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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

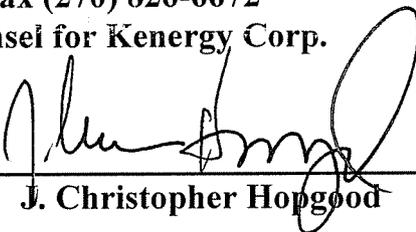
)
) CASE NO. 2011-00036

NOTICE AND APPLICATION OF BIG RIVERS)
ELECTRIC FOR AN ADJUSTMENT IN)
IN EXISTING RATES)

NOTICE OF FILING

Intervenor, KENERGY CORP. ("Kenergy"), serves Notice of Filing of the attached exhibit of Jack Gaines that contains the corrections Mr. Gaines made from the witness stand at the hearing. The electronic version of the Exhibit is being filed and the attached hard copy served on all parties.

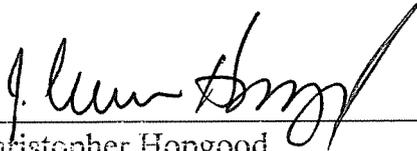
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By 

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing was served on this 4th day of August, 2011, by mailing true and correct copies of same, postage prepaid, to those listed on the attached Service List.



J. Christopher Hopgood

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BIG RIVERS ELECTRIC CORPORATION
Case No. 2011-00036
Cost of Summary Summary per Big Rivers' 12-CP Methodology

	<u>Cost of Service Summary -- Pro-Forma</u>				
	a	b	c	d	e
	Rurals	Large Industrials	Smelters	Total System	
1 Operating Revenues	\$ 99,720,178	\$ 33,424,391	\$ 269,181,024	\$ 402,325,593	
2 Less: Smelter Contractual Adders (Sections 4.2 & 4.7)	\$ -	\$ -	\$ (16,053,576)	\$ (16,053,576)	
3 Reverse Section 4.11 & Unwind Surcredit	\$ 8,038,629	\$ 3,052,791	\$ (11,466,492)	\$ (375,072)	
4 Adjusted Pro-Forma Operating Revenue For COSS Purposes	\$ 107,758,807	\$ 36,477,182	\$ 241,660,956	\$ 385,896,945	
5					
6 Operating Expenses	\$ 105,035,005	\$ 31,787,544	\$ 239,696,360	\$ 376,518,908	
7					
8 Utility Operating Margins -- Pro-Forma	\$ 2,723,802	\$ 4,689,638	\$ 1,964,596	\$ 9,378,037	
9					
10 Net Cost Rate Base	\$ 359,504,551	\$ 99,270,357	\$ 711,566,594	\$ 1,170,341,502	
11					
12 Return on Rate Base --		0.76%	4.72%	0.28%	0.80%
13					
14 Utility Operating Margins -- @ Equalized ROR of 0.80%	\$ 2,880,738	\$ 795,461	\$ 5,701,838	\$ 9,378,037	
15					
16 Subsidy / (Excess) Under Current Rates	\$ 156,936	\$ (3,894,177)	\$ 3,737,242	\$ -	
17					
18					
19 <u>Cost of Service Summary -- Pro-Forma (Proposed Rate Increase)</u>					
20					
21 Operating Revenues	\$ 107,758,807	\$ 36,477,182	\$ 241,660,956	\$ 385,896,945	
22 Pro-Forma Adjustments per Big Rivers' proposed rates:	\$ 14,172,003	\$ 3,228,566	\$ 22,553,396	\$ 39,953,965	
23					
24 Operating Revenues after proposed rates	\$ 121,930,810	\$ 39,705,748	\$ 264,214,352	\$ 425,850,910	
25					
26 Operating Expenses	\$ 105,035,005	\$ 31,787,544	\$ 239,696,360	\$ 376,518,908	
27					
28 Utility Operating Margins -- Pro-Formed for Increase	\$ 16,895,805	\$ 7,918,204	\$ 24,517,992	\$ 49,332,002	
29					
30 Net Cost Rate Base	\$ 359,504,551	\$ 99,270,357	\$ 711,566,594	\$ 1,170,341,502	
31					
32 Rate of Return		4.70%	7.98%	3.45%	4.22%
33					
34 Utility Operating Margins -- @ Equalized ROR of 4.22%	\$ 15,153,764	\$ 4,184,424	\$ 29,993,813	\$ 49,332,002	
35					
36 Remaining Subsidy / (Excess)	\$ (1,742,041)	\$ (3,733,780)	\$ 5,475,821	\$ -	
37					
38 Incremental Percent Impact vs. present rates		-1.58%	-9.51%	1.94%	0.00%
39					
40 Total Rate Change Allocated on Rate Base	\$ 12,273,026	\$ 3,388,963	\$ 24,291,975	\$ 39,953,965	
41 Shift for 25% Subsidy/Excess Reduction	\$ 39,234	\$ (973,544)	\$ 934,310	\$ 0	
42 Less: Est. Credits from non-FAC PPA	\$ (2,340,068)	\$ (896,009)	\$ -	\$ (3,236,077)	
43 Less: TIER Adjustment Decrease	\$ -	\$ -	\$ (7,114,653)	\$ (7,114,653)	
44 Increase with Base Rate and Non-FAC PPA Amortication	\$ 9,972,192	\$ 1,519,410	\$ 18,111,632	\$ 29,603,235	
45					
46 Percent Increase with Base Rate and Non-FAC PPA Amortication		9.02%	3.87%	6.41%	6.85%
47					
48 Impact of Lowering the Non-FAC PPA Base	\$ (2,145,453)	\$ (813,705)	\$ -	\$ (2,959,158)	
49 Net Rate Change	\$ 7,826,739	\$ 705,705	\$ 18,111,632	\$ 26,644,077	
50					
51 Net Percent Impact vs. present rates		7.08%	1.80%	6.41%	6.17%
52					
53 Present Rate Revenues	\$ 110,513,089	\$ 39,260,372	\$ 282,391,841	\$ 432,165,302	
* Contractual Adders					
Base Rate of \$0.00025 per kWh			\$ 1,824,270		
Test Year TIER Adjustment Revenue			\$ 14,229,306		
Surcharges			\$ 11,466,492		
Total			\$ 27,520,068		