to the Big Rivers system. Even if
13 Big Rivers realizes an added capacity supply as a result of the negotiations with Willamette
14 Industries, Inc., regarding its proposed cogeneration facility, Big Rivers will still have
15 insufficient supplies to meet its requirements under all contingencies. In any event, Big Rivers'
16 normal load growth will consume its surplus power by 2003 or 2004 with no reserves to meet
17 extreme weather situations. Extreme weather situations or anticipated growth could consume
18 Big Rivers' load by summer 2000. Big Rivers is attempting to put this tariff in place prior to
19 summer 2000 because of potential load switching customers, new customers and expanding
20 customers to give Big Rivers a potent tool to protect itself, its members and its members'
21 existing customers from the risks of such unanticipated and unpredictable growth.

22
23 It is important to note that the assumptions underlying the Power Requirements
24 Study have not changed significantly. The change is the sudden realization by both Big Rivers
25 and its members that these large industrial customers may have an option to switch their sources
26 of supply suddenly and with dramatic resulting impact. To the extent that Big Rivers' forecasts
27 for industrial load growth have changed, they have changed because of the strong national
28 economy and new (non-load-switching) industrial loads becoming interested in Big Rivers' low

1 rates. These two factors prompted Big Rivers to revise its Power Requirement Study slightly to
2 reflect some industrial load growth, none of which was reflected in the 1997 PRS.
3

4 Because of the difference from typical industrial expansion in the timing of
5 immediately serving these load-switching customers, because of the lack of real economic
6 expansion resulting from such load switching, and because of the size of these potential load-
7 switching customers, it is Big Rivers' conviction that it needs to have a tariff on file which will
8 enable it to manage business risks to itself and its members by serving load-switching customers
9 at Big Rivers' incremental cost of securing additional power. Big Rivers fully intends to
10 negotiate with these load-switching customers to enter into special contracts; however, Big
11 Rivers needs a tariff in place to provide it with negotiating leverage. Without this flexibility, Big
12 Rivers could potentially be forced to supply, in very short order, large amounts of power to
13 industrial customers which provide no economic expansion benefits to the rest of the customers
14 on its system. Big Rivers currently has no tariff under which to recover sudden and significant
15 costs due to load-switching customers, and no tariff which even requires negotiation of a contract
16 for the supply of power for such customers.
17

18 Moreover, as discussed in the cover letter attached to Rate Schedule 10, and as set
19 forth more fully in response to the other issues herein, the load-switching customers were not
20 parties to, and did not participate in, the restructuring of Big Rivers that resulted from Big
21 Rivers' Chapter 11 filing. The load-switching customers do not have the same reasonable
22 expectation of continued low electric prices which the customers currently served through Big
23 Rivers' distribution cooperatives have.
24

25 B. EXPANDED INDUSTRIAL LOAD
26

27 Another important reason for the proposed tariff is the need to serve significant
28 industrial expansion loads which Big Rivers had not been apprised of when it performed its 1997

1 Power Requirements Study. Projected large industrial expansion of 26 MW, plus other rural and
2 comercial load growth in Big Rivers' members' service territories, have already required Big
3 Rivers to revise its Power Requirement Study for 1999 to reflect only a 33 MW cushion over
4 peak load in the year 2000. Under the existing tariff, Big Rivers would be required to serve any
5 expanded load without requiring an expanding industrial user to enter into a special contract and
6 without Big Rivers' ability to recoup full costs required to serve that expanded load when it is
7 forced to purchase power on the market, potentially at a much higher price .
8

9 Because Big Rivers will be required to make market purchases to meet
10 significantly expanded industrial load requirements, it is imperative that Big Rivers enter into
11 contractual agreements with industrial users specifying such things as the quantity of power
12 needed, the quality of power required, and the length of time service will be required to meet the
13 expanded industrial load. Without the necessity for Big Rivers to purchase market power (i.e., if
14 Big Rivers could supply expanded industrial load with its own generation or power supply
15 contracts), there would be no need for Rate Schedule 10. With the need for market purchases,
16 Rate Schedule 10 is essential.
17

18 Prior to Big Rivers' restructuring, there was significant surplus power on Big
19 Rivers' system. The advent of significant expanded industrial load at that time would have been
20 a benefit to Big Rivers and its members. Because Big Rivers will be required to purchase power
21 from the market in order to serve significant expanded industrial load, serving such a load is now
22 a challenge, rather than a benefit. If Big Rivers is required to serve significant expanded
23 industrial load at "rolled in" pricing, rather than "incremental" pricing, Big Rivers will
24 potentially be forced to file a new rate case every time it serves a new or expanded industrial
25 load. Big Rivers believes that this is an untenable result, and that the existing customers should
26 not be at risk to bear this burden.
27

28 Big Rivers hopes that Rate Schedule 10 will cause customers to negotiate the

1 terms of service for new and expanded industrial load. The result of such negotiation may be a
2 mix of market and current resource power, at least for some period of time. Big Rivers'
3 management should have the flexibility and discretion to exercise its business judgment to craft
4 the sources of power necessary to meet new and expanded load. Of course, each such special
5 contract, and each amendment to the distribution cooperative wholesale contract with Big Rivers
6 as may be required by the special contract, will be subject to Commission review and approval.
7

8 Rate Schedule 10 is essentially a default position. In most cases, negotiations will
9 take place with new and expanded load and it will be feasible to build in some existing system
10 power, as long as it is available to Big Rivers. Without Rate Schedule 10, Big Rivers must resort
11 to filing rate cases and upsetting the expectation of more rate certainty as a result of the
12 restructuring. In addition, its managerial discretion will be limited and it will not have sufficient
13 leverage to negotiate with new and expanded industrial loads.
14

15 **Witnesses)** Bill Blackburn and Jack Gaines
16

1
2
3 ATTACHMENT 1
4
5

6

1997 PRS ¹ PEAKS WITH SMELTERS REMOVED			
YEAR	CAPACITY	PEAK	EXCESS
2000	750	681	69
2001	775	704	71
2002	775	714	61
2003	775	725	50
2004	775	738	37
2005	775	750	25
2006	775	763	12
2007	775	775	0
2008	775	803	-28
2009	775	817	-42
2010	775	830	-55
2011	895	844	51
2012	978	858	120
2013	978	884	94
2014	978	898	80
2015	978	913	65

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

¹ See November 15, 1999, Response to Commission's Request for Information of November 5, 1999, Item 10.

1
2 ATTACHMENT 2
3
4

5

1999 PRS PEAKS WITH SMELTERS REMOVED			
6 YEAR	CAPACITY	PEAK	EXCESS
7 2000	750	717	33
8 2001	775	735	40
9 2002	775	751	24
10 2003	775	767	8
11 2004	775	781	-6
12 2005	775	797	-22
13 2006	775	814	-39
14 2007	775	827	-52
15 2008	775	842	-67
16 2009	775	862	-87
17 2010	775	893	-118
18 2011	895	909	-14
19 2012	978	926	52
20 2013	978	949	29
21 2014	978	968	10
22 2015	978	985	-7

23
24

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

BIG RIVERS ELECTRIC CORPORATION
RESPONSE TO THE COMMISSION'S
ISSUE LIST DECEMBER 22, 1999

CASE NO. 99-360

Item 2) The reasons Big Rivers believes it is more prudent, at this time, to serve new industrial loads at market-based rates, as described in proposed Rate Schedule 10, as opposed to issuing a Request for Proposal for a long-term firm power supply that would be part of Big Rivers' total power supply portfolio and become another component of the system-average rates charged to Big Rivers' member cooperatives.

Response) Big Rivers has carefully considered the "rolled in" versus "incremental" pricing issue and has concluded that, under the particular circumstances facing Big Rivers, an incremental pricing tariff is more appropriate. As noted in the comments to Item 1, this conclusion is based upon (1) the immediate prospect of serving load-switching customers, (2) the potential size of the load-switching customer(s), (3) the economic benefit (or lack thereof) of serving new or expanded loads to Big Rivers' current customers, (4) the reasonable expectation of Big Rivers' current customers of the continuity of the restructured rates approved by the Commission, and (5) the practical difficulties of sufficiently anticipating the size, timing and characteristics of new or expanded loads which would reasonably permit Big Rivers to issue a Request for Proposal for a long-term firm power supply that would be part of Big Rivers' total power supply portfolio and become another component of the system-average rates charged to Big Rivers' member cooperatives. These factors are considered to be reasonable factors of legal significance in rate making, as discussed more fully in the attached legal memorandum.

Apart from the reasonable business judgment and prudence which Big Rivers believes it has exercised in making its request for incremental pricing to the Commission, Big Rivers has examined the legal ramifications of such a request. Our counsel has advised Big Rivers that there is no known impediment under Kentucky law, or otherwise, to an incremental

1 pricing tariff and that, in fact, the particular circumstances faced by Big Rivers justify a
2 "temporal" class of customer for sales for resale. A legal memorandum addressing the
3 incremental pricing issue is attached hereto.
4

5 Incremental pricing is a prudent utility practice for serving unpredictable and
6 potentially large load additions, particularly where a utility does not have the ability to serve such
7 load out of its generation or purchase power agreements. Rolled in pricing is a prudent strategy
8 for serving predictable and slower-growing rural loads. The decision of how to meet a utility's
9 load growth at the lowest reasonable cost should be left, in the first instance, to the business
10 judgment of the utility's management.
11

12 Under current market conditions, Big Rivers' management has made the business
13 judgment that in order to price power to new and expanded loads at the lowest reasonable cost it
14 must match new and expanded purchases to specific market supplies. First, based upon its
15 experience in the market, Big Rivers knows that power generally trades in blocks of at least 25
16 MW. Mixing and matching resources allows Big Rivers to plan best for meeting those loads
17 through market purchases. Second, Big Rivers does not want to be in the situation of purchasing
18 50 MW in anticipation of a need under Schedule 7 (which does not require a contract) when it
19 will need, as it turns out, only 5 MW. Big Rivers does not want to pay, nor require its customers
20 to pay, for power that is not going to be used. Finally, the Commission suggests in this Item that
21 Big Rivers solve its resource needs by issuing "a Request for Proposal for a long-term firm
22 power supply that would be part of Big Rivers' total power supply portfolio and become another
23 component of the system-average rates charged to Big Rivers' member cooperatives." Big
24 Rivers has learned, through its experience and extensive discussions with marketers, that it is a
25 market impracticability to contract with a third party supplier to supply an indeterminate load
26 requirement, Big Rivers may face. Moreover, the market reality is that power marketers are
27 pricing power to reflect the perceived risk of having to serve load during summer "blow out"
28 periods, which drives up the cost of future market purchases significantly. Under current market

1 conditions, issuing a request for proposal for long-term firm power supply that would be part of
2 Big Rivers' total power supply portfolio would be impractical, not prudent, and inconsistent with
3 the principle of providing service at the lowest reasonable price.
4

5 As stated elsewhere in this response, however, Big Rivers fully intends to
6 negotiate with any new or expanded load to execute a special contract based upon (1) the
7 industrial users' individual needs, (2) the resources available to Big Rivers at the time, and (3)
8 the benefits or burdens such a special contract would impose on current customers.
9

10 **Witness)** Bill Blackburn and Jack Gaines
11

LONG ALDRIDGE
& NORMAN^{LLP}
ATTORNEYS AT LAW

701 Pennsylvania Avenue, N.W.
Suite 600
Washington, D.C. 20004
Tel: (202) 624-1200
Fax: (202) 624-1298

MEMORANDUM

TO: David A. Spainhoward
James M. Miller

FROM: Douglas L. Beresford
George F. Hobday, Jr.
Rusty Wood

DATE: December 20, 1999

RE: Incremental Pricing for New Industrial Load

I. BACKGROUND

Big Rivers Electric Corporation (Big Rivers) currently provides power to its three member distribution cooperatives pursuant to a rate design approved by the Bankruptcy Court and the Kentucky Public Service Commission (KPSC). Under the current rate design, the rates for power purchased by Big Rivers at wholesale flow directly through to the member cooperatives and form the basis for each member's retail rates. At present, Big Rivers purchases the majority of its power at wholesale from LG&E Energy Marketing (LEM) under a July 15, 1998 power purchase agreement, approved as part of the bankruptcy reorganization plan, and from the Southeastern Power Administration (SEPA). Both contracts are fixed-rate contracts with limited provisions for rate adjustments and quantity variations. Big Rivers' member cooperatives were parties to the proceedings approving both the rate design and the power purchase agreement with LEM. The current rate design reflects a compromise between Big Rivers and its member cooperatives during the bankruptcy proceedings where, in return for sacrificing considerable autonomy, Big Rivers' member cooperatives obtained for their retail customers the benefit of a competitive rate for wholesale power and the cost certainty of two long-term fixed-rate contracts.

Due in part to the competitive rates that Big Rivers' member cooperatives are now able to offer their retail customers, several large industrial users, who have access to alternative sources of energy, are considering switching their loads to the member cooperatives' native systems. These large load-switching customers would not provide any significant economic benefit to Big Rivers' service territory and could load switch without providing Big Rivers with traditional planning lead time. This, combined with projected load growth, threatens to outstrip Big Rivers' energy and capacity entitlements under the power purchase agreements with LEM and SEPA. In order to serve these new load-switching customers, Big Rivers will be required to purchase power on the wholesale market at the prevailing market price -- one that may be substantially higher than under its existing fixed-rate contracts. Big Rivers has proposed to implement a new rate design for new and expanding industrial customers whereby it will reserve the energy and capacity under its existing contracts for current customers and modest projected load growth, and it will charge new and significantly expanded industrial customers at an incremental rate based in part on the cost of obtaining power on the wholesale market.

This memorandum discusses Kentucky law and persuasive precedent from other rate-making authorities in support of the justness and reasonableness of incremental rates and whether the proposed rate design discriminates unreasonably between new and existing customers. This memorandum concludes that the proposed incremental rate design is not only permissible under Kentucky law, but strikes the best balance between the interests of new and existing loads and preserves the benefit of the bargain struck by Big Rivers and its member cooperatives in the bankruptcy proceedings.

II. CONCLUSION

While the proposed incremental rate design varies from Big Rivers' traditional "rolled in" pricing approach to rate making, it is nonetheless permissible under Kentucky law and supported by persuasive authority from other rate-making authorities. Although the proposed rate design treats different classes of retail customers differently, the differences in treatment are based on reasonable differences in the timing, character and nature of the service those customers receive. Further, to charge both new and existing customers under the same cost-of-service rates would discriminate impermissibly against existing customers and upset the settled expectations of the parties to the bankruptcy reorganization plan.

III. DISCUSSION OF AUTHORITY

A. The Kentucky Law of Rate Making

1. Statutory Authority

Under Kentucky law, the KPSC sets rates for electric service pursuant to Chapter 278 of the Kentucky Revised Statutes. Similar to Section 205 of the Federal Power Act (FPA),¹ Section 278.030(1) provides:

Every utility may demand, collect, and receive fair, just and reasonable rates for the services rendered or to be rendered by it to any person.²

Obviously, this does not require that rates be uniform. Section 278.030(3) elaborates on this standard, stating:

Every utility may employ in the conduct of its business suitable and reasonable classifications of its service, patrons and rates. The classifications may, in any proper case, take into account the nature of the use, the quality used, the quantity used, the time when used, the purpose for which used, and any other reasonable consideration.³

In determining whether rates are just and reasonable, the KPSC employs the balancing of interests approach employed by the Federal Energy Regulatory Commission (FERC, formerly the Federal Power Commission) and articulated in *Federal Power Commission v. Hope Natural Gas Co.*⁴ and *Permian Basin Area Rate Cases*, 390 U.S. 747 (1968).⁵ Under this approach, "it is the result reached not the method employed which is controlling. . . . It is not theory but the impact of the rate order which counts."⁶ Thus, under Kentucky law, there is no single acceptable rate methodology which will produce rates that are fair, just and reasonable.⁷

In addition to requiring that rates be "fair, just and reasonable," Kentucky law, like the FPA, provides a second level of analysis, requiring that rates not be unreasonably discriminatory. Section 278.170(1) provides:

¹16 U.S.C.A. § 824d(b) (West 1999).

²KRS § 278.030(1).

³KRS § 278.030(3).

⁴*FPC v. Hope Natural Gas Co.*, 320 U.S. 591 (1944).

⁵*Permian Basin Area Rate Cases*, 390 U.S. 747 (1968).

⁶*Hope Natural Gas Co.*, 320 U.S. at 602-03.

⁷*See, e.g., National Southwire Aluminum Co. v. Big Rivers Elec. Corp.*, 785 S.W.2d 503 (Ky. App. 1990)(holding that the KPSC is not required to incorporate the "used and useful" test in setting rates and may instead set rates based on the revenues required by the utility to honor its debt service obligations).

No utility shall, as to rates or service, give any unreasonable preference or advantage to any person or subject any person to any unreasonable prejudice or disadvantage, or establish or maintain any unreasonable difference between localities or between classes of service for doing a like and contemporaneous service under the same or substantially the same conditions.⁸

2. Case Law Authority

In applying the standards set forth above, the Kentucky courts have held that utilities may draw reasonable classifications in setting rates for different customers, or classes of customers, based on such factors as the location, amount of consumption, and other material conditions which distinguish them from one another. For example, in *Louisville & Jefferson County Metropolitan Sewer District v. Joseph E. Seagram & Sons, Inc.*,⁹ the Kentucky Court of Appeals permitted a municipal water utility to charge fifty percent higher rates to customers located outside of the city limits than those located within the city limits. In holding that the proposed rate was fair, just and reasonable, the court reasoned that "a distinction may be made between different customers or classes of customers on account of location, amount of consumption, or other such material conditions which distinguish them from each other or from other classes."¹⁰

Similarly, in *Marshall County v. South Central Bell Telephone Co.*,¹¹ the Kentucky Court of Appeals, applying KRS § 278.170, reversed an order of the KPSC which required a telephone utility to provide local area calling service to residents to a second economic center without a corresponding increase in rates. The court ruled that South Central's practice of assessing a toll on telephone calls by those customers located in Marshall County and the City of Benton to areas outside of their local territory was not an unreasonable classification where other areas were provided with local access to only one economic center. The court reasoned that, while the KPSC does have the authority to order a utility to provide an advanced quality of service to a specific area if the utility is spreading the cost of the advanced quality of service system-wide, South Central was

⁸KRS § 278.170(1). Compare 16 U.S.C.A. § 824d(b) (West 1999), which requires:

No public utility shall . . . (1) make or grant any undue preference or advantage to any person or subject any person to any undue prejudice or disadvantage, or (2) maintain any unreasonable difference in rates, charges, service, facilities, or in any other respect, either as between localities or as between classes of service.

⁹*Id.*

¹⁰*Id.* at 126.

¹¹519 S.W.2d 616 (Ky. App. 1975).

not doing so. Further, the court explained that South Central may maintain reasonable classifications "between localities or between classes of service for doing a like and contemporaneous service under the same or substantially the same conditions" and thus may charge for additional extended area calling service.¹²

Finally, in *National Southwire Aluminum Co. v. Big Rivers Elec. Corp.*,¹³ the Court of Appeals held that Section 278.170 permitted Big Rivers to charge aluminum smelters a variable rate for power based on fluctuating world aluminum prices. The court reasoned that the classification was sound because the smelters purchased power in large quantities and thus must help Big Rivers to pay for the generation plant which enabled the cooperative to make such large amounts of power available on demand.¹⁴

While neither the KPSC nor the courts have addressed the justness and reasonableness of incremental rates in the sale of power, the KPSC has expressed willingness to consider incremental rates in the context of water utilities. In *In re: Application of Winchester Municipal Utilities for Approval of the Collection of System Development Charges*, Case No. 96-616 (October 3, 1997), the KPSC considered a proposal by Winchester Municipal Utilities to assess what it termed System Development Charges (SDCs) to recover the cost of erecting additional water or wastewater facilities necessitated by a request for service by a new customer. Although the KPSC held that the particular SDC proposed to be charged was not authorized by the Winchester City Commission, it did state that "the Commission finds that the concept of SDCs merits further attention" and resolved to initiate administrative proceedings to study the issue.

B. The FERC's Approach to Incremental Rates and Undue Discrimination

Because Big Rivers is a generation and transmission cooperative with loans outstanding to the Rural Utilities Service, it is not regulated as a public utility by the FERC, the agency entrusted with administering the FPA.¹⁵ Accordingly, Big Rivers' wholesale rates to its member cooperatives are not subject to FERC jurisdiction and are not required to comply with the FPA's prohibition on undue discrimination. Nonetheless, because Kentucky law is similar to the FPA, the FERC's treatment of incremental rates and discrimination should provide a useful guide for examining rate issues.

¹²*Id.* at 619.

¹³785 S.W.2d 503 (Ky. App. 1990).

¹⁴*Id.* at 513-14.

¹⁵See *Dairyland Power Cooperative*, 37 FPC 12 (1967), *aff'd sub nom. Salt River Project Agr. Dist. v. FPC*, 391 F.2d 470 (D.C. Cir.), *cert. denied*, 393 U.S. 857 (1968).

FPA Section 205(b) provides as follows:

(b) Preference or advantage unlawful

No public utility shall, with respect to any transmission or sale subject to the jurisdiction of the Commission, (1) make or grant any undue preference or advantage to any person or subject any person to any undue prejudice or disadvantage, or (2) maintain any unreasonable difference in rates, charges, service, facilities, or in any other respect, either as between localities or as between classes of service.¹⁶

Like its Kentucky counterpart, the FPA neither requires that rates be uniform nor prohibits utilities from employing reasonable classifications between localities or classes of customers. As the United States Court of Appeals for the D.C. Circuit opined:

We recognize that, even under a purely cost-based scheme, absolute equivalence of overall rates of return among similar customer groups is little more than an ideal. It would no doubt be impossible, even if desirable, to formulate a rate scheme with such precision that each customer -- or even customer group -- is made to bear the exact cost of the service he received. Furthermore, Congress, through section 205(b), has not required absolute uniformity. The section proscribes only "any unreasonable difference in rates" and any "undue preference or advantage."¹⁷

Also like its Kentucky counterpart, the FPA provides for a two-step inquiry: 1) whether rates are just and reasonable; and 2) whether there exists any unreasonable discrimination.¹⁸

The FERC and the courts have recognized repeatedly that it is necessary for utilities to group customers into classes so long as such classes correspond to similar services characteristics, especially where the classifications reflect cost-based differences in service. For example, in *Cities of Bethany, Bushnell, Cairo, et al. v. FERC*,¹⁹ the D.C. Circuit explained:

While classification of customers based on individual characteristics might produce more finely adjusted rates and more scientific results, FERC may properly grant the utilities reasonable latitude in setting rate classifications based on general characteristics of customer groups. As this court noted in *Alabama Electric*

¹⁶16 U.S.C.A. § 824d(b) (West 1999).

¹⁷*Alabama Elec. Cooperative, Inc. v. FERC*, 684 F.2d 20, 28 (D.C. Cir. 1984).

¹⁸*See Public Service Co. of Indiana, Inc. v. FERC*, 575 F.2d 1204, 1211-12 (7th Cir. 1978).

¹⁹727 F.2d 1131 (D.C. Cir. 1984).

Cooperative, Inc. v. FERC, ratemaking is less a science than it is an art. Substantial deference must be given to the FERC's judgment on the reasonableness of particular customer categories. Reviewing courts have upheld FERC's approval of separate customer categories when those categories reflect general characteristics of customer classes with cost of service implications.²⁰

Such classifications need not, however, be based exclusively on cost of service differences.²¹ Even where the costs of serving two groups of customers, otherwise similarly situated, is the same, differential treatment may be justified. As the United States Court of Appeals for the Seventh Circuit reasoned:

In considering whether factual differences justified the rate disparity in this case, the Commission was not limited to cost or service-related factors. Differences in cost will normally provide the best justification for differences in prices; and the vendor may carry a heavy burden to justify different rates for what appears to be identical service. The standard of due and reasonable differences is met, however, when there are differences in facts – cost of service *or otherwise* – that justify the rate disparity.²²

One particular circumstance where the FERC has upheld rate classifications is in the context of fixed-rate contracts and settlement agreements. Recognizing that the goals of preventing unreasonable discrimination and preserving the sanctity of negotiated contracts are sometimes in opposition, the FERC and the federal courts have repeatedly cited the existence of a fixed-rate contract or settlement agreement as a reasonable basis for classifying customers.²³

²⁰*Id.* at 1138. Accordingly, the court upheld the use of separate rates for municipal and cooperative customers because the two classes represented different customer profiles and load characteristics.

²¹See *St. Michaels Utilities Commission v. FPC*, 377 F.2d 912, 915 (4th Cir. 1967) (“differences in rates are justified where they are predicated upon differences in facts -- costs of service or otherwise”); see also *Cities of Bethany, Bushnell, Cairo, et al. v. FERC*, 727 F.2d 1131, 1138 (D.C. Cir. 1984) (“[r]ate differences may be justified by facts, cost of service or otherwise”).

²²*City of Frankfurt, Indiana v. FERC*, 678 F.2d 699, 706 (7th Cir. 1982)(emphasis added). The Seventh Circuit went on to hold that differences in rates can be based on the fact that some customers have fixed-rate contracts while others do not due to a business decision by the utility not to enter into additional fixed-rate contracts.

²³See, e.g., *Boroughs of Chambersburg and Monto Alto, Pennsylvania v. FERC*, 580 F.2d 573 (D.C. Cir. 1978)(holding that a rate disparity stemming from a fixed-rate contract is not unreasonable discrimination absent additional proof of irregularity or harm); *City of Bethany*, 727

In fact, public utilities subject to regulation under the FPA are under an affirmative duty to draw classifications in their customer base where necessary to avoid unreasonable discrimination. In *Alabama Electric Cooperative, Inc. v. FERC*,²⁴ the court required a public utility to draw a distinction between customers, reasoning that:

If the costs of providing service to one group are different from the costs of serving the other, the two groups are in one important respect quite dissimilar. . . . “[c]harging the same price to two purchasers where the seller’s costs with respect to each differ must . . . be considered discrimination.”²⁵

While the FERC has not specifically confronted the issue of incremental pricing in the context of wholesale power purchases, it has repeatedly addressed incremental pricing in cases involving the expansion of electric transmission facilities²⁶ and natural gas pipelines²⁷ to serve new customers. In both contexts, the FERC has recognized that it is appropriate to charge new customers different rates for transmission or transportation where the utility is required to construct additional facilities to provide the requested service. In general, where a service request by a new customer requires the expansion of existing transmission or transportation facilities, the utility may either: 1) use incremental pricing, whereby the new customer must pay for the cost of the additional facilities

F.2d at 1138 (“[w]hen a settlement agreement is reached in good faith, by means of proper conduct by the parties, and when the resulting rate disparity is not unduly burdensome to a customer group, a rate difference caused by a private settlement agreement may survive the anti-discrimination mandate of section 205(b).”); *City of Frankfurt*, 678 F.2d at 707 (holding that a business decision by a public utility not to enter into additional fixed-rate contracts can justify differences in rates between new customer and former customers served under existing fixed-rate contracts).

²⁴684 F.2d 20 (D.C. Cir. 1984).

²⁵*Id.* at 27-28 (citation omitted).

²⁶See *Northeast Util. Service Co. (Re: Public Service Co. of New Hampshire)*, Opinion No. 364-A, 58 FERC ¶ 61,070, *reh’g denied*, Opinion No. 364-B, 59 FERC ¶ 61,042, *order granting motion to vacate and dismissing request for rehearing*, 59 FERC ¶ 61,089 (1992), *affirmed in part and remanded in part sub nom.*, *Northeast Utilities Serv. Co. v. FERC*, 993 F.2d 937 (1st Cir. 1993), *order on remand*, 66 FERC ¶ 61,332, *reh’g denied*, 68 FERC ¶ 61,041 (1994); *Pennsylvania Elec. Co.*, 58 FERC ¶ 61,278, *reh’g denied and pricing policy clarified*, 60 FERC ¶ 61,034, *reh’g denied*, 60 FERC ¶ 61,244 (1992), *affirmed sub nom.*, *Pennsylvania Elec. Co. v. FERC*, 11 F.3d 207 (D.C. Cir. 1993).

²⁷See *Pricing Policy for New and Existing Facilities Constructed by Interstate Natural Gas Pipelines*, 71 FERC ¶ 61,241 (1995).

required to serve them (while existing customers continue to pay for the cost of the existing facilities); or 2) use "rolled-in" pricing whereby the cost of constructing the new facilities is added to the utility's rate base for all customers who share the cost of construction. Generally, the FERC favors the use of rolled-in pricing where the facilities are integrated into the entire system and provide system-wide benefits. On the other hand, the FERC favors incremental pricing where the additional facilities benefit only the new customer and do not provide system-wide benefits.

C. Other States' Approaches to Incremental Rates and Discrimination

While no reported case from other state authorities directly addresses incremental rates for purchases of power at wholesale, several suggest that incremental or variable rates between customer classes is an acceptable means of allocating costs.

For example, in *Re: Carolina Power and Light Co.*,²⁸ the North Carolina Utilities Commission authorized an electric utility to offer a discounted rate to industrial customers with the option to self-generate power. In granting the authority, the Commission reasoned that: 1) the customer had the intent, capability, and economic incentive to self-generate; 2) the discount rate covered the incremental cost of providing service while contributing to fixed costs; 3) the discount was no greater than required to retain the customer's load; 4) the utility committed not to seek recovery of any potential revenue loss from other customers; and 5) the discount did not result in unreasonable discrimination. Citing earlier state cases,²⁹ the Commission enumerated several reasonable factors upon which a classification might be based, including: 1) the quantity of use; 2) the time of use; 3) the manner of service; 4) the costs of rendering the two services; 5) competitive conditions; 6) consumption characteristics of the several classes; and 7) the value of the services to each class. Thus, under the facts presented, the Commission found the distinction between customers with a self-generation option and other customers to be reasonable.³⁰ The same logic should apply to Big Rivers. If a utility is permitted to offer discounted rates to low-cost customers to prevent them from leaving the system, it stands to reason that it is also permissible to assess higher rates to high-cost customers to deter them from entering or re-entering the system opportunistically.

²⁸155 P.U.R.4th 506 (N.C.U.C. 1994).

²⁹*North Carolina ex rel. utilities Commission v. Public Staff*, 374 S.E.2d 361 (N.C. 1988); *North Carolina ex rel. Utilities Commission v. North Carolina Textile Manufacturers Ass'n, Inc.*, 328 S.E.2d 264 (N.C. 1985).

³⁰A similar result was reached by the Florida Public Service Commission with respect to discount rates for natural gas customers with a viable energy alternative. See *In Re: Petition by Florida Division of Chesapeake Utilities Corp. for Authority to Implement Proposed Flexible Gas Service Tariff and to Revise Certain Tariff Sheets*, 1998 WL 962,464 (Fla. P.S.C. November 5, 1998)(slip opinion).

Another example can be found in *Duke Power Co. v. South Carolina Public Service Commission*,³¹ There, following passage of a special statute permitting the sale, Duke Power entered into a contract for the purchase of the assets of a county utility system. Under the terms of the contract, Duke Power agreed to hold the existing customers harmless from rate increases by charging them the lower of the Duke Power Rate or the rate existing under the prior county utility's rates. This resulted in lower contract rates for existing customers of the old county utility and higher rates for Duke Power's other customers for essentially the same service. After holding the special statute constitutional, the South Carolina Supreme Court held that the contract provision was neither an impermissible violation of constitutional equal protection nor a violation of South Carolina's anti-discrimination statute applicable to utility rates. In essence, the court held that, so long as the utility was not spreading the cost of providing power at the lower rates to other customers on its system, the rate differential was based on a reasonable classification between existing and new customers.

In another case, *Georgia Retail Association v. Georgia Public Service Commission*,³² the Georgia Court of Appeals upheld a decision by the Georgia Public Service Commission to allocate uniformly a \$265.2 million non-fuel revenue increase across three customer categories: 1) residential; 2) industrial; and 3) commercial. When commercial ratepayers challenged the rate increase as placing a disproportionate burden on them, the court held that the Public Service Commission was empowered to take into account non-cost-of-service factors in drawing classifications such as the ability of the respective customers to pass the increased cost on through their products or services. Thus, the court held that, although the commercial customers would bear roughly 156% of the average return for the utility (compared to 66% for residential customers and 97% for industrial customers), the Commission was within its authority to order the rate increase.

D. Analysis

The incremental rate design for new customers proposed by Big Rivers is consistent with the language and spirit of KRS § 278.030(3) in that it draws reasonable distinctions between classes of customers based on the nature, quality, quantity, time, and other material conditions of the service provided. Nor do incremental rates offend KRS § 278.170(1)'s prohibition against unreasonable discrimination. As the Kentucky Court of Appeals noted, it is not that utilities may not draw classifications between customers for like and contemporaneous service, but that they may not do so unreasonably.³³ It is reasonable for Big Rivers to protect its existing customers from a rate increase where the increase results from opportunistic use of the system by new customers –

³¹326 S.E.2d 395 (S.C. 1984).

³²300 S.E.2d 544 (Ga. App. 1983).

³³See *National Southwire Aluminum Co. v. Big Rivers Elec. Corp.*, 785 S.W.2d 503 (Ky. App. 1990)(permitting utility to base rates to aluminum smelters on worldwide price of aluminum).

particularly where they are simply load switching, provide no economic benefit to other customers on Big Rivers' system, and require Big Rivers to incur greater costs through third-party purchases. The fact that there are both cost-based differences and non-cost-based differences in providing service to the different classes of customers only bolsters Big Rivers' position.

Further, the proposed rate design represents the most efficient means to allocate the costs incurred by Big Rivers in serving its three member cooperatives. If the goal is to ensure that each customer contributes to the costs incurred to serve it, it is fair to assign those costs to the class of customer on whose behalf the costs are incurred. Similar to the approach employed by the FERC in the context of expansion of electric transmission or natural gas transportation facilities, it is the addition of the new retail customers which will require Big Rivers to obtain additional sources of power. This addition does not provide a system-wide benefit; it is provided for the benefit of new customers. Thus they should bear the cost of the additional facilities in the form of wholesale power purchases. A "temporal" customer classification based on when a customer joined (or significantly expanded on) the system seems especially appropriate where new resources will be required to serve these customers and where existing customers have a reasonable expectation of price stability.

Moreover, requiring uniformity of treatment would send conflicting price signals to market participants. If prospective customers could rely on Big Rivers' mandatory obligation to provide service while prices are low, then leave the system once prices rise – due, in part, to their presence on the system – instability in prices and load would be the inevitable result. Especially in the case of customers with an energy alternative available to them, incremental rates are necessary to prevent existing customers from having to subsidize new customers.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

BIG RIVERS ELECTRIC CORPORATION
RESPONSE TO THE COMMISSION'S
ISSUE LIST OF DECEMBER 22, 1999

CASE NO. 99-360

Item 3) The reasons for Big Rivers' proposal, that incremental load growth of five megawatts ("MW") or more by existing customers, should be subject to the market-based rates described in Rate Schedule 10, rather than being served under the existing Rate Schedule 7; also, the reasons for why and how five MW was selected as the threshold for the minimum increment of load that would be subject to the proposed tariff.

Response) Big Rivers based its 1997 Power Requirement Study on the best available information provided by its member cooperatives at the time of Big Rivers' restructuring. Those projections formed the basis for Big Rivers' current rates and for the Commission's approval of those rates. Big Rivers anticipated normal rural load growth, but did not provide for growth in the loads of the large industrial class. If significant expansion load was anticipated by any customer in the large industrial class, they would have notified Big Rivers through their respective distribution cooperative at that time. Significant large industrial expansion, particularly now when Big Rivers faces the prospect of load-switching customers, would cause Big Rivers' peak load, in short order, to exceed its resources. Accordingly, Big Rivers treats significant expansion load under the proposed Rate Schedule 10 as part of the "new" class of customers (i.e., part of its "temporal" customer class), which Big Rivers intends to serve under incremental pricing. Without Rate Schedule 10, Big Rivers would have no tariff to recoup its costs of providing power from the market to serve these potentially significant load additions. Of course, Big Rivers intends to maintain flexibility and to negotiate special contracts with expanded load based upon the factors outlined in response to Item No. 2 above.

The considerations for why and how 5 MW was selected as the threshold for the minimum increment of load that would be subject to the proposed tariff include the following:

1 minimum increment of load that would be subject to the proposed tariff include the following:

- 2
- 3 1. The load threshold should be readily measurable, and reflective of actual
- 4 expansion rather than normal fluctuations in load.
- 5
- 6 2. The load threshold should provide adequate room for normal load growth.
- 7
- 8 3. The load threshold should be sufficiently high so as to present manageable load
- 9 levels for seeking third party suppliers.
- 10
- 11 4. The load threshold should provide a degree of flexibility to the member
- 12 cooperatives for new loads, which would normally be served from the rural
- 13 distribution system.
- 14
- 15 5. Five MWs is a level that is likely to require a dedicated delivery and metering
- 16 point.
- 17
- 18 6. Five MW was selected for ease of administration.
- 19

20 Although 5 MW was selected in Big Rivers' reasonable business judgment, Big Rivers

21 acknowledges that there is nothing magical about 5 MW. Big Rivers' primary concern is that it

22 be able to serve a load which is in excess of its current resources under a rate and tariff filed with

23 the Commission.

24

25 **Witness)** Bill Blackburn and Jack Gaines

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

BIG RIVERS ELECTRIC CORPORATION
RESPONSE TO THE COMMISSION'S
ISSUE LIST OF DECEMBER 22, 1999

CASE NO. 99-360

Item 4) The manner in which the Commission can be assured that Big Rivers, possibly with assistance from Reliant Energy Services, Inc., its current power marketing agent, or some other firm with whom Big Rivers may contract for power marketing services, will be solely responsible for making the power supply arrangements required to serve the loads that would be subject to Rate Schedule 10; that the Commission can be assured that neither Big Rivers' member cooperatives nor the industrial customers subject to Rate Schedule 10 will, in any way, be involved in the process of arranging for the power supplies that will ultimately serve the power supply requirements of those customers.

Response) Under Rate Schedule 10 the Commission will have the ability to review each special contract entered under Rate Schedule 10 and will have the ability to review long-term purchase power agreements to ensure that big Rivers' commitments and the Commission's regulatory responsibilities are being met.

Big Rivers does not expect any change in its method of purchasing power as a result of this tariff. Individual customers and distribution cooperatives will have no formal role in selecting the source of power, and their ability to influence Big Rivers' decision-making will be no different than their current ability to influence such decisions.

Big Rivers has long-term, all-requirements contracts with its three member cooperatives (except for power delivered by the cooperatives to two aluminum smelter customers). Big Rivers intends to honor those contracts and understands fully its responsibility to secure reliable power to serve those contracts at the lowest reasonable cost. Big Rivers' contractual relationship is with its cooperatives, not with its sale for resale customers. Big Rivers

1 will be solely responsible for making the power supply arrangements required to serve the loads
2 that would be subject to Rate Schedule 10, possibly with assistance from Reliant Energy
3 Services, Inc., its current power marketing agent, or some other firm with whom Big Rivers may
4 contract for power marketing services. That responsibility will not, and cannot, be delegated to
5 Big Rivers' customers or to its customers' customers. Big Rivers will secure needed power itself
6 or through an agent such as Reliant.

7
8 With respect to the influence of Big Rivers' distribution cooperatives, Big Rivers'
9 members have representatives on Big Rivers' Board of Directors. However, in their capacity as
10 Big Rivers' board members, those directors act fiduciarily on Big Rivers' behalf, not on behalf of
11 the distribution cooperatives. Of course, as customers of Big Rivers, the cooperatives will be
12 able to voice their concerns as customers, and Big Rivers will listen to them as part of the
13 supplier-customer relationship. Nonetheless, the distribution cooperatives will not, and have no
14 independent ability to, dictate to Big Rivers or be involved, in any way, in the process of
15 arranging for the power supply that will ultimately serve the power supply requirements of the
16 cooperatives' customers. Big Rivers will secure the needed power itself or through an agent such
17 as Reliant.

18
19 Witness) Michael Core

SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC
ATTORNEYS AT LAW

RECEIVED
JAN 05 2000
PUBLIC SERVICE
COMMISSION

Ronald M. Sullivan
Jesse T. Mountjoy
Frank Stainback
James M. Miller
Michael A. Fiorella
William R. Dexter
Allen W. Holbrook
R. Michael Sullivan
P. Marcum Willis
Bryan R. Reynolds
Mark G. Luckert
Anne H. Shelburne

January 4, 2000

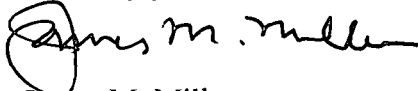
Ms. Helen Helton
Executive Director
Public Service Commission
730 Schenkel Lane, P.O. Box 615
Frankfort, Kentucky 40601-0615

Re: Big Rivers Electric Corporation, Case No. 99-360

Dear Ms. Helton:

Enclosed are an original and ten copies of the compliance filing of Big Rivers Electric Corporation pursuant to the December 22, 1999, Order of the Commission herein. A copy of this filing has been served upon each of the persons identified on the attached service list.

Sincerely yours,



James M. Miller

JMM/ej

Enclosures

cc: Service List

Telephone (270) 926-4000
Telecopier (270) 683-6694

100 St. Ann Building
PO Box 727
Owensboro, Kentucky
42302-0727

**SERVICE LIST
CASE NO. 99-360**

RECEIVED
JAN 05 2000
PUBLIC SERVICE
COMMISSION

Frank N. King, Jr., Esq.
Dorsey King Gray & Norment
318 Second Street
Henderson, Kentucky 42420

Counsel for Kenergy and Meade County RECC

W. David Denton, Esq.
Denton & Keuler
P.O. Box 929
Paducah, KY 42002-0929

Counsel for Jackson Purchase Energy Corporation

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JAN 05 2000

PUBLIC SERVICE
COMMISSION

In the Matter of:

THE TARIFF FILING OF BIG RIVERS ELECTRIC)
CORPORATION TO REVISE THE LARGE)
INDUSTRIAL CUSTOMER RATE SCHEDULE)

CASE NO. 99-360

COMPLIANCE FILING

Big Rivers Electric Corporation ("Big Rivers") makes the following filing to comply with the direction of the Commission in its order of December 22, 1999 ("Order"), that Big Rivers list the individuals it expects to have present at the January 10, 2000, hearing in this matter to testify on the issues identified in the Order:

1. Big Rivers will have present at the hearing all persons who were responsible for the data request responses filed by Big Rivers on October 22, 1999, November 12, 1999 and November 30, 1999.

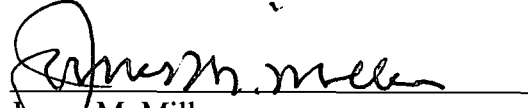
2. With respect to the issues identified by the Commission in the Order, Big Rivers will offer as witnesses, Michael H. Core, President and CEO and, as a panel, Bill Blackburn, Vice-President of Power Supply, and Jack Gaines, Southern Engineering Company. More specifically, with allowance for some overlap in testimony, Big Rivers expects each of the issues to be addressed principally by the witnesses indicated below:

- Item 1: Bill Blackburn and Jack Gaines;
- Item 2: Bill Blackburn and Jack Gaines;
- Item 3: Bill Blackburn and Jack Gaines;
- Item 4: Michael H. Core.

This the 4th day of January, 2000.

Respectfully submitted,

Douglas L. Beresford
LONG ALDRIDGE & NORMAN LLP
701 Pennsylvania Avenue, N.W.
Suite 600
Washington, D.C. 20004
(202) 624-1200



James M. Miller
SULLIVAN, MOUNTJOY, STAINBACK
& MILLER, P.S.C.
100 St. Ann Building
Owensboro, Kentucky 42302-0727
(270) 926-4000
Counsel for
BIG RIVERS ELECTRIC CORPORATION



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-3460

Ronald B. McCloud, Secretary
Public Protection and
Regulation Cabinet

Helen Helton
Executive Director
Public Service Commission

Paul E. Patton
Governor

January 4, 2000

TO: Helen C. Helton
Executive Director

FROM: Case No. 99-360 Team
JS Jeff Shaw, Team Leader

DATE: January 4, 2000

SUBJECT: Memorandum on
Informal Conference

Attached is a memorandum covering the issues discussed at the informal conference held in this case on November 23, 1999. The memorandum, which has already been sent to the parties, should be added to the case record in order that the record will be complete at the conclusion of the proceeding. As you can see from the date of the memorandum, it was sent to the parties approximately two weeks ago. The team has no reasonable excuse for not submitting this sooner and apologizes for the unnecessary delay.



INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

FILED

TO: Case File No. 99-360

JAN 04 2000

FROM: Jeff Shaw *JS*
Team Leader

PUBLIC SERVICE
COMMISSION

DATE: December 22, 1999

RE: Conference of November 23, 1999
Regarding Big Rivers' Proposed Tariffs
Rate Schedules 7 and 10 for Large Industrial Customers

On November 23, 1999, the Commission held an informal conference at the Commission's offices in Frankfort, Kentucky. The parties represented at the conference were Big Rivers Electric Corporation ("Big Rivers"), Jackson Purchase Energy Cooperative ("Jackson Purchase"), Kenergy Corporation ("Kenergy"), Meade County Rural Electric Cooperative Corporation, and the Commission, through the Commission Staff. A list of the attendees is attached to this memorandum.

To begin the conference Big Rivers indicated that it was looking at the possibility of large industrial loads being added to its system in the service territories of both Jackson Purchase and Kenergy in the relatively near future. When asked why no industrial load growth had been forecast in the 1997 financial model prepared in conjunction with its bankruptcy proceeding, Big Rivers indicated it had been intentionally conservative in its 1997 forecast in order to ensure that its plan met the bankruptcy court's test of feasibility.

Big Rivers stated it did not believe that issuing a Request for Proposal for long-term firm power would produce any positive results at this time due to the capacity conditions and peak period prices experienced in the electric industry during the past two summers. It indicated that it expected long-term power arrangements to be more feasible over the next few years as many of the merchant plant capacity additions presently in the planning stages were completed and became operational.

Big Rivers discussed the power marketing services it receives under its contract with Reliant Energy Service, Inc. ("Reliant") and pointed out that the services it presently receives from Reliant do not extend to the proposed large industrial tariffs that are the subject of this proceeding. Big Rivers clarified the nature of the five-megawatt threshold included in its proposed Rate Schedule 10 and how that threshold would determine whether new or incremental industrial loads would be subject to that tariff.

Big Rivers explained that the purpose of the proposed tariffs was to attempt to maintain as much flexibility as possible in meeting the power needs of its member cooperatives. It also stated that it needed the proposed tariffs or some type of long-term power supply arrangement in place by the spring or summer of 2000 in order to be able to seriously negotiate with potential customers that had already expressed an interest in being served by Big Rivers.

Since there are no intervenors in this proceeding contesting the proposed tariffs Big Rivers asked whether or not a public hearing would be required. Commission Staff indicated that, given the policy issue raised by the proposed tariffs of whether or not all customers should be charged rates based on system-wide average costs, it believed that a hearing would be required. Staff also indicated that it would likely attempt to change the scheduled hearing date of December 6, 1999 to the same date that the hearing in Big Rivers' Case No. 99-354 would be rescheduled. Staff also requested that Big Rivers submit additional information showing the monthly loads of its large industrial customers for each month over the past three years. Big Rivers requested that the Commission provide it with a list of issues for the hearing so that it could better prepare for the hearing.

Big Rivers filed the requested information with the Commission on December 1, 1999, and the hearing date was changed to the same date as the hearing in Case No. 99-354. The hearing date for this case is now January 10, 2000. The list of issues requested by Big Rivers is included in the Commission's Order entered on today's date in this proceeding.

BIG RIVERS - INDUSTRIAL RATE TARIFF / EXPANSION LOAD TARIFF
 INFORMAL CONFERENCE - NOVEMBER 23, 1999

NAME	WITH
JEFF SHAW	COMMISSION STAFF
NEAL FITCH	PSL- RESEARCH
GARY FORMAN	PSC - Financial Analysis
Jack Gaines	404-352-9200 Southern Engineering Co.
David A. Spaidenward	Big Rivers
JAMES M. MILLER	BR - SULLIVAN MOUNTJOY
Douglas Beresford	Big Rivers - Long Aldridge
DAVID CROCKETT	Big Rivers
Mark A. Hite	Big Rivers
Chuck Williamson	Jackson Purchase Energy Corp
Donnie Louier	Jackson Purchase Energy Corp
DEAN STANLEY	KENERGY Corp.
Frank W. King	Kenergy - attorney
DAVID HAMILTON	KENERGY
Steve Thompson	Kenergy
BURNS MERCER	MEADE Co. RECS.
Mike Lore	Big Rivers
Bill Blackburn	" "



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

December 22, 1999

To: All parties of record

RE: Case No. 1999-360

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/hv
Enclosure

Honorable David A. Spainhoward
Vice President
Contract Adm. & Regulatory Affairs
Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY 42419 0024

Honorable James M. Miller
Sullivan, Mountjoy, Stainback &
Miller PSC
Counsel for Big Rivers Electric
100 St. Ann Building
P.O. Box 727
Owensboro, KY 42302 0727

Honorable Douglas L. Beresford
Geo. F. Hobday, Jr.
Long, Aldridge & Norman LLP
701 Pennsylvania Avenue, N.W.
Suite 600
Washington, DC 20004

Honorable Frank N. King
Dorsey, King, Gray & Norment
Attorneys for Kenergy Corp. and
Meade County RECC
318 Second Street
Henderson, KY 42420

Honorable W. David Denton
Attorney for Jackson Purchase EC
Denton & Keuler
P. O. Box 929
Paducah, KY 42002 0929

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF BIG RIVERS ELECTRIC)
CORPORATION TO REVISE THE LARGE) CASE NO. 99-360
INDUSTRIAL CUSTOMER RATE SCHEDULE)

O R D E R

An informal conference in this matter was held at the Commission's offices on November 23, 1999. At the conference, Big Rivers Electric Corporation ("Big Rivers") requested that the Commission develop a list of issues for the upcoming hearing to be held on January 10, 2000, in order to enable it to better prepare for said hearing. Attached as an appendix to this Order is a list of the issues for the hearing.

Having further considered Big Rivers' request, the Commission has determined that it and its staff will be able to better prepare for the upcoming hearing if Big Rivers prepares a list of the individuals it expects to have present at the hearing to address the issues identified herein. The list should match the individuals to the issue(s) on which they will be responsible for answering questions at the hearing. With a hearing date of January 10, 2000, we find that Big Rivers should submit this list by January 4, 2000.

IT IS THEREFORE ORDERED that:

1. The issues identified in the attached Appendix are the issues that the Commission expects will be raised at the hearing scheduled for January 10, 2000,
2. Big Rivers shall file a list of the individuals, as described herein, that will address the issues identified herein at the hearing on January 10, 2000, by January 4, 2000.

Done at Frankfort, Kentucky, this 22nd day of December, 1999.

By the Commission

ATTEST:

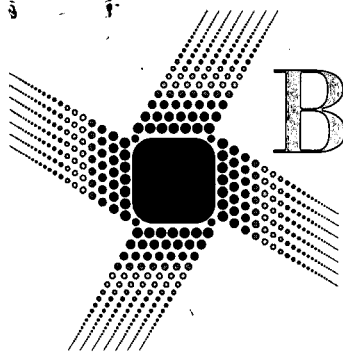

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 99-360 DATED 12/22/99

Following is a list of issues Big Rivers should plan to address at the hearing in this proceeding to be held on January 10, 2000.

1. The specific reasons for the proposed tariffs, including but not limited to: (1) the reasons for the changes in Big Rivers' forecast for industrial load growth since 1997; (2) the nature of the new customers that are considering locating in the service territories of Big Rivers' member cooperatives or that have expressed an interest in being served by Big Rivers; and (3) the time-table Big Rivers believes it should attempt to meet in order to be able to serve these loads.
2. The reasons Big Rivers believes it is more prudent, at this time, to serve new industrial loads at market-based rates, as described in proposed Rate Schedule 10, as opposed to issuing a Request for Proposal for a long-term firm power supply that would be part of Big Rivers' total power supply portfolio and become another component of the system-average rates charged to Big Rivers' member cooperatives.
3. The reasons for Big Rivers' proposal, that incremental load growth of five megawatts ("MW") or more by existing customers, should be subject to the market-based rates described in proposed Rate Schedule 10, rather than being served under the existing Rate Schedule 7; also, the reasons for why and how five MW was selected as the threshold for the minimum increment of load that would be subject to the proposed tariff.
4. The manner in which the Commission can be assured that Big Rivers, possibly with assistance from Reliant Energy Services, Inc., its current power marketing agent, or some other firm with whom Big Rivers may contract for power marketing services, will be solely responsible for making the power supply arrangements required to serve the loads that would be subject to Rate Schedule 10; that the Commission can be assured that neither Big Rivers' member cooperatives nor the industrial customers subject to Rate Schedule 10 will, in any way, be involved in the process of arranging for the power supplies that will ultimately serve the power supply requirements of those customers.



Big Rivers

Electric Corporation

201 Third Street
P.O. Box 24
Henderson, KY 42419-0024
502-827-2561
www.bigrivers.com

November 30, 1999

RECEIVED
DEC 01 1999
PUBLIC SERVICE
COMMISSION

Ms. Helen Helton
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602-0615

RE: Big Rivers Electric Corporation
Case No. 99-360

Dear Ms. Helton:

At the informal conference on November 23, 1999 in Case No. 99-360, the Commission Staff asked Big Rivers to respond to two data requests. An original and 8 copies of this letter and attachments are enclosed.

Big Rivers' response to those data requests are as follows:

Item 1) Please furnish 36 months of usage history of each of Big Rivers member cooperatives' Large Industrial customers.

Response: Enclosed is the Large Industrial and Rural member's customers billing detail for each of the 36 months ended October 31, 1999. To clarify certain comments made at the informal conference, please note that for the 12-month period ended October 31, 1999, as this information illustrates, the sum of the monthly peak demand kW for the Large Industrial and Rural customers was 2,604,460 (38.4%) and 4,172,755 (61.6%), respectively. Further, the load factors for the Large Industrial and Rural customers were 81.11% and 62.91%, respectively, for a weighted-average of 69.9%. Energy kWh for the Large Industrial and Rural customers for such period was 1,542,091,986 (44.5%) and 1,916,287,402 (55.5%), respectively.

Witness: Mark A. Hite

Item 2) Did any of the existing direct served accounts experience a temporary drop in load during the Base Year that would make them susceptible to the expansion Tariff in an unintended manner?

Page 2

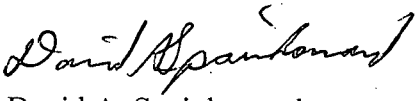
Ms. Helen Helton, Kentucky Public Service Commission

Response: As illustrated by the 36 month histories in response to Item 1, the answer is no.

Witness: Jack Gaines

Please feel free to contact me if there are further questions. A copy of this letter and attachments has been served on the parties identified on the attached service list.

Sincerely,



David A. Spainhoward

nc

Enclosures

c: Mike Core
Mark A. Hite
Jack Gaines

**SERVICE LIST
CASE NO. 99-360**

James M. Miller, Esq.
Sullivan, Mountjoy, Stainback & Miller
100 St. Ann Building
P. O. Box 727
Owensboro, KY 42302-0727

**Counsel for Big Rivers Electric
Corporation**

Douglas L. Beresford, Esq.
Geo. F. Hobday, Esq.
Long, Aldridge & Norman LLP
701 Pennsylvania Avenue, N.W., Suite 600
Washington, DC 20004

**Counsel for Big Rivers Electric
Corporation**

Frank N. King, Esq.
Dorsey, King, Gray & Norment
318 Second Street
Henderson, KY 42420

**Counsel for Kenergy Corp. and Meade
County R.E.C.C.**

W. David Denton, Esq.
Denton & Kueler
555 Jefferson Street, Suite 301
P. O. Box 929
Paducah, KY 42001

**Counsel for Jackson Purchase
Energy Corporation**

BIG RIVERS ELECTRIC CORPORATION

LARGE INDUSTRIALS
 ENERGY KWH
 PEAK DEMAND
 BILLING DEMAND
 LOAD FACTOR
 36 MONTHS
 REQUESTED BY PSC

	TOTAL NOVEMBER 1996 - OCTOBER 1999		LOAD FACTOR	
	KWH	PEAK DEMAND	ACTUAL	BILLED
TOTAL HU	4,138,751,812	6,534,154	85.46%	80.47%
TOTAL JP (Shell)	164,205,920	340,436	66.07%	62.31%
TOTAL GREEN RIVER	8,525,135,514	12,696,363	91.98%	91.66%
TOTAL ALL INDUSTRIALS	12,828,093,246	19,670,953	89.33%	87.22%

*NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

LARGE INDUSTRIALS
ENERGY KWH
PEAK DEMAND
BILLING DEMAND
LOAD FACTOR
36 MONTHS
REQUESTED BY PSC

INDUSTRIALS	KWH	NOVEMBER 1996				DECEMBER 1996				JANUARY 1997					
		PEAK DEMAND	BILLING DEMAND	ACTUAL	BILLED	PEAK DEMAND	BILLING DEMAND	ACTUAL	BILLED	PEAK DEMAND	BILLING DEMAND	ACTUAL	BILLED		
		LOAD FACTOR	LOAD FACTOR	LOAD FACTOR	LOAD FACTOR	LOAD FACTOR	LOAD FACTOR	LOAD FACTOR	LOAD FACTOR	LOAD FACTOR	LOAD FACTOR	LOAD FACTOR	LOAD FACTOR		
Accurde	2,307,440	5,080	5,768	63.09%	55.56%	2,292,290	5,232	5,768	50.89%	53.42%	2,985,740	5,579	5,768	69.52%	67.24%
Alcan Aluminum	161,504,600	232,502	265,000	96.48%	84.65%	166,365,500	234,058	265,000	96.54%	84.38%	165,844,200	231,293	265,000	96.38%	84.12%
Black Diamond	367,990	1,060	1,060	48.22%	48.22%	346,540	1,021	1,060	45.62%	43.94%	405,420	1,001	1,060	54.44%	51.41%
Breckinridge	3,568,470	9,878	9,878	50.17%	50.17%	3,236,610	8,801	9,878	49.43%	44.04%	4,147,390	10,445	10,445	53.37%	53.37%
Cardinal River	81,530	2,311	2,311	48.77%	48.77%	788,510	2,182	2,311	62.52%	45.86%	758,430	2,061	2,311	49.46%	44.11%
CR Mining	0	0	0	0.00%	0.00%	68,840	148	148	48.57%	62.52%	63,400	132	148	64.56%	57.58%
Costain East Portal	3,160,690	7,021	8,033	62.52%	54.65%	3,723,410	6,985	8,033	71.85%	62.30%	3,862,280	7,169	8,033	64.52%	64.52%
Dotik	334,660	518	518	89.74%	89.74%	350,360	523	523	90.04%	90.04%	356,470	536	536	89.39%	89.39%
Green Coal Company	82,850	205	1,585	56.13%	7.26%	0	0	0	0.00%	0.00%	0	0	0.00%	0.00%	
Hudson	2,822,240	6,117	6,746	64.08%	58.11%	3,136,270	6,357	6,746	66.35%	62.53%	3,296,640	6,881	6,746	66.32%	65.68%
Knight Construction	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0.00%	0.00%	
KBI Alloys	681,140	1,903	2,075	49.71%	45.59%	681,260	1,899	2,075	48.22%	44.13%	876,740	1,979	2,075	59.55%	56.79%
Lodestar Energy	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0.00%	0.00%	
Padot Coal	909,480	2,397	2,523	52.70%	50.07%	1,044,300	2,583	2,583	54.34%	54.34%	1,184,680	2,611	2,611	60.98%	60.98%
Pittsburg P&M	951,930	2,306	2,750	57.33%	48.08%	967,340	2,114	2,750	61.50%	47.28%	910,400	2,107	2,750	58.08%	44.50%
Providence #1	595,330	2,000	2,038	41.34%	40.57%	536,620	1,966	2,038	36.69%	35.39%	615,770	1,996	2,000	41.47%	41.38%
Sextel Doree Mine	447,280	1,666	2,517	37.29%	24.68%	393,830	1,575	2,517	33.61%	21.03%	224,470	469	2,517	64.33%	11.99%
Smith Coal	2,068,930	4,571	4,571	62.86%	62.86%	2,090,380	4,736	4,736	53.33%	59.33%	2,170,890	4,716	4,736	61.87%	61.61%
Valley Grain	496,780	1,650	2,042	41.82%	33.79%	513,770	1,531	2,042	45.10%	33.82%	513,640	1,454	2,042	47.48%	33.81%
Victory Processing	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0.00%	0.00%	
TOTAL HU	181,111,360	281,185	319,415	89.46%	78.75%	186,537,830	281,691	318,208	89.01%	78.79%	188,116,560	280,229	318,778	90.23%	79.32%

INDUSTRIALS	KWH	NOVEMBER 1996				DECEMBER 1996				JANUARY 1997					
		PEAK DEMAND	BILLING DEMAND	ACTUAL	BILLED	PEAK DEMAND	BILLING DEMAND	ACTUAL	BILLED	PEAK DEMAND	BILLING DEMAND	ACTUAL	BILLED		
		LOAD FACTOR	LOAD FACTOR	LOAD FACTOR	LOAD FACTOR	LOAD FACTOR	LOAD FACTOR	LOAD FACTOR	LOAD FACTOR	LOAD FACTOR	LOAD FACTOR	LOAD FACTOR	LOAD FACTOR		
A-CMI	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%
Alcoa	787,270	1,474	1,474	74.18%	74.18%	878,050	1,528	1,528	77.24%	77.24%	746,330	1,278	1,278	78.49%	78.49%
Commonwealth	21,671,400	38,721	40,649	77.73%	74.05%	21,941,940	38,944	40,649	75.73%	72.55%	23,279,000	39,438	40,639	79.34%	76.99%
NSA	252,152,107	356,112	356,112	98.34%	98.34%	259,243,310	354,980	354,980	98.16%	98.16%	260,018,270	356,607	356,607	98.00%	98.00%
Scott Paper/Kimberly Clark	9,052,700	18,576	18,576	67.69%	67.69%	9,746,300	25,402	25,402	51.57%	51.57%	15,252,000	29,030	29,030	70.62%	70.62%
Southwire RIC	2,657,810	4,519	4,588	81.69%	80.46%	2,373,690	4,428	4,588	72.05%	69.54%	2,838,730	4,527	4,588	84.28%	83.16%
Williamette	31,772,500	47,088	47,174	93.71%	93.54%	33,724,300	48,600	48,600	93.27%	93.27%	34,652,100	49,291	49,291	94.49%	94.49%
World Source/Arvin	2,618,030	4,045	7,000	89.89%	51.95%	2,642,840	4,067	7,000	87.34%	50.75%	2,626,510	4,075	7,000	86.63%	50.43%
TOTAL GREEN RIVER	320,711,817	470,535	475,573	94.67%	93.66%	330,550,430	477,949	482,747	92.96%	92.03%	339,615,630	484,599	488,786	94.20%	93.39%
TOTAL ALL INDUSTRIALS	505,646,877	759,917	806,068	92.42%	87.12%	520,897,060	767,654	812,035	91.20%	86.22%	531,520,190	773,058	818,644	92.41%	87.27%

*NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

LARGE INDUSTRIALS
ENERGY KWH
PEAK DEMAND
BILLING DEMAND
LOAD FACTOR
36 MONTHS
REQUESTED BY PSC

INDUSTRIALS	KWH	FEBRUARY 1997		MARCH 1997		APRIL 1997		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR	
		PEAK DEMAND	BILLING DEMAND	ACTUAL	BILLED	ACTUAL	BILLED				ACTUAL	BILLED
Accuride	3,098,640	5,836	5,836	5,972	5,972	5,882	5,882	3,169,620	232,689	5,972	74.96%	73.82%
Alcan Aluminum	147,362,100	226,627	265,000	231,811	265,000	232,689	265,000	161,606,600	880	1,060	96.64%	84.82%
Black Diamond	338,170	988	1,060	852	1,060	880	880	305,580	10,118	1,060	48.30%	40.09%
Breckridge	4,327,710	10,156	10,445	9,677	10,445	10,118	10,445	4,063,900	10,118	2,311	55.86%	54.11%
Cardinal River	747,340	1,979	2,311	2,004	2,311	1,966	2,311	764,090	1,966	2,311	54.05%	45.98%
CR Mining	51,290	110	148	107	148	107	148	68,890	107	148	89.55%	64.74%
Costain East Portal	3,644,760	7,106	8,033	7,056	8,033	7,028	8,033	3,793,870	7,028	8,033	75.08%	65.69%
Dofki	305,240	505	536	482	536	472	536	309,020	472	536	91.06%	80.18%
Green Coal Company	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%
Hudson	2,852,410	6,286	6,746	6,914	6,914	6,953	6,953	3,367,430	6,953	6,953	67.36%	67.36%
Knight Construction	224,470	501	501	271	501	0	0	0	0	0	0.00%	0.00%
KBI Alloys	793,220	1,948	2,035	2,009	2,035	2,005	2,035	609,770	2,005	2,035	42.30%	41.67%
Lodestar Energy	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%
Patriot Coal	979,410	2,627	2,627	2,259	2,627	2,419	2,627	950,190	2,419	2,627	54.63%	50.31%
Pittsburg P&M	868,840	2,038	2,750	2,025	2,750	1,808	2,750	764,450	1,808	2,750	58.81%	38.66%
Providence #1	469,960	1,939	2,000	1,455	2,000	1,814	2,000	409,160	1,814	2,000	31.37%	28.45%
Sextet Dorea Mine	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%
Smith Coal	1,939,150	4,613	4,736	4,745	4,745	4,384	4,745	1,713,050	4,384	4,745	54.35%	50.21%
Valley Grain	537,080	1,595	2,042	1,731	1,859	1,549	1,859	490,690	1,549	1,859	44.06%	36.71%
Victory Processing	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%
TOTAL HU	168,539,780	274,854	316,806	279,370	316,936	279,974	316,474	182,386,310	279,974	316,474	90.60%	80.15%

INDUSTRIALS	KWH	FEBRUARY 1997		MARCH 1997		APRIL 1997		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR	
		PEAK DEMAND	BILLING DEMAND	ACTUAL	BILLED	ACTUAL	BILLED				ACTUAL	BILLED
A-CMI	705,820	1,285	1,285	1,270	1,285	1,240	1,285	733,460	1,240	1,285	82.27%	79.39%
Alcoa	171,830	310	353	297	353	272	353	153,310	272	353	78.39%	60.40%
Commonwealth	21,411,600	39,311	40,639	38,846	40,639	39,650	40,639	22,505,000	39,650	40,639	78.94%	77.02%
NSA	235,579,020	355,149	355,149	356,476	356,476	355,340	355,340	250,254,200	355,340	355,340	97.96%	97.96%
Scott Paper/Kimberly Clark	16,496,600	28,901	28,901	28,426	28,426	28,598	28,598	16,541,000	28,598	28,598	80.44%	80.44%
Southwire R/C	2,534,980	4,510	4,588	4,506	4,588	4,510	4,588	2,624,800	4,510	4,588	80.96%	79.57%
Willamette	31,236,100	49,226	49,010	50,964	50,964	51,732	51,732	32,587,200	51,732	51,732	87.61%	87.61%
World Source/Arvin	2,519,390	4,188	7,000	4,249	7,000	4,196	7,000	2,639,390	4,196	7,000	87.49%	52.44%
TOTAL GREEN RIVER	310,655,340	482,880	486,925	485,024	489,721	485,538	489,535	328,038,360	485,538	489,535	93.97%	93.20%
TOTAL ALL INDUSTRIALS	483,422,820	766,277	814,811	817,737	817,737	773,763	817,089	514,064,770	773,763	817,089	92.40%	87.50%

*NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

LARGE INDUSTRIALS
ENERGY KWH
PEAK DEMAND
BILLING DEMAND
LOAD FACTOR
36 MONTHS
REQUESTED BY PSC

INDUSTRIALS	MAY 1997						JUNE 1997						JULY 1997					
	KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR				
				ACTUAL	BILLED				ACTUAL	BILLED				ACTUAL	BILLED			
Accuride	3,201,550	5,746	5,972	74.86%	72.06%	2,676,620	5,700	5,972	65.22%	62.25%	3,047,800	5,904	5,972	63.39%	68.60%			
Alean Aluminum	168,573,900	234,749	265,000	96.52%	85.50%	162,864,200	234,403	265,000	96.50%	85.36%	164,841,700	228,442	265,000	96.99%	83.61%			
Black Diamond	337,680	962	1,060	47.18%	42.82%	334,940	1,019	1,060	45.65%	43.89%	346,090	1,025	1,060	45.38%	43.88%			
Beechridge	3,677,610	8,713	10,445	56.73%	47.32%	3,192,530	9,288	10,445	47.75%	42.45%	3,409,230	9,841	10,445	46.37%	43.87%			
Cardinal River	856,090	1,992	2,311	57.76%	49.79%	820,410	2,048	2,311	55.64%	49.31%	678,190	1,966	2,311	46.37%	39.44%			
CR Mining	106,110	1,027	1,027	13.76%	13.76%	201,400	1,121	1,121	24.95%	24.95%	219,970	1,326	1,326	22.30%	22.30%			
Costain East Portal	3,497,360	6,917	8,033	67.96%	58.52%	3,639,870	6,936	8,033	72.89%	62.93%	3,388,220	5,177	5,177	0.00%	0.00%			
Dotiki	321,360	498	536	86.73%	80.58%	319,020	503	536	88.09%	82.66%	338,220	517	536	87.93%	84.81%			
Green Coal Company	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0.00%	0.00%				
Hudson	3,722,540	7,698	7,698	65.00%	65.00%	3,972,270	8,230	8,230	67.04%	67.04%	4,328,880	9,182	9,182	63.37%	63.37%			
Knight Construction	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0.00%	0.00%				
KBI Alloys	714,120	1,931	2,035	49.71%	47.17%	711,740	2,216	2,216	44.61%	44.61%	793,140	2,063	2,216	51.67%	48.11%			
Lodestar Energy	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	3,369,360	6,719	7,311	67.40%	61.94%			
Patrol Coal	985,190	2,451	2,627	54.03%	50.41%	859,680	2,287	2,627	52.21%	45.45%	746,710	2,344	2,627	42.82%	38.20%			
Pittsburg P&M	888,900	2,243	2,750	53.27%	43.45%	922,360	2,340	2,750	54.75%	46.58%	646,270	2,170	2,750	40.03%	31.59%			
Providence #1	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0.00%	0.00%				
Sextel Dorea Mine	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0.00%	0.00%				
Smith Coal	1,797,100	4,226	4,745	57.16%	50.91%	1,681,200	4,102	4,745	56.92%	49.21%	1,197,790	3,694	4,745	43.58%	33.93%			
Valley Grain	500,600	1,594	1,859	42.21%	36.19%	532,160	1,445	1,859	51.15%	39.76%	568,250	1,391	1,731	54.91%	44.12%			
Victory Processing	356,270	1,705	1,705	28.24%	28.24%	336,440	1,837	1,837	25.44%	25.44%	309,710	1,761	1,837	23.64%	22.66%			
TOTAL HU	189,537,380	282,452	317,803	90.19%	80.16%	183,064,840	283,473	318,742	89.69%	79.77%	184,841,310	278,345	319,049	89.26%	77.87%			

INDUSTRIALS	MAY 1997						JUNE 1997						JULY 1997					
	KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR				
				ACTUAL	BILLED				ACTUAL	BILLED				ACTUAL	BILLED			
A-CMI	757,840	1,255	1,285	81.16%	79.27%	800,590	1,436	1,436	77.43%	77.43%	907,710	1,739	1,739	70.16%	70.16%			
Alcoa	180,840	287	353	84.69%	68.86%	162,770	287	353	78.77%	64.04%	183,880	297	353	83.22%	70.01%			
Commonwealth	23,015,000	39,636	40,639	78.05%	76.12%	21,786,900	39,860	40,639	75.91%	74.46%	23,342,800	39,662	40,639	79.11%	77.20%			
NSA	258,239,658	353,961	353,961	98.06%	98.06%	249,819,870	355,278	355,278	97.66%	97.66%	259,520,910	355,575	355,575	96.10%	98.10%			
Scott Paper/Kimberly Clark	19,226,800	28,253	26,598	91.46%	90.36%	18,762,300	28,771	28,771	90.51%	90.51%	19,890,600	29,117	29,117	91.82%	91.82%			
Southwire R/C	2,678,640	4,467	4,588	80.60%	78.47%	2,702,130	4,575	4,588	82.03%	81.80%	2,801,090	4,588	4,588	82.06%	82.06%			
Willmette	35,723,100	51,127	51,732	93.91%	92.81%	34,783,500	51,084	51,732	94.51%	93.99%	35,761,200	50,911	51,732	94.41%	92.91%			
World Source/Arvin	2,701,250	4,082	7,000	88.94%	51.87%	2,800,230	4,302	7,000	90.40%	55.56%	3,036,690	4,453	7,000	91.66%	58.31%			
TOTAL GREEN RIVER	342,522,128	483,068	488,156	95.30%	94.31%	331,618,290	485,593	489,797	94.85%	94.04%	345,444,880	486,342	490,743	95.47%	94.61%			

TOTAL ALL INDUSTRIALS	536,892,308	775,920	817,039	93.00%	88.32%	519,687,130	779,823	819,523	92.56%	88.07%	534,905,490	773,176	820,776	92.99%	87.60%
TOTAL JP (Shell)	4,832,800	10,400	11,080	62.46%	58.63%	5,004,000	10,757	10,984	64.61%	63.27%	4,619,300	8,489	10,984	73.14%	56.53%

*NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

LARGE INDUSTRIALS
ENERGY KWH
PEAK DEMAND
BILLING DEMAND
LOAD FACTOR
36 MONTHS
REQUESTED BY PSC

INDUSTRIALS	AUGUST 1997						SEPTEMBER 1997						OCTOBER 1997					
	KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR				
				ACTUAL	BILLED				ACTUAL	BILLED				ACTUAL	BILLED			
Accurde	3,408,470	5,806	5,972	78.91%	76.71%	3,275,670	5,821	5,821	78.16%	78.16%	3,356,650	5,685	5,685	79.25%	79.25%			
Alcan Aluminum	165,062,000	229,392	265,000	96.72%	83.72%	160,131,300	231,811	231,811	95.94%	95.94%	166,485,400	231,293	231,293	96.62%	96.62%			
Black Diamond	383,100	1,060	1,060	48.58%	48.58%	386,960	1,055	1,055	50.94%	50.94%	401,240	1,014	1,014	53.11%	53.11%			
Breckridge	3,833,900	10,200	10,445	50.52%	49.34%	4,382,280	10,515	10,515	57.88%	57.88%	4,473,610	10,364	10,364	57.94%	57.94%			
Cardinal River	853,710	2,022	2,311	56.75%	49.65%	853,180	1,948	1,948	60.83%	60.83%	847,790	2,082	2,082	54.66%	54.66%			
CR Mining	235,450	1,339	1,339	23.63%	23.63%	361,150	1,540	1,540	32.57%	32.57%	398,290	1,588	1,588	33.66%	33.66%			
Costain East Portal	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Dodiki	334,390	508	536	88.47%	83.85%	318,060	505	505	87.48%	87.48%	331,310	513	513	86.69%	86.69%			
Green Coal Company	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Hudson	4,342,800	8,903	9,182	65.56%	63.57%	4,545,150	8,852	8,852	71.31%	71.31%	4,740,840	8,936	8,936	71.21%	71.21%			
Knight Construction	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
KBI Alloys	803,780	2,065	2,216	52.32%	48.75%	759,980	1,981	1,981	53.28%	53.28%	882,240	2,195	2,195	53.95%	53.95%			
Lodestar Energy	3,622,690	6,376	7,169	76.37%	67.92%	3,581,840	6,615	6,615	75.20%	75.20%	3,195,920	6,782	6,782	63.25%	63.25%			
Patrol Coal	1,054,910	2,457	2,627	57.71%	53.97%	1,104,760	2,561	2,561	59.91%	59.91%	1,115,550	2,700	2,700	55.46%	55.46%			
Pittsburg P&M	956,550	2,448	2,618	52.52%	49.11%	812,320	2,240	2,240	50.37%	50.37%	945,540	2,205	2,205	57.56%	57.56%			
Providence #1	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Sextel Dorena Mine	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Smith Coal	1,619,090	3,827	4,745	56.86%	45.86%	1,656,690	3,960	3,960	58.11%	58.11%	1,583,840	4,042	4,042	52.60%	52.60%			
Valley Grain	497,320	1,570	1,731	42.58%	38.62%	647,360	1,459	1,459	61.63%	61.63%	601,610	1,663	1,663	48.56%	48.56%			
Victory Processing	349,390	1,856	1,856	25.30%	25.30%	358,250	1,826	1,826	27.25%	27.25%	370,570	1,856	1,856	26.80%	26.80%			
TOTAL HU	187,357,550	279,829	318,807	89.99%	78.99%	183,174,950	282,689	282,689	90.00%	90.00%	189,730,360	282,918	282,918	90.02%	90.02%			

TOTAL JP (Shell)	4,813,800	10,962	10,962	59.02%	59.02%	4,638,100	8,500	8,500	75.79%	75.79%	4,671,300	8,348	8,348	75.11%	75.11%
-------------------------	------------------	---------------	---------------	---------------	---------------	------------------	--------------	--------------	---------------	---------------	------------------	--------------	--------------	---------------	---------------

A-CMI	997,240	1,799	1,799	74.51%	74.51%	967,790	1,867	1,867	72.00%	72.00%	1,051,500	1,950	1,950	72.38%	72.38%
Alcoa	186,850	297	353	84.56%	71.15%	173,570	287	320	84.00%	75.33%	146,350	287	320	68.45%	61.39%
Commonwealth	23,461,300	39,721	40,639	79.39%	77.60%	22,151,400	39,536	39,536	77.82%	77.82%	22,303,200	39,466	39,466	75.86%	75.86%
NSA	259,671,540	356,822	356,822	97.81%	97.81%	253,471,000	356,042	358,042	98.32%	98.32%	263,433,000	360,461	360,461	98.10%	98.10%
Scott Paper/Kimberly Clark	19,205,300	29,160	29,160	88.52%	88.52%	19,153,300	29,462	29,462	90.32%	90.32%	19,605,500	28,814	28,814	91.33%	91.33%
Southwest R/C	2,808,460	4,519	4,588	83.53%	82.28%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%
Williamsite	36,378,900	51,559	51,732	94.84%	94.52%	34,489,800	51,170	51,170	93.61%	93.61%	31,521,300	51,386	51,386	82.34%	82.34%
World Source/Arvin	2,894,170	4,453	7,000	87.36%	55.57%	2,942,520	4,453	4,453	91.78%	91.78%	2,944,130	4,324	4,324	91.39%	91.39%
TOTAL GREEN RIVER	346,603,760	488,330	492,093	95.12%	94.40%	333,356,380	484,817	484,850	95.50%	95.49%	341,004,980	486,688	486,721	94.05%	94.04%

TOTAL ALL INDUSTRIALS	537,775,110	779,121	821,862	92.77%	87.95%	521,168,430	776,006	776,039	93.28%	93.27%	535,406,640	777,954	777,987	92.38%	92.38%
------------------------------	--------------------	----------------	----------------	---------------	---------------	--------------------	----------------	----------------	---------------	---------------	--------------------	----------------	----------------	---------------	---------------

*NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

LARGE INDUSTRIALS
ENERGY KWH
PEAK DEMAND
BILLING DEMAND
LOAD FACTOR
36 MONTHS
REQUESTED BY PSC

INDUSTRIALS	TOTAL NOVEMBER 1996 - OCTOBER 1997 KWH	PEAK DEMAND		BILLING DEMAND		LOAD FACTOR	
		ACTUAL	BILLED	ACTUAL	BILLED	ACTUAL	BILLED
Accorde	36,020,670	68,243	70,478	72.31%	70.01%		
Alcan Aluminum	1,956,241,200	2,778,970	3,113,104	96.43%	86.08%		
Black Diamond	4,200,040	11,937	12,669	48.20%	45.41%		
Breckridge	46,376,040	117,994	124,195	53.84%	51.15%		
Cardinal River	9,555,030	24,561	27,140	53.29%	48.23%		
CR Mining	1,843,380	6,545	8,681	29.55%	29.09%		
Costain East Portal	29,218,970	56,198	64,264	71.22%	62.28%		
Dofik	3,943,930	6,080	6,347	88.86%	85.12%		
Green Coal Company	82,850	205	1,585	55.36%	7.16%		
Hudson	44,338,640	91,109	92,931	66.67%	65.36%		
Knight Construction	276,600	772	1,002	49.08%	37.81%		
KBI Alloys	9,096,690	24,194	25,189	51.51%	49.47%		
Lodestar Energy	13,769,810	26,492	27,877	71.20%	67.66%		
Patrol Coal	11,661,960	29,696	31,367	53.80%	50.93%		
Pittsburg P&M	10,532,840	26,044	31,813	55.40%	45.35%		
Providence #1	2,830,760	11,170	12,076	34.72%	32.11%		
Saxel Dorena Mine	1,065,580	3,710	7,551	39.34%	19.33%		
Smith Coal	21,530,450	51,616	55,251	57.14%	53.38%		
Valley Grain	6,389,500	18,632	22,188	46.98%	39.45%		
Victory Processing	2,082,630	10,841	10,917	26.32%	26.13%		
TOTAL HU	2,211,057,560	3,367,009	3,746,626	89.96%	80.84%		

TOTAL JP (Shell)	52,277,000	106,780	127,338	67.07%	56.24%		
-------------------------	-------------------	----------------	----------------	---------------	---------------	--	--

A-CMI	8,436,320	15,119	15,209	76.44%	75.99%		
Alcoa	3,403,900	5,976	6,466	78.03%	72.11%		
Commonwealth	289,464,140	472,791	485,412	78.07%	76.04%		
NSA	3,061,591,475	4,274,803	4,274,803	98.11%	98.11%		
Scott Paper/Kimberly Clark	198,557,200	332,510	332,855	81.80%	81.72%		
Southwire R/C	26,682,240	45,149	45,880	80.96%	79.67%		
Williams	407,965,200	604,128	606,245	92.51%	92.18%		
World Source/Arvin	33,228,440	50,887	78,777	89.45%	57.78%		
TOTAL GREEN RIVER	4,009,328,915	5,801,363	5,945,647	94.67%	93.95%		

TOTAL ALL INDUSTRIALS	6,272,663,475	9,275,152	9,719,610	92.64%	88.41%		
------------------------------	----------------------	------------------	------------------	---------------	---------------	--	--

NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

LARGE INDUSTRIALS
ENERGY KWH
PEAK DEMAND
BILLING DEMAND
LOAD FACTOR
36 MONTHS
REQUESTED BY PSC

INDUSTRIALS	NOVEMBER 1997						DECEMBER 1997						JANUARY 1998					
	KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR				
				ACTUAL	BILLED				ACTUAL	BILLED				ACTUAL	BILLED			
Accuride	2,872,620	5,481	5,481	72.79%	72.79%	2,740,050	5,647	5,647	65.22%	65.22%	2,981,230	5,746	5,746	69.74%	69.74%			
Alcan Aluminum	164,291,200	234,662	234,662	97.24%	97.24%	170,448,200	234,662	234,662	97.63%	97.63%	171,335,000	235,267	235,267	97.88%	97.88%			
Black Diamond	383,850	1,094	1,094	48.73%	48.73%	396,200	1,096	1,096	48.59%	48.59%	428,180	1,085	1,085	53.04%	53.04%			
Breckinridge	3,682,920	9,734	9,734	52.55%	52.55%	3,725,330	9,727	9,727	51.48%	51.48%	4,362,370	9,696	9,696	60.47%	60.47%			
Cardinal River	865,730	2,074	2,074	57.98%	57.98%	855,630	2,056	2,056	55.94%	55.94%	909,590	1,931	1,931	63.31%	63.31%			
CR Mining	398,730	1,670	1,670	33.16%	33.16%	377,710	1,544	1,544	32.88%	32.88%	419,970	1,657	1,657	34.07%	34.07%			
Costain East Portal	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Dobbi	308,500	478	501	89.64%	85.52%	317,690	471	501	90.66%	85.23%	313,610	467	501	90.26%	84.14%			
Green Coal Company	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Hudson	3,898,840	8,223	8,223	65.85%	65.85%	4,488,620	8,340	8,340	72.31%	72.31%	4,384,480	8,489	8,489	69.42%	69.42%			
Knight Construction	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
KBI Alloys	695,480	2,179	2,179	44.33%	44.33%	772,660	1,983	1,983	52.37%	52.37%	797,780	2,074	2,074	51.70%	51.70%			
Lodestar Energy	3,738,300	6,589	6,589	78.68%	78.68%	3,842,150	6,943	6,943	74.38%	74.38%	3,874,820	6,719	6,719	77.51%	77.51%			
Palrot Coal	1,230,690	2,920	2,920	58.54%	58.54%	1,295,990	2,885	2,885	60.38%	60.38%	1,025,250	2,741	2,741	50.27%	50.27%			
Pittsburg P&M	940,240	2,403	2,403	54.34%	54.34%	950,410	2,155	2,155	59.28%	59.28%	1,013,940	2,249	2,249	60.60%	60.60%			
Providence #1	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Sextet Dorea Mine	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Smith Coal	1,934,030	4,706	4,706	57.08%	57.08%	2,063,940	4,480	4,480	61.92%	61.92%	2,299,370	4,696	4,696	65.81%	65.81%			
Valley Grain	640,540	1,931	1,931	46.07%	46.07%	659,180	1,670	1,670	53.05%	53.05%	623,880	1,656	1,656	50.64%	50.64%			
Victory Processing	424,050	2,030	2,030	29.01%	29.01%	493,650	2,170	2,170	30.58%	30.58%	495,930	2,053	2,053	32.47%	32.47%			
TOTAL HU	186,305,720	286,184	286,207	90.42%	90.41%	193,265,410	285,829	285,859	90.96%	90.95%	195,265,410	286,526	286,560	91.60%	91.59%			

TOTAL JP (Shell)	3,964,200	7,711	7,711	71.40%	71.40%	4,250,200	8,014	8,014	71.46%	71.46%	4,236,400	7,895	7,895	72.12%	72.12%
-------------------------	------------------	--------------	--------------	---------------	---------------	------------------	--------------	--------------	---------------	---------------	------------------	--------------	--------------	---------------	---------------

A-CMI	1,019,610	1,905	1,905	74.34%	74.34%	1,062,730	2,155	2,155	66.28%	66.28%	1,215,440	2,117	2,117	77.17%	77.17%
Alcoa	175,360	330	330	73.80%	73.80%	192,250	353	353	73.20%	73.20%	201,080	343	343	78.80%	78.80%
Commonwealth	22,452,700	39,390	39,390	79.17%	79.17%	19,325,400	38,250	38,250	67.91%	67.91%	22,662,400	39,627	39,627	76.87%	76.87%
NSA	255,257,700	360,576	360,576	98.32%	98.32%	264,322,000	363,802	363,802	97.66%	97.66%	263,102,000	358,963	358,963	98.51%	98.51%
Scott Paper/Kimberly Clark	18,960,700	28,382	28,382	92.79%	92.79%	17,731,100	28,210	28,210	84.48%	84.48%	18,940,350	28,296	28,296	89.97%	89.97%
Southwire R/C	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0.00%	0.00%	
Williamette	35,929,400	52,682	52,682	94.72%	94.72%	37,492,800	53,914	53,914	93.47%	93.47%	38,047,600	53,784	53,784	95.08%	95.08%
World Source/Arvin	2,632,130	4,166	4,166	87.75%	87.75%	2,612,730	4,105	4,105	85.55%	85.55%	2,393,940	4,098	4,098	78.52%	78.52%
TOTAL GREEN RIVER	336,426,900	487,431	487,431	95.86%	95.86%	342,739,010	490,789	490,789	93.86%	93.86%	346,562,810	487,228	487,228	95.60%	95.60%

TOTAL ALL INDUSTRIALS	526,696,820	781,328	781,349	93.63%	93.62%	540,424,620	784,532	784,662	92.58%	92.57%	546,064,620	781,649	781,583	93.90%	93.89%
------------------------------	--------------------	----------------	----------------	---------------	---------------	--------------------	----------------	----------------	---------------	---------------	--------------------	----------------	----------------	---------------	---------------

*NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

LARGE INDUSTRIALS
ENERGY KWH
PEAK DEMAND
BILLING DEMAND
LOAD FACTOR
36 MONTHS
REQUESTED BY PSC

INDUSTRIALS	FEBRUARY 1998						MARCH 1998						APRIL 1998					
	KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	BILLED		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	BILLED		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	BILLED	
Accurdie	2,617,600	5,632	5,632	69.16%	69.16%		2,897,350	5,194	5,194	74.98%	74.98%		2,923,790	5,194	5,194	78.29%	78.29%	
Alcan Aluminum	153,719,200	234,835	234,835	97.41%	97.41%		170,469,600	234,835	234,835	97.57%	97.57%		164,792,000	236,822	236,822	96.78%	96.78%	
Black Diamond	395,410	1,114	1,114	52.82%	52.82%		377,300	1,124	1,124	45.12%	45.12%		402,720	1,131	1,131	49.52%	49.52%	
Breckinridge	3,329,890	10,244	10,244	48.37%	48.37%		5,112,390	11,460	11,460	59.96%	59.96%		4,024,800	11,120	11,120	50.34%	50.34%	
Cardinal River	842,480	2,039	2,039	61.49%	61.49%		889,780	2,069	2,069	57.80%	57.80%		850,640	1,961	2,001	60.33%	59.12%	
CR Mining	399,430	1,578	1,578	37.67%	37.67%		447,450	1,569	1,569	38.33%	38.33%		333,810	1,430	1,430	32.47%	32.47%	
Costain East Portal	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
Dofdt	274,830	461	501	88.71%	81.63%		308,320	462	501	89.70%	82.72%		293,090	454	501	89.79%	81.36%	
Green Coal Company	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
Hudson	4,201,500	8,554	8,554	73.09%	73.09%		4,377,510	8,372	8,372	70.28%	70.28%		4,272,730	8,638	8,638	68.80%	68.80%	
Knight Construction	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
KBI Alloys	709,940	2,024	2,024	52.20%	52.20%		654,180	2,106	2,106	41.75%	41.75%		673,130	1,875	2,001	49.93%	46.79%	
Lodestar Energy	3,763,210	7,588	7,588	73.80%	73.80%		4,001,040	7,456	7,456	72.13%	72.13%		3,670,830	7,245	7,245	70.47%	70.47%	
Patrol Coal	948,600	2,662	2,662	53.03%	53.03%		955,100	2,718	2,718	47.23%	47.23%		918,130	2,574	2,574	49.61%	49.61%	
Pittsburg P&M	908,160	2,139	2,139	63.18%	63.18%		987,270	2,249	2,249	59.00%	59.00%		803,410	2,419	2,419	46.19%	46.19%	
Providence #1	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
Sextet Doreas Mine	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
Smith Coal	1,988,030	4,527	4,527	65.35%	65.35%		2,030,330	4,720	4,720	57.82%	57.82%		1,416,350	3,692	3,692	53.36%	53.36%	
Valley Grain	494,760	1,593	1,593	46.22%	46.22%		629,700	1,890	1,890	44.78%	44.78%		623,450	1,585	1,585	54.71%	54.71%	
Victory Processing	470,540	2,200	2,200	31.83%	31.83%		435,380	1,996	1,996	29.32%	29.32%		348,520	1,709	1,709	28.36%	28.36%	
TOTAL HU	175,063,680	287,190	287,230	90.71%	90.70%		194,572,700	288,220	288,259	90.74%	90.72%		186,347,400	287,849	288,062	90.04%	89.97%	

TOTAL JP (Shell)	4,053,000	8,251	8,251	73.10%	73.10%		5,018,100	10,897	10,897	61.90%	61.90%		4,729,000	10,260	10,260	64.11%	64.11%
-------------------------	------------------	--------------	--------------	---------------	---------------	--	------------------	---------------	---------------	---------------	---------------	--	------------------	---------------	---------------	---------------	---------------

A-CMI	1,105,100	2,215	2,215	74.24%	74.24%		1,231,230	2,313	2,313	71.55%	71.55%		1,202,130	2,351	2,351	71.12%	71.12%
Alcoa	172,170	335	335	76.48%	76.48%		204,070	363	363	75.56%	75.56%		164,870	307	320	74.69%	71.66%
Commonwealth	20,791,800	39,698	39,698	77.94%	77.94%		21,473,600	39,632	39,632	72.83%	72.83%		21,036,700	38,721	38,721	75.56%	75.56%
NSA	237,000,000	357,811	357,811	98.57%	98.57%		264,035,000	361,728	361,728	98.11%	98.11%		254,268,000	359,076	359,076	98.49%	98.49%
Scott Paper/Kimberly Clark	17,847,200	28,598	28,598	92.87%	92.87%		20,435,400	29,722	29,722	92.41%	92.41%		18,008,200	29,851	29,851	83.90%	83.90%
Southwire R/C	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%
Williamette	34,655,800	54,756	54,756	94.18%	94.18%		38,863,500	56,203	56,203	92.94%	92.94%		37,360,600	55,944	55,944	92.93%	92.93%
World Source/Arvin	2,535,330	4,196	4,196	89.91%	89.91%		2,576,340	4,219	4,219	82.08%	82.08%		2,610,210	4,234	4,234	85.74%	85.74%
TOTAL GREEN RIVER	314,107,400	487,609	487,609	95.86%	95.86%		348,819,140	494,180	494,180	94.87%	94.87%		334,690,710	490,486	490,499	94.90%	94.90%

TOTAL ALL INDUSTRIALS	493,223,980	783,060	783,090	93.73%	93.73%		648,409,940	793,297	793,336	92.92%	92.91%		625,767,110	788,595	788,821	92.73%	92.70%
------------------------------	--------------------	----------------	----------------	---------------	---------------	--	--------------------	----------------	----------------	---------------	---------------	--	--------------------	----------------	----------------	---------------	---------------

NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

INDUSTRIALS	MAY 1998						JUNE 1998						JULY 1998					
	KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR				
				ACTUAL	BILLED				ACTUAL	BILLED				ACTUAL	BILLED			
Accuride	3,039,940	5,390	5,390	75.81%	75.81%	3,094,210	5,655	5,655	75.99%	75.99%	3,092,920	5,693	5,693	73.02%	73.02%			
Alcan Aluminum	168,737,400	233,971	233,971	96.93%	96.93%	164,263,500	234,749	234,749	97.19%	97.19%	94,089,469	235,008	235,008	53.81%	53.81%			
Black Diamond	392,830	1,070	1,070	49.35%	49.35%	402,320	1,107	1,107	50.48%	50.48%	322,420	1,075	1,075	40.31%	40.31%			
Breckridge	4,128,140	10,546	10,546	52.61%	52.61%	3,618,510	10,112	10,112	49.70%	49.70%	3,507,900	9,261	9,261	50.91%	50.91%			
Cardinal River	920,320	2,039	2,039	60.67%	60.67%	796,300	2,138	2,138	51.73%	51.73%	588,170	1,776	2,001	44.51%	38.51%			
CR Mining	338,060	1,449	1,449	31.96%	31.96%	197,360	1,121	1,121	24.45%	24.45%	62,190	1,065	1,065	7.85%	7.85%			
Costain East Portal	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Dalliki	313,890	481	501	87.71%	84.21%	314,660	482	501	88.83%	87.23%	332,500	501	501	89.20%	89.20%			
Green Coal Company	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Hudson	4,619,360	8,806	8,806	70.51%	70.51%	5,052,510	9,454	9,454	74.23%	74.23%	5,341,720	9,759	9,759	73.57%	73.57%			
Knight Construction	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
KBI Alloys	722,780	1,989	2,001	48.84%	48.55%	644,330	1,950	2,001	45.89%	44.72%	727,810	1,618	2,001	60.46%	48.89%			
Lodestar Energy	4,053,830	6,996	6,996	77.88%	77.88%	3,858,310	6,769	6,769	79.17%	79.17%	3,909,220	6,914	6,914	76.00%	76.00%			
Patrol Coal	832,760	2,548	2,548	43.83%	43.83%	864,520	2,611	2,611	45.99%	45.99%	781,730	2,501	2,501	42.01%	42.01%			
Pittsburg P&M	904,160	2,164	2,164	56.16%	56.16%	739,580	1,922	1,922	53.44%	53.44%	757,730	2,076	2,076	49.06%	49.06%			
Providence #1	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Sextet Dorena Mine	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Smith Coal	1,452,300	3,653	3,653	53.44%	53.44%	469,180	3,509	3,509	18.57%	18.57%	612,280	3,055	3,055	26.94%	26.94%			
Valley Grain	797,140	1,483	1,483	72.25%	72.25%	755,910	1,473	1,473	71.27%	71.27%	838,570	1,531	1,531	73.62%	73.62%			
Victory Processing	336,350	1,709	1,709	26.45%	26.45%	310,240	1,678	1,678	25.68%	25.68%	262,735	1,659	1,659	21.29%	21.29%			
TOTAL HU	191,689,260	284,294	284,326	90.58%	90.57%	185,381,440	284,740	284,800	90.42%	90.41%	115,227,364	283,492	284,100	64.63%	64.61%			

TOTAL JP (Shell)	4,444,500	8,402	8,402	71.10%	71.10%	3,686,300	10,066	10,066	50.86%	50.86%	5,121,400	10,552	10,552	65.24%	65.24%
-------------------------	------------------	--------------	--------------	---------------	---------------	------------------	---------------	---------------	---------------	---------------	------------------	---------------	---------------	---------------	---------------

A-CMI	1,306,690	2,374	2,374	73.98%	73.98%	1,416,420	2,449	2,449	80.33%	80.33%	1,444,000	2,548	2,548	76.17%	76.17%
Alcoa	181,460	297	320	82.12%	76.22%	186,600	307	320	84.42%	80.99%	198,430	320	320	83.35%	83.35%
Commonwealth	20,241,700	38,991	38,991	69.78%	69.78%	20,213,400	37,433	37,433	75.00%	75.00%	20,734,400	40,556	40,556	68.72%	68.72%
NSA	264,287,000	361,267	361,267	98.33%	98.33%	256,972,000	363,110	363,110	98.29%	98.29%	146,438,725	364,608	364,608	53.98%	53.98%
Scott Paper/Kimberly Clark	21,132,700	31,190	31,190	91.07%	91.07%	20,901,300	31,190	31,190	93.07%	93.07%	21,614,800	31,406	31,406	92.51%	92.51%
Southwire R/C	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0.00%	0.00%	
Williamette	39,777,060	64,778	64,778	82.53%	82.53%	48,177,600	78,689	78,689	85.04%	85.04%	56,073,500	79,812	79,812	94.43%	94.43%
World Source/Arvin	3,018,500	4,559	4,559	88.99%	88.99%	2,532,980	4,604	4,604	76.41%	76.41%	2,972,320	4,528	4,528	88.23%	88.23%
TOTAL GREEN RIVER	349,946,110	503,466	503,479	93.43%	93.42%	350,400,200	517,782	517,795	93.99%	93.99%	249,476,175	523,778	523,778	64.02%	64.02%

TOTAL ALL INDUSTRIALS	646,978,870	796,152	796,207	92.17%	92.17%	639,467,940	812,588	812,661	92.21%	92.20%	369,824,939	817,822	818,430	60.78%	60.74%
------------------------------	--------------------	----------------	----------------	---------------	---------------	--------------------	----------------	----------------	---------------	---------------	--------------------	----------------	----------------	---------------	---------------

*NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

INDUSTRIALS	AUGUST 1998						SEPTEMBER 1998						OCTOBER 1998					
	KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	BILLED		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	BILLED		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	BILLED	
Accurdie	3,500,400	6,078	6,078	77.41%	77.41%		3,234,800	5,814	5,814	77.28%	77.28%		2,883,660	5,693	5,693	67.99%	67.99%	
Alcan Aluminum	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
Black Diamond	374,100	1,070	1,070	46.99%	46.99%		381,190	1,150	1,150	46.04%	46.04%		441,140	1,137	1,137	52.08%	52.08%	
Breckinridge	3,072,520	9,545	9,545	43.27%	43.27%		3,152,440	8,675	8,675	50.47%	50.47%		2,851,340	8,650	8,650	44.25%	44.25%	
Cardinal River	780,400	1,784	2,001	58.80%	52.42%		762,540	1,823	2,001	58.10%	52.93%		702,400	1,650	2,001	57.14%	47.12%	
CR Milling	47,840	120	501	53.58%	12.83%		45,350	110	501	57.26%	12.57%		46,720	98	501	63.99%	12.52%	
Costain East Portal	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
Dotiki	335,450	508	508	88.75%	88.75%		317,410	491	501	89.79%	87.99%		316,830	495	501	85.91%	84.89%	
Green Coal Company	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
Hudson	5,343,850	9,986	9,986	71.93%	71.93%		4,908,400	9,726	9,726	70.09%	70.09%		4,671,300	9,869	9,869	63.53%	63.53%	
Knight Construction	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
KBI Alloys	750,960	2,182	2,182	46.26%	46.26%		698,212	1,963	2,001	48.40%	48.46%		699,040	1,782	2,001	52.65%	46.89%	
Lodestar Energy	3,519,510	7,147	7,147	66.19%	66.19%		3,993,260	7,541	7,541	73.55%	73.55%		4,343,620	7,869	7,869	74.09%	74.09%	
Patrick Coal	907,350	2,429	2,429	50.21%	50.21%		846,440	2,615	2,615	44.96%	44.96%		780,970	2,460	2,460	42.61%	42.61%	
Pittsburg P&M	911,080	2,098	2,098	58.37%	58.37%		862,220	2,290	2,290	52.29%	52.29%		967,040	2,249	2,249	57.12%	57.12%	
Providence #1	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
Saxet Darea Mine	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
Smith Coal	926,730	3,267	3,267	38.13%	38.13%		768,770	3,449	3,449	30.96%	30.96%		879,980	3,316	3,316	35.62%	35.62%	
Valley Grain	786,990	1,477	1,477	71.53%	71.53%		873,170	1,742	1,742	69.62%	69.62%		826,370	1,763	1,763	62.92%	62.92%	
Victory Processing	273,190	1,618	1,618	22.69%	22.69%		312,300	1,686	1,686	25.73%	25.73%		344,280	1,686	1,686	27.41%	27.41%	
TOTAL HU	21,529,370	49,309	49,907	68.69%	67.98%		21,156,502	49,075	49,692	69.88%	69.13%		20,744,690	48,717	49,696	67.16%	66.03%	

INDUSTRIALS	AUGUST 1998						SEPTEMBER 1998						OCTOBER 1998					
	KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	BILLED		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	BILLED		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	BILLED	
A-CMI	1,501,930	2,676	2,676	75.44%	75.44%		1,459,840	2,563	2,563	79.11%	79.11%		1,523,590	2,805	2,805	72.91%	72.91%	
Alcoa	198,860	325	325	82.24%	82.24%		190,940	310	320	85.55%	82.87%		208,520	406	406	68.94%	68.94%	
Commonwealth	19,339,800	35,059	35,059	74.14%	74.14%		19,817,514	38,245	38,245	71.97%	71.97%		21,166,100	39,241	39,241	72.40%	72.40%	
NSA	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
Scott Paper/Kimberly Clark	21,682,300	30,931	30,931	94.22%	94.22%		20,689,100	30,931	30,931	92.90%	92.90%		21,612,500	31,234	31,234	92.88%	92.88%	
Southwire R/C	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
Williamette	57,242,600	81,086	81,086	94.89%	94.89%		55,862,500	82,318	82,318	94.25%	94.25%		48,134,730	81,670	81,670	79.11%	79.11%	
World Source/Arvin	3,084,070	4,460	4,460	92.94%	92.94%		2,861,180	4,460	4,460	89.10%	89.10%		2,730,410	4,365	4,365	84.16%	84.16%	
TOTAL GREEN RIVER	103,049,560	154,537	154,537	89.63%	89.63%		100,881,074	158,827	158,837	88.22%	88.21%		95,375,850	159,711	159,711	80.16%	80.16%	

TOTAL ALL INDUSTRIALS		129,839,930	214,484	215,082	81.37%	81.4%	126,006,376	218,529	219,166	80.08%	79.86%	121,632,640	219,217	220,196	74.48%	74.15%
TOTAL JP (Shell)	5,261,000	10,638	10,638	66.47%	66.47%		3,968,800	10,627	10,627	61.87%	61.87%	5,512,100	10,789	10,789	68.58%	68.58%

NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

LARGE INDUSTRIALS
ENERGY KWH
PEAK DEMAND
BILLING DEMAND
LOAD FACTOR
36 MONTHS
REQUESTED BY PSC

INDUSTRIALS	TOTAL NOVEMBER 1997 - OCTOBER 1998		TOTAL NOVEMBER 1997 - OCTOBER 1998		LOAD FACTOR	
	KWH	PEAK DEMAND	BILLING DEMAND	ACTUAL	BILLED	
Accuride	35,878,570	67,217	67,217	73.12%	73.12%	
Alcan Aluminum	1,422,145,569	2,114,811	2,114,811	92.12%	92.12%	
Black Diamond	4,697,660	13,253	13,253	48.56%	48.56%	
Breckinridge	44,568,550	118,770	118,770	51.40%	51.40%	
Cardinal River	9,763,980	23,340	24,351	57.31%	54.93%	
CR Mining	3,114,620	13,411	14,586	31.81%	29.25%	
Costain East Portal	0	0	0	0.00%	0.00%	
Dobbi	3,746,780	5,761	6,019	89.09%	85.27%	
Green Coal Company	0	0	0	0.00%	0.00%	
Hudson	55,558,830	108,216	108,216	70.33%	70.33%	
Knight Construction	0	0	0	0.00%	0.00%	
KBI Alloys	8,546,302	23,725	24,554	49.35%	47.68%	
Lodestar Energy	46,568,100	85,786	85,786	74.36%	74.36%	
Patrick Coal	11,387,530	31,664	31,664	49.27%	49.27%	
Pittsburg P&M	10,735,240	26,413	26,413	55.68%	55.68%	
Providence #1	0	0	0	0.00%	0.00%	
Sartet Dorena Mine	0	0	0	0.00%	0.00%	
Smith Coal	16,841,290	47,070	47,070	49.01%	49.01%	
Valley Grain	8,548,660	19,794	19,794	59.16%	59.16%	
Victory Processing	4,507,165	22,194	22,194	27.82%	27.82%	
TOTAL HU	1,686,608,846	2,721,425	2,724,698	84.90%	84.80%	

TOTAL JP (Shell)	54,255,000	114,102	114,102	65.14%	65.14%	
-------------------------	-------------------	----------------	----------------	---------------	---------------	--

A-CMI	15,468,710	28,471	28,471	74.52%	74.52%	
Alcoa	2,274,610	3,996	4,055	77.98%	76.84%	
Commonwealth	249,255,514	464,843	464,843	73.45%	73.45%	
NSA	2,205,701,725	3,250,943	3,250,943	92.94%	92.94%	
Scott Paper/Kimberly Clark	239,555,650	359,941	359,941	91.17%	91.17%	
Southwire R/C	0	0	0	0.00%	0.00%	
Williamette	527,637,590	795,636	795,636	90.84%	90.84%	
World Source/Arvin	32,560,140	51,984	51,984	85.80%	85.80%	
TOTAL GREEN RIVER	3,272,473,939	4,956,814	4,956,873	90.46%	90.46%	

TOTAL ALL INDUSTRIALS	5,013,337,785	7,791,341	7,794,673	88.14%	88.11%	
------------------------------	----------------------	------------------	------------------	---------------	---------------	--

*NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

INDUSTRIALS	NOVEMBER 1998						DECEMBER 1998						JANUARY 1999					
	KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR				
				ACTUAL	BILLED				ACTUAL	BILLED				ACTUAL	BILLED			
Accuride	2,701,710	5,541	5,541	67.72%	67.72%	2,757,050	5,746	5,746	64.49%	64.49%	3,040,990	5,534	5,534	73.86%	73.86%			
Alcan Aluminum	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Black Diamond	365,790	1,170	1,170	43.42%	43.42%	340,990	1,152	1,152	39.78%	39.78%	344,500	1,107	1,107	41.83%	41.83%			
Breckridge	3,833,490	10,515	10,515	50.64%	50.64%	4,510,870	11,655	11,655	52.02%	52.02%	4,698,360	11,397	11,397	55.41%	55.41%			
Cardinal River	624,420	1,616	2,001	53.67%	43.34%	670,560	1,909	2,001	47.21%	45.04%	671,810	1,685	2,001	53.59%	45.13%			
CR Mining	51,820	98	501	0.00%	0.00%	48,220	95	501	68.22%	12.94%	44,210	82	501	72.47%	11.86%			
Costain East Portal	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Dedick	298,810	468	501	88.68%	82.84%	308,830	469	501	88.51%	82.85%	296,770	461	501	86.53%	79.62%			
Green Coal Company	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Hudson	4,285,090	8,508	8,508	69.95%	69.95%	4,349,060	8,482	8,482	68.92%	68.92%	4,480,580	8,359	8,359	72.05%	72.05%			
Knight Construction	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
KBI Alloys	664,390	1,970	2,001	46.84%	46.12%	851,080	2,175	2,175	52.59%	52.59%	782,940	2,179	2,179	48.29%	48.29%			
Lodestar Energy	4,272,690	8,231	8,231	72.10%	72.10%	4,302,430	8,253	8,253	70.07%	70.07%	4,286,790	8,212	8,212	70.16%	70.16%			
New Hope	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Patrol Coal	780,840	2,448	2,448	44.30%	44.30%	929,330	2,633	2,633	47.44%	47.44%	964,110	2,659	2,659	48.73%	48.73%			
Pittsburg P&M	356,580	1,704	1,704	29.06%	29.06%	254,600	488	1,500	70.12%	22.81%	285,310	488	1,500	73.07%	23.77%			
Providence #1	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Sextet Dorena Mine	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Smith Coal	964,250	3,725	3,725	35.95%	35.95%	1,291,830	3,883	3,883	44.72%	44.72%	1,423,530	4,118	4,118	46.46%	46.46%			
Valley Grain	652,730	1,481	1,481	61.21%	61.21%	726,420	1,594	1,594	61.25%	61.25%	753,880	1,653	1,653	61.30%	61.30%			
Victory Processing	375,760	1,860	1,860	28.06%	28.06%	459,610	2,011	2,011	30.72%	30.72%	391,760	1,962	1,962	26.84%	26.84%			
TOTAL HU	20,228,370	49,336	50,187	56.95%	56.98%	21,800,880	50,546	52,087	57.97%	56.26%	22,445,540	49,896	51,683	60.46%	58.37%			

INDUSTRIALS	NOVEMBER 1998						DECEMBER 1998						JANUARY 1999					
	KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR				
				ACTUAL	BILLED				ACTUAL	BILLED				ACTUAL	BILLED			
A-CMI	1,594,030	2,933	2,933	75.48%	75.48%	1,711,310	2,895	2,895	79.45%	79.45%	1,896,160	3,160	3,160	80.65%	80.65%			
Alcoa	169,230	320	320	73.45%	73.45%	179,570	388	388	62.21%	62.21%	228,370	388	388	79.11%	79.11%			
Arvin	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Commonwealth	19,141,600	37,574	37,574	70.76%	70.76%	18,403,500	37,792	37,792	65.45%	65.45%	21,749,100	37,678	37,678	77.59%	77.59%			
NSA	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Scott Paper/Kimberly Clark	20,354,500	29,938	29,938	94.43%	94.43%	21,304,200	30,542	30,542	93.76%	93.76%	21,269,600	30,931	30,931	92.43%	92.43%			
Southwire RIC	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Williams	56,040,700	82,210	82,210	94.68%	94.68%	58,389,700	82,944	82,944	94.62%	94.62%	58,457,900	83,095	83,095	94.56%	94.56%			
World Source/Arvin	2,650,050	4,241	4,241	86.79%	86.79%	2,399,480	4,302	4,302	74.97%	74.97%	2,734,230	4,271	4,271	86.05%	86.05%			
TOTAL GREEN RIVER	99,950,110	157,216	157,216	88.30%	88.30%	102,387,760	158,863	158,863	86.63%	86.63%	106,336,360	159,523	159,523	89.59%	89.59%			
TOTAL ALL INDUSTRIALS	125,817,080	217,405	218,257	80.38%	80.06%	129,287,240	220,132	221,674	78.94%	78.39%	132,727,600	220,219	222,006	81.01%	80.36%			

NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

LARGE INDUSTRIALS
ENERGY KWH
PEAK DEMAND
BILLING DEMAND
LOAD FACTOR
36 MONTHS
REQUESTED BY PSC

INDUSTRIALS	KWH	FEBRUARY 1999		MARCH 1999		APRIL 1999		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR	
		PEAK DEMAND	BILLING DEMAND	ACTUAL	BILLED	ACTUAL	BILLED				ACTUAL	BILLED					
Accorde	3,023,870	5,587	5,567	80.54%	80.54%	3,390,710	5,662	5,662	80.49%	80.49%	2,895,160	5,921	5,821	69.17%	69.17%	69.17%	69.17%
Alcan Aluminum	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0.00%	0.00%
Black Diamond	311,850	1,129	1,129	41.10%	41.10%	165,180	317	317	70.04%	70.04%	35,430	255	255	19.32%	19.32%	19.32%	19.32%
Breckinridge	4,273,900	10,811	10,811	58.83%	58.83%	4,538,770	10,238	10,238	59.59%	59.59%	3,664,360	9,677	9,677	52.67%	52.67%	52.67%	52.67%
Cardinal River	668,800	1,750	2,001	56.87%	49.74%	713,930	1,750	2,001	54.83%	47.96%	434,800	1,642	2,001	36.83%	30.22%	30.22%	30.22%
CR Mining	35,520	117	501	45.18%	10.55%	33,590	107	501	42.19%	9.01%	28,550	154	501	25.78%	7.93%	7.93%	7.93%
Costain East Portal	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0.00%	0.00%
Dodick	267,500	438	501	90.88%	79.45%	298,880	445	501	90.27%	80.18%	296,010	471	501	87.41%	82.18%	82.18%	82.18%
Green Coal Company	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0.00%	0.00%
Hudson	4,290,840	8,612	8,612	74.14%	74.14%	4,579,460	8,534	8,534	72.13%	72.13%	4,439,250	8,566	8,566	72.08%	72.08%	72.08%	72.08%
Knight Construction	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0.00%	0.00%
KBI Albany	696,730	1,940	2,001	53.44%	51.81%	762,100	2,149	2,149	47.67%	47.67%	641,030	1,957	2,001	45.56%	44.56%	44.56%	44.56%
Lodestar Energy	3,522,000	7,695	7,695	68.11%	68.11%	4,059,680	7,944	7,944	68.69%	68.69%	4,159,590	8,149	8,149	70.99%	70.99%	70.99%	70.99%
New Hope	0	0	0	0.00%	0.00%	113,610	352	352	43.38%	43.38%	40,730	110	110	51.50%	51.50%	51.50%	51.50%
Patrick Coal	885,910	2,744	2,744	48.04%	48.04%	1,047,460	2,884	2,884	52.45%	52.45%	882,550	2,615	2,615	46.94%	46.94%	46.94%	46.94%
Pittsburg P&M	244,090	561	1,500	64.75%	24.22%	233,060	539	1,500	56.12%	20.88%	123,450	268	1,500	64.07%	11.45%	11.45%	11.45%
Providence #1	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0.00%	0.00%
Saxet Dorea Mine	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0.00%	0.00%
Smith Coal	1,076,320	3,640	3,640	44.00%	44.00%	1,078,590	3,685	3,685	39.34%	39.34%	656,140	3,180	3,180	28.70%	28.70%	28.70%	28.70%
Valley Grain	737,530	1,712	1,712	64.11%	64.11%	812,060	1,704	1,704	64.05%	64.05%	761,830	1,489	1,489	71.16%	71.16%	71.16%	71.16%
Victory Processing	280,100	1,954	1,954	21.33%	21.33%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0.00%	0.00%
TOTAL HU	20,314,960	48,690	50,388	62.09%	60.00%	21,827,080	46,110	47,772	63.62%	61.41%	19,058,880	44,364	46,366	69.76%	67.17%	67.17%	67.17%

TOTAL JP (Shell)	4,537,400	10,757	10,757	62.77%	62.77%	4,737,400	8,478	8,478	75.11%	75.11%	4,046,000	10,519	10,519	53.50%	53.50%	53.50%	53.50%
-------------------------	------------------	---------------	---------------	---------------	---------------	------------------	--------------	--------------	---------------	---------------	------------------	---------------	---------------	---------------	---------------	---------------	---------------

A-CMI	1,716,520	3,205	3,205	79.70%	79.70%	2,033,010	3,485	3,485	78.41%	78.41%	2,057,800	3,508	3,508	81.59%	81.59%	81.59%	81.59%
Alcoa	197,820	378	378	77.88%	77.88%	219,300	358	358	82.33%	82.33%	202,520	338	338	83.33%	83.33%	83.33%	83.33%
Arvin	2,472,580	4,128	4,128	89.13%	89.13%	2,644,730	4,196	4,196	84.72%	84.72%	2,455,990	4,241	4,241	80.54%	80.54%	80.54%	80.54%
Commonwealth	19,346,300	38,965	38,965	73.88%	73.88%	21,579,700	38,808	38,808	75.13%	75.13%	20,130,990	39,278	39,278	71.28%	71.28%	71.28%	71.28%
NSA	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0.00%	0.00%
Scott Paper/Kimberly Clark	19,851,700	31,190	31,190	94.71%	94.71%	21,322,900	30,802	30,802	93.05%	93.05%	21,069,100	30,974	30,974	94.61%	94.61%	94.61%	94.61%
Southwest P/C	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0.00%	0.00%
Willamette	53,542,100	83,246	83,246	95.71%	95.71%	58,199,400	83,160	83,160	94.07%	94.07%	55,215,900	82,339	82,339	93.27%	93.27%	93.27%	93.27%
World Source/Arvin	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0.00%	0.00%
TOTAL GREEN RIVER	97,127,020	161,112	161,112	89.71%	89.71%	106,999,040	160,609	160,609	88.71%	88.71%	101,132,210	160,678	160,678	87.54%	87.54%	87.54%	87.54%

TOTAL ALL INDUSTRIALS	121,979,380	220,559	222,257	82.30%	81.67%	132,563,520	215,197	216,859	82.80%	82.16%	124,237,090	215,551	217,553	80.16%	79.42%	79.42%	79.42%
------------------------------	--------------------	----------------	----------------	---------------	---------------	--------------------	----------------	----------------	---------------	---------------	--------------------	----------------	----------------	---------------	---------------	---------------	---------------

*NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

LARGE INDUSTRIALS
ENERGY KWH
PEAK DEMAND
BILLING DEMAND
LOAD FACTOR
36 MONTHS
REQUESTED BY PSC

INDUSTRIALS	MAY 1999						JUNE 1999						JULY 1999					
	KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR				
				ACTUAL	BILLED				ACTUAL	BILLED				ACTUAL	BILLED			
Accuride	3,289,710	5,859	5,859	75.47%	75.47%	3,261,310	5,957	5,957	76.04%	76.04%	3,345,990	6,056	6,056	74.26%	74.26%			
Alcan Aluminum	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Black Diamond	17,880	97	(11)	24.78%	-218.48%	15,900	65	65	33.97%	33.97%	15,280	67	67	30.61%	30.61%			
Breckinridge	3,553,380	9,519	9,519	50.17%	50.17%	2,743,100	9,689	9,689	39.32%	39.32%	3,736,030	10,099	10,099	49.72%	49.72%			
Cardinal River	218,650	1,326	2,001	22.16%	14.69%	118,950	1,430	2,001	11.55%	8.26%	116,520	1,551	2,001	10.10%	7.83%			
CR Mining	17,160	98	501	23.54%	4.60%	23,600	161	501	20.36%	6.54%	29,330	98	501	40.23%	7.87%			
Costain East Portal	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Dohd	314,700	477	501	88.68%	84.43%	364,370	613	613	82.56%	82.56%	423,820	638	638	89.29%	89.29%			
Green Coal Company	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Hudson	4,359,080	8,793	8,793	66.63%	66.63%	4,691,680	9,415	9,415	69.21%	69.21%	5,399,246	9,772	9,772	74.26%	74.26%			
Knight Construction	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
KBI Alloys	675,790	1,894	2,001	47.96%	45.39%	667,060	2,035	2,035	45.53%	45.53%	726,370	1,974	2,001	49.39%	48.72%			
Lodestar Energy	4,267,510	8,042	8,042	71.32%	71.32%	3,833,770	7,957	7,957	66.92%	66.92%	3,789,920	7,554	7,554	67.43%	67.43%			
New Hope	13,490	34	(60)	53.33%	-30.22%	12,600	30	30	58.33%	58.33%	12,770	30	30	56.94%	56.94%			
Patrol Coal	801,540	2,435	2,435	44.24%	44.24%	832,340	2,429	2,429	47.59%	47.59%	808,150	2,495	2,495	43.54%	43.54%			
Pittsburg P&M	112,230	249	1,500	60.58%	10.06%	116,130	246	1,500	65.57%	10.75%	114,510	236	1,500	65.22%	10.26%			
Providence #1	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Sextet Doxra Mine	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
Smith Coal	468,450	2,889	2,889	21.79%	21.79%	219,760	636	2,001	47.99%	15.25%	228,160	434	2,001	70.66%	15.33%			
Valley Grain	753,440	1,400	1,400	72.33%	72.33%	764,820	1,508	1,508	70.44%	70.44%	716,620	1,572	1,572	61.27%	61.27%			
Victory Processing	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%			
TOTAL HU	18,863,010	43,112	46,370	68.81%	66.88%	17,666,390	42,171	45,701	68.18%	63.69%	19,461,636	42,576	46,287	61.44%	66.51%			

TOTAL JP (Shell)	5,007,300	10,454	10,454	64.38%	64.38%	4,770,620	8,575	8,575	77.27%	77.27%	5,085,000	8,543	8,543	80.00%	80.00%
-------------------------	------------------	---------------	---------------	---------------	---------------	------------------	--------------	--------------	---------------	---------------	------------------	--------------	--------------	---------------	---------------

A-CMI	2,161,700	3,462	3,462	83.93%	83.93%	2,209,530	3,576	3,576	85.82%	85.82%	2,251,400	3,651	3,651	82.88%	82.88%
Alcoa	204,540	340	340	80.86%	80.86%	204,380	345	345	82.28%	82.28%	214,470	338	338	85.29%	85.29%
Arvin	2,527,970	4,415	4,415	76.96%	76.96%	2,863,400	4,476	4,476	88.85%	88.85%	2,781,780	4,536	4,536	82.43%	82.43%
Commonwealth	21,710,600	38,732	38,732	75.34%	75.34%	20,803,100	39,510	39,510	73.13%	73.13%	21,448,500	38,282	38,282	75.31%	75.31%
NSA	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%
Scott Paper/Kimberly Clark	16,375,900	31,536	31,536	69.80%	69.80%	22,249,400	32,573	32,573	94.87%	94.87%	23,176,300	34,258	34,258	90.93%	90.93%
Southwest R/C	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%
Wilmington	58,543,500	83,333	83,333	94.43%	94.43%	55,207,500	83,030	83,030	92.35%	92.35%	58,861,200	83,268	83,268	95.01%	95.01%
World Source/Arvin	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%
TOTAL GREEN RIVER	101,624,210	161,818	161,818	84.33%	84.33%	103,637,310	163,510	163,510	87.95%	87.95%	108,733,660	164,333	164,333	88.93%	88.93%

TOTAL ALL INDUSTRIALS	125,394,520	216,384	217,642	78.25%	77.44%	125,973,320	214,256	217,786	81.66%	80.34%	133,280,286	215,462	219,163	83.15%	81.78%
------------------------------	--------------------	----------------	----------------	---------------	---------------	--------------------	----------------	----------------	---------------	---------------	--------------------	----------------	----------------	---------------	---------------

NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

INDUSTRIALS	AUGUST 1999						SEPTEMBER 1999						OCTOBER 1999					
	KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	BILLED		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	BILLED		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	BILLED	
Accurde	3,573,080	5,927	5,927	81.03%	81.03%		3,096,820	5,753	5,753	74.76%	74.76%		2,739,190	5,632	5,632	65.28%	65.28%	
Alcan Aluminum	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
Black Diamond	14,540	63	63	31.02%	31.02%		15,290	65	65	32.67%	32.67%		13,970	67	67	27.99%	27.99%	
Breckinridge	4,576,130	10,634	10,634	57.84%	57.84%		4,109,580	10,546	10,546	54.12%	54.12%		4,502,310	10,880	10,880	55.55%	55.55%	
Cardinal River	169,810	1,538	2,001	14.84%	11.41%		201,400	1,568	2,001	17.84%	13.98%		288,690	1,672	2,001	23.17%	19.36%	
CR Mining	32,740	107	(296)	41.13%	-14.87%		28,060	107	107	36.42%	36.42%		28,940	110	110	35.31%	35.31%	
Costain East Portal	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
Dotiki	421,760	628	628	90.27%	90.27%		399,880	618	618	89.87%	89.87%		402,510	599	599	90.20%	90.20%	
Green Coal Company	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
Hudson	5,308,800	9,409	9,409	75.84%	75.84%		4,958,730	9,538	9,538	72.21%	72.21%		4,920,460	9,169	9,169	72.03%	72.03%	
Knight Construction	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
KBI Alloys	741,690	1,998	2,001	49.89%	49.82%		583,500	1,871	2,001	43.31%	40.50%		632,130	1,966	2,001	43.16%	42.40%	
Lodestar Energy	3,481,710	7,894	7,894	59.28%	59.28%		3,851,380	8,193	8,193	65.29%	65.29%		4,782,060	8,527	8,527	75.28%	75.28%	
New Hope	13,070	23	23	76.39%	76.39%		13,300	30	30	61.57%	61.57%		15,180	57	57	35.75%	35.75%	
Palmet Coal	602,470	2,246	2,246	36.05%	36.05%		648,330	2,082	2,082	43.25%	43.25%		757,650	2,205	2,205	46.12%	46.12%	
Pittsburg P&M	114,540	221	1,500	69.66%	10.26%		111,090	274	1,500	56.31%	10.29%		127,460	261	1,500	65.55%	11.41%	
Providence #1	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
Saxtel Dorra Mine	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
Smith Coal	224,130	367	2,001	82.08%	15.05%		211,410	378	2,001	77.68%	14.67%		217,120	427	2,001	68.25%	14.56%	
Valley Grain	810,630	1,661	1,661	65.60%	65.60%		862,510	1,888	1,888	63.45%	63.45%		815,710	1,732	1,732	63.22%	63.22%	
Victory Processing	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
TOTAL HU	20,085,100	42,716	46,692	63.20%	63.20%		19,091,280	42,911	46,323	61.79%	61.79%		20,243,280	43,304	46,481	62.75%	62.75%	

INDUSTRIALS	AUGUST 1999						SEPTEMBER 1999						OCTOBER 1999					
	KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	BILLED		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	BILLED		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	BILLED	
A-CMI	2,402,940	3,795	3,795	85.11%	85.11%		2,343,730	3,924	3,924	82.96%	82.96%		2,434,240	3,931	3,931	83.12%	83.12%	
Alcoa	204,920	330	330	83.46%	83.46%		204,390	368	368	77.14%	77.14%		203,550	328	328	83.30%	83.30%	
Arvin	2,773,200	4,430	4,430	84.14%	84.14%		2,646,760	4,339	4,339	84.72%	84.72%		2,637,860	4,143	4,143	85.46%	85.46%	
Commonwealth	21,278,700	38,453	38,453	74.38%	74.38%		20,459,800	37,618	37,618	75.54%	75.54%		21,497,200	38,605	38,605	74.74%	74.74%	
NSA	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
Scott Paper/Kimberly Clark	23,011,400	33,480	33,480	92.38%	92.38%		22,558,700	33,437	33,437	93.70%	93.70%		21,976,400	33,221	33,221	88.79%	88.79%	
Southwire PRC	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
Williamette	58,701,900	83,722	83,722	94.24%	94.24%		52,982,600	84,154	84,154	87.44%	87.44%		58,287,700	83,246	83,246	93.98%	93.98%	
World Source/Arvin	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
TOTAL GREEN RIVER	108,373,060	164,210	164,210	88.71%	88.71%		101,195,980	163,840	163,840	85.78%	85.78%		107,036,950	163,474	163,474	87.89%	87.89%	
TOTAL ALL INDUSTRIALS	133,418,260	217,542	220,518	82.43%	81.32%		125,152,160	217,367	220,779	79.97%	78.73%		132,261,630	215,396	218,573	82.42%	81.22%	

NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

LARGE INDUSTRIALS
ENERGY KWH
PEAK DEMAND
BILLING DEMAND
LOAD FACTOR
36 MONTHS
REQUESTED BY PSC

INDUSTRIALS	TOTAL NOVEMBER 1998 - OCTOBER 1999				LOAD FACTOR	
	KWH	PEAK DEMAND	BILLING DEMAND	ACTUAL	BILLED	
Accuride	37,115,590	69,075	69,075	73.61%	73.61%	
Alcan Aluminum	0	0	0	0.00%	0.00%	
Blank Diamond	1,656,580	5,554	5,446	40.86%	41.67%	
Breckinridge	48,740,280	125,660	125,660	53.13%	53.13%	
Cardinal River	4,898,240	19,437	24,012	34.52%	27.94%	
CR Mining	401,740	1,334	4,430	41.25%	12.42%	
Costain East Portal	0	0	0	0.00%	0.00%	
Dotfil	4,093,840	6,325	6,603	88.66%	84.93%	
Green Coal Company	0	0	0	0.00%	0.00%	
Hudson	56,062,276	107,157	107,157	71.67%	71.67%	
Knight Construction	0	0	0	0.00%	0.00%	
KBI Alloys	8,423,810	24,108	24,546	47.87%	47.01%	
Lodestar Energy	48,609,530	96,651	96,651	68.90%	68.90%	
New Hope	234,690	666	572	48.27%	56.21%	
Patriot Coal	9,940,680	29,675	29,675	45.89%	45.89%	
Pittsburg P&M	2,173,050	5,535	18,204	53.78%	16.35%	
Providence #1	0	0	0	0.00%	0.00%	
Saxet Dorea Mine	0	0	0	0.00%	0.00%	
Smith Coal	8,059,690	27,362	35,125	40.35%	31.43%	
Valley Grain	9,168,180	19,394	19,394	64.76%	64.76%	
Victory Processing	1,507,230	7,787	7,787	26.51%	26.51%	
TOTAL HU	241,085,406	545,720	574,337	60.52%	57.50%	

TOTAL JP (Shell)	57,673,920	119,554	119,554	66.08%	66.08%
-------------------------	-------------------	----------------	----------------	---------------	---------------

A-CMI	24,812,370	41,525	41,525	81.85%	81.85%
Alcoa	2,433,060	4,219	4,219	79.00%	79.00%
Arvin	23,804,270	38,904	38,904	83.82%	83.82%
Commonwealth	247,549,000	461,095	461,095	73.54%	73.54%
NSA	0	0	0	0.00%	0.00%
Scott Paper/Kimberly Clark	254,520,100	382,882	382,882	91.06%	91.06%
Southwire R/C	0	0	0	0.00%	0.00%
Williamsite	662,430,100	997,747	997,747	93.69%	93.69%
World Source/Arvin	7,783,760	12,814	12,814	83.21%	83.21%
TOTAL GREEN RIVER	1,243,332,660	1,939,186	1,939,186	87.83%	87.83%

TOTAL ALL INDUSTRIALS	1,542,091,986	2,604,460	2,633,077	81.11%	80.23%
------------------------------	----------------------	------------------	------------------	---------------	---------------

NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

RURALS
 ENERGY KWH
 PEAK DEMAND
 BILLING DEMAND
 LOAD FACTOR
 36 MONTHS
 REQUESTED BY PSC

	KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR	
				ACTUAL	BILLED
Total Green River	1,573,780,987	3,435,694	3,941,824	62.75%	54.69%
Total Henderson Union	930,342,997	2,036,987	2,148,196	62.57%	59.33%
Total Jackson Purchase	1,642,326,135	3,607,604	3,799,267	62.36%	59.22%
Total Meade Co.	1,023,742,446	2,286,886	2,362,677	61.32%	59.36%
Total Kenergy	364,293,873	807,189	807,189	61.82%	61.82%
Total All Rurals	5,534,486,438	12,174,360	13,059,153	62.27%	58.05%

*NOTE: Kenergy was developed in July 1999, combining Green River and Henderson Union

BIG RIVERS ELECTRIC CORPORATION

RURALS
ENERGY KWH
PEAK DEMAND
BILLING DEMAND
LOAD FACTOR
36 MONTHS
REQUESTED BY PSC

RURALS	NOVEMBER 1996					DECEMBER 1996					JANUARY 1997				
	KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	BILLED	KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	BILLED	KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	BILLED
Green River	45,382,029	91,547	123,225	68.86%	51.15%	50,491,479	113,487	123,225	59.80%	55.07%	56,898,550	117,697	123,225	64.98%	62.06%
Henderson Union	28,400,170	58,768	72,942	67.12%	54.08%	31,154,070	69,781	72,942	60.01%	57.41%	36,333,400	75,245	75,245	64.90%	64.90%
Jackson Purchase	41,952,940	87,431	113,875	66.64%	51.17%	47,264,600	103,167	113,875	61.58%	55.79%	53,396,460	108,294	113,875	66.27%	63.02%
Meade County	27,712,050	58,682	64,097	65.59%	60.05%	29,929,980	67,328	67,328	59.75%	59.75%	35,624,620	75,295	75,295	63.59%	63.59%
Total Rurals	143,447,189	296,428	374,139	67.21%	53.25%	158,840,129	353,763	377,370	56.32%	52.79%	182,253,030	376,531	387,640	52.91%	51.40%

*NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

RURALS
ENERGY KWH
PEAK DEMAND
BILLING DEMAND
LOAD FACTOR
36 MONTHS
REQUESTED BY PSC

RURALS	FEBRUARY 1997						MARCH 1997						APRIL 1997					
	KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	LOAD FACTOR BILLED		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	LOAD FACTOR BILLED		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	LOAD FACTOR BILLED	
Green River	43,821,665	94,279	123,225	69.17%	52.92%		42,021,762	84,359	123,225	66.95%	45.84%		38,302,317	80,714	123,225	66.00%	43.23%	
Henderson Union	27,295,490	59,698	71,895	68.04%	56.50%		25,396,230	54,027	71,895	63.18%	47.48%		22,747,070	52,216	71,895	60.59%	44.00%	
Jackson Purchase	41,210,650	87,302	113,875	70.25%	53.85%		38,585,070	81,512	113,875	63.62%	45.54%		34,549,340	72,271	113,875	66.49%	42.20%	
Meade County	26,253,810	58,100	64,098	67.24%	60.95%		25,859,667	50,375	67,839	69.00%	51.24%		22,456,850	50,713	67,839	61.59%	46.04%	
Total Rurals	138,581,615	299,379	373,093	66.55%	53.40%		131,862,729	270,273	376,834	73.72%	52.87%		118,055,577	255,914	376,834	77.85%	52.87%	

*NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

RURALS
ENERGY KWH
PEAK DEMAND
BILLING DEMAND
LOAD FACTOR
36 MONTHS
REQUESTED BY PSC

RURALS	KWH	AUGUST 1997		LOAD FACTOR		KWH	SEPTEMBER 1997		LOAD FACTOR		KWH	OCTOBER 1997		LOAD FACTOR	
		PEAK DEMAND	BILLING DEMAND	ACTUAL	BILLED		PEAK DEMAND	BILLING DEMAND	ACTUAL	BILLED		PEAK DEMAND	BILLING DEMAND	ACTUAL	BILLED
Green River	55,587,302	131,255	131,255	56.92%	56.92%	44,689,311	126,270	126,270	49.13%	49.13%	43,510,965	88,584	88,584	65.93%	65.93%
Henderson Union	30,936,520	69,281	75,130	60.04%	55.35%	25,052,840	69,272	69,272	50.23%	50.23%	25,853,720	51,322	51,322	67.62%	67.62%
Jackson Purchase	50,556,520	114,866	117,291	59.16%	57.93%	39,883,470	113,297	113,297	48.89%	48.89%	38,508,525	77,231	77,231	66.93%	66.93%
Meade County	28,818,530	66,969	68,969	56.16%	56.16%	23,126,740	66,607	66,607	48.22%	48.22%	24,281,480	50,789	50,789	64.17%	64.17%
Total Rurals	165,898,872	384,341	392,645	51.84%	50.74%	132,732,361	375,446	375,446	53.07%	53.07%	132,154,690	267,926	267,926	74.36%	74.36%

*NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

RURALS
 ENERGY KWH
 PEAK DEMAND
 BILLING DEMAND
 LOAD FACTOR
 36 MONTHS
 REQUESTED BY PSC

RURALS	TOTAL NOVEMBER 1996 - OCTOBER 1997		LOAD FACTOR		
	KWH	PEAK DEMAND	BILLING DEMAND	ACTUAL	BILLED
Green River	564,980,713	1,261,609	1,467,738	61.35%	52.73%
Henderson Union	334,570,270	738,546	849,755	62.06%	53.94%
Jackson Purchase	522,097,955	1,155,428	1,347,091	61.90%	53.09%
Meade County	321,451,537	725,957	801,748	60.66%	54.92%
Total Rurals	1,743,100,475	3,881,540	4,466,332	61.52%	53.46%

*NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

RURALS
ENERGY KWH
PEAK DEMAND
BILLING DEMAND
LOAD FACTOR
36 MONTHS
REQUESTED BY PSC

RURALS	NOVEMBER 1997						DECEMBER 1997						JANUARY 1998					
	KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	LOAD FACTOR BILLED		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	LOAD FACTOR BILLED		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	LOAD FACTOR BILLED	
Green River	46,785,100	96,972	96,972	67.01%	67.01%		54,910,740	103,545	403,545	71.28%	18.29%		50,544,683	98,491	98,492	68.98%	68.98%	
Henderson Union	28,516,930	64,209	64,209	61.68%	61.68%		33,920,820	66,619	66,619	68.44%	68.44%		31,592,430	60,754	60,754	69.89%	69.89%	
Jackson Purchase	41,796,160	94,084	94,084	61.70%	61.70%		49,270,990	89,327	89,327	74.14%	74.14%		46,408,060	89,892	89,892	69.39%	69.39%	
Meade County	28,470,180	61,577	61,577	64.22%	64.22%		33,907,900	63,550	63,550	71.72%	71.72%		30,790,810	59,783	59,783	69.23%	69.23%	
Total Rurals	145,568,370	316,842	316,842	63.81%	63.81%		172,010,450	323,041	623,041	62.59%	32.45%		159,335,983	308,920	308,921	65.45%	65.45%	

NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

RURALS
ENERGY KWH
PEAK DEMAND
BILLING DEMAND
LOAD FACTOR
36 MONTHS
REQUESTED BY PSC

RURALS	KWH	FEBRUARY 1998		LOAD FACTOR		KWH	MARCH 1998		LOAD FACTOR		KWH	APRIL 1998		LOAD FACTOR	
		PEAK DEMAND	BILLING DEMAND	ACTUAL	BILLED		PEAK DEMAND	BILLING DEMAND	ACTUAL	BILLED		PEAK DEMAND	BILLING DEMAND	ACTUAL	BILLED
Green River	44,047,940	98,715	98,715	66.40%	66.40%	48,045,594	105,631	105,631	61.13%	61.13%	38,497,665	76,296	76,296	70.18%	70.18%
Henderson Union	27,028,320	61,788	61,788	65.09%	65.09%	29,038,980	68,276	68,276	57.17%	57.17%	22,393,840	45,763	45,763	68.06%	68.06%
Jackson Purchase	39,371,830	85,943	85,943	68.17%	68.17%	43,021,610	97,621	97,621	59.23%	59.23%	34,035,470	67,632	67,632	69.99%	69.99%
Meade County	26,721,610	59,490	59,490	66.84%	66.84%	28,698,740	68,332	68,332	56.45%	56.45%	22,465,875	47,241	47,241	66.14%	66.14%
Total Rurals	137,169,700	305,936	305,936	66.09%	66.09%	148,804,924	339,860	339,860	59.49%	59.49%	117,392,850	236,932	236,932	85.33%	85.33%

*NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

RURALS
ENERGY KWH
PEAK DEMAND
BILLING DEMAND
LOAD FACTOR
36 MONTHS
REQUESTED BY PSC

RURALS	KWH	AUGUST 1998		SEPTEMBER 1998		OCTOBER 1998			
		PEAK DEMAND	BILLING DEMAND	PEAK DEMAND	BILLING DEMAND	PEAK DEMAND	BILLING DEMAND		
		LOAD FACTOR ACTUAL	LOAD FACTOR BILLED	LOAD FACTOR ACTUAL	LOAD FACTOR BILLED	LOAD FACTOR ACTUAL	LOAD FACTOR BILLED		
Green River	63,660,559	139,945	139,945	56,124,589	131,473	42,427,216	100,085	56,90%	56,90%
Henderson Union	35,664,390	79,118	79,118	32,296,420	72,323	24,816,800	56,532	58,92%	58,92%
Jackson Purchase	56,304,100	127,704	127,704	49,789,200	113,920	37,225,030	86,824	57,55%	57,55%
Meade County	33,517,640	74,132	74,132	29,307,340	71,940	23,363,860	50,931	61,58%	61,58%
Total Rurals	189,146,689	420,899	420,899	167,517,559	389,656	127,832,906	294,372	68,68%	68,68%

*NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

RURALS
 ENERGY KWH
 PEAK DEMAND
 BILLING DEMAND
 LOAD FACTOR
 36 MONTHS
 REQUESTED BY PSC

RURALS	TOTAL NOVEMBER 1997 - OCTOBER 1998			
	KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL BILLED
Green River	615,022,885	1,344,286	1,644,287	62.67% 51.24%
Henderson Union	361,416,171	794,393	794,393	62.32% 62.32%
Jackson Purchase	552,757,240	1,216,234	1,216,234	62.26% 62.26%
Meade County	345,902,265	765,152	765,152	61.93% 61.93%
Total Rurals	1,875,098,561	4,120,065	4,420,066	62.34% 58.11%

NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

RURALS
ENERGY KWH
PEAK DEMAND
BILLING DEMAND
LOAD FACTOR
36 MONTHS
REQUESTED BY PSC

RURALS	KWH	NOVEMBER 1998				DECEMBER 1998				JANUARY 1999			
		PEAK DEMAND	BILLING DEMAND	LOAD FACTOR		PEAK DEMAND	BILLING DEMAND	LOAD FACTOR		PEAK DEMAND	BILLING DEMAND	LOAD FACTOR	
				ACTUAL	BILLED			ACTUAL	BILLED			ACTUAL	BILLED
Green River	43,345,890	85,231	85,231	70.63%	70.63%	53,982,258	116,375	62.35%	62.35%	58,294,176	122,077	64.18%	64.18%
Henderson Union	25,778,860	52,823	52,823	67.78%	67.78%	32,950,470	74,033	59.82%	59.82%	35,973,640	75,842	63.75%	63.75%
Jackson Purchase	38,417,960	79,941	79,941	66.75%	66.75%	50,187,440	108,844	61.98%	61.98%	53,597,570	111,666	64.51%	64.51%
Meade County	25,872,744	50,884	50,884	70.62%	70.62%	32,996,480	73,433	60.40%	60.40%	36,633,710	80,491	61.17%	61.17%
Kenergy	0	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%
Total Rurals	133,415,454	268,879	268,879	68.92%	68.92%	170,116,648	372,685	49.72%	49.72%	184,499,096	390,076	47.50%	47.50%

*NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

RURALS
 ENERGY KWH
 PEAK DEMAND
 BILLING DEMAND
 LOAD FACTOR
 36 MONTHS
 REQUESTED BY PSC

RURALS	FEBRUARY 1999						MARCH 1999						APRIL 1999					
	KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	LOAD FACTOR BILLED		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	LOAD FACTOR BILLED		KWH	PEAK DEMAND	BILLING DEMAND	LOAD FACTOR ACTUAL	LOAD FACTOR BILLED	
Green River	45,827,665	96,867	96,867	70.40%	70.40%		50,781,479	97,152	97,152	70.26%	70.26%		39,723,659	77,863	77,863	70.96%	70.96%	
Henderson Union	27,944,366	62,754	62,754	66.26%	66.26%		31,167,169	60,156	60,156	69.64%	69.64%		22,986,751	49,982	49,982	63.96%	63.96%	
Jackson Purchase	41,456,940	89,018	89,018	69.30%	69.30%		46,113,730	88,088	88,088	70.36%	70.36%		36,686,640	72,592	72,592	70.29%	70.29%	
Meade County	28,394,170	66,155	66,155	63.87%	63.87%		31,313,970	62,955	62,955	66.86%	66.86%		22,347,440	48,775	48,775	63.72%	63.72%	
Kenergy	0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%		0	0	0	0.00%	0.00%	
Total Rurals	143,623,141	314,794	314,794	58.86%	58.86%		159,376,348	308,351	308,351	60.09%	60.09%		121,744,490	249,212	249,212	74.35%	74.35%	

*NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

RURALS
ENERGY KWH
PEAK DEMAND
BILLING DEMAND
LOAD FACTOR
36 MONTHS
REQUESTED BY PSC

RURALS	KWH	MAY 1999		JUNE 1999		JULY 1999			
		PEAK DEMAND	BILLING DEMAND	PEAK DEMAND	BILLING DEMAND	PEAK DEMAND	BILLING DEMAND		
		ACTUAL	BILLED	ACTUAL	BILLED	ACTUAL	BILLED		
Green River	43,898,689	99,825	99,825	59,11%	59,11%	0	0	0.00%	0.00%
Henderson Union	24,728,170	51,461	51,461	64.59%	64.59%	0	0	0.00%	0.00%
Jackson Purchase	40,057,590	87,439	87,439	61.58%	61.58%	67,124,550	142,955	63.11%	63.11%
Meade County	23,220,150	51,821	51,821	60.23%	60.23%	40,118,270	84,304	63.96%	63.96%
Kenergy	0	0	0	0.00%	0.00%	116,446,429	242,135	64.64%	64.64%
Total Rurals	131,904,599	290,546	290,546	63.78%	63.78%	172,382,213	403,053	45.97%	45.97%
						223,689,249	469,394	39.48%	39.48%

*NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

RURALS
 ENERGY KWH
 PEAK DEMAND
 BILLING DEMAND
 LOAD FACTOR
 36 MONTHS
 REQUESTED BY PSC

RURALS	KWH	AUGUST 1999		SEPTEMBER 1999		OCTOBER 1999	
		PEAK DEMAND	BILLING DEMAND	PEAK DEMAND	BILLING DEMAND	PEAK DEMAND	BILLING DEMAND
		LOAD FACTOR		LOAD FACTOR		LOAD FACTOR	
		ACTUAL	BILLED	ACTUAL	BILLED	ACTUAL	BILLED
Green River	0	0	0.00%	0	0.00%	0	0.00%
Henderson Union	0	0	0.00%	0	0.00%	0	0.00%
Jackson Purchase	58,872,240	138,597	57.09%	122,027	51.51%	74,652	68.82%
Meade County	34,549,640	76,508	60.70%	75,010	49.83%	53,917	59.33%
Kenergy	100,875,978	217,523	62.33%	211,129	52.51%	136,402	66.07%
Total Rurals	194,297,858	432,628	42.83%	408,166	45.40%	264,971	69.93%

*NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION

BIG RIVERS ELECTRIC CORPORATION

RURALS
 ENERGY KWH
 PEAK DEMAND
 BILLING DEMAND
 LOAD FACTOR
 36 MONTHS
 REQUESTED BY PSC

RURALS	TOTAL NOVEMBER 1998 - OCTOBER 1999		LOAD FACTOR		
	KWH	PEAK DEMAND	BILLING DEMAND	ACTUAL	BILLED
Green River	393,777,389	829,799	829,799	65.01%	65.01%
Henderson Union	234,356,556	504,048	504,048	63.69%	63.69%
Jackson Purchase	567,470,940	1,235,942	1,235,942	62.90%	62.90%
Meade County	356,388,644	795,777	795,777	61.35%	61.35%
Kenergy	364,293,873	807,189	807,189	61.82%	61.82%
Total Rurals	1,916,287,402	4,172,755	4,172,755	62.91%	62.91%

*NOTE: KENERGY WAS DEVELOPED IN JULY 1999 - COMBINING GREEN RIVER AND HENDERSON UNION



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

November 29, 1999

To: All parties of record

RE: Case No. 1999-360

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

David A. Spainhoward
Vice President
Contract Adm. & Regulatory Affairs
Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY 42419 0024

Honorable James M. Miller
Sullivan, Mountjoy, Stainback &
Miller PSC
Counsel for Big Rivers Electric
100 St. Ann Building
P.O. Box 727
Owensboro, KY 42302 0727

Honorable Douglas L. Beresford
Geo. F. Hobday, Jr.
Long, Aldridge & Norman LLP
701 Pennsylvania Avenue, N.W.
Suite 600
Washington, DC 20004

Honorable Frank N. King
Dorsey, King, Gray & Norment
Attorneys for Kenergy Corp. and
Meade County RECC
318 Second Street
Henderson, KY 42420

Honorable W. David Denton
Attorney for Jackson Purchase EC
Denton & Keuler
P. O. Box 929
Paducah, KY 42002 0929

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BIG RIVERS ELECTRIC CORPORATION'S)
PURCHASE AND SALES TARIFFS FOR) CASE NO.
COGENERATORS AND SMALL POWER) 99-354
PRODUCERS)

and

THE TARIFF FILING OF BIG RIVERS)
ELECTRIC CORPORATION TO REVISE) CASE NO.
THE LARGE INDUSTRIAL CUSTOMER) 99-360
RATE SCHEDULE)

O R D E R

The Commission, on its own motion, HEREBY ORDERS that the December 6, 1999 hearing in the above-named matters is rescheduled to January 10, 2000 at 9:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 29th day of November, 1999.

By the Commission

ATTEST:


Executive Director



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-1582

Ronald B. McCloud, Secretary
Public Protection and
Regulation Cabinet

Helen Helton
Executive Director
Public Service Commission

Paul E. Patton
Governor

November 24, 1999

James M. Miller, Esq.
Sullivan, Mountjoy, Stainback
& Miller, P.S.C.
100 St. Ann Building effect
Post Office box 727
Owensboro, KY 42302-0727

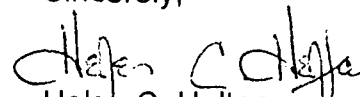
RE: Big Rivers Electric Corporation
Case No. 99-360
Petition for Confidential Protection

Dear Mr. Miller,

On November 15, 1999, the Commission received the petition filed on behalf of Big Rivers Electric Corporation to protect as confidential that data relevant to Big Rivers' tariff filing to revise the Large Industrial Customer Rate Schedule. A review of the information has determined that it is entitled to the protection requested on the grounds relied upon in the petition, and it shall be withheld from public inspection.

If the information becomes publicly available or no longer warrants confidential treatment, you are required by 807 KAR 5:001, Section 7(9)(a) to inform the Commission so that the information may be placed in the public record.

Sincerely,


Helen C. Helton
Executive Director

cc: All parties of record.



AN EQUAL OPPORTUNITY EMPLOYER M/F/D



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

November 17, 1999

To: All parties of record

RE: Case No. 99-360

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

Stephanie D. Bell
Stephanie Bell
Secretary of the Commission

SB/hv
Enclosure

David A. Spainhoward
Vice President
Contract Adm. & Regulatory Affairs
Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY 42419 0024

Honorable James M. Miller
Sullivan, Mountjoy, Stainback &
Miller PSC
100 St. Ann Building
P.O. Box 727
Owensboro, KY 42302

Honorable Douglas L. Beresford
Geo. F. Hobday, Jr.
Long, Aldridge & Norman LLP
701 Pennsylvania Avenue, N.W.
Suite 600
Washington, DC 20004

Honorable Frank N. King
Dorsey, King, Gray & Norment
Attorneys for Kenergy Corp. and
Meade County RECC
318 Second Street
Henderson, KY 42420

Honorable W. David Denton
Attorney for Jackson Purchase EC
Denton & Keuler
P. O. Box 929
Paducah, KY 42002 0929

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF BIG RIVERS)	
ELECTRIC CORPORATION TO REVISE)	CASE NO.
THE LARGE INDUSTRIAL CUSTOMER)	99-360
RATE SCHEDULE)	

O R D E R

This matter arises upon the motion of Jackson Purchase Energy Corporation ("Jackson Purchase"), filed November 12, 1999, for full intervention. It appears to the Commission that Jackson Purchase has a special interest which is not otherwise adequately represented, and that such intervention is likely to present issues and develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. The Commission also recognizes that a procedural schedule was established in this proceeding by Order dated September 28, 1999. The Commission, being otherwise sufficiently advised, finds that Jackson Purchase should be granted full rights of a party in this proceeding accepting the procedural schedule as it now stands.

IT IS HEREBY ORDERED that:

1. The motion of Jackson Purchase to intervene is granted.
2. Jackson Purchase shall be entitled to the full rights of a party and shall be served with the Commission's Orders and with filed testimony, exhibits, pleadings, correspondence, and all other documents submitted by parties after the date of this Order.

3. Should Jackson Purchase file documents of any kind with the Commission in the course of these proceedings, it shall also serve a copy of said documents on all other parties of record.

Done at Frankfort, Kentucky, this 17th day of November, 1999.

By the Commission

ATTEST:


Executive Director



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-3460

Ronald B. McCloud, Secretary
Public Protection and
Regulation Cabinet

Helen Helton
Executive Director
Public Service Commission

Paul E. Patton
Governor

November 15, 1999

To: All Parties of Record

Re: Case Nos. 99-354 and 99-360

We enclose one attested copy of the Commission's Order in the
above cases.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/hv
Enclosure



Honorable James M. Miller
Sullivan, Mountjoy, Stainback
& Miller PSC
100 St. Ann Building
P. O. Box 727
Owensboro, KY 42302

Honorable Douglas L. Beresford
Geo. F. Hobday, Jr.
Long Aldridge & Norman LLP
701 Pennsylvania Avenue, N.W.
Suite 600
Washington, DC 20004

Mr. David A. Spainhoward
Vice President, Contract
Administration & Regulatory Affairs
Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY 42419 0024

Wells T. Lovett
Counsel, Willamette Industries
208 West Third Street
Owensboro, KY 42303

Michael C. Dotten
Eric R. Todderud
Counsel, Willamette Industries
Heller Ehrman White & McAuliffe
200 S.W. Market Street, Suite 1750
Portland, OR 97201

Honorable Frank N. King,
Counsel for Kenergy & Meade RECC
Dorsey, King, Gray & Norment
318 Second Street
Henderson, KY 42420

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BIG RIVERS ELECTRIC CORPORATION'S)
PURCHASE AND SALES TARIFFS FOR) CASE NO.
COGENERATORS AND SMALL POWER) 99-354
PRODUCERS)

and

THE TARIFF FILING OF BIG RIVERS)
ELECTRIC CORPORATION TO REVISE) CASE NO.
THE LARGE INDUSTRIAL CUSTOMER) 99-360
RATE SCHEDULE)

O R D E R

The Commission, on its own motion, HEREBY ORDERS that the December 10, 1999 hearing in the above-named matters is rescheduled to December 6, 1999 at 9:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 15th day of November, 1999.

By the Commission

ATTEST:


Executive Director

SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC
ATTORNEYS AT LAW

RECEIVED
NOV 15 1999
PUBLIC SERVICE COMMISSION

Ronald M. Sullivan
Jesse T. Mountjoy
Frank Stainback
James M. Miller
Michael A. Fiorella
William R. Dexter
Allen W. Holbrook
R. Michael Sullivan
P. Marcum Willis
Felicia S. Turner
Melissa Gayheart
Bryan R. Reynolds

November 12, 1999

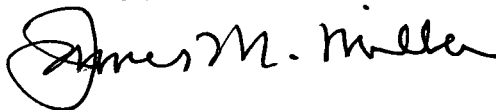
Ms. Helen Helton
Executive Director
Public Service Commission
730 Schenkel Land
Frankfort, KY 40601

RE: In Re Big Rivers Electric Corporation, P.S.C. Case No. 99-360

Enclosed are an original and eight (8) copies of the response of Big Rivers Electric Corporation ("Big Rivers") to the data requests contained in the November 5, 1999, order of the Public Service Commission in the above-styled matter. Big Rivers is seeking confidential treatment of some of the material provided in response to those data requests, and accordingly also encloses an original and ten (10) copies of a Petition for Confidential Treatment.

A copy of this letter and all attachments, including the Petition for Confidential Treatment, have been served on the parties identified on the attached service list.

Sincerely yours,



James M. Miller

Telephone (502) 926-4000
Telecopier (502) 683-6694

100 St. Ann Building
PO Box 727
Owensboro, Kentucky
42302-0727

SERVICE LIST
CASE NO. 99-360

James M. Miller, Esq.
Sullivan, Mountjoy, Stainback & Miller
100 St. Ann Building
P. O. Box 727
Owensboro, KY 42302-0727

**Counsel for Big Rivers Electric
Corporation**

Douglas L. Beresford, Esq.
Geo. F. Hobday, Esq.
Long, Aldridge & Norman LLP
701 Pennsylvania Avenue, N.W., Suite 600
Washington, DC 20004

**Counsel for Big Rivers Electric
Corporation**

Frank N. King, Esq.
Dorsey, King, Gray & Norment
318 Second Street
Henderson, KY 42420

**Counsel for Kenergy Corp. and Meade
County R.E.C.C.**

RECEIVED
ELECTRIC SERVICE
NOV 15 1999
6661 S I AON
CEN/NOVU

POWER PURCHASE AND SALE AGREEMENT
BY AND BETWEEN
RELIANT ENERGY SERVICES, INC.
AND
BIG RIVERS ELECTRIC CORPORATION

Dated January 1, 1999

TABLE OF CONTENTS

1. Definitions _____	1
1.1. Definitions _____	1
1.2. Interpretation _____	1
2. Term _____	1
2.1. General _____	1
2.2. Commencement of Deliveries _____	2
2.3. Conditions _____	2
2.3.1. Credit Support _____	2
2.3.2. Other Approvals _____	2
3. Sale of Capacity and Energy _____	2
3.1. Quantity _____	2
4. Delivery Obligations _____	3
4.1. General _____	3
4.2. Scheduling _____	3
4.2.1. Scheduling Category Price Quantities _____	3
4.2.2. Scheduling Hourly Energy _____	4
4.2.3. Scheduling Purchases _____	4
4.2.4. Scheduling Delivery Points _____	5
4.3. Deviations from Prescheduled Quantity _____	5
4.3.2. Warrants _____	6
4.4. Big Rivers Transmission Unavailability _____	6
4.5. Firm Point-to-Point Transmission Planning and Payment _____	6
4.6. Recording Telephonic Conversations _____	7
4.7. Title and Risk of Loss _____	7
4.8. Metering _____	7
5. Price _____	7
5.1. General _____	7
5.1.1. Category Price _____	7
5.1.2. Hourly Energy Price _____	8
5.2. Big Rivers Option _____	8
5.2.1. Fixed Price Option _____	8
5.2.2. Procedure _____	8
5.3. RES Sales Price _____	8
5.4. Taxes _____	9
5.5. Incentive Fee _____	9
6. Billing and Payment _____	9
6.1. Billing Statements _____	9
6.2. Payments _____	10
6.3. Audit Rights _____	10
6.4. Netting _____	10
7. Default and Remedies _____	10

7.1. Events of Default	10
7.2. Early Termination	11
7.3. Remedies	12
7.4. Liquidated Damages	12
8. Limitations	12
8.1. Limitation on Remedies	12
8.2. Duty to Mitigate	13
9. Representations and Warranties	13
9.1. General	13
9.1.1. Big Rivers Representation	13
9.2. Forward Contract	14
9.3. No Reliance	14
9.4. Market Recognition	14
9.5. Good Title	14
9.6. Continuing Representations and Warranties	15
9.7. Indemnification	15
10. Confidentiality	15
11. Miscellaneous	16
11.1. Notices	16
11.2. Modification	16
11.3. Waiver	16
11.4. Severability	16
11.5. Governing Law	16
11.6. Counterparts	17
11.7. Limitation on Rights of Others	17
11.8. Assignment	17
11.9. Successors and Assigns	17
11.10. Entire Agreement	17
11.11. Captions, Titles and Headings	17
11.12. Big Rivers Credit Support	17
Schedule 11.1 - Addresses	19
Index of Defined Terms	20
Exhibit A - Guaranty	21

**THE REMAINING 27 PAGES OF THIS
AGREEMENT ARE REDACTED.**

A1-143

RECEIVED
NOV 15 1998
PUBLIC SERVICE
COMMISSION

POWER PURCHASE AND SALE AGREEMENT

BY AND BETWEEN

NP ENERGY INC.

AND

BIG RIVERS ELECTRIC CORPORATION

Dated July 17, 1998

TABLE OF CONTENTS

1. Definitions 1
 1.1. Definitions 1
 1.2. Interpretation 1
 2. Term..... 1
 2.1. General..... 1
 2.2. Commencement of Deliveries 2
 2.3. Conditions 2
 2.3.1. Credit Support 2
 2.3.2. Other Approvals 2
 3. Sale of Capacity and Energy 3
 3.1. Quantity 3
 4. Delivery Obligations 3
 4.1. General..... 3
 4.2. Scheduling..... 4
 4.2.1. Scheduling Floating Price Quantities 4
 4.2.2. Scheduling Hourly Energy 5
 4.2.3. Scheduling Purchases 5
 4.2.4. Scheduling Delivery Points 7
 4.3. Deviations from Prescheduled Quantity 7
 4.4. Big Rivers Transmission Unavailability 7
 4.5. Recording Telephonic Conversations 8
 4.6. Title and Risk of Loss 8
 4.7. Metering 8
 5. Price..... 8
 5.1. General..... 8
 5.1.1. Floating Price 9
 5.1.2. Hourly Energy Price 10
 5.1.3. Minimum Price Penalty 10
 5.2. Big Rivers Option 11
 5.2.1. Fixed Price Option..... 11
 5.2.2. Procedure..... 11
 5.3. NPE Sales Price 11
 5.4. Taxes..... 11
 5.5. Incentive Fee 12
 6. Billing and Payment 12
 6.1. Billing Statements..... 12
 6.2. Payments 12
 6.3. Audit Rights 12
 6.4. Netting 13
 7. Default and Remedies 13
 7.1. Events of Default 13
 7.2. Early Termination 13
 7.3. Remedies 14
 7.4. Liquidated Damages 14
 8. Limitations 14
 8.1. Limitation on Remedies 14
 8.2. Duty to Mitigate 15
 9. Representations and Warranties 15

9.1. General.....	15
9.1.1. Big Rivers Representation	15
9.2. Forward Contract.....	15
9.3. No Reliance	16
9.4. Good Title	16
9.5. Continuing Representations and Warranties	16
9.6. Indemnification	16
10. Confidentiality	17
11. Miscellaneous	18
11.1. Notices	18
11.2. Modification	18
11.3. Waiver	18
11.4. Severability	18
11.5. Governing Law	18
11.6. Counterparts.....	18
11.7. Limitation on Rights of Others	18
11.8. Assignment.....	18
11.9. Successors and Assigns	19
11.10. Entire Agreement	19
11.11. Captions, Titles and Headings	19
11.12. Big Rivers Credit Support.....	19
Schedule - Addresses.....	21
Index Of Defined Terms.....	22
Exhibit A - Form of Guaranty	

**THE REMAINING 28 PAGES OF THIS
AGREEMENT ARE REDACTED.**

150.0.2.3

NOV 11 1999
6661 S T AON
DE/BOE

Agreement

This Agreement, by and between Hoosier Energy Rural Electric Cooperative, Inc. (hereinafter referred to as "Hoosier"), Big Rivers Electric Corporation (hereinafter referred to as "Big Rivers"), and LG&E Energy Marketing, Inc. (hereinafter referred to as "LEM"), dated as of the 30th day of June, 1999, WITNESSETH THAT:

WHEREAS, Hoosier and Big Rivers are parties to a certain Unit Power Agreement dated as of the 14th day of September, 1990 (the "Reid Agreement"), pursuant to which Big Rivers agrees to make available to Hoosier capacity and energy from its Reid combustion turbine generating unit (the "Reid CT") during the period from June 15 through September 15, 1999, under the terms and conditions more fully set out in the Reid Agreement; and

WHEREAS, Big Rivers and LEM are parties to a transaction executed July 17, 1998 (the "Big Rivers-LEM Transaction") wherein Big Rivers has leased its generation to LEM for a term of twenty-five years and LEM has agreed to sell certain quantities of power to Big Rivers (including "Hoosier Power" used to satisfy certain of Big Rivers' obligations to Hoosier under the Reid Agreement) as set forth in a Power Purchase Agreement Between Big Rivers and LEM dated July 1998 ("Power Purchase Agreement"); and

WHEREAS, a forced outage has occurred at the Big Rivers Reid CT operated and maintained by LEM pursuant to the terms of the Big Rivers-LEM Transaction, and Big Rivers and LEM assert that a force majeure exists under the Reid Agreement with Hoosier; and

WHEREAS, certain disputes have arisen between Hoosier and Big Rivers concerning the

supply of power under the Reid Agreement and between Big Rivers and LEM concerning the supply of Hoosier Power under the terms of the Power Purchase Agreement; and

WHEREAS, Hoosier, Big Rivers, and LEM wish to avoid litigation and resolve such disputes in a business-like manner;

IT IS THEREFORE AGREED as follows:

1. This Agreement shall apply only to the year 1999, and shall become effective upon its execution by each of Hoosier, Big Rivers, and LEM.
2. Big Rivers shall sell and provide to Hoosier as Block One Power forty-five megawatts of Financially Firm capacity and energy for sixteen (16) consecutive hours per day extending during the North American Electric Reliability Council ("NERC") defined on peak hours, for the five days of Monday through Friday each week during the months of July and August, 1999, except for holidays defined by NERC. Such sale of Block One Power shall be on a Financially Firm, take or pay basis. Hoosier shall pay to Big Rivers for such Block One Power an energy charge of [REDACTED] per megawatt hour and a monthly capacity fee of [REDACTED] per megawatt (or a total of [REDACTED]).

For purposes of this Agreement the term "Financially Firm" shall mean that (a) Big Rivers shall not be excused from its obligation to furnish Block One Power for any reason (other than transmission force majeure as set forth in Section 7) and (b) in the event that Big Rivers shall fail to furnish Block One Power (other than transmission force majeure) Big Rivers shall pay Hoosier liquidated damages equivalent to the difference between the amount reasonably incurred by Hoosier to obtain and deliver comparable supplies of replacement energy during the hours in which Big Rivers fails to supply Block One Power and the amount otherwise charged under this contract for Block One Power (i.e., [REDACTED] per megawatt-hour). For the purposes of

this section, the term "reasonably incurred" shall mean that Hoosier has obtained at least three bids to supply replacement energy from utilities or marketers having the capability of reliably delivering such replacement energy, and has selected the lowest bid. Big Rivers and Hoosier hereby stipulate that the liquidated damages set forth above are reasonable in light of the anticipated harm and the difficulty of estimated or calculation of actual damages, and Big Rivers hereby waives the right to contest such damages as an unreasonable penalty.

3. Big Rivers shall sell and provide to Hoosier as Block Two Power twenty megawatts of energy for sixteen (16) consecutive hours per day extending during the NERC defined on peak hours, for the five days Monday through Friday each week during the months of July and August, 1999, except for holidays defined by NERC. Such sale shall be on a Non-Firm, take or pay basis. Hoosier shall pay to Big Rivers for such Block Two Power an energy charge of [REDACTED] per megawatt hour. There shall be no capacity charge associated with Block Two Power.

For purposes of this section applicable to Block Two Power, the term "Non-Firm" shall mean that Big Rivers shall not be excused from its obligation to furnish Block Two Power for any reason (other than transmission force majeure as set forth in Section 7), except to the extent that all or a portion of the twenty megawatts of Block Two Power is required by Big Rivers to meet its members' reasonably projected next hour load requirements as projected by Big Rivers Energy Control Dispatch Center, during peak periods when such members' load requirements, including losses, are such that all or a portion of the 20 megawatts are not available. During such hour or hours of interruption, Big Rivers will supply its members' load plus the fifty megawatts off-system transaction into TVA which was in place prior to the

execution of this Agreement. No additional hourly off-system sales will be made during such time of interruptions. If less than the full twenty megawatts of Block Two Power is required to meet its members' load requirements, Big Rivers shall continue to be obligated to furnish, in 5 MW increments, the remainder of the twenty megawatts of Block Two Power to Hoosier. In the event of such an excused reduction in deliveries by Big Rivers, Hoosier shall be obligated to pay only the energy charge for the actual megawatt hours of Block Two Power delivered to Hoosier during the period of such reduction.

In no event shall Big Rivers be excused from its obligation to supply Block Two Power for economic reasons. If Big Rivers shall fail to furnish Block Two Power, except to the extent it is excused by the exception set forth above, Big Rivers shall pay Hoosier liquidated damages equivalent to the difference between the amount reasonably incurred by Hoosier to obtain and deliver comparable supplies of replacement energy during the hours in which Big Rivers fails to supply Block Two Power and the amount otherwise charged under this contact for Block Two Power (i.e., [REDACTED] per megawatt-hour). For the purposes of this section, the term "reasonably incurred" shall mean that Hoosier has obtained at least three bids to supply replacement energy from utilities or marketers having the capability of reliably delivering such replacement energy, and has selected the lowest bid. Big Rivers and Hoosier hereby stipulate that the liquidated damages set forth above are reasonable in light of the anticipated harm and the difficulty of estimated or calculation of actual damages, and Big Rivers hereby waives the right to contest such damages as an unreasonable penalty.

4. The energy charges set forth in Sections 2 and 3 above and the capacity charge set forth in Section 2 shall be payable by Hoosier to Big Rivers 15 days after the receipt by Hoosier of a monthly invoice provided by Big Rivers in the month after the power is furnished.

Delinquent payments shall bear interest at the annual rate of Prime as published in the Wall Street Journal plus 2%.

5. Big Rivers and Hoosier agree that LEM shall have no responsibility to supply either Block One Power or Block Two Power to either Hoosier or Big Rivers. Big Rivers and LEM agree that quantities of power to be sold by Big Rivers to Hoosier as either Block One Power or Block Two Power do not constitute "Hoosier Power" as set forth in Section 4.1(b) of the Power Purchase Agreement between Big Rivers and LEM, and that consequently LEM (a) is not required to supply Big Rivers with such power apart from as part of Big Rivers' existing Base Power entitlement as defined in the Power Purchase Agreement, and (b) is not entitled to funds obtained by Big Rivers from Hoosier resulting from such sale of Block One Power and Block Two Power.

6. The point of delivery for Block One Power and Block Two Power shall be the existing point of interconnection between Big Rivers and Hoosier. Big Rivers through its agents or employees shall be responsible for scheduling with LEM deliveries of Block One Power and Block Two Power consistent with the scheduling provisions applicable to Base Power in the Power Purchase Agreement.

7. As between Big Rivers and Hoosier, transmission charges on Big Rivers' transmission system for transmitting Block One Power and Block Two Power from Big Rivers' transmission system to the existing point of interconnection between Big Rivers and Hoosier shall be the sole responsibility of Big Rivers. However, LEM agrees with Big Rivers and Hoosier to transmit Block One Power and Block Two Power as requested by Big Rivers using LEM's existing 66 megawatt firm point-to-point transmission capacity reservation on Big

Rivers' transmission system between the Big Rivers generating plants and the point of interconnection of the transmission systems of Big Rivers and Hoosier. Big Rivers agrees to pay LEM for the transmission used for the delivery of Block One Power and Block Two Power in an amount equal to the reservation charge paid by LEM for this transmission during the months of July and August. Amounts owing from Big Rivers to LEM for this transmission shall be payable five days prior to the date on each month when LEM is required to pay Big Rivers for such transmission capacity under the Big Rivers' transmission tariff. In the event a force majeure condition (as such term is defined in section 10.1 of Big Rivers' Open Access Transmission Tariff) affecting this transmission path occurs, such that Big Rivers is unable to deliver Block One Power and Block Two Power using that transmission path, Big Rivers will be excused from all obligations to supply Block One Power and Block Two Power under this agreement until such force majeure condition is corrected, and Hoosier shall not be entitled to liquidated damages under Sections 2 and 3 of this Agreement. In the event Big Rivers is excused from its obligations to supply Block One Power and Block Two Power because of the event of such a force majeure condition, Hoosier shall have the option to secure another transmission route for the power; provided that, Hoosier shall be responsible for the payment of the cost of the alternate transmission route.

8. Hoosier, Big Rivers, and LEM each hereby releases and discharges each of the others from any and all claims or actions which have arisen or could arise as a result of Big Rivers' failure to provide energy to Hoosier under the terms of the Reid Agreement for the year 1999; provided that, these releases are strictly limited to the year 1999, and shall have no applicability to succeeding contract years, and provided further that these releases shall in no way limit or restrict the remedies or damages which shall be available to any of the parties in the

event one of the other parties should default or otherwise fail to perform any of its obligations under this Agreement. Further, LEM hereby releases and discharges Big Rivers from any and all obligations to pay amounts received from Hoosier under the Reid Agreement during 1999.

9. All of the charges for energy and capacity set forth in the Reid Agreement are hereby waived by Big Rivers for the entire year of 1999, and Hoosier shall not be required to pay any of such charges for that year in recognition of the amounts payable hereunder.

10. Hoosier has the right, at its expense, upon reasonable notice and during normal working hours, to examine the records of Big Rivers to the extent reasonably necessary to verify that a failure of Big Rivers to deliver Block Two Power Non-Firm energy is excused under this agreement. Big Rivers shall make available to Hoosier any and all records necessary for Hoosier to make this verification.

11. Big Rivers hereby represents that this Agreement shall be effective upon execution by the parties and shall be enforceable without the review or approval of any court having jurisdiction over Big Rivers' bankruptcy proceedings or any appointee of such court.

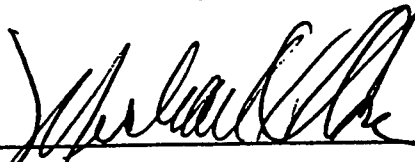
Executed in triplicate as of the day and year first set forth above.

Hoosier Energy Rural Electric Cooperative, Inc.

By: Tom Benth

Title _____

Big Rivers Electric Corporation

By: 

Title President and CEO

LG&E Energy Marketing, Inc.

By: 

Title Vice President

RECEIVED

COMMONWEALTH OF KENTUCKY
BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY

NOV 15 1999

PUBLIC SERVICE
COMMISSION

In the Matter of:

The Tariff Filing of Big Rivers
Electric Corporation to Revise the Large
Industrial Customer Rate Schedule

Case No. 99-360

PETITION OF
BIG RIVERS ELECTRIC CORPORATION
FOR CONFIDENTIAL TREATMENT

Pursuant to 807 K.A.R. 5:001 §7, Big Rivers Electric Corporation ("Big Rivers") respectfully petitions the Kentucky Public Service Commission ("Commission") to classify and protect as confidential certain material contained in the November 12, 1999, response of Big Rivers to the Commission's Data Request Order dated November 5, 1999 (the "Data Request"). Specifically, Big Rivers requests confidential treatment for (i) the January 1, 1999, Power Purchase and Sale Agreement By and Between Reliant Energy Services, Inc. and Big Rivers, as amended (the "Reliant Agreement") that is being produced by Big Rivers in response to Item 6.e. of the Data Requests, for (ii) the June 17, 1998, Power Purchase and Sale Agreement By and Between NP Energy, Inc. and Big Rivers (the "NPE Agreement") that is being produced by Big Rivers in response to Item 12 of the Data Requests, and for (iii) the redacted portions of the June 30, 1999, Agreement by and among Hoosier Energy Rural Electric Cooperative, Inc, LG&E Energy Marketing, Inc. and Big Rivers (the "Hoosier Agreement") that is being produced by Big Rivers in response to Item 12 of the Data Requests, the Reliant Agreement, the NPE Agreement and the redacted portions of the Hoosier Agreement being collectively referred

to in this petition as the "Confidential Information." In further support of this petition, Big Rivers states:

1. The Confidential Information for which Big Rivers seeks confidential treatment, falls within a category of commercial information "generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of Big Rivers." KRS 61.878(1)(c)1.
2. The Reliant Agreement contains the details of the contractual relationship between Big Rivers and its power marketer, including the pricing, terms, resource availability, marketing strategies, credit support, marketer fees and transmission arrangements for power marketing activities conducted by Reliant on behalf of Big Rivers. The pervasiveness of confidential information within the Reliant Agreement makes redacting impractical, as very little of the Reliant Agreement is not commercially sensitive and confidential in nature. For potential purchasers from or sellers of power to Big Rivers to know the terms of the Reliant Agreement would be devastating to Big Rivers' attempts to maximize the value of its business activities and to provide power to its members at the lowest reasonable price. Information of that nature about a utility's power marketing and purchasing activities is not made publicly available by any utility. Big Rivers operates in an increasingly competitive marketplace for wholesale power and the public disclosure of sensitive commercial information would place it at a severe competitive disadvantage. Additionally, if Big Rivers replaces Reliant as its power marketer, Big Rivers would be disadvantaged in future negotiations with potential new power marketers if they have access to the results of the intense negotiations that resulted in the Reliant Agreement.

The NPE Agreement served as the basis for the Reliant Agreement and is therefore equally sensitive, even though it is no longer in effect.

3. The redacted information in the Hoosier Agreement is similar in nature to some of the information contained in the Reliant Agreement, as it discloses prices at which Big Rivers has been willing to sell power. That information is also commercially sensitive, would provide competitors an advantage in dealing with Big Rivers or Reliant, acting on behalf of Big Rivers, and is not generally available in the public domain.

4. The Commission has previously recognized the commercial sensitivity and competitive value of information in the possession of Big Rivers related to its power marketing activities. On November 2, 1998, the Commission issued a letter in Case No. 97-204 granting confidential protection to marketing information from Big Rivers' Power Supply Department. By letter dated November 13, 1998, the Commission granted confidential treatment to material in the Six-Month Arbitrage Report filed by Big Rivers on November 2, 1998. By letter dated May 21, 1999, in Case No. 99-00176 the Commission granted confidential treatment for power marketing information, including the fees paid to Reliant by Big Rivers.

5. If and to the extent that any of the Confidential Information becomes generally available to the public, whether through filings required by other agencies or otherwise, Big Rivers will notify the Commission and have its confidential status removed. 807 K.A.R. 5:001, §7(9)(a).

6. One (1) copy of the response containing the Confidential Information, with the Confidential Information highlighted with transparent ink, and ten (10) copies of the

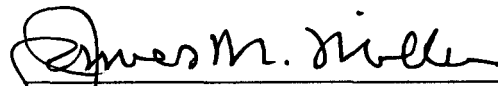
response with the Confidential Information redacted, are attached to this petition. 807

K.A.R. 5:001 §7 (2)(a)2 and (2)(b).

7. The Confidential Information is not known outside of Big Rivers, except by Big Rivers' power marketer, and is not disseminated within Big Rivers except to those employees and professionals with a legitimate business need to know and act upon the information.

WHEREFORE, Big Rivers respectfully requests that the Commission classify and protect as confidential the Confidential Information filed with this petition, on this the 12th day of November, 1999.

SULLIVAN, MOUNTJOY, STAINBACK
& MILLER, P.S.C.



James M. Miller
100 St. Ann Building, P. O. Box 727
Owensboro, Kentucky 42302-0727
(502) 926-4000

LONG ALDRIDGE & NORMAN LLP
Douglas L. Beresford
George F. "Geof" Hobday, Jr.
701 Pennsylvania Avenue, N.W.
Suite 600
Washington, D.C. 20004
(202) 624-1200

Attorneys for Big Rivers Electric
Corporation

W. DAVID DENTON
THOMAS J. KEULER
WILLIAM E. PINKSTON
LISA H. EMMONS
DAVID L. KELLY
THEODORE S. HUTCHINS*
GLENN D. DENTON*
STACEY A. BLANKENSHIP
JOANNE M. TALBOTT*
SAMUEL CARLICK
OF COUNSEL

*Also Licensed To Practice In Illinois

**DENTON
& KEULER**
ATTORNEYS AT LAW

POST OFFICE BOX 929
PADUCAH, KENTUCKY 42002-0929
TELEPHONE: (270) 443-8253
FACSIMILE: (270) 442-6000
REAL ESTATE FACSIMILE: (270) 442-6034
e-mail: dk@dklaw.com

RECEIVED
NOV 12 1999
PUBLIC SERVICE
COMMISSION
STREET ADDRESS BOX

PADUCAH BANK BUILDING SUITE 301
555 JEFFERSON STREET
PADUCAH, KENTUCKY 42001

November 9, 1999

MS HELEN HELTON
EXECUTIVE DIRECTOR
PUBLIC SERVICE COMMISSION
730 SCHENKEL LN
FRANKFORT KY 40601

Re: Big Rivers Electric Corporation
PSC Case No. 99-360

Dear Ms. Helton:

Enclosed is the original and eight copies of a Motion to Intervene which is being filed by Jackson Purchase Energy Corporation.

A copy of the motion has been sent to each of the individuals shown on the certification.

Sincerely yours,



W. David Denton

cc Mr. Kelly Nuckols

6432.wpd

RECEIVED
NOV 12 1999
PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF BIG RIVERS ELECTRIC
CORPORATION TO REVISE THE LARGE
INDUSTRIAL CONSUMER RATE SCHEDULE

CASE NO. 99-360

MOTION TO INTERVENE OF JACKSON PURCHASE
ENERGY CORPORATION

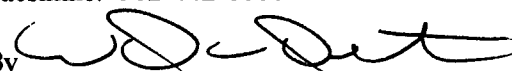
Comes now Jackson Purchase Energy Corporation, 2099 Irvin Cobb Drive, P. O. Box 3188, Paducah, Kentucky 42002-3188, and respectfully moves the Commission pursuant to 807 KAR 5:00, Section 3(8) for order permitting it full intervention herein. In support of this motion, movant states that it is a member-owner of the applicant, Big Rivers Electric Corporation; that the requested revised tariff will affect retail rates the movant will be required to charge customers in the future; and that the movant therefore has a special interest in this proceeding which may not be otherwise adequately represented. In further support, the movant states that Kenergy Corp. and Meade County Rural Electric Cooperative Corporation, who are also member-owners of applicant, have been previously granted intervention rights herein.

WHEREFORE, movant prays for a ruling of the Commission.

Respectfully submitted,

DENTON & KEULER
P.O. Box 929
Paducah, KY 42002-0929
Tele: 502-443-8253
Facsimile: 502-442-6000

By



W. David Denton

ATTORNEYS FOR JACKSON PURCHASE
ENERGY CORPORATION

I hereby certify that the original and 8 copies
of the foregoing were filed with the Public
Service Commission by U.S. Certified Mail
No. P 268 481 131, Return Receipt Requested,
on November 9th 1999:

EXECUTIVE DIRECTOR
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
P O BOX 615
FRANKFORT KY 40602

and a true and correct copy of the foregoing
was mailed on November 9th, 1999, to:

MR G KELLY NUCKOLS (via fax)
JACKSON PURCHASE ENERGY CORPORATION
P O BOX 3188
PADUCAH KY 42002-3188

HON JAMES M MILLER
100 ST ANN BLDG
P O BOX 727
OWENSBORO KY 42302
Counsel for Big Rivers Electric Corporation

HON DOUGLAS L BERESFORD
HON GEORGE F HOBDAV JR
701 PENNSYLVANIA AVE NW STE 600
WASHINGTON DC 20004
Counsel for Big Rivers Electric Corporation

HON FRANK N KING JR
DORSEY KING GRAY & NORMENT
318 2ND ST
HENDERSON KY 42420
**Attorneys for Kenergy Corp. and Meade
County Rural Electric Cooperative Corporation**



W. David Denton



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

November 5, 1999

To: All parties of record

RE: Case No. 99-360

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

Stephanie Bell

Stephanie Bell
Secretary of the Commission

SB/hv
Enclosure

David A. Spainhoward
Vice President
Contract Adm. & Regulatory Affairs
Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY 42419 0024

Honorable James M. Miller
Sullivan, Mountjoy, Stainback &
Miller PSC
100 St. Ann Building
P.O. Box 727
Owensboro, KY 42302

Honorable Douglas L. Beresford
Geo. F. Hobday, Jr.
Long, Aldridge & Norman LLP
701 Pennsylvania Avenue, N.W.
Suite 600
Washington, DC 20004

Honorable Frank N. King
Dorsey, King, Gray & Norment
Attorneys for Kenergy Corp. and
Meade County RECC
318 Second Street
Henderson, KY 42420

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF BIG RIVERS)
ELECTRIC CORPORATION TO) CASE NO. 99-360
REVISE THE LARGE INDUSTRIAL)
CUSTOMER RATE SCHEDULE)

O R D E R

IT IS ORDERED that Big Rivers Electric Corporation ("Big Rivers") shall file with the Commission the original and 8 copies of the following information, with a copy to all parties of record. The information requested herein is due no later than November 15, 1999. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of 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 witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Has Big Rivers notified all existing large industrial customers who could be affected by the proposed Rate Schedule 10? If yes, how was notification accomplished? If no, explain why these customers were not notified.

2. Refer to Item 3(a) of Big Rivers' response to the Commission's October 15, 1999 Order. Big Rivers' indicates that its "preference is to provide for new and expanded loads with a special contract" and that "Big Rivers does not believe that a one-size-fits-all approach would work well for new load served under the Expansion Tariff." Describe how the new load expected to be served under the Expansion Tariff will differ from Big Rivers' existing load that is served under a "one-size-fits-all" power supply arrangement.

3. Refer to Items 3(c) and (d) of Big Rivers' response to the Commission's October 15, 1999 Order. Provide a detailed listing that identifies and describes the strategies Big Rivers is presently looking into that may result in eliminating the need to purchase long-term power and possibly medium-term power.

4. Refer to Items 2 and 4 of Big Rivers' response to the Commission's October 15, 1999 Order. Big Rivers' draft 1999 Power Requirements Study in Item 2 shows excess base power of 45 MW forecast for the year 2000. Item 4 indicates that Big Rivers has immediate concerns about new large loads coming on its system before 2003 and that recent requests to serve potential new loads have asked "for load service to begin mid to late 2000." Is Big Rivers facing a situation where it needs approval of the proposed Expansion Tariff, or some power supply arrangement, before it can make commitments to serve new loads that might require service by mid to late 2000?

5. Refer to Item 5 of Big Rivers' response to the Commission's October 15, 1999 Order, the third paragraph, which refers to establishing "a mechanism to obtain voluntary curtailment of load from large industrial customers of Big Rivers' members when the electricity market is extremely high." Explain why, at this point, this possible

mechanism is only an alternative that Big Rivers is considering rather than a tariff proposal before the Commission for its review.

6. Refer to Item 7 of Big Rivers' response to the Commission's October 15, 1999 Order. The response references Big Rivers' contract with Reliant Energy ("Reliant") under which most of Big Rivers' power requirements outside of the agreements with Louisville Gas and Electric Energy Marketing, Inc ("LEM") and the Southeastern Power Administration ("SEPA") are conducted. Provide the following information regarding the contract with Reliant:

- a. When the contract was executed;
- b. The term of the contract;
- c. Whether Reliant was chosen as Big Rivers' power marketer as the result of a competitive bidding process;
- d. The Request for Proposals issued by Big Rivers which resulted in the selection of Reliant as its power marketer;
- e. The contract between Big Rivers and Reliant.

7. Big Rivers has stated that its proposed "adder" for power purchases under Rate Schedule 10 was \$.94 per kw/month. In Item 6 of the response to the Commission's October 15, 1999 Order, Big Rivers provided a narrative description of how part of the "adder" is determined and the supporting workpapers for the remaining \$.38 per kw/month. Provide the calculations showing the determination of the entire \$.94 kw/month "adder."

8. Concerning the 5 MW load level incorporated in the proposed Rate Schedule 10:

a. Explain how Big Rivers determined that the 5 MW load was the appropriate "threshold" for new or expanded loads.

b. Did Big Rivers intend for the 5 MW load threshold to apply each year to an industrial customer or was this to apply over a series of years? Explain the response.

c. Assume for illustrative purposes that Rate Schedule 10 is approved as proposed. Customer A increases its load in year 1 by 3 MW and increases it again in year 4 by 3 MW. Would 1 MW of Customer A's load be served under Rate Schedule 10 in the fourth year? Explain the response.

9. Provide an analysis of the impact on Big Rivers' financial condition assuming Rate Schedule 10 is approved as proposed versus Rate Schedule 10 being denied in total. Explain any assumptions used in the analysis.

10. For each customer class listed below, provide a comparison by year of the customer class loads as shown in the PSC2-38R financial model and the currently expected loads. Explain in detail the reasons for any changes between these forecasted loads.

a. Large Industrial. If specific industrial customers are the primary reason for any annual change, identify those customers.

b. Rural.

c. Other Sales.

11. The proposed Rate Schedule 10 refers to large industrial customers with Qualifying Facilities ("QF").

a. How many of Big Rivers' current large industrial customers have QFs? Provide a list of those customers.

b. How many of Big Rivers' current large industrial customers have the potential to develop QFs on their sites? Provide a list of those customers.

c. Based on the response to the Commission's October 15, 1999 Order, Item 4, indicate how many of those possible customers inquiring about service have QF potential.

12. Since the beginning of the purchased power agreement ("PPA") with LEM, has Big Rivers signed any contractual agreement that resulted in the sale of Base Power or SEPA power to a party other than one of Big Rivers' three member distribution cooperatives? If yes, provide the full details of each agreement.

13. Provide the following information concerning Big Rivers' sources of purchased power:

a. The minimum and maximum hourly power purchases allowed under the PPA with LEM. Provide these amounts for the entire term of the contract.

b. The minimum and maximum annual power purchases allowed under the PPA with LEM. Provide these amounts for the entire term of the contract.

c. The minimum and maximum power purchases allowed under the SEPA contract. Provide these amounts by year for each year of the current contract, and indicate when the current contract is scheduled to expire.

14. The introduction to the proposed Rate Schedule 10 refers to "certain large industrial or commercial loads."

a. Do Big Rivers' three member distribution cooperatives currently have any commercial customers who could potentially be served under the proposed Rate Schedule 10? If yes, identify those customers.

b. Have any existing commercial customers expressed an interest in the proposed Rate Schedule 10?

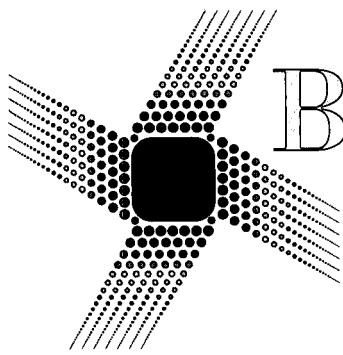
c. Have any potential customers inquiring about service from a member distribution cooperative and Big Rivers been commercial customers? If yes, how many of the total inquiries were from commercial customers?

Done at Frankfort, Kentucky, this 5th day of November, 1999.

By the Commission

ATTEST:


Executive Director



Big Rivers
Electric Corporation

RECEIVED
OCT 25 1999
PUBLIC SERVICE
COMMISSION

201 Third Street
P.O. Box 24
Henderson, KY 42419-0024
502-827-2561
www.bigrivers.com

October 22, 1999

Ms. Helen Helton
Executive Director
Public Service Commission
730 Schenkel Lane
Frankfort, KY 40601

RE: Big Rivers Electric Corporation
PSC Case No. 99-360

Dear Ms. Helton:

Enclosed are an original and eight copies of the response of Big Rivers Electric Corporation to the data requests contained in the Commission's Order dated October 15, 1999, in Case No. 99-360.

Sincerely,

BIG RIVERS ELECTRIC CORPORATION

David A. Spainhoward
Vice President
Contract Administration and Regulatory Affairs

pm
Enclosures

c: James M. Miller, Esq.
Douglas Beresford, Esq.
Mr. Burns Mercer
Mr. Kelly Nuckols
Mr. Dean Stanley
Frank N. King, Esq.
David Denton, Esq.

RECEIVED
OCT 25 1999
PUBLIC SERVICE
COMMISSION

**COMMONWEALTH OF KENTUCKY
BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY**

In the Matter of:

**The Tariff Filing of Big Rivers Electric)
Corporation to Revise the Large Industrial)
Customer Rate Schedule) Case No. 99-360**

**BIG RIVERS ELECTRIC CORPORATION
RESPONSE TO THE COMMISSION'S
INITIAL REQUEST FOR INFORMATION OF
OCTOBER 15, 1999**

Items 1-7

October 25, 1999

BIG RIVERS ELECTRIC CORPORATION
RESPONSE TO THE COMMISSION'S
INITIAL REQUEST FOR INFORMATION OF OCTOBER 15, 1999

CASE NO. 99-360

1
2
3
4 **Item 1)** Refer to Page 3 of Big Rivers' transmittal letter dated August 26, 1999,
5 where it states, "Under Big Rivers' latest load projections, ordinary load growth will
6 consume the amount of excess Base Power available by the year 2003." Based on the
7 most current load projections available at the time that the lease arrangement with the
8 affiliates of LG&E Energy Corp. was initiated, when was ordinary load growth
9 forecasted to consume available excess Base Power?

10
11 **Response)** The attached table shows data taken from the 1997 Power Requirements
12 Study (PRS) adjusted to reflect the removal of the smelter peaks from Big Rivers' load.
13 The table indicates that in 2007 ordinary load growth was forecasted to consume
14 available excess base power. The draft 1997 PRS, which was available at the time the
15 lease arrangement with the LG&E Affiliates was initiated, showed that Big Rivers would
16 be short 28-55 MW from 2008-2010, on peak. However, neither Big Rivers' draft PRS
17 nor its financial projections at that time showed any industrial load growth. Therefore,
18 the shortfall alone would not have been a significant problem. Pricing such a small
19 potential shortfall would have been highly speculative and therefore was excluded from
20 the financial forecast. Because of the strong national economy, and new industrial loads
21 becoming interested in Big Rivers' low rates, however, Big Rivers now anticipates the
22 need to have a tariff in place for new commercial and industrial rates to meet a higher
23 level of load.

24
25 **Witness)** C. William Blackburn and Mark A. Hite
26
27
28
29
30
31
32
33

1997 PRS PEAKS WITH SMELTERS REMOVED			
YEAR	CAPACITY	PEAK	EXCESS
2000	750	681	69
2001	775	704	71
2002	775	714	61
2003	775	725	50
2004	775	738	37
2005	775	750	25
2006	775	763	12
2007	775	775	0
2008	775	803	-28
2009	775	817	-42
2010	775	830	-55
2011	895	844	51
2012	978	858	120
2013	978	884	94
2014	978	898	80
2015	978	913	65

BIG RIVERS ELECTRIC CORPORATION
RESPONSE TO THE COMMISSION'S
INITIAL REQUEST FOR INFORMATION OF OCTOBER 15, 1999

CASE NO. 99-360

1
2
3
4 **Item 2)** What factors have caused the changed results from the load projections at
5 the time the lease arrangement was initiated to the latest load projections referenced on
6 Page 3 of Big Rivers' transmittal letter that indicate that excess Base Power will be
7 consumed by ordinary load growth by the year 2003?

8
9 **Response)** The factors that have caused the change in load projections at the time the
10 lease arrangement was initiated to the latest load projections are: (1) a strong national
11 economy, and (2) lower costs on Big Rivers' system which have encouraged expansion.
12 In addition, new industrial loads are interested in locating in Big Rivers' members'
13 service areas.

14
15 Based on Big Rivers' draft 1999 Power Requirements Study, in 2003 the
16 excess base power is forecast to be 20 MW. This data is taken from the base case
17 forecast and the actual peaks could be greater depending on weather, unexpected growth
18 and other factors mentioned above. If the load growth is only slightly greater than
19 projected, Big Rivers could be short on power and find itself exposed to the extreme
20 summer prices that have occurred during the past two summers.

21
22 **Witness)** C. William Blackburn
23
24
25
26
27
28
29
30
31
32
33

1999 PRS PEAKS WITH SMELTERS REMOVED			
YEAR	CAPACITY	PEAK	EXCESS
2000	750	705	45
2001	775	723	52
2002	775	739	36
2003	775	755	20
2004	775	770	5
2005	775	785	-10
2006	775	802	-27
2007	775	815	-40
2008	775	831	-56
2009	775	850	-75
2010	775	881	-106
2011	895	898	-3
2012	978	915	63
2013	978	937	41
2014	978	954	24
2015	978	972	6

BIG RIVERS ELECTRIC CORPORATION
RESPONSE TO THE COMMISSION'S
INITIAL REQUEST FOR INFORMATION OF OCTOBER 15, 1999

CASE NO. 99-360

1
2
3
4 **Item 3)** The terms of the proposed Expansion Rate Tariff reflect that Big Rivers
5 will purchase power from third-party suppliers and will procure the type and quantity of
6 power required by one of its member cooperatives for resale to the cooperative's retail
7 customers on a customer-by-customer basis.

- 8
9 a. Explain Big Rivers' decision to acquire power on a customer-by-
10 customer basis rather than make contractual arrangements for a
11 third-party power supplier to provide power for all expansion
12 loads.
13
14 b. To what extent has Big Rivers investigated the availability of
15 medium- to long-term third-party power supplies in order to
16 determine whether arrangements could be made with a single
17 power supplier to serve its expansion loads?
18
19 c. Would there be any means other than issuing a Request for
20 Proposals ("RFP") by which a thorough investigation of third-party
21 power supplies could be performed and adequately documented?
22
23 d. Has Big Rivers issued an RFP to investigate the availability of
24 third-party power supplies to serve its expansion loads?
25

26 **Response)** a. Big Rivers' preference is to provide for new and expanded loads
27 with a special contract. Big Rivers does not believe that a "one size fits all" approach
28 would work well for new load served under the Expansion Rate Tariff. Factors such as
29 load size, load factor, term, market volatility, capacity reservation costs, and risk
30 management would make it difficult to negotiate a favorable contract for unpredictable
31 and undefined load growth. Furthermore, it would undermine one objective of the rate
32 which is flexibility to obtain favorable terms and prices for each unique situation.
33

BIG RIVERS ELECTRIC CORPORATION
RESPONSE TO THE COMMISSION'S
INITIAL REQUEST FOR INFORMATION OF OCTOBER 15, 1999

CASE NO. 99-360

1
2
3
4 We do intend to aggregate load when possible under this tariff. Each time
5 there is a new increment of expansion load, Big Rivers will evaluate whether it will be
6 beneficial to aggregate other new or existing expansion loads. If conditions permit, Big
7 Rivers will structure the third party power supply agreements to aggregate load.

8
9 b. It would not be prudent to break out and negotiate specific
10 purchases because Big Rivers does not know what the specific timing, load or quality of
11 power needs are yet.

12
13 c. and d. Big Rivers has not issued an RFP to investigate the
14 availability of a single third-party power supplier to serve its expansion loads. Big Rivers
15 has had informal conversations with various marketers relative to specific load additions.
16 They all want a beginning and ending date for the load and the exact amount of capacity
17 needed. As the Commission knows, the electricity market for the last two summers has
18 been extremely volatile, which marketers deem as risk and they translate risk into a
19 higher price. If a third party has to reserve an unknown quantity of power, the third party
20 will also translate that opportunity cost into a higher price. For instance, the opportunity
21 cost will include their missed opportunity to sell into a summer "blow-out" market.
22 Based on Big Rivers' general conversations with marketers and their responses to our
23 case-by-case proposals, we do not believe we would receive any responses of a
24 reasonable price magnitude due to the unknown conditions, risks, and opportunity costs
25 that would be included in their analyses and reflected into their price. Big Rivers is
26 looking into strategies that may result in eliminating the need to purchase long-term
27 power and possibly medium-term power.

28
29 Also, please see response to the Commission's Initial Request for
30 Information, Item No. 5.

31
32 **Witness)** Jack Gaines and C. William Blackburn

BIG RIVERS ELECTRIC CORPORATION
RESPONSE TO THE COMMISSION'S
INITIAL REQUEST FOR INFORMATION OF OCTOBER 15, 1999

CASE NO. 99-360

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33

Item 4) Big Rivers' transmittal letter refers to member cooperatives' and Big Rivers' concerns that one or two large loads could consume all remaining quantities of Base Power.

- a. Given that Big Rivers' latest load projections indicated that ordinary load growth will consume excess Base Power by the year 2003, are there any immediate concerns or expectations that new large loads will be coming on the Big Rivers' system between now and 2003?
- b. If there are such expectations currently, provide the time and size of the expected load additions.

Response) a. Yes, Big Rivers has immediate concerns.

b. Big Rivers has received several requests for pricing proposals from the member distribution systems on a confidential basis. Their requests range from a small expansion up to a load in the range of 125 MW. As recently as September 30, we received an inquiry concerning a 30-40 MW load. The requests are for load service to begin mid to late 2000. Typically, potential large customers request confidentiality until they are ready to make a decision or an announcement.

Witness) C. William Blackburn

BIG RIVERS ELECTRIC CORPORATION
RESPONSE TO THE COMMISSION'S
INITIAL REQUEST FOR INFORMATION OF OCTOBER 15, 1999

CASE NO. 99-360

1
2
3
4 **Item 5)** The latest load projections show that ordinary load growth will consume
5 excess Base Power by the year 2003. What are Big Rivers' current plans for meeting that
6 load growth beginning in 2003?

7
8 **Response)** To meet load growth for the year 2003 and beyond, Big Rivers plans to
9 keep as many options open as possible.

10
11 Big Rivers is keeping the option open to enter into a long-term contract for
12 power supply. However, we believe that now is definitely not the time to enter into a
13 long-term power contract. See response to Item 3 (b). Big Rivers has filed a
14 cogeneration and small power producer tariff with the Commission. If Big Rivers is able
15 to back-up the QF power from third party sources, this would potentially free up power
16 for native load.

17
18 Another alternative is to work with the Commission to establish a
19 mechanism to obtain voluntary curtailment of load from large industrial customers of Big
20 Rivers' members when the electricity market is extremely high. Big Rivers may be able
21 to expand that mechanism and combine it with cogeneration power mentioned above to
22 "clip" the short duration major peaks and defer or possibly eliminate the need to purchase
23 any additional capacity in the future.

24
25 Big Rivers plans to investigate the feasibility of using daily futures options
26 in the electricity market to cover needs of the load growth. We should be able to
27 combine the purchase of a call option with an arbitrage sales strategy and minimize the
28 cost of additional capacity.

29
30 **Witness)** C. William Blackburn

BIG RIVERS ELECTRIC CORPORATION
RESPONSE TO THE COMMISSION'S
INITIAL REQUEST FOR INFORMATION OF OCTOBER 15, 1999

CASE NO. 99-360

1
2
3
4 **Item 6)** Explain how the "Big Rivers Adder" as described in Rate Schedule 10
5 (f)(4) was calculated. Provide any workpapers supporting this calculation.

6
7 **Response)** The methodology for calculating the Big Rivers' adder is as follows: The
8 12-month period ended July 1999 was the benchmark for determining Big Rivers' pro
9 forma costs. This trial balance was "unbundled" among Power Supply, Customer
10 Service, Transmission, Generation, and Administrative and General (A&G). Pro forma
11 adjustments were then made to normalize the following items: (a) outside services, (b)
12 fuel restitution, (c) donations, penalties, and political activities, (d) advertising, (e) other
13 interest expense, (f) workers compensation, and (g) depreciation and amortization. The
14 resulting pro forma costs for Power Supply, excluding the cost of power, and Customer
15 Service were then allocated their share of A&G. A&G was allocated on the basis of
16 "unbundled" pro forma wages and salaries, as in Big Rivers' Open Access Transmission
17 Tariff. Finally, 10 percent of Power Supply and Customer Service interest, including
18 their share of A&G interest, was added, allowing for a TIER of 1.10. Because these
19 Power Supply and Customer Service costs are considered fixed (capacity costs), pro
20 forma billing demand kW was utilized to compute the "adder." Member billing demand
21 kW for the 12-month period ended July 1999 was determined and normalized. For the
22 Power Supply component of the "adder," "Arbitrage" pro forma demand kW of 916,310
23 was also added.

24
25 The requested workpapers supporting the \$.38 "adder" are attached.

26
27 **Witness)** Mark A. Hite
28
29
30
31
32
33

LARGE INDUSTRIAL EXPANSION RATE - PRO FORMA

	Without New Depreciation Study	With New Depreciation Study
Power Supply Cost	\$735,697.88	\$734,257.04
Billing Demand-kW	7,729,493	7,729,493
	\$.095	\$.095
Customer Service Cost	\$1,947,690.14	\$1,943,907.38
Billing Demand-kW	6,813,183	6,813,183
	\$.286	\$.285
Rate per kW Month Billing Demand*	\$.381	\$.380

*\$.38/kW-month "Adder" (with or without the new Depreciation Study).

ACCT #	DESCRIPTION	Pro Forma 8/98-7/99	Pro Forma 8/98-7/99 With New Depr
Wages and Salaries			
560100	OPER SUPERVISION & ENG-LINES-LABOR	203,757.94	203,757.94
560200	OPER SUPERVISION & ENG-STATIONS-LABOR	150,513.20	150,513.20
561100	LOAD DISPATCHING-LABOR	682,321.12	682,321.12
562100	STATION EXPENSES-LABOR	329,505.87	329,505.87
563100	OVERHEAD LINE EXPENSES-LABOR	125,363.83	125,363.83
566100	MISC TRANSMISSION EXP-LINES-LABOR	104,512.74	104,512.74
566200	MISC TRANSMISSION EXP-STATIONS-LABOR	96,314.21	96,314.21
568100	MAINT SUPERVISION & ENG-LINES-LABOR	147,474.28	147,474.28
568200	MAINT SUPERVISION & ENG-STATIONS-LABOR	166,099.50	166,099.50
569100	MAINT STRUCTURES-LABOR	37,248.45	37,248.45
570100	MAINT STATION EQUIPMENT-LABOR	743,882.12	743,882.12
571100	MAINT OVERHEAD LINES-LABOR	327,717.40	327,717.40
573100	MAINT MISC TRANSMISSION PLT-LINE-LABOR	13,506.81	13,506.81
573200	MAINT MISC TRANSMISSION PLT-STA-LABOR	5,037.54	5,037.54
	Total Transmission Wages and Salaries	3,133,255.01	3,133,255.01
920101	ADMIN & GENERAL SALARIES - POWER SUPPLY	267,033.57	267,033.57
908100	CUSTOMER ASSISTANCE EXPENSES-LABOR	427,505.60	427,505.60
920102	ADMIN & GENERAL SALARIES - CUSTOMER SE	273,560.82	273,560.82
	Total Customer Service	701,066.42	701,066.42
	Total Non-A&G Wages and Salaries	4,101,355.00	4,101,355.00
820100	ADMINISTRATIVE AND GENERAL SALARIES	-	-
920100	ADMINISTRATIVE AND GENERAL SALARIES	2,153,997.28	2,153,997.28
930100	GENERAL ADVERTISING EXPENSES-LABOR	-	-
930200	MISCELLANEOUS GENERAL EXPENSES-LABOR	-	-
935100	MAINTENANCE OF GENERAL PLANT-LABOR	50,240.94	50,240.94
925100	INJURIES & DAMAGES-LABOR	1,070.51	1,070.51
926100	EMPLOYEE PENSIONS & BENEFITS-LTD-LABOR	188,135.89	188,135.89
	Total Wages and Salaries	6,494,799.62	6,494,799.62
Transmission O&M			
560100	OPER SUPERVISION & ENG-LINES-LABOR	203,757.94	203,757.94
560110	OPER SUPERVISION & ENG-LINES-EXPENSE	35,909.03	35,909.03
560200	OPER SUPERVISION & ENG-STATIONS-LABOR	150,513.20	150,513.20
560210	OPER SUPERVISION & ENG-STATIONS-EXPENSE	2,362.46	2,362.46
561100	LOAD DISPATCHING-LABOR	682,321.12	682,321.12
561110	LOAD DISPATCHING-EXPENSE	36,523.89	36,523.89
562100	STATION EXPENSES-LABOR	329,505.87	329,505.87
562110	STATION EXPENSES-EXPENSE	447,370.47	447,370.47
563100	OVERHEAD LINE EXPENSES-LABOR	125,363.83	125,363.83
563110	OVERHEAD LINE EXPENSES-EXPENSE	528,477.00	528,477.00
566100	MISC TRANSMISSION EXP-LINES-LABOR	104,512.74	104,512.74
566110	MISC TRANSMISSION EXP-LINES-EXPENSE	30,821.32	30,821.32
566200	MISC TRANSMISSION EXP-STATIONS-LABOR	96,314.21	96,314.21
566210	MISC TRANSMISSION EXP-STATIONS-EXPENSE	64,682.58	64,682.58
567200	RENTS-STATIONS	21,111.12	21,111.12
568100	MAINT SUPERVISION & ENG-LINES-LABOR	147,474.28	147,474.28
568110	MAINT SUPERVISION & ENG-LINES-EXPENSE	2,334.25	2,334.25
568200	MAINT SUPERVISION & ENG-STATIONS-LABOR	166,099.50	166,099.50
568210	MAINT SUPERVISION & ENG-STATIONS-EXPENSE	2,367.12	2,367.12
569100	MAINT STRUCTURES-LABOR	37,248.45	37,248.45
569110	MAINT STRUCTURES-EXPENSE	19,092.32	19,092.32
570100	MAINT STATION EQUIPMENT-LABOR	743,882.12	743,882.12
570110	MAINT STATION EQUIPMENT-EXPENSE	766,018.16	766,018.16
571100	MAINT OVERHEAD LINES-LABOR	327,717.40	327,717.40
571110	MAINT OVERHEAD LINES-EXPENSE	516,276.66	516,276.66
573100	MAINT MISC TRANSMISSION PLT-LINE-LABOR	13,506.81	13,506.81

ACCT #	DESCRIPTION	Pro Forma 8/98-7/99	Pro Forma 8/98-7/99 With New Depr
573110	MAINT MISC TRANSMISSION PLT-LINE-EXPENSE	9,113.55	9,113.55
573200	MAINT MISC TRANSMISSION PLT-ST-A-LABOR	5,037.54	5,037.54
573210	MAINT MISC TRANSMISSION PLT-ST-A-EXPENSE	12,102.85	12,102.85
	Total Transmission O&M	5,627,817.79	5,627,817.79
	Power Supply O&M		
820100	ADMINISTRATIVE AND GENERAL SALARIES	-	-
920101	ADMIN & GENERAL SALARIES - POWER SUPPLY	267,033.57	267,033.57
921101	OFFICE SUPPLIES & EXPENSE - POWER SUPPL	24,691.76	24,691.76
923101	OUTSIDE SERVICES EMPLOYED-POWER SUPPLY	36,294.47	36,294.47
930211	MISC GENERAL EXPENSE - EXPENSE - POWER S	-	-
935111	MAINT OF GENERAL PLANT - EXPENSE - POWER	748.63	748.63
	Total Power Supply O&M	328,768.43	328,768.43
	Customer Assistance O&M		
908100	CUSTOMER ASSISTANCE EXPENSES-LABOR	427,505.60	427,505.60
908110	CUSTOMER ASSISTANCE EXPENSES-EXPENSE	196,931.49	196,931.49
909110	INFORMATION & INSTRUCTION ADV EXP	24,368.08	24,368.08
910110	MISC CUSTOMER SERV & INFORMATIONAL EXP	1,795.34	1,795.34
913110	ADVERTISING EXPENSE	-	-
920102	ADMIN & GENERAL SALARIES - CUSTOMER SE	273,560.82	273,560.82
921102	OFFICE SUPPLIES & EXPENSE - CUSTOMER SE	85,917.61	85,917.61
923102	OUTSIDE SERVICES EMPLOYED-CUSTOMER SERV	37,095.00	37,095.00
930112	GENERAL ADVERTISING EXP-EXP-CUSTOMER SERV	(168,380.00)	(168,380.00)
930212	MISC GENERAL EXP - EXP - CUSTOMER SERVIC	-	-
935112	MAINT OF GENERAL PLANT - EXP - CUSTOMER	548.98	548.98
	Total Customer Assistance O&M	879,342.92	879,342.92
	Administrative and General		
408170	TAXES-PROPERTY-GENERAL PLANT	122,961.06	122,961.06
408179	TAXES-PROPERTY-GENERAL-CONTRA	(122,953.02)	(122,953.02)
426500	OTHER DEDUCTIONS	4,759.76	4,759.76
920100	ADMINISTRATIVE AND GENERAL SALARIES	2,153,997.28	2,153,997.28
921100	OFFICE SUPPLIES AND EXPENSES	327,169.20	327,169.20
923100	OUTSIDE SERVICES EMPLOYED	926,610.53	926,610.53
923101	OUTSIDE SERVICES-DEFEASED SALE/LEASEBACK	-	-
923200	OUTSIDE SERVICES-REORGANIZATION COSTS	-	-
924150	PROPERTY INSURANCE-TRANSMISSION-STATIONS	-	-
924160	PROPERTY INSURANCE-TRANSMISSION-LINES	-	-
924170	PROPERTY INSURANCE-A&G	-	-
925100	INJURIES & DAMAGES-LABOR	1,070.51	1,070.51
925150	INJURIES & DAMAGES-TRANSMISSION-STATIONS	-	-
925160	INJURIES & DAMAGES-TRANSMISSION-LINES	-	-
925170	INJURIES & DAMAGES-A&G	238,464.52	238,464.52
925200	INJURIES & DAMAGES-EXPENSE	-	-
926100	EMPLOYEE PENSIONS & BENEFITS-LTD-LABOR	188,135.89	188,135.89
926150	EMPLOYEE PENSIONS & BENEFITS-STATIONS	-	-
926160	EMPLOYEE PENSIONS & BENEFITS-LINES	-	-
926170	EMPLOYEE PENSIONS & BENEFITS-A&G	(1,761.76)	(1,761.76)
926200	EMPLOYEE PENSIONS & BENEFITS-EXPENSE	162,697.65	162,697.65
928100	REGULATORY COMMISSION EXPENSES	405,515.10	405,515.10
930100	GENERAL ADVERTISING EXPENSES-LABOR	-	-
930110	GENERAL ADVERTISING EXPENSES-EXPENSE	-	-
930200	MISCELLANEOUS GENERAL EXPENSES-LABOR	-	-
930210	MISCELLANEOUS GENERAL EXPENSES-EXPENSE	603,247.62	603,247.62
935100	MAINTENANCE OF GENERAL PLANT-LABOR	50,240.94	50,240.94
935110	MAINTENANCE OF GENERAL PLANT-EXPENSE	72,857.31	72,857.31
	Total A&G	5,133,012.59	5,133,012.59
	Transmission Portion = Trans W&S/Non A&G W&S	76.40%	76.40%
	Transmission A&G	3,921,396.08	3,921,396.08

ACCT #	DESCRIPTION	Pro Forma 8/98-7/99	Pro Forma 8/98-7/99 With New Depr
	Power Supply Portion = PS W&S/Non A&G W&S	6.51%	6.51%
	Power Supply A&G	334,203.37	334,203.37
	Customer Assistance Portion = CA W&S/Non A&G W&S	17.09%	17.09%
	Customer Assistance A&G	877,413.14	877,413.14
	Interest		
427150	INTEREST ON LONG-TERM DEBT-STATIONS	5,250,456.06	5,250,456.06
427160	INTEREST ON LONG-TERM DEBT-LINES	3,797,704.10	3,797,704.10
427350	INTEREST CHARGED TO CONST-CR-STATIONS	(65,791.00)	(65,791.00)
427360	INTEREST CHARGED TO CONST-CR-LINES	(17,502.00)	(17,502.00)
431300	INTEREST EXPENSE-OTHER	-	-
	Total Transmission Interest	8,964,867.16	8,964,867.16
427170	INTEREST ON LONG-TERM DEBT-GENERAL	743,402.08	743,402.08
	Transmission Portion of General Interest	76.40%	76.40%
	Transmission General Interest	567,926.52	567,926.52
	Power Supply Portion of General Interest	6.51%	6.51%
	Power Supply General Interest	48,401.88	48,401.88
	Customer Assistance Portion of General Interest	17.09%	17.09%
	Customer Assistance General Interest	127,073.67	127,073.67
	Depreciation		
403510	DEPR EXPENSE-TRANSMISSION-STATIONS	2,694,279.46	2,373,223.23
403520	DEPR EXPENSE-TRANSMISSION-LINES	1,756,903.26	1,923,437.72
	Total Transmission Depreciation	4,451,182.72	4,296,660.95
403700	DEPR EXPENSE-GENERAL PLANT	299,253.83	277,124.03
	Transmission Portion of General Depreciation	76.40%	76.40%
	Transmission General Depreciation	228,616.78	211,710.58
	Power Supply Portion of Depreciation	6.51%	6.51%
	Power Supply General Depreciation	19,484.00	18,043.16
	Customer Assistance Portion of Depreciation	17.09%	17.09%
	Customer Assistance General Depreciation	51,153.05	47,370.28
	Total Transmission Cost Before Margins	23,761,807.05	23,590,379.09
	Total Power Supply cost Before Margins	730,857.69	729,416.85
	Total Customer Assistance Cost Before Margins	1,934,982.78	1,931,200.01
	Target Transmission Margin 10% of Interest	953,279.37	953,279.37
	Target Power Supply Margin	4,840.19	4,840.19
	Target Customer Assistance Margin	12,707.37	12,707.37
	TOTAL TRANSMISSION COSTS	24,715,086.42	24,543,658.45
	TOTAL POWER SUPPLY COSTS	735,697.88	734,257.04
	TOTAL CUSTOMER SERVICE COSTS	1,947,690.14	1,943,907.38

TOTAL AUGUST 1998 - JULY 1999

INDUSTRIALS	KWH	CONT MIN	ACTUAL	BILLED	KW
Accuride	37,275,360	2,001	69,348	69,348	
Black Diamond	2,809,210	0	8,716	8,746	13,569 (Normalized)
Breckinridge	44,628,560	2,001	120,470	120,470	
Cardinal River	6,483,780	2,001	19,916	24,012	
C R Mining	451,910	501	1,338	6,012	
Dotiki	3,839,380	501	5,974	6,268	
Hudson	55,392,136	2,001	108,622	108,622	
KBI Alloys	8,614,702	2,001	24,200	24,727	
Lodestar	48,350,770	2,001	94,594	94,594	
Patriot Coal	10,466,990	2,001	30,646	30,646	
Pittsburg P & M	4,550,300	1,500	11,416	20,341	
Smith Coal	9,982,510	2,001	36,222	39,154	
Valley Grain	9,164,860	501	19,095	19,095	
Victory/New Hope	2,630,170	0	13,333	43,333	21,903 (Normalized)
TOTAL HU	244,640,638		563,890	585,338	598,761
TOTAL JP (Shell)	57,609,420	5,000	121,758	121,758	
A-CMI	22,116,820	1,500	37,919	37,919	
Alcoa	2,418,520	320	4,234	4,244	
Commonwealth	244,636,714	N/A	458,964	458,964	
Scott Paper/Kimberly Clark	250,957,500	20,000	375,840	375,840	
Willamette	673,697,730	39,000	991,699	991,699	
World Source/Arvin	32,205,870	N/A	52,081	52,081	
TOTAL GREEN RIVER	1,226,033,154		1,920,737	1,920,747	
TOTAL ALL INDUSTRIALS	<u>1,528,283,212</u>		<u>2,606,385</u>	<u>2,627,843</u>	<u>2,641,266</u>

RURAL BILLING UNITS - DEMAND KW (8/98 - 7/99)

	GR	HU	MC	JP	Total
8/98	139,945	79,118	74,132	127,704	420,899
9/98	131,473	72,323	71,940	113,920	389,656
10/98	100,085	56,532	50,931	86,824	294,372
11/98	85,231	52,823	50,884	79,941	268,879
12/98	116,375	74,033	73,433	108,844	372,685
1/99	122,077	75,842	80,491	111,666	390,076
2/99	96,867	62,754	66,155	89,018	314,794
3/99	97,152	60,156	62,955	88,088	308,351
4/99	77,863	49,982	48,775	72,592	249,212
5/99	99,825	51,461	51,821	87,439	290,546
6/99	134,409	76,997	71,524	120,123	403,053
7/99*	242,135		84,304	142,955	469,394
	1,443,437	712,021	787,345	1,229,114	4,171,917

* - GR and HU merged to become Kenergy on July 1, 1999.

BIG RIVERS ELECTRIC CORPORATION
RESPONSE TO THE COMMISSION'S
INITIAL REQUEST FOR INFORMATION OF OCTOBER 15, 1999

CASE NO. 99-360

Item 7) Explain what steps Big Rivers will take to procure power for new and additional load under the proposed tariff. Also, address these specific issues:

- a. Will Big Rivers' member cooperatives or their customers have any influence on the choices of suppliers from whom power is purchased? Why or why not?
- b. Describe any contract standards for purchasing power to which Big Rivers will adhere.
- c. Under any circumstances will an entity other than Big Rivers procure this power on Big Rivers' behalf? Under what types of circumstances might this occur?
- d. Does Big Rivers anticipate procuring power for these customers on both a firm and non-firm basis? If no, explain why not.
- e. Explain how Big Rivers will bill its member cooperatives for new loads under the proposed tariff. Provide all supporting calculations.

Response) Big Rivers remains the wholesale all-requirements supplier to its three member distribution cooperatives irrespective of the amount of Base Power currently being consumed by those members' consumers. Accordingly, Big Rivers, as power supplier, has an ongoing obligation to forecast these members' customers' loads and to obtain sufficient supplies of power on the wholesale open market to meet Big Rivers' power supply obligations. Big Rivers' Power Supply Department will have the responsibility for balancing supply and demand on Big Rivers' system, including responsibility for developing power supply resources other than Base Power from LG&E Energy Marketing, Inc. Big Rivers anticipates meeting these responsibilities in

BIG RIVERS ELECTRIC CORPORATION
RESPONSE TO THE COMMISSION'S
INITIAL REQUEST FOR INFORMATION OF OCTOBER 15, 1999

CASE NO. 99-360

1
2
3
4 a cost-efficient, reliable manner depending upon the forecasted needs. To the extent that
5 incremental power needs are short-term or limited, Big Rivers will attempt to select a
6 short-term resource that best meets that need. Longer-term incremental needs may
7 require greater commitment by Big Rivers and will be selected to assure reliable supply.
8

9 a. Big Rivers does not expect any change in its method of purchasing
10 power as a result of this tariff. Individual customers and distribution cooperatives will
11 have no formal role in selecting the source of power, and their ability to influence Big
12 Rivers' decision making will be no different than their current ability to influence such
13 decisions.
14

15 b. Big Rivers is not certain what is meant by the term contract
16 standards. Big Rivers has a contract with Reliant Energy, its power marketer, under
17 which most of its power requirements outside of the Power Purchase Agreement with
18 LEM and SEPA are conducted. That contract contains a comprehensive array of
19 standards for power transactions made on behalf of Big Rivers. Big Rivers' current
20 position is that it will never knowingly leave itself in an uncovered position when
21 purchasing power. Big Rivers will regard reliability and price, in that order, as the
22 paramount requirements in selecting such resources.
23

24 c. Big Rivers contemplates that it may call upon the expertise of
25 Reliant Energy or other third parties at certain times to assist it in locating available
26 power supply resources. However, Big Rivers would in all circumstances make the
27 decision of when to purchase power, how much to purchase, and how long to purchase it.
28 As a result, Big Rivers believes that Big Rivers will at all times make such procurement
29 itself, although there may be one or more intermediaries between the generation of the
30 power and Big Rivers' purchase of it. No entity other than Big Rivers will exercise the
31 right to procure such power unless and until this Commission or the Kentucky legislature
32 lawfully enacts retail wheeling in Kentucky giving entities other than Big Rivers
33 responsibility to procure such power.

BIG RIVERS ELECTRIC CORPORATION
RESPONSE TO THE COMMISSION'S
INITIAL REQUEST FOR INFORMATION OF OCTOBER 15, 1999

CASE NO. 99-360

d. Yes.

e. Where individual distinct loads will be served under non-aggregated contracts, the billing to the cooperative will be cost plus the Big Rivers' adder. For aggregated loads, Big Rivers believes that the total incremental load in kW or kWh for each distribution cooperative will need to be calculated, and then each distribution cooperative would pay its allocable share of the total resource cost for the power used to supply the incremental loads. For new customers or new discrete loads, Big Rivers will separately meter such individual customers. For existing customers that expand their loads, kW and kWh in excess of historical amounts incurred during the 12 months prior to September 1, 1999, will be determined each month to calculate their share of the incremental power resource costs. Individual breakdowns between demand and energy will depend upon the terms of a given transaction, given that some transactions may be tilted towards energy and other towards demand. Big Rivers will in each month establish the appropriate balance between demand and energy and then allocate the costs in that month according to the total kW demand and the total kWh usage. Because the costs will be as set forth in the third-party contract, Big Rivers will not have an incentive to skew costs towards demand or energy because Big Rivers will receive the same net amount. Individual customers will then see reflected on their bills a cost for non-incremental loads and a cost for incremental loads.

Witness) C. William Blackburn, David Spainhoward and Jack Gaines



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

October 25, 1999

To: All parties of record

RE: Case No. 99-360

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/hv
Enclosure

David A. Spainhoward
Vice President
Contract Adm. & Regulatory Affairs
Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY 42419 0024

Honorable James M. Miller
Sullivan, Mountjoy, Stainback &
Miller PSC
100 St. Ann Building
P.O. Box 727
Owensboro, KY 42302

Honorable Douglas L. Beresford
Geo. F. Hobday, Jr.
Long, Aldridge & Norman LLP
701 Pennsylvania Avenue, N.W.
Suite 600
Washington, DC 20004

Honorable Frank N. King
Dorsey, King, Gray & Norment
Attorneys for Kenergy Corp. and
Meade County RECC
318 Second Street
Henderson, KY 42420

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF BIG RIVERS)	
ELECTRIC CORPORATION TO REVISE)	CASE NO.
THE LARGE INDUSTRIAL CUSTOMER)	99-360
RATE SCHEDULE)	

O R D E R

This matter arises upon the joint motion of Kenergy Corp. and Meade County Rural Electric Cooperative Corporation (hereinafter referred to as "Petitioners"), filed October 8, 1999, for full intervention. It appears to the Commission that Petitioners have a special interest which is not otherwise adequately represented, and that such intervention is likely to present issues and develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. The Commission also recognizes that a procedural schedule was established in this proceeding by Order dated September 28, 1999. The Commission, being otherwise sufficiently advised, finds that Petitioners should be granted full rights of a party in this proceeding accepting the procedural schedule as it now stands.

IT IS HEREBY ORDERED that:

1. The joint motion of Petitioners to intervene is granted.
2. Each Petitioner shall be entitled to the full rights of a party and shall be served with the Commission's Orders and with filed testimony, exhibits, pleadings, correspondence, and all other documents submitted by parties after the date of this Order.

3. Should any Petitioner file documents of any kind with the Commission in the course of these proceedings, said petitioner shall also serve a copy of said documents on all other parties of record.

Done at Frankfort, Kentucky, this 25th day of October, 1999.

By the Commission

ATTEST:


Executive Director



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

October 15, 1999

David A. Spainhoward
Vice President
Contract Adm. & Regulatory Affairs
Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY. 42419 0024

Honorable James M. Miller
Sullivan, Mountjoy, Stainback &
Miller PSC
100 St. Ann Building
P.O. Box 727
Owensboro, KY. 42302

Honorable Douglas L. Beresford
Geo. F. Hobday, Jr.
Long, Aldridge & Norman LLP
701 Pennsylvania Avenue, N.W.
Suite 600
Washington, DC. 20004

RE: Case No. 99-360

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/hv
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF BIG RIVERS)
ELECTRIC CORPORATION TO) CASE NO. 99-360
REVISE THE LARGE INDUSTRIAL)
CUSTOMER RATE SCHEDULE)

O R D E R

IT IS ORDERED that Big Rivers Electric Corporation ("Big Rivers") shall file with the Commission the original and 8 copies of the following information, with a copy to all parties of record. The information requested herein is due no later than October 25, 1999. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of 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 witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Refer to Page 3 of Big Rivers' transmittal letter dated August 26, 1999, where it states, "Under Big Rivers' latest load projections, ordinary load growth will consume the amount of excess Base Power available by the year 2003." Based on the most current load projections available at the time that the lease arrangement with the

affiliates of LG&E Energy Corp. was initiated, when was ordinary load growth forecasted to consume available excess Base Power?

2. What factors have caused the changed results from the load projections at the time the lease arrangement was initiated to the latest load projections referenced on Page 3 of Big Rivers' transmittal letter that indicate that excess Base Power will be consumed by ordinary load growth by the year 2003?

3. The terms of the proposed Expansion Rate Tariff reflect that Big Rivers will purchase power from third-party suppliers and will procure the type and quantity of power required by one of its member cooperative for resale to the cooperative's retail customers on a customer-by-customer basis.

a. Explain Big Rivers' decision to acquire power on a customer-by-customer basis rather than make contractual arrangements for a third-party power supplier to provide power for all expansion loads.

b. To what extent has Big Rivers investigated the availability of medium to long-term third-party power supplies in order to determine whether arrangements could be made with a single power supplier to serve its expansion loads?

c. Would there be any means other than issuing a Request for Proposals ("RFP") by which a thorough investigation of third-party power supplies could be performed and adequately documented?

d. Has Big Rivers issued an RFP to investigate the availability of third-party power supplies to serve its expansion loads?

4. Big Rivers' transmittal letter refers to member cooperatives' and Big Rivers' concerns that one or two large loads could consume all remaining quantities of Base Power.

a. Given that Big Rivers' latest load projections indicate that ordinary load growth will consume excess Base Power by the year 2003, are there any immediate concerns or expectations that new large loads will be coming on the Big Rivers' system between now and 2003?

b. If there are such expectations currently, provide the time and size of the expected load additions.

5. The latest load projections show that ordinary load growth will consume excess Base Power by the year 2003. What are Big Rivers' current plans for meeting that load growth beginning in 2003?

6. Explain how the "Big Rivers Adder" as described in Rate Schedule 10 (f)(4) was calculated. Provide any workpapers supporting this calculation.

7. Explain what steps Big Rivers will take to procure power for new and additional load under the proposed tariff. Also, address these specific issues:

a. Will Big Rivers' member cooperatives or their customers have any influence on the choices of suppliers from whom power is purchased? Why or why not?

b. Describe any contract standards for purchasing power to which Big Rivers will adhere.

c. Under any circumstances will an entity other than Big Rivers procure this power on Big Rivers' behalf? Under what types of circumstances might this occur?

d. Does Big Rivers anticipate procuring power for these customers on both a firm and non-firm basis? If no, explain why not.

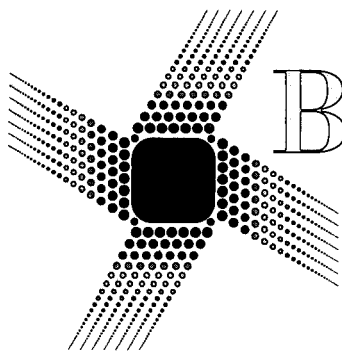
e. Explain how Big Rivers will bill its member cooperatives for new loads under the proposed tariff. Provide all supporting calculations.

Done at Frankfort, Kentucky, this 15th day of October, 1999.

By the Commission

ATTEST:


Executive Director



Big Rivers
Electric Corporation

201 Third Street
P.O. Box 24
Henderson, KY 42419-0024
502-827-2561
www.bigrivers.com

October 13, 1999

Ms. Helen Helton
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

RECEIVED
OCT 14 1999
PUBLIC SERVICE
COMMISSION

RE: Tariff Filing of Big Rivers to revise the Large Industrial
Customer Rate Schedule, Case No. 99-360

Dear Ms. Helton:

On August 26, 1999, Big Rivers Electric Corporation mailed for filing its request to change its tariffs applicable to large industrial customers. The Commission assigned Case No. 99-360 to that filing.

Section 10 (f) (4) of Big Rivers' August 26, 1999, request to revise the large industrial customer rate schedule contained a Big Rivers' adder of \$.94 per kW/month. As the cover letter stated, this "adder" is to recover Big Rivers' power supply and customer service costs, including a TIER of 1.10. The \$.94 per kW/month computation inadvertently failed to include the rural billing demand kW, and is, therefore, incorrect. The "adder" should be \$.38 per kW/month. I have attached a revised original sheet number 65 to reflect the \$.38. Four additional copies of this letter and the revised rate schedule are also enclosed. A copy of this revision has been mailed to each of Big Rivers' member cooperatives and their local counsel.

I apologize for any inconvenience this mistake has caused. Please feel free to phone me if you have any questions.

Sincerely,

BIG RIVERS ELECTRIC CORPORATION

David A. Spainhoward
Vice President
Contract Administration and Regulatory Affairs

Enclosures

c: James Miller, Esq.
Mr. Dean Stanley
Elizabeth Blackford, Esq.

David Denton, Esq.
Frank N. King, Esq.

Mr. Burns Mercer
Mr. Kelly Nuckols

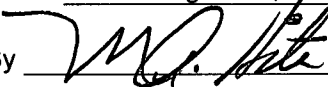
RULES AND REGULATIONS

schedule. Big Rivers shall supply the following six ancillary services as defined and set forth in Big Rivers' OATT: (1) Scheduling, System Control and Dispatch; (2) Reactive Supply and Voltage Control from Generation Sources Services; (3) Regulation and Frequency Response Service; (4) Energy Imbalance Service; (5) Operating Reserve - Spinning Reserve Service; and (6) Operating Reserve - Supplemental Reserve Service. Generation-based ancillary services required to serve customers may, at Big Rivers' option, be purchased separately from Third-Party Suppliers other than LEM, in which case the actual costs of such ancillary services shall be passed through to the respective Member Cooperative. Alternatively, where Big Rivers supplies such ancillary services from its own resources (including additional purchases from LEM), such services will be provided under Big Rivers' tariff rates for such services as contained in Big Rivers' OATT.

(4) Big Rivers Adder

In addition to the charges contained in Items 10(f)(1), (2) and (3), Big Rivers shall charge \$.38 per kW/month for each kW billed to the Member Cooperative under this tariff for resale by the Member Cooperative to the qualifying customer.

Date of Issue August 26, 1999 Date Effective September 1, 1999

Issued By  Big Rivers Electric Corporation, P.O. Box 24, Henderson, KY 42420

Issued By Authority of PSC in _____

DORSEY, KING, GRAY & NORMENT

ATTORNEYS-AT-LAW

318 SECOND STREET

HENDERSON, KENTUCKY 42420

JOHN DORSEY (1920-1986)
FRANK N. KING, JR.
STEPHEN D. GRAY
WILLIAM B. NORMENT, JR.
J. CHRISTOPHER HOPGOOD

TELEPHONE
(270) 826-3965
TELEFAX
(270) 826-6672

October 6, 1999

Ms. Helen Helton, Executive Director
Public Service Commission of Kentucky
730 Schenkel Lane
Post Office Box 615
Frankfort, Kentucky 40602

RECEIVED
OCT 08 1999
PUBLIC SERVICE
COMMISSION

Re: Case No. 99-360

Dear Ms. Helton:

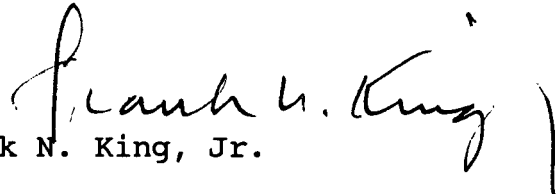
Enclosed for filing please find motion to intervene being made on behalf of Kenergy Corp. and Meade County Rural Electric Cooperative Corporation.

Thank you for your assistance.

Very truly yours,

DORSEY, KING, GRAY & NORMENT

By


Frank N. King, Jr.

FNKJr/cds
Encls.

Copy/w/encls.: Mr. Dean Stanley
Mr. Burns Mercer

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

OCT 08 1999

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:)
)
THE TARIFF FILING OF BIG RIVERS)
ELECTRIC CORPORATION TO REVISE)
THE LARGE INDUSTRIAL CUSTOMER)
RATE SCHEDULE)

CASE NO. 99-360

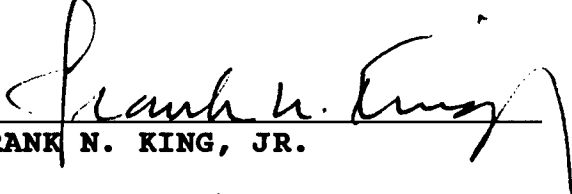
MOTION TO INTERVENE OF
KENERGY CORP. AND MEAD COUNTY
RURAL ELECTRIC COOPERATIVE CORPORATION

Now come KENERGY CORP., Post Office Box 18, Henderson, Kentucky 42419-018, and MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION, Post Office Box 489, Brandenburg, Kentucky 40108, by counsel, and respectfully move the Commission pursuant to 807 KAR 5:001 Sec. 3(8) for order permitting each of them full intervention herein.

In support of this motion movants state that each of them is a member-owner of applicant BIG RIVERS ELECTRIC CORPORATION; that the requested revised tariff will affect retail rates the movants will be required to charge customers in the future; and that the movants therefore have special interests in this proceeding which may not be otherwise adequately represented.

WHEREFORE, KENERGY CORP. and MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION move for order permitting full intervention.

DORSEY, KING, GRAY & NORMENT
318 Second Street
Henderson, Kentucky 42420
(270) 826-3965 Telephone
(270) 826-6672 Telefax
Attorneys for Kenergy Corp. and
Meade County Rural Electric
Cooperative Corporation

By 
FRANK N. KING, JR.

I hereby certify that the foregoing was served by mailing a true and correct copy of same, postage prepaid, to the following on this 6th day of October, 1999:

Hon. James M. Miller
100 St. Ann Building
Post Office Box 727
Owensboro, Kentucky 42302
counsel for Big Rivers Electric Corporation

and

Hon. Douglas L. Beresford
Hon. George F. Hobday, Jr.
Suite 600
701 Pennsylvania Avenue, N.W.
Washington, D. C. 20004
counsel for Big Rivers Electric Corporation


Counsel for Kenergy Corp. and Meade
County Rural Electric Cooperative Corporation



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

September 28, 1999

David A. Spainhoward
Vice President
Contract Adm. & Regulatory Affairs
Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY. 42419 0024

Honorable James M. Miller
Sullivan, Mountjoy, Stainback &
Miller PSC
100 St. Ann Building
P.O. Box 727
Owensboro, KY. 42302

Honorable Douglas L. Beresford
Geo. F. Hobday, Jr.
Long, Aldridge & Norman LLP
701 Pennsylvania Avenue, N.W.
Suite 600
Washington, DC. 20004

RE: Case No. 99-360

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,
Stephanie Bell

Stephanie Bell
Secretary of the Commission

SB/hv
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF BIG RIVERS ELECTRIC)
CORPORATION TO REVISE THE LARGE) CASE NO. 99-360
INDUSTRIAL CUSTOMER RATE SCHEDULE)

O R D E R

On August 27, 1999, Big Rivers Electric Corporation ("Big Rivers") filed new tariffs to change the existing Large Industrial Customer Rate Schedule and propose a Large Industrial Customer Expansion Rate Schedule. The Commission finds that a procedural schedule should be established to facilitate the processing of this case.

IT IS THEREFORE ORDERED that:

1. The procedural schedule set forth in the Appendix to this Order shall be followed.
2. All requests for information and responses thereto shall be appropriately indexed. All responses shall include the name of the person who will be responsible for responding to questions related to the information provided, with copies to all parties of record and 10 copies to the Commission.
3. At the public hearing in this matter neither opening statements nor summarization of direct testimony shall be permitted.
4. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

5. All documents that this Order requires to be filed with the Commission shall be served upon all other parties by first class mail or by express mail.

6. Service of any document or pleading shall be made in accordance with Administrative Regulation 807 KAR 5:001, Section 3(7), and Kentucky Civil Rule 5.02.

Done at Frankfort, Kentucky, this 28th day of September, 1999.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 99-360 DATED SEPTEMBER 28, 1999

Initial requests for information to Big Rivers shall be served upon
Big Rivers no later than10/15/99

Big Rivers shall file with the Commission and serve upon all parties of
record its responses to the initial requests for information no later than 10/25/99

Supplemental requests for information to Big Rivers shall be
served upon Big Rivers no later than11/05/99

Big Rivers shall file with the Commission and serve upon all parties of record
its responses to the supplemental requests for information no later than 11/15/99

An informal conference between Big Rivers, Commission Staff,
and all parties of record shall begin at 1:30 p.m., Eastern
Standard Time, in Hearing Room 2 of the Commission's offices
at 677 Comanche Trail, Frankfort, Kentucky11/23/99

Last day for Big Rivers to publish notice of hearing date 12/03/99

Public Hearing is to begin at 9:00 a.m., Eastern Standard Time, in
Hearing Room 1 of the Commission's offices at 730 Schenkel Lane,
Frankfort, Kentucky, for the purposes of cross-examination of witnesses 12/10/99



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

September 3, 1999

David A. Spainhoward
Vice President
Contract Adm. & Regulatory Affairs
Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY. 42419 0024


Honorable James M. Miller
Sullivan, Mountjoy, Stainback &
Miller PSC
100 St. Ann Building
P.O. Box 727
Owensboro, KY. 42302

Honorable Douglas L. Beresford
Geo. F. Hobday, Jr.
Long, Aldridge & Norman LLP
701 Pennsylvania Avenue, N.W.
Suite 600
Washington, DC. 20004

RE: Case No. 99-360

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,


Stephanie Bell
Secretary of the Commission

SB/hv
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF BIG RIVERS)	
ELECTRIC CORPORATION TO)	CASE NO.
REVISE THE LARGE INDUSTRIAL)	99-360
CUSTOMER RATE SCHEDULE)	

O R D E R

On August 27, 1999, Big Rivers Electric Corporation ("Big Rivers") filed with the Commission a revised tariff to change the Large Industrial Customer Rate Schedule. The tariff bears an effective date of September 1, 1999.

The Commission finds that, pursuant to KRS 278.180, a tariff change can only become effective upon 30 days' notice to the Commission. Since Big Rivers' revised tariff was filed on August 27, 1999, the earliest date that the tariff can become effective is September 26, 1999. The Commission further finds that an investigation will be necessary to determine the reasonableness of the revised tariff, and that investigation cannot be concluded by September 26, 1999. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the revised tariff for 5 months, through February 25, 2000.

IT IS THEREFORE ORDERED that Big Rivers' revised Large Industrial Customer Rate Schedule tariff is suspended up to and including February 25, 2000.

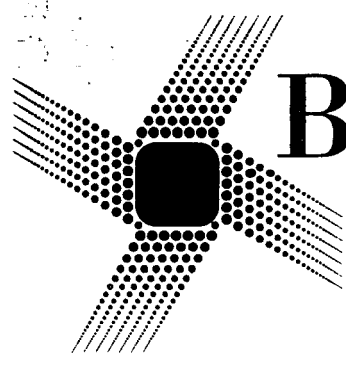
Done at Frankfort, Kentucky, this 3rd day of September, 1999.

By the Commission

ATTEST:


Executive Director

T60-998



Big Rivers

Electric Corporation

201 Third Street
P.O. Box 24
Henderson, KY 42419-0024
502-827-2561
www.bigrivers.com

RECEIVED
AUG 27 1999
PUBLIC SERVICE
COMMISSION

August 26, 1999

Case No.
99-360

Ms. Helen Helton
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

RE: Big Rivers Electric Corporation Rate Schedules 7 and 10

Dear Ms. Helton:

Big Rivers Electric Corporation ("Big Rivers") hereby submits for filing with the Kentucky Public Service Commission ("KPSC") the following:

1. Two (2) copies of this cover letter and four (4) copies of a new Rate Schedule 10 providing a tariff for the sale of electric energy to each of Big Rivers' three member distribution cooperatives ("Member Cooperatives") in three circumstances: (i) for service to new direct serve customers with peak loads of five (5) MW or greater initiating service after August 31, 1999, including new customers with a QF; (ii) for service of expanded load requirements of existing direct serve large industrial customers, including those with a QF, served by such Member Cooperatives prior to August 31, 1999, under Rate Schedule 7 where such expansions are in the aggregate five (5) MW or greater over the peak load served in the 12 months prior to September 1, 1999; and (iii) for service of expanded load requirements of existing customers, including those with a QF, served by such Member Cooperatives prior to August 31, 1999, using rural delivery points where such customers' expanded load requirements amount to five (5) MW or greater over the peak load served in the twelve months prior to September 1, 1999 and such customers begin taking service from a dedicated delivery point;
2. Two (2) copies of this cover letter and four (4) copies of both the existing and the revised Rate Schedule 7 providing for closure of the existing Big Rivers Large Industrial Customer rate effective (i) as of September 1, 1999 for all new direct serve customers locating in service territories served by Big Rivers' Member Cooperatives, and (ii) as of the date an existing load served by one of Big Rivers'

Ms. Helen Helton
August 26, 1999
Page Two

Member Cooperatives increases in the aggregate by 5 MW or over the maximum load served during the twelve-month period prior to September 1, 1999;

3. Notice to Big Rivers' member cooperatives pursuant to 807 KAR 5:011, 6(3)(b).

This filing is allowed by, and is consistent with, the requirements of KRS 278.180, and related sections, and 807 K.A.R. 5:001 Sections 6 and 9, and related sections. This filing is specifically made pursuant to the procedural option of 807 K.A.R. 5:001 Section 6(3)(b). This is not a request for a general adjustment in existing rates.

Big Rivers is filing the new rate schedule and the revision to the existing rate schedule to provide a mechanism under which new loads and incremental expansion loads aggregating 5 MW or greater of existing customers of Big Rivers' Member Cooperatives will be served at wholesale by Big Rivers from resources other than Big Rivers' power purchase entitlement under its Power Purchase Agreement ("PPA") with LG&E Energy Marketing, Inc. ("LEM") dated July 15, 1998 and the contract with Southeastern Power Administration ("SEPA").

As the Commission is aware, in July of 1998, Big Rivers entered into a 25-year long-term lease transaction with affiliates of LG&E Energy Corp. that provided for a lease of all of Big Rivers' generation resources (the "Transaction"). The Transaction, among other things, enabled Big Rivers to obtain an approved plan of reorganization that allowed it to emerge from bankruptcy. As part of the Transaction, Big Rivers obtained a specified, limited quantity of power at relatively fixed rates under the PPA ("Base Power"). The amount of Base Power received was calculated to meet reasonably forecasted loads of Big Rivers' three Member Cooperatives which Big Rivers was required to serve under the all-requirements contracts between Big Rivers and the Member Cooperatives. The forecasts did not, however, attempt to anticipate changes in large industrial loads at the retail level beyond changes actually announced by retail large industrial customers. Although it was contemplated that Big Rivers eventually would need to obtain additional quantities of power on the market to supply portions of these loads, Big Rivers and the Member Cooperatives' expectations were that reasonably anticipated loads could be met in the near term largely using the Base Power purchased from LEM under the PPA and from SEPA. The Member Cooperatives' agreement to the Big Rivers' Bankruptcy Plan was made with the tacit understanding that Base Power would be used for existing load requirements of all their existing customers (with the exception of Alcan Aluminum Corp. and NSA, Inc. loads served using power provided by LEM).

The instant filing is being made in order to preserve Base Power for use by existing customers of the Member Cooperatives, as the amount of Base Power available to Big Rivers is gradually

Ms. Helen Helton
August 26, 1999
Page Three

consumed by projected load increases for such customers. Big Rivers, its board of directors, and its Member Cooperatives believe that it is more equitable to preserve Base Power for use by the broad population of existing customers that participated in the Bankruptcy resolution of Big Rivers' financial difficulties, rather than offer such amounts for service to potential new large industrial load, whether as new customers or as dramatic expansions to existing load. Under Big Rivers' latest load projections, ordinary load growth will consume the amount of excess Base Power available by the year 2003. Absent the presence of this new rate schedule, Big Rivers and its Member Cooperatives are concerned that one or two large new loads or load expansions could consume all remaining quantities of Base Power, necessitating the purchase of market power for existing customers' ordinarily projected load growth even during non-peak periods. In order to protect the expectations of these customers and provide an equitable distribution of Base Power among all of Big Rivers' Member Cooperatives' customers, rather than allowing it to be consumed by only a few large projects, Big Rivers proposes closing its Large Industrial Customer Rate Schedule 7 to new customers effective September 1, 1999, and to foreclose its use for load expansions of existing customers of five (5) MW or greater.

Big Rivers does not increase its rates by virtue of this filing; instead Big Rivers equitably resolves how to bill the Member Cooperatives for additional power once it becomes necessary for Big Rivers to obtain additional supplies when the Base Power and SEPA Power are fully utilized. Big Rivers cannot offer the existing rural rates and large industrial customer rates indefinitely for all loads that are located, or may locate, in the service territories of its Member Cooperatives. As the Commission is aware, those rates are intrinsically tied to the costs of the power available to Big Rivers from LEM under the PPA and from SEPA under Big Rivers' SEPA Contract. When these two resources are exhausted, Big Rivers must obtain additional supplies of power on the market. While these costs may be higher or lower than Big Rivers' existing rates, Big Rivers' recent experience indicates that these costs may be higher if power is to be supplied on a firm basis. Absent incorporation of some means of recovering such potentially higher costs, Big Rivers could find itself once again in a precarious financial position. The present proposal seeks to avoid the filing of a new general rate case at the Commission for as long as possible by placing new customers with large loads on notice that the existing large industrial customer rates will no longer be available to them. Big Rivers still will meet such customers' load requirements, but it will do so using resources other than Base Power and the SEPA Contract. The new incremental rate incorporates the full costs of such purchases from suppliers other than LEM under the PPA and SEPA under the SEPA Contract ("Third-Party Suppliers"). Under this approach, rate stability for existing customers is maintained for as long as possible as the remaining Base Power is consumed by ordinary load increases of all of Big Rivers' Member Cooperatives' existing customers.

Ms. Helen Helton
August 26, 1999
Page Four

Operationally, Big Rivers' incremental rate proposal deals with three categories of service offered to the Member Cooperatives: (1) service to new customers taking service on or after September 1, 1999 with peak loads of five (5) MW or greater, including new customers with a QF, whether initially five (5) MW or greater or whose aggregate peak load at any time subsequently amounts to five (5) MW or greater; (2) load expansions of existing customers, including those with a QF, served under the Big Rivers' Large Industrial Customer Rate prior to September 1, 1999, as soon as such expansions in the aggregate amount to five (5) MW or greater over the peak load measured during the 12 months preceding September 1, 1999; and (3) load expansions of existing customers, including those with a QF, served under the Big Rivers Rural Customer Rate as of September 1, 1999, that in the aggregate amount to five (5) MW or greater over the peak load measured during the twelve (12) months preceding September 1, 1999, and begin taking service through a dedicated delivery point. In the first category, that of a new customer, the entire load will be served through the Rate Schedule 10 incremental rate effective as of the first month in which the new customer's load amounts to five (5) MW or greater. In the second category of existing large industrial customers, each such customer will be allowed to increase its existing load by any amount less than five (5) MW and remain served under the existing large industrial customer rate, but as soon as the aggregate load expansion amounts to five (5) MW or greater, then the entire load expansion will be served under the new incremental rate. The customer's initial load will continue to be served under the existing rate. In the third category, the situation is identical to the second category, except that a customer shall remain served under the rural rate class until it becomes served under a direct delivery point, at which time the aggregate load expansion of five (5) MW or greater becomes served under the incremental rate.

One requirement of service prior to use of the incremental rate is that there be an executed, written contract or amendment between the individual customer concerned and the Member Cooperative. Such contract or amendment must be on terms acceptable to Big Rivers. The Member Cooperative thereafter must enter into a contract with Big Rivers to provide the requested level of incremental service. Big Rivers and its Member Cooperatives will be receptive to individualized negotiation of such service, and in cases in which a special contract may be entered into, Rate Schedule 10 specifically provides that the incremental tariff will not apply; rather "special contract" rates will be applicable. In many instances, Big Rivers believes that this may be the most appropriate resolution.

Customers taking service under the incremental rate will be charged each month for Expansion Demand and Expansion Energy. New customers taking service on or after September 1, 1999 will be charged for Expansion Demand in an amount equal to the peak demand measured, and for Expansion Energy based on the metered kWh, in both cases with the metered kW and kWh,

Ms. Helen Helton
August 26, 1999
Page Five

adjusted upward for losses on Big Rivers' transmission system under the average loss factor contained in Big Rivers Open Access Transmission Tariff. For existing customers in category 2 and category 3, expanding their load by an amount equal to five (5) MW or greater, the Expansion Demand will be the measured demand less the peak demand during the twelve (12) months preceding September 1, 1999. Expansion Energy for such existing customers' load expansions will be determined by taking the measured energy less the energy taken in each respective month during the twelve months preceding September 1, 1999.

Rates for Expansion Demand and Expansion Energy will be determined according to the actual costs incurred by Big Rivers to arrange for the additional quantities of power purchased to meet incremental load. Costs for Expansion Demand will be based on any actual demand costs incurred by Big Rivers to arrange for capacity availability used to serve such load. Costs for Expansion Energy will include the actual energy costs incurred by Big Rivers to obtain the energy used to meet the customers' Expansion Energy purchased by the respective Member Cooperative under Rate Schedule 10. Included within such Expansion Energy costs shall be all amounts incurred to supply transmission losses on third-party transmission systems, plus the costs of transmission and ancillary services on such third-party transmission systems incurred to deliver power to the border of Big Rivers' transmission system. Transmission and ancillary services on Big Rivers' transmission system will be separately unbundled and charged by Big Rivers and will not be incorporated as part of the costs of Expansion Demand and Expansion Energy.

Unbundled transmission shall be provided as network transmission service by Big Rivers and a separate charge will apply to each respective customer based on that customer's Expansion Demand's monthly load ratio share of network transmission costs. This network transmission will be charged in accordance with the rates for such service contained in Big Rivers' Open Access Transmission Service Tariff ("OATT") filed at the Federal Energy Regulatory Commission and the Kentucky Public Service Commission as they are then in effect. Unbundled charges for each of the six ancillary services set forth in Big Rivers' OATT will be charged to each customer taking service under Rate Schedule 10, as applicable. Where any of such required ancillary services are obtained by Big Rivers from a third-party supplier, the actual charges assessed against Big Rivers by such third-party supplier will be charged. To the extent Big Rivers supplies these ancillary services using services supplied by LEM, Big Rivers' then-effective OATT rates shall apply.

As a final element of the rate, Big Rivers will assess an adder to the above costs to reflect the costs incurred by Big Rivers in providing this service and a reasonable margin for that service. The rate for the adder is \$.94 per kW/month of billing demand and is based on power supply

Ms. Helen Helton
August 26, 1999
Page Six

and customer service costs including a TIER of 1.10.

Big Rivers would like to emphasize that at all times it will remain responsible for obtaining and selecting the wholesale power supplies that will be used to supply incremental load served under Rate Schedule 10. Big Rivers will be the party entering into appropriate power contracts to supplement Base Power and SEPA Power, and neither the Member Cooperatives nor the customers served under Rate Schedule 10 will have a role in selecting the Third-Party Supplier or Suppliers to be used to supply incremental loads. To the extent LEM through the Economic Development Agreement seeks to assist Big Rivers in supplying such loads, such costs will be treated the same as the costs of any other Third-Party Suppliers under this Rate Schedule 10.

Finally, Big Rivers submits that its proposal to charge incremental rates for new customers and new loads of existing customers is supported by existing load forecasts. Big Rivers' 1997 power requirements study ("PRS") is on file with the Commission. Big Rivers is currently preparing an updated 1999 PRS as well as a 1999 integrated resource plan ("IRP"). Both the 1999 PRS and the 1999 IRP will be submitted to the KPSC as soon as they are available in final form. Big Rivers expects to complete the 1999 PRS in September and the 1999 IRP by October. Each will be submitted to the KPSC as soon as it is approved by Big Rivers' board of directors.

For the reasons set forth above, Big Rivers Electric Corporation requests the KPSC to allow its new Rate Schedule 10 and the change to the existing Rate Schedule 7 to become effective as stated in the tariffs. An informal conference might be helpful to explain in more detail the necessity and operation of these tariff changes. If these tariffs are suspended or the Commission takes any other action, Big Rivers will be represented by the following counsel, and I request that copies of all pleadings, communications, and orders should be directed to them:

James M. Miller
SULLIVAN, MOUNTJOY, STAINBACK
& MILLER PSC
100 St. Ann Building
P.O. Box 727
Owensboro, KY 42302
270-926-4000

Ms. Helen Helton
August 23, 1999
Page Seven

Douglas L. Beresford
Geo. F. Hobday, Jr.
LONG ALDRIDGE & NORMAN LLP
701 Pennsylvania Avenue, N.W.
Suite 600
Washington, D.C. 20004
202-624-1200

Sincerely,

BIG RIVERS ELECTRIC CORPORATION



David A. Spainhoward
Vice President
Contract Administration and Regulatory Affairs

pm

Enclosures

c: Mr. Burns Mercer
Mr. Kelly Nuckols
Mr. Dean Stanley
Attorney General

RULES AND REGULATIONS

7. BIG RIVERS LARGE INDUSTRIAL CUSTOMER RATE

a. Availability:

This schedule is available to any of Big Rivers' four member rural electric distribution cooperatives for service to Large Industrial Customers served using dedicated delivery points.

b. Term of the Rate Schedule:

This rate schedule shall take effect at 12:01 a.m. on the day after the Closing Date of the transaction between Big Rivers and LG&E Energy Corp. ("LEC") and its affiliates.

c. Rates:

(1) Rates Separate for Each Large Industrial Customer

Each month each Member Cooperative shall be required to pay separately for each of its qualifying Large Industrial Customers taking service under this tariff, in each case using that individual Large Industrial Customer's contract demand (if any) or metered demand, as applicable.

(2) For all Large Industrial Customer delivery points, a Monthly Delivery Point Rate consisting of:

(a) A Demand Charge of:

All kW of billing demand at \$10.15 per kilowatt.

Plus,

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUL 18 1998

PURSUANT TO 507 KAR 5.011.
SECTION 9(1)

BY: Stephen B. Bell
SECRETARY OF THE COMMISSION

Date of Issue August 12, 1998 Date Effective July 18, 1998
Issued By [Signature] Big Rivers Electric Corporation, P.O. Box 24, Henderson, KY 42420

Issued By Authority of PSC in Case No. 98-267, Order dated July 14, 1998

RULES AND REGULATIONS

(b) An Energy Charge of:

All kWh per month at \$0.013715 per kWh.

(c) No separate transmission or ancillary services charges shall apply to these rates.

(3) The Demand and Energy Charges under this tariff shall not be subject to automatic adjustment for increases or decreases in fuel costs through a fuel adjustment clause, whether under 807 KAR 5:056 or otherwise, or by any automatic adjustment for an environmental surcharge, whether under KRS 278.183 or otherwise.

d. CHARGES

Each month, each Member Cooperative shall pay on behalf of each of its large industrial customers taking service under this rate schedule a demand charge calculated by multiplying the demand charge rate contained in Section 7.c.2(a) by the higher of the maximum integrated metered thirty-minute coincident peak demand or the established contract demand, if any, plus an energy charge calculated by multiplying the energy charge contained in Section 7.c.2(b) by the metered consumption of kWh in that month.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUL 18 1998

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephen O. Bell
SECRETARY OF THE COMMISSION

Date of Issue August 12, 1998 Date Effective July 18, 1998

Issued By [Signature] Big Rivers Electric Corporation, P.O. Box 24, Henderson, KY 42420

Issued By Authority of PSC in Case No. 98-267, Order dated July 14, 1998



For All Territory Served By
Cooperative's Transmission System

PSC No. 22

Original Sheet No. 39

Cancelling _____ Sheet No. _____

RULES AND REGULATIONS

e. BILLING

Big Rivers shall bill Member on the first working day after the 13th of the month for the previous month's service hereunder for Large Industrial Customers. Member shall pay Big Rivers in immediately available funds on the first working day after the 24th of the month. If Member shall fail to pay any such bill within such prescribed period, Big Rivers may discontinue delivery of electric power and energy hereunder upon five (5) days' written notice to Member of its intention to do so. Such discontinuance for non-payment shall not in any way affect the obligation of Member to pay the take-or-pay obligation of a particular Large Industrial Customer.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUL 18 1998

PURSUANT TO 807 KAR 50
SECTION 9 (1)

BY: Stephen O. Bell
SECRETARY OF THE COMMISSION

Date of Issue August 12, 1998 Date Effective July 18, 1998

Issued By [Signature] Big Rivers Electric Corporation, P.O. Box 24, Henderson, KY 42420

Issued By Authority of PSC in Case No. 98-267, Order dated July 14, 1998

RECEIVED

AUG 27 1999



PUBLIC SERVICE
COMMISSION
201 Third Street
P.O. Box 24
Henderson, KY 42419-0024
502-827-2561
www.bigrivers.com

August 26, 1999

Mr. Dean Stanley
Kenergy Corp.
P.O. Box 1389
Owensboro, KY 42302-1389

Mr. G. Kelly Nuckols
Jackson Purchase Energy Corporation
P.O. Box 3188
Paducah, KY 42002-3188

Mr. Burns E. Mercer
Meade County RECC
P.O. Box 489
Brandenburg, KY 40108

Gentlemen:

Big Rivers Electric Corporation ("Big Rivers") is giving notice today pursuant to 807 KAR 5:011, § 6(3)(b) of a change in its tariffs applicable to wholesale sales for resale to large industrial retail customers. The tariff changes will not increase the rates for power purchased for current large industrial retail customers operating at their current load levels, and is not a general adjustment in rates.

The proposed adjustments in Big Rivers' wholesale electric tariff is more fully described in the proposed tariffs and transmittal letter attached hereto and incorporated herein by reference.

The rates contained in this notice are the rates proposed by Big Rivers Electric Corporation. However, the Kentucky Public Service Commission ("Commission") may order rates to be charged that differ from the proposed rates. Such action may result in rates for members other than the rates proposed by Big Rivers.

Mr. Dean Stanley
Mr. G. Kelly Nuckols
Mr. Burns E. Mercer
August 26, 1999
Page Two

Any corporation, association, body politic or person may by motion within thirty (30) days after mailing of this notice request leave to intervene. That motion shall be submitted in writing to the Public Service Commission, P. O. Box 615, Frankfort, Kentucky 40602-0615, telephone number 502-564-3490, and shall set forth the grounds for the request including the status and interest of the party. Any person who has been granted intervention by the Commission may obtain a copy of the notice of tariff change and any other filings made by Big Rivers by contacting Big Rivers at the address and telephone number shown above. Any person may examine the rate application and any other filings made by Big Rivers at the main offices of Big Rivers, located at the address shown above, or at the offices of the Commission, set out above.

Sincerely yours,

BIG RIVERS ELECTRIC CORPORATION



Michael H. Core
President and CEO

pm

Attachments

c: Frank N. King, Jr., Esq.
David Denton, Esq.
Mr. David Spainhoward
James M. Miller, Esq.

RULES AND REGULATIONS

7. BIG RIVERS LARGE INDUSTRIAL CUSTOMER RATE

T

a. Availability:

This schedule is available to any of Big Rivers' then existing rural electric distribution cooperatives for service to Large Industrial Customers served using dedicated delivery points for such portions of their loads not treated as either Expansion Demand or Expansion Energy where applicable as provided by and in accordance with the provisions and definitions of the Big Rivers Large Industrial Customer Expansion Rate (Rate Schedule 10). For purposes of clarification, this rate schedule shall be closed hereafter and Rate Schedule 10 shall apply, unless otherwise supplanted by special contracts, to (1) the load of any New Customer as defined in Rate Schedule 10 where such New Customer has either initially contracted for five (5) MWs or more of capacity or whose aggregate peak load at any time amounts to five (5) MWs or greater (including any later increases to such load) and (2) the expanded load requirements of an Existing Customer subject to Rate Schedule 10 as defined therein, where such expanded load requirements are defined as Expansion Demand or Expansion Energy in Rate Schedule 10 e.(2).

T

b. Term of the Rate Schedule:

This rate schedule shall take effect at 12:01 a.m. on the later to occur of September 1, 1999, or the date upon which the Kentucky Public Service Commission approves this rate schedule.

c. Rates

Date of Issue August 26, 1999 Date Effective September 1, 1999

Issued By *Mark A. White* Big Rivers Electric Corporation, P.O. Box 24, Henderson, KY 42420

Issued By Authority of PSC in _____

RULES AND REGULATIONS

(1) Rates Separate for Each Large Industrial Customer

Each month each Member Cooperative shall be required to pay separately for each of its qualifying Large Industrial Customers taking service under this tariff, in each case using that individual Large Industrial Customer's contract demand (if any) or metered demand, as applicable.

(2) For all Large Industrial Customer delivery points, a Monthly Delivery Point Rate consisting of:

(a) A Demand Charge of:

All kW of billing demand at \$10.15 per kilowatt.

Plus,

(b) An Energy Charge of:

All kWh per month at \$0.013715 per kWh.

(c) No separate transmission or ancillary services charges shall apply to these rates.

(3) The Demand and Energy Charges under this tariff shall not be subject to automatic adjustment for increases or decreases in fuel costs through a fuel adjustment clause, whether under 807 KAR 5:056 or otherwise, or by any automatic adjustment for an environmental surcharge, whether under KRS 278.183 or otherwise.

Date of Issue August 26, 1999 Date Effective September 1, 1999

Issued By Mark A. Hite Big Rivers Electric Corporation, P.O. Box 24, Henderson, KY 42420

Issued By Authority of PSC in _____

RULES AND REGULATIONS

d. CHARGES

Each month, each Member Cooperative shall pay on behalf of each of its large industrial customers taking service under this rate schedule a demand charge calculated by multiplying the demand charge rate contained in Section 7.c.2(a) by the higher of the maximum integrated metered thirty-minute coincident peak demand or the established contract demand, if any, plus an energy charge calculated by multiplying the energy charge contained in Section 7.c.2(b) by the metered consumption of kWh in that month.

e. BILLING

Big Rivers shall bill Member on the first working day after the 13th of the month for the previous month's service hereunder for Large Industrial Customers. Member shall pay Big Rivers in immediately available funds on the first working day after the 24th of the month. If Member shall fail to pay any such bill within such prescribed period, Big Rivers may discontinue delivery of electric power and energy hereunder upon five (5) days' written notice to Member of its intention to do so. Such discontinuance for non-payment shall not in any way affect the obligation of Member to pay the take-or-pay obligation of a particular Large Industrial Customer.

Date of Issue August 26, 1999 Date Effective September 1, 1999

Issued By Mark A. Hite Big Rivers Electric Corporation, P.O. Box 24, Henderson, KY 42420

Issued By Authority of PSC in _____

RULES AND REGULATIONS

10. BIG RIVERS LARGE INDUSTRIAL CUSTOMER EXPANSION RATE

a. Availability:

This schedule is available to any of the Member Cooperatives of Big Rivers for service to certain large industrial or commercial loads as specified in item (b) defining applicability. For all loads meeting the applicability criteria below, no other Big Rivers tariff rate will be available. As an alternative to this rate schedule, the Member Cooperative may negotiate a "Special Contract" rate with Big Rivers for application on a case by case basis for loads meeting the applicability criteria below.

b. Applicability:

This schedule shall be applicable as follows:

- (1) To purchases made by a Member Cooperative for service to any New Customer initiating service after August 31, 1999, including New Customers with a QF as defined in Rate Schedule 9, that either initially contracts for five (5) MWs or more of capacity or whose aggregate peak load at any time amounts to five (5) MWs or greater (including any later increases to such load) in which case the entire load shall be thereafter subject to this rate schedule.
- (2) To purchases made by a Member Cooperative for expanded load requirements of Existing Customers, including Existing Customers with a QF as defined in Rate Schedule 9, where:
 - (i) the customer was in existence and served under the then effective Big Rivers Large Industrial Customer Rate Schedule any time during the Base Year and, (ii) the

Date of Issue August 26, 1999 Date Effective September 1, 1999

Issued By Mark A. Hite Big Rivers Electric Corporation, P.O. Box 24, Henderson, KY 42420

Issued By Authority of PSC in _____

RULES AND REGULATIONS

expanded load requirements are increases in peak load which in the aggregate result in a peak demand which is at least five (5) MWs greater than the customer's Base Year peak demand.

- (3) To purchases made by a Member Cooperative for the expanded load requirements of Existing Customers, including Existing Customers with a QF as defined in Rate Schedule 9, where: (i) the customer's load was in existence and served through a Rural Delivery Point as defined in A.1.a.(3) of this Transaction Tariff; (ii) the expanded load requirements are increases in peak load which in the aggregate result in a peak demand which is at least five (5) MWs greater than the customer's Base Year peak demand; and (iii) the customer requires service through a dedicated delivery point as defined in A.1.a.(2) of the Rules and Regulations Section of this Transaction Tariff.

c. Conditions of Service

To receive service hereunder, the Member Cooperative must:

- (1) Obtain from the customer an executed written contract or amend an existing contract, for electric service hereunder with terms acceptable to Big Rivers.
- (2) Enter into a contract with Big Rivers, or amend an existing contract with Big Rivers, to specify the terms and conditions of service between Big Rivers and the Member Cooperative regarding power supply for the customer.

Date of Issue August 26, 1999 Date Effective September 1, 1999

Issued By Mark A. Hite Big Rivers Electric Corporation, P.O. Box 24, Henderson, KY 42420

Issued By Authority of PSC in _____

RULES AND REGULATIONS

d. Definitions:

- (1) Base Year – “Base Year” shall mean the twelve (12) calendar months from September 1998 through August 1999.
- (2) Big Rivers – “Big Rivers” shall mean Big Rivers Electric Corporation.
- (3) Existing Customer – “Existing Customer” shall mean any customer of a Member Cooperative served as of August 31, 1999.
- (4) LEM – “LEM” shall mean LG&E Energy Marketing, Inc.
- (5) Member Cooperatives – As of the effective date of this tariff, “Member Cooperatives” shall mean collectively, Kenergy Corp., Jackson Purchase Energy Corporation, and Meade County Rural Electric Cooperative Corporation.
- (6) New Customer – “New Customer” shall mean any customer of a Member Cooperative commencing service on or after September 1, 1999.
- (7) OATT – “OATT” shall mean Big Rivers’ effective Open Access Transmission Tariff filed at the Federal Energy Regulatory Commission and/or the Kentucky Public Service Commission.
- (8) Power Purchase Agreement – “Power Purchase Agreement shall mean the Power Purchase Agreement between Big Rivers and LEM dated July 1998.

Date of Issue August 26, 1999 Date Effective September 1, 1999

Issued By Mark A. White Big Rivers Electric Corporation, P.O. Box 24, Henderson, KY 42420

Issued By Authority of PSC in _____

RULES AND REGULATIONS

- (9) SEPA – “SEPA” shall mean the Southeastern Power Administration.
- (10) Third-Party Supplier – “Third-Party Supplier” shall mean any supplier of wholesale electric service to Big Rivers other than LEM pursuant to the Power Purchase Agreement or SEPA.

e. Expansion Demand and Expansion Energy:

- (1) Expansion Demand and Expansion Energy for the load requirements of a New Customer shall be the Member Cooperative's total demand and energy requirements for the New Customer, including amounts sufficient to compensate for losses on the Big Rivers' transmission system as set forth in Big Rivers' OATT.
- (2) Expansion Demand for the expanded load requirements of an Existing Customer shall be the amount in kW by which the customer's Billing Demand exceeds the customer's Base Year peak demand, plus an additional amount of demand sufficient to compensate for losses on the Big Rivers' transmission system as set forth in Big Rivers' OATT. In those months in which there is Expansion Demand, Expansion Energy shall be the amount in kWh by which the customer's kWh usage for the current month exceeds the customer's actual kWh usage for the corresponding month of the Base Year, plus an additional amount of kWh sufficient to compensate for losses on the Big Rivers' transmission system as set forth in Big Rivers' OATT.

f. Rates and Charges:

Date of Issue August 26, 1999 Date Effective September 1, 1999

Issued By *Mark A. Hite* Big Rivers Electric Corporation, P.O. Box 24, Henderson, KY 42420

Issued By Authority of PSC in _____

RULES AND REGULATIONS

Expansion rate and charges shall be the sum of the following:

(1) Expansion Demand and Expansion Energy Rates:

The Expansion Demand rates, Expansion Energy rates, or both shall be established to correspond to the actual costs of power purchased by Big Rivers from Third-Party Suppliers selected by Big Rivers from which Big Rivers procures the supply and delivery of the type and quantity of service required by the Member Cooperative for resale to its customer. Such monthly costs shall include the sum of all Third-Party Supplier charges, including capacity and energy charges, charges to compensate for transmission losses on Third-Party transmission systems, and all transmission and ancillary services charges on Third-Party transmission systems paid by Big Rivers to purchase such Expansion Demand and Expansion Energy and have it delivered to Big Rivers' transmission system.

(2) Expansion Demand Transmission Rate:

Big Rivers shall assess unbundled charges for network transmission service on the Big Rivers' Transmission System according to the rates in Big Rivers' OATT applied to each kW taken as Expansion Demand.

(3) Ancillary Services Rates for Expansion Demand and Expansion Energy:

Big Rivers shall assess unbundled rates for all ancillary services required to serve load served under this rate

Date of Issue August 26, 1999 Date Effective September 1, 1999

Issued By Mark A. Bitt Big Rivers Electric Corporation, P.O. Box 24, Henderson, KY 42420

Issued By Authority of PSC in _____

RULES AND REGULATIONS

schedule. Big Rivers shall supply the following six ancillary services as defined and set forth in Big Rivers' OATT: (1) Scheduling, System Control and Dispatch; (2) Reactive Supply and Voltage Control from Generation Sources Services; (3) Regulation and Frequency Response Service; (4) Energy Imbalance Service; (5) Operating Reserve - Spinning Reserve Service; and (6) Operating Reserve - Supplemental Reserve Service. Generation-based ancillary services required to serve customers may, at Big Rivers' option, be purchased separately from Third-Party Suppliers other than LEM, in which case the actual costs of such ancillary services shall be passed through to the respective Member Cooperative. Alternatively, where Big Rivers supplies such ancillary services from its own resources (including additional purchases from LEM), such services will be provided under Big Rivers' tariff rates for such services as contained in Big Rivers' OATT.

(4) Big Rivers Adder

In addition to the charges contained in Items 10(f)(1), (2) and (3), Big Rivers shall charge \$.94 per kW/month for each kW billed to the Member Cooperative under this tariff for resale by the Member Cooperative to the qualifying customer.

Date of Issue August 26, 1999 Date Effective September 1, 1999

Issued By *Mark A. Hite* Big Rivers Electric Corporation, P.O. Box 24, Henderson, KY 42420

Issued By Authority of PSC in _____

RULES AND REGULATIONS

f. BILLING FORM:

INVOICE

BIG RIVERS ELECTRIC CORP., P.O. BOX 24, HENDERSON, KY 42420

TO: LARGE INDUSTRIAL CUSTOMER EXPANSION	ACCOUNT	
DELIVERY POINTS	SERVICE FROM	/ / THRU / /
USAGE:		
DEMAND /	TIME /	DAY
POWER FACTOR	BASE	PEAK
EXPANSION DEMAND		METER MULT.
ENERGY	PREVIOUS	PRESENT
EXPANSION ENERGY		DIFFERENCE MULT.
		kw DEMAND BILLED
		kw BILLED
		kWh USED
		kWh USED

EXPANSION DEMAND & EXPANSION ENERGY

EXPANSION DEMAND, INCLUDING LOSSES	kw	TIMES \$	_____	EQUALS	\$	_____
P/F PENALTY	kw	TIMES \$	_____	EQUALS	\$	_____
EXPANSION ENERGY, INCLUDING LOSSES	kWh	TIMES \$	_____	EQUALS	\$	_____
OTHER EXPANSION SERVICE CHARGES				EQUALS	\$	_____
SUBTOTAL					\$	_____

EXPANSION DEMAND TRANSMISSION

LOAD RATIO SHARE OF NETWORK LOAD					\$	_____
----------------------------------	--	--	--	--	----	-------

EXPANSION DEMAND & EXPANSION ENERGY ANCILLARY SERVICES

SCHEDULING, SYSTEM CONTROL & DISPATCH SERVICE					\$	_____
REACTIVE SUPPLY & VOLTAGE CONTROL FROM GENERATION SOURCES SERVICE					\$	_____
REGULATION & FREQUENCY RESPONSE SERVICE					\$	_____
ENERGY IMBALANCE SERVICE					\$	_____
OPERATING RESERVE-SPINNING RESERVE SERVICE					\$	_____
OPERATING RESERVE-SUPPLEMENTAL RESERVE SERVICE					\$	_____

BIG RIVERS ADDER

EXPANSION DEMAND	kw	TIMES \$	_____	EQUALS	\$	_____
------------------	----	----------	-------	--------	----	-------

Date of Issue August 26, 1999 Date Effective September 1, 1999

Issued By Mark A. White Big Rivers Electric Corporation, P.O. Box 24, Henderson, KY 42420

Issued By Authority of PSC in _____



For All Territory Served By
Cooperative's Transmission System

PSC No. 23
Original Sheet No. 67
Cancelling _____ Sheet No. _____

RULES AND REGULATIONS

RESTITUTION ADJUSTMENT
HISTORIC

kWh TIMES \$ _____ EQUALS \$ _____

TOTAL AMOUNT DUE

\$ _____

LOAD FACTOR
ACTUAL

MILLS PER kWh

DUE IN IMMEDIATELY AVAILABLE FUNDS ON OR BEFORE THE FIRST WORKING DAY AFTER THE 24TH OF THE MONTH

Date of Issue August 26, 1999 Date Effective September 1, 1999

Issued By Mark A. White Big Rivers Electric Corporation, P.O. Box 24, Henderson, KY 42420

Issued By Authority of PSC in _____

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE TARIFF FILING OF BIG RIVERS
ELECTRIC CORPORATION TO REVISE
THE LARGE INDUSTRIAL CUSTOMER
RATE SCHEDULE

CASE NO. 99-360

FILED
JAN 25 2000
PUBLIC SERVICE
COMMISSION

TRANSCRIPT OF EVIDENCE

DATE OF HEARING: January 10, 2000

1 APPEARANCES

2 HON. B. J. HELTON, CHAIRWOMAN
3 HON. EDWARD J. HOLMES, VICE CHAIRMAN
4 HON. GARY GILLIS, COMMISSIONER

5 HON. RICHARD RAFF, COUNSEL FOR COMMISSION STAFF

6 FOR BIG RIVERS ELECTRIC CORPORATION:

7 HON. JAMES M. MILLER
8 SULLIVAN, MOUNTJOY, STAINBACK & MILLER, P.S.C.
9 100 ST. ANN BUILDING
10 OWENSBORO, KENTUCKY 42302-0727

11 HON. DOUGLAS L. BERESFORD
12 LONG, ALDRIDGE & NORMAN
13 701 PENNSYLVANIA AVENUE, N.W.
14 SUITE 600
15 WASHINGTON, D.C. 20004

16 FOR JACKSON PURCHASE ENERGY COOPERATIVE:

17 HON. DAVID DENTON
18 DENTON & KEULER
19 P. O. BOX 929
20 PADUCAH, KENTUCKY 42001

21 FOR KENERGY CORPORATION AND MEADE COUNTY
22 RURAL ELECTRIC COOPERATIVE CORPORATION:

23 HON. FRANK N. KING, JR.
24 DORSEY, KING, GRAY & NORMENT
25 318 SECOND STREET
HENDERSON, KENTUCKY 42420

I N D E X

	PAGE NO.
1	
2	Appearances 2
3	Discussion 4-7
4	MIKE CORE
5	Direct Examination by Mr. Miller 7-8
6	BILL BLACKBURN and JACK GAINES
7	Direct Examination by Mr. Miller 8-9
8	MIKE CORE (CONTINUED)
9	Direct Examination Continued by Mr. Miller 9-10
10	Cross Examination by Mr. Raff 11-16
11	BILL BLACKBURN (CONTINUED)
12	Cross Examination by Mr. Raff 17-18
13	Questioned Answered by Mr. Core 19
14	JACK GAINES (CONTINUED)
15	Cross Examination by Mr. Raff 20-21
16	MIKE CORE (CONTINUED)
17	Cross Examination Continued by Mr. Raff 22-31
18	BILL BLACKBURN (CONTINUED)
19	Cross Examination Continued by Mr. Raff 31-41
20	Question Answered by Mr. Core 41-42
21	MIKE CORE (CONTINUED)
22	Cross Examination Continued by Mr. Raff 43-50
23	BILL BLACKBURN (CONTINUED)
24	Cross Examination Continued by Mr. Raff 51-55
25	MIKE CORE (CONTINUED)
	Cross Examination Continued by Mr. Raff 55-73
	JACK GAINES (CONTINUED)
	Cross Examination Continued by Mr. Raff 73-75
	BILL BLACKBURN (CONTINUED)
	Cross Examination Continued by Mr. Raff 76-77
	MIKE CORE (CONTINUED)
	Cross Examination Continued by Mr. Raff 77-80
	BILL BLACKBURN (CONTINUED)
	Cross Examination Continued by Mr. Raff 80-84
	MIKE CORE (CONTINUED)
	Cross Examination Continued by Mr. Raff 84-86
	REDIRECT EXAMINATION OF PANEL
	Redirect Examination of Panel by Mr. Miller 87-93
	(INDEX CONTINUED TO NEXT PAGE)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X (CONTINUED)

PAGE NO.

	MARK HITE	
	Direct Examination by Mr. Miller	94-95
	Cross Examination by Mr. Raff	95-96
	BILL BLACKBURN (CONTINUED)	
	Cross Examination Continued by Mr. Raff	96-97
	MARK HITE (CONTINUED)	
	Cross Examination Continued by Mr. Raff	97-107
	Question Answered by Mr. Blackburn	107
	Discussion	108
	Question Answered by Mr. Core	112
	Discussion	112-116
	Certificate Page	117

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CHAIRWOMAN HELTON:

We're here in the matter of the tariff filing of Big Rivers to revise the large industrial customer rate schedule, Case No. 99-360. Could we have the appearances of the parties, please?

MR. MILLER:

May it please the Commission, I'm Jim Miller, Sullivan, Mountjoy, Stainback & Miller, Owensboro, Kentucky, for Big Rivers Electric Corporation. Co-counsel here today is Doug Beresford, Long, Aldridge & Norman, Washington, D.C., also co-counsel for Big Rivers.

CHAIRWOMAN HELTON:

Mr. Denton?

MR. DENTON:

Yes. Madam Chairman, we're an intervenor, Jackson Purchase Electric. My name is David Denton.

MR. KING:

Intervenors, Kenergy Corp. and Meade County RECC, Frank N. King, Jr., attorney, 318 Second Street, Henderson 42420.

MR. DENTON:

P. O. Box 929, Paducah 42001.

CHAIRWOMAN HELTON:

Mr. Raff?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. RAFF:

For the Commission and the staff, Richard Raff.

CHAIRWOMAN HELTON:

Is there any member of the public that wishes to give comment before we begin? Hearing none, Mr. Miller?

MR. MILLER:

Yes, ma'am, Madam Chair, just a couple of preliminary things. First of all, Big Rivers did file voluntary responses to the issues list that the Commission generated at the request of Big Rivers to help us get prepared for the hearing. We have discovered a few errors, three errors, in there that we wanted to correct. It was a busy week in Owensboro last week when we filed this. The first is in Item 1, Page 3, Line 17. The word "anticipated" should be "unanticipated." The next item is in Item 2, Page 2, Line 26, the words "Big Rivers may face" are surplusage. Then Item 3, Page 2, Line 1 at the top of the page duplicates the last line on the previous page. That's it. There are some other things that have been filed that we would like to move - there are some matters that have been filed that we would like to move to be made a part of the record. One is this voluntary response of Big Rivers to the issues list. Second are the letters of August 27 and October 13, 1999, which

1 makes some corrections to the original application, and
2 then our data requests of October 22, November 15, and
3 November 30, and we would, at this time, move those to
4 be included in the record.

5 CHAIRWOMAN HELTON:

6 So ordered.

7 MR. MILLER:

8 I would just remind the Commission, as I have reminded
9 myself this morning, that there is a pending
10 Confidentiality Petition and there's one that has
11 already been granted, in fact, regarding some of the
12 information that has been produced in connection with
13 this matter, and we'll try to be alert to tell everyone
14 when we get to that point so we can go into a
15 confidential session, although there's no one here but
16 Big Rivers' folks. Nonetheless we want to make sure we
17 get it properly noted in the record. On January 4, Big
18 Rivers identified the persons whom we expect to testify
19 regarding the issues that the Commission produced for
20 us. We would propose to offer all three of these
21 people in a single panel since the issues do overlap,
22 although Bill Blackburn, Big Rivers' Vice President of
23 Marketing, and Jack Gaines of Southern Engineering will
24 be principally responsible for the first three issues,
25 and Mike Core will be principally responsible for the

1 last. We also have here with us the persons who have
2 answered the data request responses that the Commission
3 has propounded to Big Rivers. So they are also
4 available to the extent that you need them. At this
5 point, of course, we have no opening statement or
6 summaries to the testimony. So, at this point, we
7 would announce ready, and we're ready to put our panel
8 on.

9 CHAIRWOMAN HELTON:

10 Bring your panel forward.

11 MR. MILLER:

12 Okay.

13 WITNESSES SWORN EN MASSE

14 CHAIRWOMAN HELTON:

15 Mr. Miller?

16 The witness, MIKE CORE, after having been first
17 duly sworn, testified as follows:

18 DIRECT EXAMINATION

19 BY MR. MILLER:

20 Q. Mr. Core, are the data request responses, the
21 application in this matter, and other filings that have
22 been made by Big Rivers in this matter items that have
23 been prepared by you or under your supervision and
24 filed at your direction?

25 A. Yes, they have been.

1 Q. Are those items true and correct to the best of your
2 knowledge and belief?

3 A. Yes, they are.

4 Q. Will you adopt those as part of your testimony here
5 today?

6 A. Yes.

7 MR. MILLER:

8 Okay.

9 The witnesses, BILL BLACKBURN and JACK GAINES,
10 after having been first duly sworn, testified as
11 follows:

12 DIRECT EXAMINATION

13 BY MR. MILLER:

14 Q. Mr. Blackburn and Mr. Gaines, have each of you filed
15 data request responses in this matter?

16 MR. BLACKBURN:

17 Yes.

18 MR. GAINES:

19 Yes.

20 Q. And have you also participated in the development of
21 the voluntary responses of Big Rivers to the issues
22 list produced by the Commission?

23 MR. BLACKBURN:

24 Yes.

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. GAINES:

Yes.

Q. And will you incorporate those responses as part of your testimony here today?

MR. BLACKBURN:

Yes.

MR. GAINES:

Yes.

Q. And are those responses true and correct to the best of your knowledge and belief?

MR. BLACKBURN:

Yes.

MR. GAINES:

Yes, they are.

The witness, MIKE CORE, after having been first duly sworn, testified further as follows:

DIRECT EXAMINATION CONTINUED

BY MR. MILLER:

Q. Mr. Core, have you received a specific response from each of the distribution cooperatives about their positions on Rate Schedule 10 that's the subject of this matter?

A. Yes, we have.

Q. And what has that response been?

A. The responses that have been conveyed to me are that

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

they are in favor of this Rate Schedule 10.

Q. All three of the member co-ops?

A. Yes.

Q. Are the CEOs of each of those member co-ops in the hearing room today as intervenors?

A. Yes, they are.

Q. And are they available to address the Commission in the event the Commission has any question about their support of this schedule?

A. Yes, they are.

MR. MILLER:

Okay. That's all we have, Madam Chair.

CHAIRWOMAN HELTON:

Mr. Raff?

MR. RAFF:

Thank you. I've got a lot of questions. Maybe I'll just read them and one of you or two of you or whomever can sort of try to answer as best you can.

CHAIRWOMAN HELTON:

Would you preface your answer with your name for the Court Reporter, please?

1 CROSS EXAMINATION

2 BY MR. RAFF:

3 Q. Could we refer to Big Rivers' response to the
4 Commission's December 22, 1999, issues list, Item No.
5 1? The question is, could someone describe the term "a
6 load switching customer" and what is meant by the term
7 "load switching customer growth"?

8 MR. MILLER:

9 Madam Chair, I guess this gets into the area where
10 there are some confidential items, and we would
11 move that the hearing go into confidential
12 session.

13 CHAIRWOMAN HELTON:

14 Does it have to go into confidential session if we
15 don't mention individual customers?

16 MR. MILLER:

17 Well, the facts and circumstances surrounding the
18 "load switching customers" are central to the
19 reason why this tariff was filed, and, I mean,
20 we're going to have to talk about it at some time.
21 This is as good a time as any just to go ahead and
22 talk about it. I don't think anyone here has to -
23 there's no one here that has to leave the room for
24 that to occur.
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. RAFF:

I'm just a little troubled about having the - while a portion of your response to that issues list has been requested to be held confidential, I mean, the term "load switching customer" has not been, and I'm not sure that, if all of this needs to be confidential, whether that's going to place the Commission in a position of not being able to issue an Order that discusses what Big Rivers' problem is and what the approved solution is.

MR. MILLER:

Okay. Well, let's go ahead and try it without going into confidential session at this point.

MR. RAFF:

I certainly didn't want to get into the specifics of what customers you were referring to.

MR. MILLER:

Okay. Let's try it like that.

A. This is Mike Core. Let me try to answer your question as I recall the way you stated it. The term "load switching customer" you asked for a definition of would refer to a customer which is rather unique in the State of Kentucky but has the ability to switch load from one utility to another, and we're talking about, in this instance, a customer or group of customers, in this

1 instance, potentially that can switch from (confi-
2 dential) service to service of one of our member
3 systems because they are in that member system's
4 service territory. So I guess we would define, for the
5 purposes of this, load switching to be a customer that
6 has that option already.

7 Q. All right.

8 A. There was another part to your question.

9 Q. Yeah. The other question was the term "load switching
10 customer growth."

11 A. Well, load switching customer growth is a group of
12 customers that fit the definition of load switching
13 customer that are already in existence. Big Rivers had
14 no plans for that growth and that has become a
15 possibility at this point in time, and it's more than
16 one customer. It's a group of several customers.

17 Q. So that would be the growth in Big Rivers' load if one
18 or more of these customers actually switched?

19 A. Yes, that's correct.

20 Q. Okay.

21 CHAIRWOMAN HELTON:

22 Could I ask a clarifying question, Mr. Miller?
23 Would that definition also include or should it
24 include the definition not only served by another
25 utility but historically served by another utility

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

prior to and subsequent to 1972?

MR. MILLER:

Trying to tie it back into the certified territory statute?

CHAIRWOMAN HELTON:

Uh-huh.

MR. MILLER:

Well, I think subsequent to 1972 is broad enough, . . .

CHAIRWOMAN HELTON:

Okay.

MR. MILLER:

. . . if you want to leave it at that.

CHAIRWOMAN HELTON:

Mr. Raff?

MR. RAFF:

Thank you.

MR. MILLER:

Basically, it addresses just an existing customer that has been there that's established and taking power from another utility at the time that it switches its supplier.

Q. Are customers who fall into the category of having the ability to switch load the only customers that predate the territorial boundary Act, if you know?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. BLACKBURN:

I don't know.

A. I don't know either.

Q. Are you able to say how many customers are potentially in this category?

MR. BLACKBURN:

Bill Blackburn. I believe there's four to six customers that we're concerned about.

Q. Well, you say four to six you're concerned about, but are there more than that that would fall under the category of having the ability to switch load?

MR. BLACKBURN:

I believe - I'm not sure. I know that Kelly Nuckols is here today, and he may be able to answer that question for you.

Q. Okay. Are you able to say whether all of these customers, if they switched, would be in one particular co-op's territory?

A. This is Mike Core. As I understand it, the ones that we're referencing here, yes, would be in (confidential) territory.

Q. Okay. Do you know anything about the circumstances of these customers that would allow them to switch other than the fact that they are in (confidential) territory? I mean, is there something about their

1 existing power supply contract?
2 A. This is Mike Core. In the instance of one of the
3 customers, they have a power supply contract that is
4 expiring in the very near future and have made, through
5 (confidential), contact about potential power supply.
6 Q. And the others, do they have contracts that would be
7 coming up for renewal in the near future; do you know?
8 A. I don't know the timing on those contracts.
9 Q. Okay. When you say "near future" for the one customer,
10 is that within six months?
11 A. Yes. To our knowledge, it has been represented within
12 six months.
13 Q. Okay. And do you know when Big Rivers first became
14 aware that there were these customers who had this
15 supply switching ability and that, in fact, they might
16 have some interest in doing it?
17 A. I don't recall the exact date - this is Mike Core - but
18 we were made aware of this probably in the middle of
19 1999. I do recall a meeting in probably August of -
20 yeah, and we had some contacts earlier than that, but I
21 do recall a face-to-face meeting, I believe, in August.
22 I would have to go back and check the calendar on it,
23 but it was in 1999 sometime, the middle or perhaps even
24 a little before the middle of the year.
25 Q. Okay.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. BLACKBURN:

This is Bill Blackburn. I would like to add just a little to Mike's answer there. This one particular customer had contacted Big Rivers several years ago about the possibility of switching and leaving their current supplier and that did not work out, and evidently their contract is expiring now, and they have returned back through (confidential). So it is something that had come up in the past. It just did not materialize.

The witness, BILL BLACKBURN, after having been first duly sworn, testified further as follows:

CROSS EXAMINATION

BY MR. RAFF:

Q. Was any consideration given to discussing with what was LG&E Energy Marketing, and I'm not sure if it still is, regarding modifying Big Rivers' existing purchased power agreement?

A. When we started conversations with this potential customer, I did contact LEM and asked for a proposal to see if they were interested in bidding on this service, and I believe they declined to give us a proposal.

Q. You say you believe? I mean, . . .

A. No. They did decline.

Q. Okay. Refer to Item 1 on that same response, Pages 7

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

and 8. Can you identify any specific or individual customer load increases or expansions that have contributed to the changes between the two Power Requirements Studies?

A. Bill Blackburn responding. Two of the industrial customers, Kimberly-Clark and Willamette, account for the majority of the change in the Power Requirements Study on the industrial side.

Q. Can you give us the magnitude for each of those?

A. I did not bring that with me. From memory, I believe Kimberly-Clark is 14-16 megawatts. Willamette is maybe four.

Q. In Item 3, Page 1 of 2, the response indicates that no significant expansion load was anticipated by any of Big Rivers' large industrial customers at the time the 1997 Power Requirements Study was prepared. Can someone explain why the study did not include at least some nominal amount of industrial load growth similar to the normal rural load growth included in the study?

A. Bill Blackburn responding. I believe, at the time, Big Rivers, in the past, had been severely criticized for trying to solve its financial problems by forecasting sales, off-system sales, growth and it took the approach of only including what was known at the time to try to reduce that criticism.

1 Q. Back in Item 1, Page 3 of 8, there's a reference to
2 strong national economy and new nonload switching
3 industrial loads becoming interested in Big Rivers' low
4 rates. Can you give us an estimate of the magnitude of
5 these nonload switching industrial loads?

6 MR. CORE:

7 This is Mike Core. During this past year, we have been
8 asked to give proposals or look at proposals on three
9 or four customers that were interested in the Big
10 Rivers area. In fact, just last week our distribution
11 systems received a couple of new inquiries. Each of
12 those were 20 megawatts, one with a potential of going
13 to 80 megawatts. Earlier in the year, Mr. Blackburn
14 provided to one of our member systems a possible
15 proposal on 30 megawatts of power. So we are seeing,
16 as an outgrowth, I believe, of the strong economy and
17 as a result of the infrastructures that are in place in
18 Western Kentucky, a real interest. Now, how many of
19 those materialize is always another issue, but the fact
20 of the matter is there have been some significant
21 potential customers looking there and that's one of the
22 main reasons or one of the important reasons of this
23 proposal as well.
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

involve making assumptions or presumptions with respect to what load growth might be for existing customers, and I think, with the exception of one customer, Kimberly-Clark, we did not have any more definitive information with respect to load growth of existing customers upon which to make an analysis. So it would only be a hypothetical with respect to what would happen, but, assuming there was load growth from existing customers, the financial consequences or the economic consequences would be the same as if it was a new customer.

Q. Was there not information about possible expansion from existing industrial customers gathered for putting together Big Rivers' 1999 Power Requirements Study?

MR. BLACKBURN:

Bill Blackburn responding. There was information gathered by the distribution cooperatives from the industrial customers, and, when you look at the 1999 PRS, there are a couple of slight increases in the industrial side, and I do believe that reflects what they had been told by their customers.

1 The witness, MIKE CORE, after having been first
2 duly sworn, testified further as follows:

3 CROSS EXAMINATION CONTINUED

4 BY MR. RAFF:

5 Q. Again, in Item 1, Page 4 of 8, of the response, there's
6 a discussion of some factors regarding load switching
7 customers having not been involved in the Big Rivers
8 Chapter 11 filing and its restructuring and that those
9 type of customers would not have the same reasonable
10 expectations of continued low prices as would Big
11 Rivers' existing customers. While you make that
12 distinction, you also propose that the new tariff be
13 required for any existing customer who wants to expand
14 its load. Is there not a contradiction there in
15 recognizing certain factors for what would be load
16 switching customers but then denying the benefits of
17 those factors to Big Rivers' existing industrial
18 customers?

19 A. This is Mike Core. Load growth, whether it be from a
20 load switching customer or a new customer, is an
21 important subject to Big Rivers for several reasons.
22 One, we want to be positive and have strong growth in
23 Western Kentucky. Secondly, Big Rivers is a different
24 company now. I would like to say, instead of plants,
25 we have a portfolio and that portfolio is made up of

1 our purchased power agreement with LEM. It's made up
2 of SEPA power, and then there's also a third element,
3 which is some market purchases that, when a market is
4 in favor of Big Rivers doing that, we do that, such as
5 nights and weekends and different times of the day or
6 year. So we have a limited resource that we want to
7 manage very, very carefully. Now, we believe our
8 customers, our three distribution systems and their
9 customers, the 90,000 plus in Western Kentucky, have
10 put us in a position to manage those assets to the
11 fullest extent that we can for the benefit of new and
12 existing customers. So this issue of growth is very
13 important and how we manage that growth. Now, we
14 believe that Big Rivers has a very, very competitive
15 industrial tariff, and we think that's one of the
16 reasons that perhaps some of the load growth customers
17 are interested, but it isn't just the load growth
18 customers that Big Rivers needs to manage. It's any
19 growth, and we have a certain amount of excess
20 available. That excess, over a period of time, will be
21 utilized by the members through growth. We want to
22 have the opportunity to carefully manage that so that
23 what we're putting into one of these industrial
24 customers is a product they need, and it works for Big
25 Rivers as well, and so we think there's really no

1 distinction in growth in general. Now, it can come
2 from the load switching, but it also can come from
3 somebody coming in and putting down 40-50 megawatts and
4 moving us to the next increment of power, and it's
5 trying to manage that process, manage that portfolio of
6 supply, as we go forward in mixing and matching those
7 things to the needs of those large customers as well as
8 the needs of the other customers of Big Rivers and
9 that's one of the reasons we're trying to do this at
10 this point in time. We think to wait until we're
11 pushed over that edge is not the best way to manage
12 that. That's sort of after the horse is already gone,
13 and we go, "Oh, what do we do now?" So what we're
14 trying to do is take those resources we have now and
15 utilize them to the best benefit of all parties going
16 forward with some careful management and that's the
17 intent of this. It's a long answer to your question,
18 Richard, but the issue of growth, even though it has
19 been pushed forward by the potential load switching, is
20 always an issue out there that we want to carefully
21 manage and that was one of the reasons we drove this.
22 I became concerned about a year ago as I looked at the
23 potential of where are we going to take these resources
24 that are very valuable, very valuable, resources in
25 today's market and maximize this to the benefit of all

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

customers of Big Rivers.

Q. Were there other potential solutions considered other than this tariff?

A. Well, the tariff itself lends itself to other solutions. The tariff we've proposed we really want to focus on the negotiated side. Currently, we have a tariff that is in place, doesn't require a contract, and someone could come in and say, "I want your tariff." What we want to do is focus on sitting down with all growth, as we normally do, but we think it's more important now and, first of all, finding out what it is about their load that's different. Every industrial load is a little bit different. They have different load factors, different power factors. They perhaps have some interruptibility that another one doesn't, and so, for us to sit down and put what I call a product - and I think we're moving away from the issue of tariff as much as we are trying to fit a product to a particular customer that says, you know, "I have the ability to interrupt this amount of power," or "I have the ability perhaps to switch power to another time period," or "I have a low load factor," or "I have a high load factor." We can sit down. We can look at our own portfolio of supply and say, "How does that fit into this mix?" and then, "Are there other

1 solutions that we can fit into this?" I think to craft
2 every solution going forward to begin with is very
3 difficult, because these customers today want to talk
4 to the utility. They want to find out what they can do
5 to save money. We want to work with them to save
6 money, and so this tariff is designed to move us in the
7 direction where we sit down with these folks and say,
8 "Okay." We may take a piece of our own portfolio, and
9 we may blend it with something perhaps from the market
10 or perhaps from a peaker unit that we would buy some
11 output from and put a product together that fits their
12 needs and still fits within the Big Rivers portfolio.
13 One of the things I don't think we can do, and it was
14 something that was raised in the issues list, was to
15 just go out and buy a 50 megawatt block of power and
16 plop it into our supply portfolio right now, because
17 there are different 50 megawatt blocks of power
18 available and which one do we buy depends upon what our
19 needs are. We think the key to the future for Big
20 Rivers is to remain as flexible as we can in dealing
21 with those situations which is to the benefit of those
22 new customers and we think to the benefit of the
23 existing Big Rivers customers because that's what we
24 are. We're no longer plants. We own the plants, but
25 we no longer operate them. So our portfolio is our

1 power supply options, and, within that, the flexibility
2 to work the product that fits the best for that
3 customer is what we want to do, because, believe me, we
4 want to see growth in Western Kentucky, but we want to
5 be able to deal with that growth. You know, we went
6 down this path before I was there where we went and
7 built a large power plant. That was the process in the
8 past. You know, you just build a large power plant
9 because you believed these things were coming. Well,
10 the time frame was so extended by the time you got the
11 power plant on line, things had changed. We think we
12 need more flexibility today, and the market changes.
13 The market changes rapidly, and so it's kind of hard to
14 lock into the market unless you know exactly what it is
15 you need for a period of time. Then you can go out and
16 buy it at that moment in time and lock it in.

17 Q. I'm not taking issue with really anything that you
18 said, but, taking that back to the tariff, was there
19 any consideration given to, as you say, after you
20 talked to customers and industrial customers to
21 determine what their actual requirements are and then
22 going out in the market and, you know, acquiring
23 additional capacity to meet those customers' needs, of
24 then rolling those costs into your existing rates and
25 having a rolled in or average embedded cost for all

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

customers?

A. We've had discussions about that, and there's no question that, at some point in time, that's one of the options that probably has to be utilized. You reach a point where you've saturated your current power supply options to their fullest extent and then have to go on to the next level. What we're trying to do prior to that is manage those options and power supply needs before we have to go out and do an increase for everyone. The other side of that is, with the activity we see, our members have several inquiries, and how do you begin to approach those types of things under that scenario, and how many times do we want to come in for a rate increase every time one of these things happens. What we would like to do is say, "How do we serve it out of our current portfolio?" and the fact of the matter is they may have a load that we say, "We'll serve it out of our current portfolio. It works," or they may have a load that says, "That doesn't work but what can we piece together that works for it?" and I think some of these large load switching customers are a good example of we're looking at some different ways that benefits them and Big Rivers as to how we approach this. You know, the emphasis today is on meeting the customers' needs as much as you can. The term "mass

1 customization," you know, it's a term that's hard to
2 get your hands around, but what you're trying to do,
3 especially for these customers that use large blocks of
4 power, is to try to meet them at their needs within
5 your own resources and handle that. At some point in
6 time, there's probably no question you reach a point
7 where you begin bringing some elements of large blocks
8 of power in or something to address that. One of the
9 other factors about Big Rivers and its power supply
10 portfolio with LEM is we, in the year 2010 and 2011,
11 will gain an additional 200 megawatts as those smelter
12 contracts expire at that time, and I don't want to say
13 we're trying to create a bridge because it's not what
14 we're doing, but we're looking to those types of things
15 in the future and how do you mix and match and fit the
16 current power supply into the fact that you have
17 another 200 megawatts coming out there basically under
18 the same terms and conditions that your current block
19 of 572 is there. So, with all of these moving pieces,
20 it's hard to take the old utility approach, which was
21 just go out there and build the next 100 megawatts or
22 200 megawatts and slap it in there, put it in your rate
23 base, and go forward, because we think that, in itself,
24 is detrimental to economic development because you now
25 have added in all of these fixed costs. So we want to

1 take a look at these on an individual basis, and, while
2 going out and buying a block and putting it in there is
3 an option, and that may be one of the options, Richard,
4 that we would opt to do, we would like to see what are
5 the other options that that customer needs, because Big
6 Rivers' only intent here is to serve its member systems
7 with their customers' needs. They drive us. They own
8 us. There's no money going to anyplace else except the
9 members or savings going to anyplace else but the
10 members.

11 Q. Was any consideration given to adding blocks of power
12 to meet new industrial growth and having the cost of
13 that power paid for by everyone on the system but not
14 coming in for rate increases, as you referenced, but
15 establishing something in the nature of a purchased
16 power adjustment clause whereby, whenever your cost of
17 purchased power exceeded what your existing costs are,
18 that, you know, that could be passed on on a monthly
19 basis or a quarterly basis similar to what you used to
20 do with your fuel costs and your environmental costs?

21 A. Again, I think that is an option, but it's not an
22 option we're ready to commit to until we understand how
23 these power supply growth needs can be met because for
24 us to do that, in itself, is a rate case or some case
25 here before the Commission, and it has been my

1 experience, over many years in this industry, if I can
2 avoid those kind of things, I would like to do it
3 because it causes all kinds of questions from customers
4 whether it's fuel adjustments or power supply
5 adjustments. I'm not saying we shouldn't use it, but I
6 don't think it's one of the first things that I would
7 want to turn to until I've got a good feel, until the
8 organization and the members have got a good feel, of
9 what this load growth means in that kind of scenario.
10 One thing customers like is stability and that line
11 that appears on that bill, as you know, is very
12 difficult to explain to the customers, and so, to the
13 extent we can avoid that, we would like to, but it's an
14 option. I'm not saying we wouldn't do it at some point
15 in time, but it's not something that appealed to us at
16 this time nor was it necessary at this time.

17 The witness, BILL BLACKBURN, after having been
18 first duly sworn, testified further as follows:

19 CROSS EXAMINATION CONTINUED

20 BY MR. RAFF:

21 Q. Has Big Rivers made any analyses or determination
22 regarding the cost to purchase a block of market power
23 and how that cost would compare to its existing average
24 cost between the LEM and its SEPA power? I recognize
25 that, during certain peak summer periods, prices are

1 extremely high, in the thousands of dollars, but, when
2 you average those peak periods with off-peak periods,
3 for example, you know, an industrial customer that has
4 a 70 or 80 percent load factor, you know, how the
5 buying a block of power on a 365 day period would
6 compare to your existing cost.

7 A. Bill Blackburn responding. During the past year, we
8 have had several requests for quotes on power from our
9 member systems, and I have contacted LEM, Reliant, and
10 others in the market, and each time that I have done
11 so, when I receive a response because not every one
12 does respond, I have not seen a price as low as the
13 LG&E contract with Big Rivers nor the SEPA contract
14 that we presently have.

15 Q. And this is for year-round power?

16 A. Yes, it is.

17 MR. CORE:

18 One of the things, too, Richard, if I might add to that
19 answer, is the products that are on the market are
20 varied. I mean, you can buy 7 days/24 hour power at a
21 certain price, 5 days/16 hour power at another price, 8
22 hour nighttime price. There are so many out there, and
23 then you have the firm price and the nonfirm prices.
24 That's why you need to know what that load is and what
25 it can take. To buy 7/24 firm pricing is a pretty

1 expensive item right now in the marketplace. Now, it
2 may change and that flexibility is something that we
3 want to have to try to change with that.

4 CHAIRWOMAN HELTON:

5 Mr. Blackburn, when you asked for those quotes,
6 was it for individual customers of a distribution
7 cooperative? In other words, you didn't ask for a
8 quote on an estimated aggregated amount that you
9 might need; it was for individual customers?

10 A. It was for individual customers, yes, ma'am, but the
11 volume of power for these customers was quite large.
12 One of the blocks was, I believe, for a 50 megawatt
13 customer.

14 Q. The price that you were quoted for those blocks of
15 power, how close were they to the price that you're
16 paying under the LEM?

17 A. To give you an example, one that I particularly
18 remember is a quote we received in October of 1999.
19 The on-peak strip that the quote came back for was for
20 \$55 and that was a 7 by 16, and I remember that. I
21 thought that was high. The off-peak portion of that,
22 which would be a 7 by 8, was in the \$15 range. So you
23 would have to weight those two together based on the
24 number of hours on peak versus off peak for the year.
25 The price is somewhere in the forties.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. CORE:

Which, I might add - this is Mike Core - is about twice what we're paying under the LEM and significantly more than under the SEPA.

MR. GAINES:

This is Jack Gaines, and a very important component of that is in comparison to the amount of revenue that would be derived under the existing industrial rate and that, for a 100 percent load factor load, is about \$27.50 a megawatt-hour. For a 90 percent load factor, it's about \$29 a megawatt-hour. So you're really comparing not just how much it would cost Big Rivers to procure it incrementally but how much it would cost incrementally versus the revenue it could derive under the firm rate.

COMMISSIONER GILLIS:

Mr. Blackburn, just trying to think through your math there a minute on what you just discussed, the \$55 for the 7 by 16, I believe, . . .

A. Yes, sir.

COMMISSIONER GILLIS:

. . . and the \$15 would be 7 by 8, would that not make the other, some \$85, the 7 by 8 so that it averaged the \$55 or \$95?

A. No. The 7 by 8 is just for the off-peak hours, and

1 you would pay \$15, let's say, or \$15-\$15.50 for that
2 power . . .

3 COMMISSIONER GILLIS:

4 Uh-huh.

5 A. . . . during off-peak hours and, during the on-peak
6 hours, then you would pay the \$55 for that. So, for a
7 given day, you would have 16 hours at \$55, and you
8 would have 8 hours at \$15. So you would average that
9 over a 24 hour period and that would be the blended
10 rate that the customer would be paying.

11 COMMISSIONER GILLIS:

12 I misunderstood. I thought you said the blended
13 rate was \$55.

14 A. No. I'm sorry.

15 VICE CHAIRMAN HOLMES:

16 He said the forties.

17 A. That was the on peak.

18 COMMISSIONER GILLIS:

19 Okay.

20 A. Right. It would be in the forties, I believe.

21 MR. GAINES:

22 \$41.7.

23 COMMISSIONER GILLIS:

24 Thanks.

25 A. Thank you.

1 VICE CHAIRMAN HOLMES:

2 And how much was the LEM; in the range of . . .

3 CHAIRWOMAN HELTON:

4 The twenties.

5 A. The LEM range is under \$20 and will be there for
6 another three or four years. It has an escalator that
7 goes up over a period of time.

8 Q. Mr. Gaines, you referred to the difference in revenue
9 that Big Rivers would receive if it were to purchase
10 blocks of power for its industrial customers at the
11 prices at which Mr. Blackburn indicated power was being
12 offered at. Does Big Rivers have a particular margin
13 that it believes it must receive from power sales?

14 MR. GAINES:

15 I'm not sure I understand the question. From power
16 sales to members or off system?

17 Q. The margins that it would have to add to the cost of a
18 block of power that it purchased for an industrial
19 customer.

20 MR. GAINES:

21 Well, the adder that we've proposed as part of Rate
22 Schedule 10 is, I believe, 35 cents per kw per month.
23 For a 50 percent load factor customer, that would be
24 about a mill per kilowatt-hour. It would be about a
25 half a mill for a 100 percent load factor customer.

1 Q. Okay. Mr. Core had extensive testimony on how Big
2 Rivers believes that it needs to talk to its customers
3 regarding their particular needs. To the extent that a
4 new customer has the potential to buy power just on an
5 hourly basis, would there be a mechanism for Big Rivers
6 to be able to communicate pricing information to that
7 customer?

8 MR. CORE:

9 If we have a customer that would have that interest, we
10 would explore that possibility with him. Are you
11 asking do we have the existing capability now? We
12 probably have the information. Getting it to them is
13 the question of how we would do it, the time period of
14 notification, and so forth. Let me go back, and this
15 is a good point because we've talked about our contract
16 with LEM, and it has peak limits, but we have a
17 significant amount of energy available under that
18 contract. It's just that everybody wants it at one
19 particular time. Back to the question Commissioner
20 Gillis raised, it may be that we can take the hourly
21 needs of that customer and blend it with some of this
22 energy we have in these shoulder months or even
23 shoulder times of the day or at night when, even
24 ourselves in our own arbitrage, we're unable to really
25 do anything with it because the price is fairly low.

1 You've heard the comment of \$15. At nighttime, we go
2 out and buy on our own because it's cheaper than the
3 LEM contract. It's just part of good management to do
4 those kinds of things. What we can do, based upon an
5 hourly customer or time of day customer or perhaps a
6 customer that can be moved from first shift to third
7 shift in production, for example, if they're only a one
8 shift customer, there are lots of opportunities to work
9 with those kinds of situations and that's why I say for
10 us to just go buy a block of power doesn't help us
11 until we know what we've got available from our own
12 portfolio in these other hours and perhaps even, to
13 some extent, on peak and blend that with something else
14 that winds up being a pretty good rate for that
15 individual and not putting a lot of costs back to the
16 current customers. What we're really looking at here
17 is the ability to manage this power supply options and
18 portfolio for the benefit of these customers, and we
19 would be willing - you know, our approach is let's talk
20 to these customers. Let's talk to our members. The
21 customers are actually customers of our members but
22 let's talk with our members and, through them, to these
23 customers and say, "What are your needs? Do you want
24 an hourly pricing? Let's talk about that." We think
25 we have the capability of working that out within our

1 own organization and with our third party marketing
2 partner that we have. Currently, that's Reliant, but,
3 you know, that can change based upon whatever the needs
4 are of Big Rivers, and we think we can fit those kinds
5 of things. We want to try to do that through our
6 members to offer, I call it, products, not electricity,
7 but these folks need a product out there that fits
8 their operation and that's what we want to try to do,
9 and we want to encourage those kind of things, too,
10 because, believe me, there's pricing breaks available
11 if you can pick the time of day that you can move this
12 power.

13 Q. Is there an underlying assumption to the proposed
14 tariff that the new or expanded load that would be
15 served under the tariff that those customers are
16 ultimately going to be paying higher rates than your
17 existing system rates?

18 MR. CORE:

19 Well, I think . . .

20 A. That's true.

21 MR. CORE:

22 . . . that's true.

23 MR. GAINES:

24 I think it depends a little bit on the type of product
25 that they seek and what it costs to procure the power

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

that's needed to meet those needs. I think that, currently, with what we're seeing in the market at the present time and in the very near future, that, if the customer seeks a firm supply, that's the product that they want, then the likelihood is that the costs would be higher than what they would pay under Big Rivers' firm rate, and, of course, that, in and of itself, is what presents the dilemma and the predicament is a very real concern and desire on Big Rivers' part to minimize, to the extent possible, any upward pressure on its existing rates created by unexpected and unplanned for growth of significant magnitude. However, markets change, as we all know, and, from a long-term standpoint, pricing in this fashion, even for a firm product, could very well change in terms of the cost level and could become comparable to or, conceivably, even less than what is reflected in the current firm rate, but the essential thing, and I think Mike has said it several times, is that Big Rivers needs the ability to manage these resources and help to manage its risk associated with meeting its obligations as a power supplier.

Q. When you use the term "firm power supply," are there other categories other than just an interruptible, or is a nonfirm an interruptible, or is there a difference

1 in those categories?
2 A. Bill Blackburn. Some of the categories that I'm
3 familiar with, there's financially firm power, there's
4 system firm power, there's unit firm power. Then you
5 get into the different types of - there's interruptible
6 power, limited hours, limited calls on the
7 interruption. So there are several different types of
8 power in the market.

9 MR. CORE:

10 The market sort of customizes - this is Mike Core -
11 sort of customizes a product to what you want. If you
12 call in and say, "I want this following thing,"
13 somebody is going to give you a price, but they're
14 going to go back and weigh the market cost for it,
15 whatever risk they would have to take on it or build
16 into this. So, I mean, this is a new world. I mean, I
17 know deregulation is a hot topic, you know, retail
18 deregulation, but the fact of the matter is wholesale
19 deregulation is there, and it is market driven, and the
20 difference in just the last three years from where it
21 was and what it is today is amazing, and the amount of
22 flexibility you need to have within that is very, very
23 important and that's what we're looking at here,
24 because you can go out for an RFP, a Request for
25 Proposal today, and go out again six months later, and

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

you may get two totally different prices, or it will depend upon how you've structured it. Do you want a portion of it firm, a portion of it nonfirm? Are you willing to take unit firm, which means, if the unit goes off you don't have it, or do you want financially firm power? That's the premium product, financially firm power. That's what we have from the LEM power supply agreement, is financially firm power. That power is the premium power because that just means you've got it or somebody pays liquidated damages if you have to go out and buy it and get it back. Then it goes down at different levels from that point, and it takes a lot of skill out there working with the market, even if you have a third-party partner in that area, to take a look at those things, because we're involved in that. Bill and his staff are involved in that on a daily basis making decisions on the arbitrage side, as you know, and so we're gaining, we think, some critical experience in dealing with this, because we see that switching over from a period of being arbitrage to switching over to be a period of purchases. It's very important to have the flexibility.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

The witness, MIKE CORE, after having been first duly sworn, testified further as follows:

CROSS EXAMINATION CONTINUED

BY MR. RAFF:

Q. Does Big Rivers currently have much information about the load characteristics of the potential load switching customers?

A. Of the one customer, I think we have a pretty good idea. Of the others, I would say no, but, because of the discussions through (confidential) that we've had with this customer, I think we have a pretty good idea.

Q. Was any consideration given to waiting until you had more information about the customer's load profile and then proposing some type of a tariff that would meet their specific needs?

A. Well, again, I think we get into a situation of filing a tariff every time for a new customer and that didn't seem to be the most efficient way of doing it, and, again, wanting to have the ability up front to work with these people and some reasonable assurances. Obviously, if we negotiated a contract, that comes back and is filed with the Commission, and the Commission can see what we've worked out and judge on whether that's, you know, a good contract or not. One of the other things Big Rivers wants to do is we want our

1 members to have long-term customers, and there's no
2 question that, whatever happens, these larger customers
3 are going to be the ones that can get out there and
4 probably move if that ever happens. To the extent we
5 can "lock" these customers up through negotiating a
6 strong contract, I think it's in the interest of our
7 member systems and Big Rivers especially as we look
8 forward to power supply - you know, managing your power
9 supply and the certainty that you try to obtain in that
10 going forward. So the emphasis here, I think, too, is
11 going back to trying to get something that's in place
12 for a period of time and you know it's there, a
13 commitment is there, because, again, we want our
14 members to have customers that are going to be long-
15 term customers for them, and they're looking to us to
16 give them the power supply options that accomplishes
17 that.

18 Q. Have these issues caused Big Rivers to give any further
19 consideration to its membership in the Midwest ISO?

20 A. Well, the short answer is no. I don't have enough
21 information on the Midwest ISO yet. I think they don't
22 have enough available for us to make a decision there.
23 As you know, we have an agreement with our member
24 systems that they would have to approve our membership
25 in an ISO, and I have not seen anything yet to take

1 back to the members, any kind of a proposal to join the
2 ISO. I think that's still being worked out, and I
3 think we all realize, at some point in time, the
4 likelihood of some form of a regional transmission
5 organization or ISO or whatever we come up with is
6 probably there, but Big Rivers, at this point, doesn't
7 have an advantage to getting into that.

8 Q. So any transmission charges that Big Rivers would incur
9 for purchasing these blocks of power would be passed on
10 to the customer itself?

11 MR. BLACKBURN:

12 Bill Blackburn responding. That's correct.

13 Q. Back to Item 1 of your response to the issues list at
14 Page 3, Lines 17 and 18, Big Rivers refers to the
15 extreme weather situations that could consume your load
16 this summer. Can you explain how your proposed tariff
17 would provide flexibility for Big Rivers as a result of
18 any extreme weather situations?

19 A. Well, to the extent we knew the growth and we could
20 negotiate a contract with that customer, we would have
21 the knowledge there and Bill could be prepared for the
22 summer, knowing what kind of growth he has in his book
23 there of power when we face the market. So, to the
24 extent it's anticipated and we have the ability to work
25 with that customer, that gives us more certainty in

1 knowing, to a greater degree, what our load will be.

2 Q. Well, isn't this tariff being proposed due to concerns
3 of increased industrial load and not out of concerns of
4 unusual extreme weather?

5 MR. GAINES:

6 This is Jack Gaines. I think the reference here to
7 extreme weather situations is simply to highlight or
8 point out the fact that other factors which do affect
9 Big Rivers' load, such as weather, could potentially
10 cause Big Rivers to bump up against or exceed its cap,
11 and it's just another reason why Big Rivers needs the
12 flexibility of Rate Schedule 10 to help manage a
13 potential section of load growth that it cannot manage
14 under the current set of rate schedules. It's not that
15 extreme weather is something that Rate Schedule 10
16 specifically addresses. It's that extreme weather
17 affects Big Rivers' load, and extreme weather coupled
18 with other factors could help to create a situation
19 where Big Rivers' load expands more rapidly than
20 expected, and this rate will help Big Rivers in the
21 event that that were to happen.

22 Q. Thank you. Has Big Rivers reached any conclusion
23 regarding the impact of this tariff on gaining new load
24 or expanded existing loads or on the load switching
25 customers?

1 A. Well, we've considered - this is Mike Core. We've
2 considered the possibility that that could have an
3 impact. How you measure that impact would be very
4 difficult to gauge. We also know that just taking
5 another block of power and rolling it in and raising
6 rates has impact on everyone as well, including the new
7 customer. So there's no question that there will be an
8 upward pressure on Big Rivers' rates assuming the
9 market rates stay where we've seen them. Now, if the
10 market rates change, I mean, everything can change, but
11 I can see possibilities of working with these customers
12 first, and going to this kind of thing is a better
13 direction to go than just simply rolling that in and
14 raising it without looking at that. Now, again, I go
15 back to the original - I think one of my original
16 statements is, at some point in time, there will be an
17 upward pressure that we would probably have to come and
18 raise everybody's rates. What we're trying to do is
19 find a way to take the value of this power, as long as
20 we can, to share it with everybody, and, to the extent
21 we can find different kinds of things to blend with
22 this, we can perhaps forestall a rate increase and keep
23 a large customer, a new customer, very happy with the
24 product that we've put together. So that's our first
25 statement, but, at some point in time, if they say, "We

1 want service and we'll take the proposed rate that we
2 have in the tariff," I guess that's it. The other
3 approach is to raise everybody else's rates when you
4 get to that point and that may happen at some point in
5 time. We would just like to have the opportunity to
6 deal with the issues and work through that before we
7 get to that point of having to bring, you know, the
8 rate pressure to bear. Big Rivers' rates are
9 competitive today, no question about it. I'm really
10 proud of that, coming out of the bankruptcy, that we
11 were able to achieve that. There was a lot of hard
12 work that went in there with our members, with our
13 creditors, and everyone. What we're trying to do is
14 take that very valuable resource and not squander it
15 just indiscriminately but carefully manage it to the
16 benefit of as many people as we can.

17 Q. In response to inquiries that Big Rivers has gotten
18 within the last six to twelve months from either
19 existing customers thinking about expanding or new
20 customers, has Big Rivers indicated that it may be
21 changing its rates and that new load may be covered
22 under a marked-based rate?

23 A. I think, in the discussions that we've had with this
24 one particular load switching customer, we've told them
25 that, and they understand this, and we're focusing on a

1 negotiated type of rate that blends several factors
2 together. They have a unique situation with a fairly
3 large amount of interruptible which helps the
4 situation, but I think that's probably the only
5 customer that we've had to interface directly with that
6 on. Although I do know, in discussions with Willamette
7 on the other tariff that we postponed, they were well
8 aware of this tariff, and we have talked about it. In
9 fact, they're interested in a fairly long-term contract
10 on the remaining block of power that we sell to them
11 under that tariff as a result, which is good.

12 Q. Have you gotten any concerns from your distribution
13 co-op members that this type of a tariff might hinder
14 economic development in adding new industrial growth?

15 A. I think there have been some discussions on that. I
16 think one of the discussions that concerns one of our
17 member CEOs is what kind of a price does it give to
18 somebody that comes in because there isn't a specific
19 tariff, but, at the same time, even if we had a tariff
20 giving a specific price doesn't always mean that's what
21 it winds up to be. We have various industrial
22 customers out there who are paying various rates per
23 kilowatt-hour because of load factor, power factor, and
24 other services that are required, or equipment charges,
25 and things of that nature. So it's pretty hard to give

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

a firm rate to begin with, and, of course, we would have to sit down and begin immediate discussions with this to give these people an idea of what kind of cost we would be looking at.

Q. Have you had any discussions on this with any other entities responsible for economic development, be it the state Economic Development Cabinet or something on a more local level?

A. We've not had any specific discussions with the Economic Development Cabinet or any local Economic Development folks; no. Certainly, our members who have some involvement in economic development are well aware of what we've done here and essentially have supported us.

Q. Do you know much about the rates that are currently being paid by the customers who are potential load switching?

A. I do not have any knowledge. Bill, do you?

MR. BLACKBURN:

Bill Blackburn. They have been less than willing to share that information with us. They say things in general, but they do not give us anything that's specific.

1 The witness, BILL BLACKBURN, after having been
2 first duly sworn, testified further as follows:

3 CROSS EXAMINATION CONTINUED

4 BY MR. RAFF:

5 Q. So their contracts are not public?

6 A. That's correct.

7 Q. Item 2, over at Page 2, Lines 23-26, can you describe
8 the intense discussions with marketers that's
9 referenced there?

10 A. I have, during the past year or during the past six
11 months, met with several different marketing companies.
12 I've had discussions with LEM, with Reliant, with
13 ProLiance, Entergy, Duke Power, Coral, Williams, the
14 major ones that I have met with, and each time we
15 always have general discussions of the market, what
16 everyone's view is, where you think you're going. A
17 lot of these folks know that Big Rivers has a marketing
18 contract out with Reliant, and they're always
19 interested in trying to find out when that's up for
20 renewal and can they bid on it. So we have a lot of
21 discussions, and, during these times, I always try to
22 take advantage of information I can glean from them,
23 what they perceive that the market to be, where they
24 think pricing is, what products out there are likely to
25 develop that we don't see, and which ones are traded

1 most often. It's during these type of discussions that
2 I have raised the issue of, "Do you think someone would
3 be interested if we put out a request or a proposal to
4 serve our needs as we grow in without us knowing today
5 what those limits might be?" and it's usually received
6 very negatively. It would be very expensive. Now, if
7 we could come up with a narrow band of what we want,
8 you could certainly get proposals, people willing to
9 respond.

10 Q. "A narrow band" meaning time?

11 A. Time and quantity. People are generally afraid of
12 something that's open-ended. I may think and have only
13 good reasons that I may need 50 megawatts, but, if the
14 truth is I end up needing 150 megawatts and it's three
15 times what they've committed to and neither one of us
16 could foresee that but the way the contract would be
17 they would be on the hook for that, they're very
18 reluctant.

19 Q. Your contract with Reliant, is that just for Reliant to
20 market Big Rivers' power, or does it also include
21 Reliant purchasing power for Big Rivers when it needs
22 to do so?

23 A. Reliant does both for Big Rivers. They sell our excess
24 power, and they purchase for us at times that we need.
25 The contract also allows Big Rivers to either sell or

1 purchase outside of the Reliant contract if we believe
2 that the Reliant price is not, at market, reasonably
3 priced.

4 Q. So they, in effect, have a first option; is that - I
5 mean, you have to . . .

6 A. It's probably true that they have the first option on
7 the hourly transactions, but, if we're going for, let's
8 just say, a month, then I do get a proposal for them
9 first. If I do not like that proposal, then I'm free
10 to go to the market with a Request for Proposal. They
11 do not have any right to match it.

12 Q. Okay.

13 CHAIRWOMAN HELTON:

14 Mr. Blackburn, . . .

15 A. Yes.

16 CHAIRWOMAN HELTON:

17 . . . in your discussions with marketers, your
18 existing customers who have incremental load
19 growth, you know those load characteristics. Have
20 you had any discussions with marketers about, if
21 you aggregated that load, what the prices would
22 be?

23 A. No, not in particular. I have not.

24 CHAIRWOMAN HELTON:

25 Okay.

1 A. Most of our existing load customers, our industrial
2 customers, are fairly high load factor customers, and
3 you would be able to go out and, say, buy a block of 50
4 megawatts which would be served at a 100 percent load
5 factor, and then you could blend that in with our power
6 from LEM to make up the rest of the load and to
7 actually do the load following with that. So you might
8 not have to buy a block of power that would exactly
9 mirror the current industrial load because of the high
10 load factor.

11 CHAIRWOMAN HELTON:

12 But you certainly could get a better estimate of
13 what those costs would be versus, as you said,
14 indeterminate loads from new customers or load
15 switching customers?

16 A. Yes. Yes, ma'am, because it is known and determinable.

17 MR. GAINES:

18 This is Jack Gaines. Along that same line, I think
19 that, from the existing set of twenty some odd
20 industrial customers, the extent to which their loads
21 may be growing I think is also indeterminable in a
22 manner similar to loads for which we have no knowledge
23 at this time. In other words, that's also an
24 unpredictable.

25 A. The growth.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. GAINES:

Right, the growth.

A. The growth is correct.

MR. GAINES:

Right. Right.

A. I was assuming the question was at their present level.

The witness, MIKE CORE, after having been first
duly sworn, testified further as follows:

CROSS EXAMINATION CONTINUED

BY MR. RAFF:

Q. Would a new or an expanded customer be able to or would
Big Rivers be willing to structure a contract such
that, during certain periods of time when power is
available under its LEM contract, that that power would
then be sold to this customer at, I guess, the existing
tariff rate for that power or the normal industrial
power rate and then, to the extent that the customer
wants power during other time periods when it is not
available under the LEM or the SEPA, that that portion
would be under some type of a market rate so that, in
effect, the customer would have different prices for
different time periods? Is that what's envisioned
here?

A. I think that's one of the possibilities. I mean,
whether there would be separate hourly charges, which

1 was an earlier question, or whether those would be
2 blended in some way to an overall price if they wanted
3 an overall price, yes, I think the answer to your
4 question is, yes, as one of the examples of the kinds
5 of things that we might do, is taking where we have
6 energy available in those hours and blending it with
7 something else that's higher price but overall brings
8 the cost perhaps down in line with where the tariff is
9 now. Until you know what their load characteristics
10 are, until you know more about that entity and their
11 needs, then that's where we like the idea of sitting
12 down and trying to blend some things because we don't
13 want to sit on this excess. We just want to use it
14 wisely, and, to the extent we can look a member in the
15 eye and say, "We've done everything we can to this
16 point and now we need to do a rate increase," then I
17 think we're all right, but, for us to say, "Well, we've
18 got another customer. We just added some power. We're
19 going to raise the rates," without trying to do
20 everything we can to mitigate that through better
21 management is what we're trying to avoid here.

22 CHAIRWOMAN HELTON:

23 Mr. Core, the term in the tariff that says "lowest
24 reasonable cost" - it may not be in the tariff but
25 it was in the discussion - "lowest reasonable

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

cost" and that's to be passed on to each individual customer, do I assume that that term precludes you from withholding excess capacity in your system and purchasing through purchased power for that customer?

A. Well, I think we want to be competitive, so we're going to have to use some of the value that we have there. You know, if we sit there and hold it back and our members are saying, "Wait a minute. We're not getting the load growth because, you know, you're sitting on this power," I don't think that's at all what we want to do. We want to try to find the best mix and match. The fact of the matter is we may have a customer of six megawatts come along next week, and, after looking at everything, we may negotiate something that's pretty much along the tariff here, especially if that customer says, "Look, I'm willing to sign a ten year contract." Well, that's a different situation than a customer who comes in and says, "I'm going to take your tariff and, in two years or whenever, if things change, sayonara." So it gives us the opportunity to plan and mix that in. If its a high load factor customer, we know what we can do with that versus a low load factor customer. I think what we're trying to do for the benefit of our member systems is manage this portfolio to its fullest

1 value and utilizing that power as best we can. We know
2 there's going to be growth. We know, at some point in
3 time, we're going to have to go out there and obtain
4 some additional power in some fashion, keeping in mind,
5 in 2010 and 2011, we still have this next 200 megawatt
6 block coming in which is going to be incredibly
7 valuable at that time.

8 MR. GAINES:

9 A point of clarification, and this is Jack Gaines, Big
10 Rivers' preference is to do precisely what Mike was
11 just talking about and that is enter into and negotiate
12 special contracts with customers to blend its own
13 resource and perhaps market purchases, as the case may
14 be, to provide the best utilization of Big Rivers'
15 resources along with managing its risk and protecting
16 prices and protecting the existing customers, but, just
17 so everybody knows how Rate Schedule 10 has been
18 structured so that there's no confusion and just to
19 back up just a moment, under status quo, Big Rivers can
20 manage its portfolio to meet load requirements.
21 However, it only has, within its tariff structure, one
22 set of tariffs through which it can bill the customer
23 and derive revenues, and, if a customer comes to Big
24 Rivers and says they want so many megawatts of firm
25 service, then Rate Schedule 7 is the rate that they

1 would be provided that service under, if they simply
2 did not want to negotiate and Big Rivers would then be
3 faced with finding the resource mix necessary to render
4 that service and then the costs, if they were
5 different, would be rolled into the average and
6 eventually that would affect Big Rivers' cost of
7 service, and we're concerned that that would
8 necessitate a sooner, rather than later, rate case.
9 What Rate Schedule 10 does is it - well, two things
10 happen. First, as you know, we propose to freeze Rate
11 Schedule 7 so that that's not available, and then Rate
12 Schedule 10 has really two scenarios. One is a default
13 scenario in which, if the customer is not interested in
14 negotiating a special contract with Big Rivers, which I
15 think in most instances would be Big Rivers'
16 preference, then Big Rivers would secure power through
17 a third-party supplier, and, in that situation, all of
18 the customer's energy requirements would come from a
19 third-party supplier. So it would involve no mixing of
20 resources, no mixing of off-peak energy that's
21 available, but it would be the fall back or default
22 position under Rate Schedule 10. Again, I think the
23 main emphasis of Rate Schedule 10 is to provide Big
24 Rivers with the scenario it needs to bring customers in
25 under special contract to take advantage of all of its

1 resource options and to manage its risk, but I just
2 wanted to clarify how Rate Schedule 10 was structured
3 and why it was structured that way.

4 Q. Was any consideration given to wording Rate Schedule 10
5 such that the rate to be charged to the new or expanded
6 load would be the greater of the market rate or Big
7 Rivers' existing Schedule 7 rate?

8 MR. GAINES:

9 Well, we considered a lot of things and that may well
10 have been one of them as part of general discussions.
11 I guess my reaction to that is that we felt like that a
12 rate of that nature would meet with less - the
13 Commission would be less receptive to that than what we
14 proposed. Now, that may be a bad presumption, but I
15 think that that would - that's my reaction to that.

16 Q. Well, the basis for my question is whether existing
17 industrial customers might view this tariff as being
18 unfair to them in the sense that, had they been given
19 the option to buy different quantities of power at
20 different times, you know, they might be similarly
21 willing to do that as a new customer would, and they
22 may think that there's some significant price advantage
23 to doing that.

24 A. This is Mike Core. Let me respond to that if I can.
25 Number one, I think a general observation, by their

1 lack of intervention, indicates they didn't have a
2 problem with that. Number two, along with our member
3 systems, any industrial customer that has a concern we
4 would want to sit down and talk to them about their
5 growth potential, their cost potential, and certainly
6 work with them as we would with any new customer and
7 saying, "Is there something we can do here?" because it
8 can be argued that this extension or expansion, let's
9 say it's a ten megawatt expansion, could be handled
10 separately. You know, under the new contract, they
11 would have that opportunity. To the extent that it
12 fits their load to make changes to their current
13 contract, in other words, the only thing I can think of
14 is if they had some interruptibility or something like
15 that that they didn't have before, Big Rivers is
16 willing to work with them through the member systems
17 towards that, too, because we know, you know, just
18 intuitively that an interruptible load is a good load
19 for Big Rivers to work with, because it could
20 ultimately free up some additional critical megawatts
21 on peak. So I think we would have an interest in
22 working with an existing customer on those kinds of
23 things as well, but I think that Big Rivers' current
24 tariff is important to the existing customers and
25 that's why they probably didn't - I can't speak for

1 them, but, you know, I was quite surprised they didn't
2 even come in and seem to want to monitor this or
3 anything, but I think it speaks volumes about how they
4 feel what that current rate is. Again, that's a
5 significant change from two or three years ago when
6 people thought, "Well, \$28 dollars," if it's a 100
7 percent load factor customer, "you know, we want to try
8 to do better." I think they have looked at this
9 wholesale market, and they know what's going on out
10 there. A different driver is in place on costs today
11 than it was three or four years ago. Even if you own
12 generating plants, you are going to want to get the
13 best value you can, whether you're a cooperative for
14 your members or whether you're an IOU for your
15 stockholders, and, you know, the market is being driven
16 by a five letter word, "greed," for lack of a better
17 term, I mean, but that's the nature of markets, and
18 they seek . . .

19 MR. GAINES:

20 I'm going to add a four letter word, "fear."

21 A. Fear, yeah, greed and fear, and we see things in
22 pricing, and we see marketers who boldly, three or four
23 years ago, went out and boldly said, "This is where
24 it's going, and this is what we're going to do," who
25 today take incredible care of not taking on the risk of

1 the market because they've been bitten by it. The last
2 two summers have been real educations for people in
3 this business, a big education for Big Rivers, and one
4 of the things that's driving this particular tariff is
5 to say, "How do we manage under this new world of a
6 market driven cost?" I mean, you know, the old item of
7 cost on the wholesale level is out the window. I mean,
8 the other night, there was some power available for
9 five dollars on New Year's Eve because everybody had
10 their generation up and running and there wasn't any
11 load, and you've got to have load if you've got
12 generation, and there were people dumping it for five
13 dollars just so they could keep it on a few hours,
14 cover the Y2K, and close it. So, at nighttime, you've
15 got a different price. In the daytime, you've got a
16 different price, the summertime a different price,
17 firm, nonfirm, and all of this kind of blends into a
18 whole new world and what we're trying to do is operate
19 because we don't have the generation any more. We have
20 these valuable power supply contracts that we're trying
21 to manage through this. So I think the existing
22 customers understand what we're trying to do, and I
23 think it also shows a trust in their relationship with
24 the member systems and, through the member systems, a
25 trust in the relationship with Big Rivers. We've