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February 2, 2012

RECEIVED

FEB 03 2012

PUBLIC SERVICE
COMMISSION

Jeff DeRouen
Executive Director
Public Service Commission
211 Sower Boulevard, P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: In the Matter of: Application of Big Rivers Electric Corporation
For Approval of Amendment to Agreement

Dear Mr. DeRouen:

Enclosed on behalf of Big Rivers Electric Corporation ("Big Rivers") are an original and ten copies of an application seeking approval of an amendment to the Agreement for Assignment of Responsibility for Complying with Reliability Standards between Big Rivers and Henderson Municipal Power & Light.

Sincerely,



Tyson Kamuf

TAK/ej
Enclosures

cc: Albert Yockey
David Crockett

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FEB 03 2012

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC)
CORPORATION FOR APPROVAL OF)
AMENDMENT TO AGREEMENT)

Case No. _____

VERIFIED APPLICATION

Comes Big Rivers Electric Corporation ("Big Rivers"), by counsel, and respectfully requests that the Kentucky Public Service Commission ("Commission" or "PSC") approve an amendment ("Amendment No. 1") to the Agreement for Assignment of Responsibility for Complying with Reliability Standards (the "Reliability Agreement") between Big Rivers and Henderson Municipal Power & Light ("HMP&L") that was approved by the Commission by Order dated March 6, 2009 (the "Unwind Order"), in *In the Matter of: The Applications of Big Rivers Electric Corporation for: (1) Approval of Wholesale Tariff Additions for Big Rivers Electric Corporation, (2) Approval of Transactions, (3) Approval to Issue Evidences of Indebtedness, and (4) Approval of Amendments to Contracts; and of E.ON U.S., LLC, Western Kentucky Energy Corp. and LG&E Energy Marketing, Inc. for Approval of Transactions*, PSC Case No. 2007-00455. See Unwind Order at pages 44-45 and Appendix C ¶ 4e. Amendment No. 1 is attached hereto as Exhibit 1. In support of this application, Big Rivers states as follows:

1. The full name and mailing address of Big Rivers are: Big Rivers Electric Corporation, P.O. Box 24, 201 Third Street, Henderson, Kentucky 42419-0024.
2. Big Rivers is a rural electric cooperative corporation organized pursuant to Chapter 279 of the Kentucky Revised Statutes, and it is authorized to do business in the

Commonwealth of Kentucky. Big Rivers owns electric generation facilities, and it purchases, transmits, and sells electricity at wholesale. It exists for the principal purpose of providing the wholesale electricity requirements of its three distribution cooperative member-owners, which are Kenergy Corp., Meade County Rural Electric Cooperative Corporation, and Jackson Purchase Energy Corporation (collectively, the “Members”). The Members in turn provide retail electric service to approximately 111,000 consumer/members located in 22 Western Kentucky counties: Ballard, Breckenridge, Caldwell, Carlisle, Crittenden, Daviess, Graves, Grayson, Hancock, Hardin, Henderson, Hopkins, Livingston, Lyon, Marshall, McCracken, McLean, Meade, Muhlenberg, Ohio, Union, and Webster.

3. The articles of incorporation of Big Rivers, and all amendments thereto, are attached as Exhibit 1 to the application of Big Rivers in *In the Matter of: Application of Big Rivers Electric Corporation, LG&E Energy Marketing Inc., Western Kentucky Energy Corp., WKE Station Two Inc., and WKE Corp., Pursuant to the Public Service Commission Orders in Case Nos. 99-450 and 2000-095, for Approval of Amendments to Station Two Agreements*, PSC Case No. 2005-00532, and are incorporated by reference herein pursuant to 807 KAR 5:001 Section 8(3).

4. The Reliability Agreement was executed on July 16, 2009, as part of the closing of the transaction that was approved by the Unwind Order. The Reliability Agreement assigned to Big Rivers certain of HMP&L’s compliance responsibilities with regard to the reliability standards set forth in Appendix A of the Reliability Agreement.

5. Amendment No. 1 amends that Appendix A. More specifically, the proposed amendment makes HMP&L responsible for all requirements of North American Electric

Reliability Corporation (“NERC”) reliability standards MOD-017-0.1 and MOD-018-0 (the “Amendment 1 Standards”), which relate to load forecasting and reporting responsibilities that were delegated to Big Rivers under the Reliability Agreement. Amendment No. 1 also updates one of the reliability standards listed in Appendix A, changing NERC reliability standard TOP-002-2 to TOP-002-2a, to keep Appendix A current with the latest revisions of NERC standards.

6. Amendment No. 1 relieves Big Rivers of the responsibility of complying with HMP&L’s reporting requirements under the Amendment 1 Standards. At the time the parties entered into the Reliability Agreement, HMP&L was unable to perform the reporting functions under the Amendment 1 Standards because SERC Reliability Corporation (“SERC”) did not give it access to the web portal where those functions are performed. However, in 2011, SERC granted HMP&L access to the web portal. It is easier for HMP&L, as the steward of the data that is reported, to actually report the required information directly rather than through Big Rivers as an intermediary. As such, after HMP&L was granted access to the web portal, HMP&L began to actually perform the reporting functions required by the Amendment 1 Standards, although Big Rivers remained legally responsible for compliance. Amendment No. 1 relieves Big Rivers of the legal responsibility for compliance.

7. Amendment No. 1 also relieves Big Rivers of the responsibility of complying with HMP&L’s load forecasting requirements under the Amendment 1 Standards. Prior to the parties entering into the Reliability Agreement, HMP&L performed its own load forecasting. Big Rivers took over that responsibility under the Reliability Agreement, and it hired GDS Associates, Inc. (“GDS”) to perform the one load forecast that has been done since the execution of the Reliability Agreement. Since HMP&L must work with GDS to perform the load forecast, and

since HMP&L uses GDS for other projects, HMP&L would rather contract directly with GDS for the load forecasting services and avoid the premium Big Rivers charges over the cost to Big Rivers of hiring GDS. Amendment No. 1 allows HMP&L to contract directly with GDS, and it relieves Big Rivers of the legal responsibility for compliance with HMP&L's load forecasting requirements.

8. Amendment No. 1 has not been signed. Big Rivers cannot execute the proposed amendment until after Commission approval is received because the amendment does not contain a provision postponing its effective date until Commission approval is received.

WHEREFORE, Big Rivers respectfully requests that the Commission issue an Order granting approval of Amendment No. 1 and granting Big Rivers all other relief to which it may be entitled.

On this the 2nd day of February, 2012.

Respectfully submitted,



James M. Miller
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Counsel for Big Rivers Electric Corporation

Verification

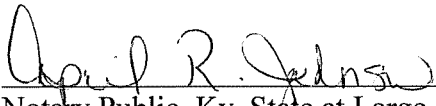
I, David G. Crockett, Vice President of System Operations for Big Rivers Electric Corporation, state that I have read the foregoing Verified Application and that it is true and correct to the best of my knowledge and belief.



David G. Crockett

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by David G. Crockett as Vice President of System Operations for Big Rivers Electric Corporation, on this the 31st day of January, 2012.



Notary Public, Ky. State at Large
My Commission Expires 8-9-2014

AMENDMENT#1

Amendment to the AGREEMENT FOR ASSIGNMENT OF RESPONSIBILITY FOR COMPLYING WITH
RELIABILITY STANDARDS

BETWEEN

Henderson Municipal Power & Light

AND

Big Rivers Electric Corporation

This amendment to the AGREEMENT FOR ASSIGNMENT OF RESPONSIBILITY FOR COMPLYING WITH RELIABILITY STANDARDS is a modification to Appendix A to change certain responsibilities and keep Appendix A current with the latest revisions of standards that are included in NERC filing "CFR00092" for specific Load Serving Entity (LSE) functions and requirements.

The original Agreement, dated July 16th, 2009, will be amended as specified in the attached "Amendment#1 to Appendix A."

- Henderson Municipal Power & Light will be the responsible party for all requirements of NERC Reliability Standards "MOD-017-0.1" and "MOD-018-0."
- NERC Reliability Standard "TOP-002-2" will be replaced by "TOP-002-2a."

HMP&L

BREC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Amendment#1 to Appendix A

Standard Number	Requirement Number	Text of Requirement	GO	TO	LSE	Responsible Party
MOD-017-0.1	R1.3	Monthly peak hour forecast demands in MW and Net Energy for Load in GWh for the next two years.			LSE	HMPL will be the responsible entity for forecasting demands for HMPL load.
MOD-017-0.1	R1.4	Annual Peak hour forecast demands (summer and winter) in MW and annual NetEnergy for load in GWh for at least five years and up to ten years into the future, as requested.			LSE	HMPL will be the responsible entity for forecasting demands for HMPL load.
MOD-018-0	R1.	The Load-Serving Entity, Planning Authority, Transmission Planner and Resource Planner's report of actual and forecast demand data (reported on either an aggregated or dispersed basis) shall:			LSE	HMPL will be responsible for report of its forecast demand data.
MOD-018-0	R1.1	Indicate whether the demand data of nonmember entities within an area or Regional Reliability Organization are included, and			LSE	HMPL will be responsible for report of its forecast demand data
MOD-018-0	R1.2	Address assumptions, methods, and the manner in which uncertainties are treated in the forecasts of aggregated peak demands and Net Energy for Load.			LSE	HMPL will be responsible for report of its forecast demand data.
MOD-018-0	R1.3	Items (MOD-018-0_R1.1) and (MOD-018-0_R1.2) shall be addressed as described in the reporting procedures developed for Standard MOD-016-0_R1.			LSE	HMPL will be responsible for report of its forecast demand data
MOD-018-0	R2.	The Load-Serving Entity, Planning Authority, Transmission Planner and Resource Planner shall each report data associated with Reliability Standard MOD-018-0_R1 to NERC, the Regional Reliability Organization, Load-Serving Entity, Planning Authority, and Resource Planner on request (within 30 calendar days).			LSE	HMPL will be responsible for report of its forecast demand data.
TOP-002-2a	R3.	Each Load-Serving Entity and Generator Operator shall coordinate (where confidentiality agreements allow) its current-day, next-day, and seasonal operations with its Host Balancing Authority and Transmission Service Provider. Each Balancing Authority and Transmission Service Provider shall coordinate its current-day, next-day, and seasonal operations with its Transmission Operator			LSE	BREC will be responsible for the Load Serving Entity function