

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC )  
CORPORATION FOR A GENERAL ADJUSTMENT ) CASE NO. 2011-00036  
IN RATES )

O R D E R

On December 5, 2011, Big Rivers Electric Corporation ("Big Rivers") filed a petition, pursuant to KRS 278.400, requesting the Commission grant a rehearing of its November 17, 2011 Order authorizing Big Rivers to increase its electric rates by \$26,744,776. Big Rivers raises the following four issues on rehearing:

1. The disallowance of Big Rivers' adjustment to recover rate case expenses.
2. A mathematical miscalculation of Big Rivers' depreciation adjustment related to construction work in progress.
3. The exclusion of construction work in progress from Big Rivers' depreciation adjustment.
4. The finding that the financial model relied upon by Big Rivers during the Unwind Transaction did not include any Smelter TIER revenues, and any other findings that the Commission deems appropriate to change if this finding relating to the financial model is eliminated.

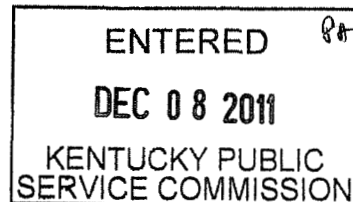
Based on the petition for rehearing and being otherwise sufficiently advised, the Commission finds that Big Rivers has raised legitimate issues regarding the accuracy and appropriateness of certain findings and conclusions set forth in our November 17, 2011

Order approving new rates. The Commission will now grant rehearing to consider these issues and determine whether or not the November 17, 2011 Order should be modified or amended. The Commission will require Big Rivers to file by January 5, 2012 direct testimony in verified prepared form in support of its issues on rehearing. Within 10 days thereafter the Commission will convene an informal conference to establish a detailed rehearing procedural schedule providing for discovery, intervenor testimony, and a hearing.

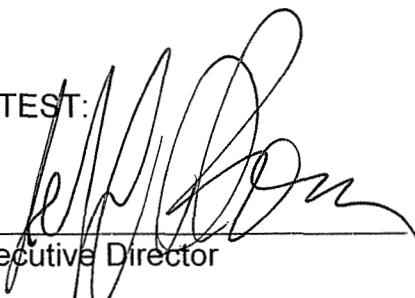
IT IS THEREFORE ORDERED that:

1. Big Rivers' petition for rehearing is granted.
2. Big Rivers shall file direct testimony in verified prepared form in support of its rehearing issues no later than January 5, 2012.

By the Commission



ATTEST:

  
Executive Director

Mark A Bailey  
President CEO  
Big Rivers Electric Corporation  
201 Third Street  
Henderson, KY 42419-0024

Sanford Novick  
President and CEO  
Kenergy Corp.  
P. O. Box 18  
Henderson, KY 42419

Douglas L Beresford  
Hogan Lovells US LLP  
Columbia Square  
555 Thirteenth Street, NW  
Washington, DISTRICT OF COLUMBIA 20004

Melissa D Yates  
Attorney  
Denton & Keuler, LLP  
555 Jefferson Street  
P. O. Box 929  
Paducah, KENTUCKY 42002-0929

David Brown  
Stites & Harbison, PLLC  
1800 Providian Center  
400 West Market Street  
Louisville, KENTUCKY 40202

Albert Yockey  
Vice President Government Relations  
Big Rivers Electric Corporation  
201 Third Street  
Henderson, KY 42419-0024

J. Christopher Hopgood  
Dorsey, King, Gray, Norment & Hopgood  
318 Second Street  
Henderson, KENTUCKY 42420

Mr. Dennis Howard  
Assistant Attorney General  
1024 Capital Center Drive  
Frankfort, KENTUCKY 40601

Honorable Michael L Kurtz  
Attorney at Law  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
Suite 1510  
Cincinnati, OHIO 45202

Honorable James M Miller  
Attorney at Law  
Sullivan, Mountjoy, Stainback & Miller, PSC  
100 St. Ann Street  
P.O. Box 727  
Owensboro, KENTUCKY 42302-0727