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**PUBLIC SERVICE
COMMISSION**



Your Touchstone Energy® Cooperative 

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

**APPLICATION OF BIG RIVERS)
ELECTRIC CORPORATION FOR A) Case No. 2012-00535
GENERAL ADJUSTMENT IN RATES)**

VOLUME 4 of 5

APPLICATION TABS 39 through 62

FILED: January 15, 2013

ORIGINAL

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 8/31/2014; Base Period 12ME 4/30/2013)

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Tab No. 39
Filing Requirement
807 KAR 5:001 Sec. 10(9)(p)
Sponsoring Witness: Billie J. Richert

Description of Filing Requirement:

9 *The Securities and Exchange Commission's annual report for the most*
10 *recent two (2) years, Form 10-Ks and any Form 8-Ks issued during the*
11 *prior two (2) years and any Form 10-Qs issued during the past six (6)*
12 *quarters;*

13 **Response:**

14 Big Rivers does not file annual reports, Form 10-Ks, Form 8-Ks, or Form
15 10-Qs with the Securities and Exchange Commission.

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Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 8/31/2014; Base Period 12ME 4/30/2013)

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Tab No. 40
Filing Requirement
807 KAR 5:001 Sec. 10(9)(q)
Sponsoring Witness: Billie J. Richert

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Description of Filing Requirement:

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The independent auditor's annual opinion report, with any written communication from the independent auditor to the utility which indicates the existence of a material weakness in the utility's internal controls.

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Response:

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Big Rivers' independent auditor's annual opinion reports for 2011 are attached hereto. Big Rivers has not received any written communication from its independent auditor indicating the existence of a material weakness in the utility's internal controls.



BIG RIVERS ELECTRIC CORPORATION

Management Letter

December 31, 2011 and 2010



KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

March 26, 2012

The Board of Directors of
Big Rivers Electric Corporation:

We have audited the financial statements of Big Rivers Electric Corporation (“Big Rivers”) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated March 26, 2012. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and §7 CFR 1773, *Policy on Audits of Rural Utilities Services (RUS) Borrowers*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audits, we considered Big Rivers’ internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Big Rivers’ internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Big Rivers’ internal controls over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the second paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

§7 CFR 1773.33 requires comments on specific aspects of the internal control over financial reporting compliance with specific RUS loan and security instrument provisions, and other additional matters. We have grouped our comments accordingly. In addition to obtaining reasonable assurance about whether the financial statements are free from material misstatements, at your request, we performed tests of specific aspects of the internal control over financial reporting, of compliance with specific RUS loan and security instrument provisions, and of additional matters. The specific aspects of internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and additional matters tested include, among other things, the accounting procedures and records, materials control, compliance with specific RUS loan and security provisions set forth in §7 CFR 1773.33(e)(1), related-party transactions, depreciation rates, a schedule of deferred debits and credits, and a schedule of investments, upon which we express an opinion. In addition, our audit of the financial statements also included the procedures specified in §7 CFR 1773.38 – 1773.45. Our objective was not to provide an opinion on these specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, or additional matters, and accordingly, we express no opinion thereon.

Case No. 2012-00535

Tab 40 Attachment – 807 KAR 5:001, Section 19(9)(q)

KPMG LLP is a Delaware limited liability partnership,
the U.S. member firm of KPMG International Cooperative
("KPMG International"), a Swiss entity

Sponsoring Witness: Billie J. Richert

Page 2 of 33



No reports (other than our independent auditors' report and our independent auditors' report on internal control over financial reporting and on compliance and other matters, both dated March 26, 2012) have been furnished to management. Our comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters as required by §7 CFR 1773.33 are presented below.

Comments on Certain Specific Aspects of the Internal Control over Financial Reporting

We noted no matters regarding Big Rivers' internal control over financial reporting and its operation that we consider to be a material weakness as previously defined with respect to:

- The accounting procedures and records;
- The process for accumulating and recording labor, material, and overhead costs and the distribution of these costs to construction, retirement, and maintenance and other expense accounts; and
- The materials control.

Comments on Compliance with Specific RUS Loan and Security Investment Provisions

At your request, we have performed certain procedures with respect to compliance with certain provisions of laws, regulations, contracts, and grant agreements. The procedures we performed are summarized as follows:

- Procedures performed with respect to the requirement for a borrower to obtain written approval of the mortgagee to enter into any contract for the operation or maintenance of property, or for the use of mortgaged property by others, for the year ended December 31, 2011 and 2010:
 1. Big Rivers did not enter into any new contracts during the year for the operation or maintenance of its property, or for the use of its property by others, as defined in §7 CFR 1773.33(e)(1)(i).
 2. Reviewed board of directors' minutes to ascertain whether board-approved written contracts were entered into during the respective year for the operation or maintenance of its property, or for the use of its property by others, as defined in §7 CFR 1773.33(e)(1)(i). No board-approved contracts were noted during our review.
 3. No written contracts were entered into during the year requiring RUS approval.
- Procedure performed with respect to the requirement to submit RUS Financial and Operating Report Electric Power Supply Part A - Financial to the RUS:
 1. Agreed amounts reported in Part A to Big Rivers' records.

The results of our tests indicate that, with respect to the items tested, Big Rivers complied, in all material respects, with the specific RUS loan and security instrument provisions referred to below. The specific provisions tested, as well as any exceptions noted, include the requirements that:

- The borrower did not enter into any contract for the operation or maintenance of property, or for the use of mortgaged property by others. As no written contracts specified by §7 CFR 1773.33(e)(1)(i) have been entered into during the year, Big Rivers has not obtained written approval of the RUS to enter into any contract for the operation or maintenance of property, or for the use of mortgaged property by others.



- The borrower has submitted its Part A to the RUS and the Part A, Financial and Statistical Report, as of December 31, 2011 and 2010, represented by the borrower as the report submitted to RUS, is in agreement with Big Rivers' audited records in all material respects and it appears reasonable based upon the audit procedures performed.

Comments on Other Additional Matters

In connection with our audit of the financial statements of Big Rivers, nothing came to our attention that caused us to believe that Big Rivers failed to comply with respect to:

- The reconciliation of continuing property records to the controlling general ledger plant accounts addressed at §7 CFR 1773.33(c)(1);
- The clearing of the construction accounts and the accrual of depreciation on completed construction addressed at §7 CFR 1773.33(c)(2);
- The retirement of plant addressed at §7 CFR 1773.33(c)(3) and (4);
- Approval of the sale, lease, or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material or scrap addressed at §7 CFR 1773.33(c)(5);
- The disclosure of material related-party transactions in accordance with Statement of Financial Accounting Standards No. 57, *Related-Party Transactions (ASC 850)*, for the year ended December 31, 2011, in the financial statements referenced in the first paragraph of this report addressed at §7 CFR 1773.33(f);
- The depreciation rates addressed at §7 CFR 1773.3(g);
- The detailed schedule of deferred debits and deferred credits; and
- The detailed schedule of investments.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed schedule of deferred debits and deferred credits required by §7 CFR 1773.33(h), and the detailed schedule of investments required by §7 CFR 1773.33(i) attached hereto are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the responsibility of Big Rivers' management. This information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the board of directors, management, and the RUS and supplemental lenders, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP



BIG RIVERS ELECTRIC CORPORATION

DETAILED SCHEDULE OF DEFERRED DEBITS AND CREDITS AS OF DECEMBER 31, 2011

DEFERRED DEBITS:

Prelim survey & investigation and other deferred charges	\$ 1,870,225
RUS Part A, Section B, Line 30	1,870,225
Financing Fees	<u>2,373,538</u>

DEFERRED CHARGES AND OTHER \$ 4,243,763

DEFERRED CREDITS:

Regulatory liabilities - Member Rate Mitigation	\$ 169,001,017
RUS Part A, Section B, Line 59	169,001,017
Provision for pension and postretirement benefits	
Other liabilities	<u>22,098,787</u>

TOTAL DEFERRED CREDITS AND OTHER \$ 191,099,804

NOTE: Big Rivers has not received written approval from RUS to record the items on the above schedule. Management does not believe written approval from RUS is required for these items.



BIG RIVERS ELECTRIC CORPORATION

DETAILED SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2011

Investments in associated organizations	\$ 4,333,296
Investment in economic development projects	<u>10,000</u>
RUS Part A, Section B, Lines 7-11	<u>\$ 4,343,296</u>



KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Independent Auditors' Report

The Board of Directors and Members
Big Rivers Electric Corporation:

We have audited the accompanying balance sheets of Big Rivers Electric Corporation (the Company) as of December 31, 2011 and 2010, and the related statements of operations, equities, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. The accompanying financial statements of the Company for the year ended December 31, 2009 were audited by other auditors whose report thereon dated March 26, 2010, expressed an unqualified opinion on those statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Rivers Electric Corporation as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 26, 2012, on our consideration of Big Rivers Electric Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

KPMG LLP

March 26, 2012



BIG RIVERS ELECTRIC CORPORATION

Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards

December 31, 2011



KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

**Independent Auditors' Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards**

The Board of Directors of
Big Rivers Electric Corporation:

We have audited the balance sheets of Big Rivers Electric Corporation ("Big Rivers") as of December 31, 2011 and 2010 and the related statements of operations, equities (deficit), and cash flows for the year then ended and have issued our report thereon dated March 26, 2012.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Internal Control over Financial Reporting

The management of Big Rivers is responsible for establishing and maintaining effective internal control. In planning and performing our fiscal year 2011 audit, we considered Big Rivers' internal control over financial reporting by obtaining an understanding of Big Rivers' internal control, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of controls as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Big Rivers' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Big Rivers' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the third paragraph of this report and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. In our fiscal year 2011 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and Other Matters

The management of Big Rivers is responsible for complying with laws, regulations, contracts, and grant agreements applicable to Big Rivers. As part of obtaining reasonable assurance about whether Big Rivers' financial statements are free of material misstatement, we performed tests of Big Rivers' compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. We limited our tests of compliance to the provisions described in the preceding sentence, and we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to Big Rivers. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our other tests of compliance disclosed no instances of noncompliance or other matters that are required to be reported herein under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, members, and management of Big Rivers, the U.S. Department of Agriculture Rural Utilities Service, and supplemental lenders and is not intended to be, and should not be used by anyone other than these specified parties.

KPMG LLP

March 26, 2012



KPMG LLP
 1601 Market Street
 Philadelphia, PA 19103-2499

March 26, 2012

The Board of Directors of
 Big Rivers Electric Corporation
 Henderson, Kentucky

Gentlemen:

We have audited the financial statements of Big Rivers Electric Corporation ("Big Rivers") as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon under date of March 26, 2012. Under our professional standards, we are providing you with the accompanying information related to the conduct of our audit.

Our Responsibility Under Professional Standards

We are responsible for forming and expressing an opinion about whether the financial statements, that have been prepared by management with the oversight of the Board of Directors, are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles. We have a responsibility to perform our audit of the financial statements in accordance with professional standards. In carrying out this responsibility, we planned and performed the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Because of the nature of audit evidence and the characteristics of fraud, we are to obtain reasonable, not absolute, assurance that material misstatements are detected. We have no responsibility to plan and perform the audit to obtain reasonable assurance that misstatements, whether caused by error or fraud, that are not material to the financial statements are detected. Our audit does not relieve management or the Board of Directors of their responsibilities.

In addition, in planning and performing our audit of the financial statements, we considered internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

We also have a responsibility to communicate significant matters related to the financial statement audit that are, in our professional judgment, relevant to the responsibilities of the Board of Directors in overseeing the financial reporting process. We are not required to design procedures for the purpose of identifying other matters to communicate to you.



The Board of Directors
Big Rivers Electric Corporation
Page 2 of 3

Other Information in Audited Financial Statements

Our responsibility for other information in documents containing the Company's financial statements and our auditors' report thereon does not extend beyond the financial information identified in our auditors' report, and we have no obligation to perform any procedures to corroborate other information contained in these documents.

Significant Accounting Policies

The significant accounting policies used by the Company are described in Note 1 to the financial statements.

Qualitative Aspects of Accounting Practices

We have discussed with the Board of Directors and management our judgments about the quality, not just the acceptability, of the Company's accounting principles as applied in its financial reporting. The discussions generally included such matters as the consistency of the Company's accounting policies and their application, and the understandability and completeness of the Company's financial statements, which include related disclosures.

Management Judgments and Accounting Estimates

The preparation of the financial statements requires management of the Company to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Accounting estimates in the Company's financial statements include the following:

- Useful lives of property, plant, and equipment
- Postretirement benefit expense and obligation assumptions, including healthcare costs and discount rate used to determine the present value of the postretirement obligation. Management uses third-party actuaries to assist with this estimate.

Uncorrected and Corrected Misstatements

In connection with our audit of the Company's financial statements, we did not identify any financial statement misstatements in the Company's books and records as of and for the year ended December 31, 2011.

Disagreements with Management

There were no disagreements with management on financial accounting, and reporting matters that, if not satisfactorily resolved, would have caused a modification of our auditors' report on the Company's financial statements.



The Board of Directors
Big Rivers Electric Corporation
Page 3 of 3

Material Written Communications

Attached to this letter please find copies of the following material written communications between management and us:

1. Engagement letter;
2. Management representation letter; and
3. 2011 System Peer Review Report

Independence

Our professional standards and other regulatory requirements specify that we communicate to you in writing, at least annually, all relationships between our firm and the Company and persons in a financial reporting oversight role at the Company and provide confirmation that we are independent accountants with respect to the Company.

We hereby confirm that as of March 26, 2012, we are independent accountants with respect to the Company under all other relevant professional and regulatory standards.

* * * * *

This letter to the Board of Directors is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP



File!

KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Telephone +1 267 256 7000
Fax +1 267 256 7200
Internet www.us.kpmg.com

*C. MITTE
B. Blackburn
D. Windhaus*

September 29, 2010

Big Rivers Electric Corporation
201 Third Street
Henderson, Kentucky 42419-0024

Attention: William Denton, Chairman of the Board

This letter (the Engagement Letter) confirms our understanding of our engagement to provide professional services to Big Rivers Electric Corporation (the Company).

Objectives and Limitations of Services

Audit Services

We will issue written reports upon our audit of the Company's financial statements as set forth in Appendix I.

We have the responsibility to conduct and will conduct the audit of the financial statements in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, with the objective of expressing an opinion as to whether the presentation of the financial statements, taken as a whole, that have been prepared by management with the oversight of those charged with governance, conforms with U.S. generally accepted accounting principles.

In conducting the audit, we will perform tests of the accounting records and such other procedures, as we consider necessary in the circumstances, to provide a reasonable basis for our opinion on the financial statements. We also will assess the accounting principles used and significant estimates made by management, and evaluate the overall financial statement presentation.

Our audit of the financial statements is planned and performed to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Absolute assurance is not attainable because of the nature of audit evidence and the characteristics of fraud. Therefore, there is a risk that material errors, fraud (including fraud that may be an illegal act), and other illegal acts may exist and not be detected by an audit of financial statements performed in accordance with the auditing standards generally accepted in the United States of America. Also, an audit is not designed to detect matters that are immaterial to the financial statements, and because the determination of abuse is subjective, *Government Auditing Standards* does not expect auditors to provide reasonable assurance of detecting abuse.

Our reports will be addressed to the board of directors of the Company. We cannot provide assurance that an unqualified opinion will be rendered. Circumstances may arise in which it is necessary for us to modify our reports or withdraw from the engagement.



Big Rivers Electric Corporation
September 29, 2010
Page 2

While our report may be sent to the Company electronically for your convenience, only the hard copy report is to be relied upon as our work product.

Internal Control over Financial Reporting and Compliance and Other Matters

In planning and performing our audit of the financial statements, we will consider the Company's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements and not to provide an opinion on the effectiveness of the Company's internal control over financial reporting. In accordance with *Government Auditing Standards*, we are required to communicate that the limited purpose of our consideration of internal control may not meet the needs of some users who require additional information about internal control. We can provide other services to provide you with additional information on internal control which we would be happy to discuss with you at your convenience.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Company's compliance with certain provisions of laws, regulations, contracts and grant agreements, violations of which could have a direct and material effect on the financial statements. However, our objective is not to provide an opinion on compliance with such provisions.

In accordance with *Government Auditing Standards*, we will prepare a written report, *Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards* (GAGAS report), on our consideration of internal control over financial reporting and tests of compliance made as part of our audit of the financial statements. While the objective of our audit of the financial statements is not to report on the Company's internal control over financial reporting and we are not obligated to search for material weaknesses or significant deficiencies as part of our audit of the financial statements, this report will include any material weaknesses and significant deficiencies to the extent they come to our attention. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. This report will also include illegal acts and fraud, unless clearly inconsequential, and material violations of provisions of contracts and grant agreements and abuse. It will indicate that it is intended solely for the information and use of the board of directors and management of the Company and federal awarding agencies and pass-through entities and that it is not intended to be and should not be used by anyone other than these specified parties.

In accordance with *Government Auditing Standards*, we will also issue a management letter to communicate violations of provisions of contracts or grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential that come to our attention.

In accordance with *Government Auditing Standards*, we are also required in certain circumstances to report fraud or illegal acts directly to parties outside the auditee.



Big Rivers Electric Corporation
September 29, 2010
Page 3

Offering Documents

Should the Company wish to include or incorporate by reference these financial statements and our audit report(s) thereon into an offering of exempt securities, prior to our consenting to include or incorporate by reference our report(s) on such financial statements, we would consider our consent to the inclusion of our report and the terms thereof at that time. We will be required to perform procedures as required by the standards of the American Institute of Certified Public Accountants, including, but not limited to, reading other information incorporated by reference in the offering document and performing subsequent event procedures. Our reading of the other information included or incorporated by reference in the offering document will consider whether such information, or the manner of its presentation, is materially inconsistent with information, or the manner of its presentation, appearing in the financial statements. However, we will not perform procedures to corroborate such other information (including forward-looking statements). The specific terms of our future services with respect to future offering documents will be determined at the time the services are to be performed.

Should the Company wish to include or incorporate by reference these financial statements and our audit report(s) thereon into an offering of exempt securities without obtaining our consent to include or incorporate by reference our report(s) on such financial statements, and we are not otherwise associated with the offering document, then the Company agrees to include the following language in the offering document:

“KPMG LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. KPMG LLP also has not performed any procedures relating to this official statement.”

Our Responsibility to Communicate with the Board of Directors

We will report to the board of directors, in writing, the following matters:

- Corrected misstatements arising from the audit that could, in our judgment, either individually or in aggregate, have a significant effect on the Company's financial reporting process. In this context, corrected misstatements are proposed corrections of the financial statements that were recorded by management and, in our judgment, may not have been detected except through the auditing procedures performed.
- Uncorrected misstatements aggregated during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in aggregate.
- Any disagreements with management or other significant difficulties encountered in performance of our audit.
- Other matters required to be communicated by auditing standards generally accepted in the United States of America.

We will also read minutes, if any, of the board directors meetings for consistency with our understanding of the communications made to the board of directors and determine that the board of directors has received copies of all material written communications between ourselves and management. We will also determine that the board of directors has been informed of i) the initial selection of, or the reasons for any change in,



significant accounting policies or their application during the period under audit, ii) the methods used by management to account for significant unusual transactions, and iii) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

If, in performance of our audit procedures, circumstances arise which make it necessary to modify our report or withdraw from the engagement, we will communicate to the board of directors our reasons for modification or withdrawal.

Management Responsibilities

The management of the Company is responsible for the fair presentation, in accordance with U.S. generally accepted accounting principles, of the financial statements and all representations contained therein. Management also is responsible for identifying and ensuring that the Company complies with laws, regulations, contracts, and grant agreements applicable to its activities, and for informing us of any known material violations of such laws and regulations and provisions of contracts and grant agreements. Management also is responsible for preventing and detecting fraud, including the design and implementation of programs and controls to prevent and detect fraud, for adopting sound accounting policies, and for establishing and maintaining effective internal controls and procedures for financial reporting to maintain the reliability of the financial statements and to provide reasonable assurance against the possibility of misstatements that are material to the financial statements. Management is also responsible for informing us, of which it has knowledge, of all material weaknesses and significant deficiencies in the design or operation of such controls. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Management of the Company also agrees that all records, documentation, and information we request in connection with our audit will be made available to us, that all material information will be disclosed to us, and that we will have the full cooperation of the Company's personnel. As required by the auditing standards generally accepted in the United States of America, we will make specific inquiries of management about the representations embodied in the financial statements and the effectiveness of internal control, and obtain a representation letter from management about these matters. The responses to our inquiries, the written representations, and the results of audit tests, among other things, comprise the evidential matter we will rely upon in forming an opinion on the financial statements.

In accordance with *Government Auditing Standards*, as part of our planning of the audit we will evaluate whether the Company has taken appropriate corrective action to address findings and recommendations from previous engagements that could have a material effect on the financial statements. To assist us, management agrees to identify previous audits, attestation engagements, or other studies that relate to the objectives of the audit, including whether related recommendations have been implemented, prior to October 31st of each respective year under audit.

Management is responsible for adjusting the financial statements to correct material misstatements and for affirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements being reported upon taken as a whole. Because of the importance of management's representations to the effective performance of our services, the Company will release KPMG LLP (KPMG) and its personnel from any claims, liabilities, costs and



Big Rivers Electric Corporation
September 29, 2010
Page 5

expenses relating to our services under this letter attributable to any misrepresentations in the representation letter referred to above.

Management is also responsible for providing us with written responses in accordance with *Government Auditing Standards* to the findings included in the GAGAS report within 30 days of being provided with draft findings. If such information is not provided on a timely basis prior to release of the report, the GAGAS report will indicate the status of management's responses.

Management is responsible for the distribution of the reports issued by KPMG.

Dispute Resolution

Any dispute or claim arising out of or relating to this Engagement Letter or the services provided hereunder, or any other audit or attest services provided by or on behalf of KPMG or any of its subcontractors or agents to the Company or at its request, shall be submitted first to non-binding mediation (unless either party elects to forego mediation by initiating a written request for arbitration) and if mediation is not successful within 90 days after the issuance by one of the parties of a request for mediation then to binding arbitration in accordance with the Rules for Non-Administered Arbitration of the International Institute for Conflict Prevention and Resolution then in effect ("CPR Arbitration Rules"). Any issue concerning the extent to which any dispute is subject to arbitration, or any dispute concerning the applicability, interpretation, or enforceability of these dispute resolution procedures, including any contention that all or part of these procedures is invalid or unenforceable, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. By operation of this provision, the parties agree to forego litigation over such disputes in any court of competent jurisdiction.

Mediation, if selected, may take place at a location to be designated by the parties using Mediation Procedures of the International Institute for Conflict Prevention and Resolution, with the exception of paragraph 2 (Selecting the Mediator). Arbitration shall take place in New York, New York. The arbitration panel shall have no power to award non-monetary or equitable relief of any sort except as provided in CPR Rule 13 (Interim Measures of Protection). Damages that are inconsistent with any applicable agreement between the parties, that are punitive in nature, or that are not measured by the prevailing party's actual damages shall be unavailable in arbitration or any other forum. In no event, even if any other portion of these provisions is held to be invalid or unenforceable, shall the arbitration panel have power to make an award or impose a remedy that could not be made or imposed by a court deciding the matter in the same jurisdiction.

Either party may seek to enforce any written agreement reached by the parties during mediation, or to confirm and enforce any final award entered in arbitration, in any court of competent jurisdiction. Notwithstanding the agreement to such procedures, either party may seek equitable relief to enforce its rights in any court of competent jurisdiction.

Other Matters

This letter shall serve as the Company's authorization for the use of e-mail and other electronic methods to transmit and receive information, including confidential information, between KPMG and the Company and between KPMG and outside specialists or other entities engaged by either KPMG or the Company. The Company acknowledges that e-mail travels over the public Internet, which is not a secure means of communication and, thus, confidentiality of the transmitted information could be compromised through no



Big Rivers Electric Corporation
September 29, 2010
Page 6

fault of KPMG. KPMG will employ commercially reasonable efforts and take appropriate precautions to protect the privacy and confidentiality of transmitted information.

Further, for purposes of the services described in this letter only, the Company hereby grants to KPMG a limited, revocable, non-exclusive, non-transferable, paid up and royalty-free license, without right of sublicense, to use all names, logos, trademarks and service marks of the Company solely for presentations or reports to the Company or for internal KPMG presentations and intranet sites.

KPMG is a limited liability partnership comprising both certified public accountants and certain principals who are not licensed as certified public accountants. Such principals may participate in the engagements to provide the services described in this letter.

KPMG-controlled entities and KPMG member firms located outside the United States operating under our supervision may also participate in providing the services described in this letter, and KPMG uses administrative services operating at our direction, including third parties inside and outside the U.S., that may access your information to perform administrative and clerical procedures.

The Company agrees to provide prompt notification if the Company or any of its subsidiaries currently are or become subject to the laws of a foreign jurisdiction that require regulation of any securities issued by the Company or such subsidiary.

The work papers for this engagement are the property of KPMG. Pursuant to *Government Auditing Standards*, we are required to make certain work papers available in a full and timely manner to Regulators upon request for their reviews of audit quality and for use by their auditors. In addition, we may be requested to make certain work papers available to Regulators pursuant to authority provided by law or regulation. Access to the requested work papers will be provided under supervision of KPMG personnel. Furthermore, upon request, we may provide photocopies of selected work papers to Regulators. Such Regulators may intend, or decide, to distribute the photocopies or information contained therein to others, including other government agencies.

In the event KPMG is requested pursuant to subpoena or other legal process to produce its documents and/or testimony relating to this engagement for the Company in judicial or administrative proceedings to which KPMG is not a party, the Company shall reimburse KPMG at standard billing rates for its professional time and expenses, including reasonable attorney's fees, incurred in responding to such requests.

Other Government Auditing Standards Matters

As required by *Government Auditing Standards*, we have attached a copy of KPMG's most recent peer review report.

Additional Reports and Fees for Services

Appendix I to this letter lists the additional reports we will issue as part of this engagement and our fees for professional services to be performed per this letter.

In addition, fees for any special audit-related projects, such as research and/or consultation on special business or financial issues, will be billed separately from the audit fees for professional services set forth



Big Rivers Electric Corporation
September 29, 2010
Page 7

in Appendix I at the rates presented in Appendix II and may be subject to written arrangements supplemental to those in this letter.

* * * * *

Our engagement herein is for the provision of annual audit services for the financial statements and other related reports for the periods described in Appendix I, and it is understood that such services are provided as a single engagement. Pursuant to our arrangement as reflected in this letter we will provide the services set forth in Appendix I as a single engagement for each of the Company's subsequent fiscal years until either Management or we terminate this agreement, or mutually agree to the modification of its terms. The fees for each year through 2012 are disclosed in this letter and subsequent to 2012 will be annually subject to negotiation and approval by the board of directors.

We shall be pleased to discuss this letter with you at any time. For your convenience in confirming these arrangements, we enclose a copy of this letter. Please sign and return it to us.

Very truly yours,

KPMG LLP

Joseph P. Charles
Partner


cc: Mark Alan Bailey, *President and Chief Executive Officer*
Charles William Blackburn, *Senior Vice President of Financial and Energy Services and Chief Financial Officer*
Mark Allen Hite, *Vice President of Accounting*



Big Rivers Electric Corporation
September 29, 2010
Page 8

ACCEPTED:

Big Rivers Electric Corporation

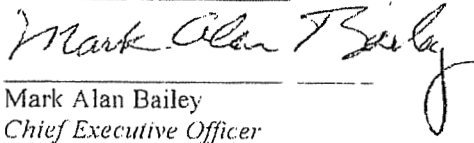


William Denton
Chairman of the Board

10-4-10

Date

ACKNOWLEDGED BY:



Mark Alan Bailey
Chief Executive Officer

9/30/10

Date



Appendix I

Fees for Services

Based upon our discussions with and representations of management, our fees for services we will perform are estimated as follows:

Audit of the financial statements of Big Rivers Electric Corporation as of and for the year ended December 31, 2010	\$115,000
Audit of the financial statements of Big Rivers Electric Corporation as of and for the years ended December 31, 2011 and 2010.	\$115,000
Audit of the financial statements of Big Rivers Electric Corporation as of and for the years ended December 31, 2012 and 2011.	\$115,000

Other Reports:

Other reports that we will issue as part of this engagement for 2010, 2011, and 2012 are as follows:

<u>Report</u>	<u>Fee</u>
Report on Compliance and on Internal Control Over Financial Reporting Based on Audit of Financial Statements Performed in Accordance with Government Auditing Standards and based on 7 CFR Part 1773, Policy on Audits of RUS Borrowers.	Included in fees above
RUS Management Letter	Included in fees above

The above estimates are based on the level of experience of the individuals who will perform the services. In addition, expenses are billed for reimbursement as incurred. Expenses for items such as travel, telephone, postage, and typing, printing, and reproduction of financial statements are estimated at approximately 15% of the above fees per year. Circumstances encountered during the performance of these services that warrant additional time or expense could cause us to be unable to deliver them within the above estimates. We will endeavor to notify you of any such circumstances as they are assessed

Where KPMG is reimbursed for expenses, it is KPMG's policy to bill the Company the amount incurred at the time the good or service is purchased. If KPMG subsequently receives a volume rebate or other incentive payment from a vendor relating to such expenses, KPMG does not credit such payment to the Company. Instead, KPMG applies such payments to reduce its overhead costs, which costs are taken into account in determining KPMG's standard billing rates and certain transaction charges which may be charged to the Company.



Appendix II

Hourly Rates for Additional Services

To the extent additional services are provided to Company outside the scope of this engagement letter, we will bill the Company at the hourly rates listed below. The nature and scope of any such work will be agreed to with management prior to beginning the additional services. In the event there are circumstances that arise related to additional services we will take all reasonable steps to notify management and the board of directors of the changes as soon as possible and if any resulting changes would be subject to a separate written arrangement between KPMG and the Company.

Experience Level	Audit Hourly Rates
Partner	\$325
Managing Director	N/A
Senior Manager	\$250
Manager	\$200
Senior Associate	\$150
Associate	\$125

PricewaterhouseCoopers LLP
400 Campus Drive
P. O. Box 988
Florham Park NJ 07932
Telephone (973) 236 4000
Facsimile (973) 236 5000

System Review Report

To the Partners of KPMG LLP
and the AICPA Center for Public Company Audit Firms Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of KPMG LLP (the Firm) applicable to non-SEC issuers in effect for the year ended March 31, 2008. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*, audits of employee benefit plans, and an audit performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice applicable to non-SEC issuers of KPMG LLP in effect for the year ended March 31, 2008, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. KPMG LLP has received a peer review rating of *pass*.

PricewaterhouseCoopers LLP

December 2, 2008



Peer Review Program

December 19, 2008

Timothy P. Flynn, CPA
KPMG LLP
757 Third Avenue, 9th Floor
New York, NY 10017-2013

Dear Mr. Flynn:

It is my pleasure to notify you that on December 17, 2008, the Center for Public Company Audit Firms Peer Review Committee accepted the report on the most recent system review of your firm. The due date for your next review is September 30, 2011. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

Robert Rohweder, Chair
CPCAF Peer Review Committee

cc: Betty Jo Charles, CPA

Firm Number: 10054128

Review Number: 264505



201 Third Street
P.O. Box 24
Henderson, KY 42419-0024
270-827-2561
www.bigrivers.com

March 26, 2012

KPMG LLP
312 Walnut Street
Suite 3400
Cincinnati, OH 45202

Ladies and Gentlemen:

We are providing this letter in connection with your audits of the balance sheets of Big Rivers Electric Corporation (the Company) as of December 31, 2011 and 2010, and the related statements of operations, equities (deficit), and cash flows for the years then ended, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, for the purpose of expressing an opinion as to whether these financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Company in conformity with U.S. generally accepted accounting principles.

We also understand that based on your audits you are responsible for reporting (1) the results of testing the Company's internal control over financial reporting; and (2) the results of testing for compliance with applicable laws, regulations, provisions of contracts, and grant agreements.

We confirm that we are responsible for the fair representation of the Company's financial statements described above as of December 31, 2011 and 2010 and for the years then ended, in conformity with U.S. generally accepted accounting principles. We also confirm that we are responsible for establishing and maintaining effective internal control and for compliance with applicable laws, regulations, provisions of contracts, and grant agreements.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audits:

1. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles.
2. We have made available to you:
 - a. All financial records and related data. We have not knowingly withheld from you any other financial records or related data that in our judgment would be relevant to the purpose of your audits.

- b. All minutes of the meetings of members, directors, and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. Except as disclosed to you in writing, there have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no:
 - a. Violations or possible violations of laws or regulations, whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b. Unasserted claims or assessments that our lawyers have advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 450, *Contingencies*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB ASC 450, *Contingencies*.
 - d. Material transactions that have not been properly recorded in the accounting records underlying the financial statements.
 - e. Events that have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the financial statements.
5. We acknowledge our responsibility for the design and implementation of programs and controls to prevent, deter and detect fraud. We understand that the term "fraud" includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets.
6. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity's assets where the effect of the theft causes the financial statements not to be presented in conformity with U.S. generally accepted accounting principles.
7. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a. Management
 - b. Employees who have significant roles in internal control over financial reporting, or
 - c. Others where the fraud could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, short sellers, or others.
9. The Company has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
10. We have no knowledge of any officer or director of the Company, or any other person acting under the direction thereof, having taken any action to fraudulently influence, coerce, manipulate or mislead you during your audit.
11. The following have been properly recorded or disclosed in the financial statements:

- a. Related party transactions including sales, purchases, loans, transfers, leasing arrangements, guarantees, ongoing contractual commitments and amounts receivable from or payable to related parties.

The term "related party" refers to affiliates of the enterprise; entities for which investments in their equity securities would, absent the election of the fair value option under FASB ASC 825, *Financial Instruments*, be required to be accounted for by the equity method by the enterprise; trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; principal owners of the enterprise; its management; members of the immediate families of principal owners of the enterprise and its management; and other parties with which the enterprise may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. Another party also is a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

- b. Guarantees, whether written or oral, under which the Company is contingently liable, including guarantee contracts and indemnification agreements pursuant to FASB ASC 460, *Guarantees*.
- c. Significant estimates and material concentrations known to management that are required to be disclosed in accordance with FASB ASC 275, *Risks and Uncertainties*.

Significant estimates are estimates at the balance sheet date, which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which it is reasonably possible that events could occur which would significantly disrupt normal finances within the next year.

12. The Company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral.
13. The Company has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
14. There are no deficiencies, significant deficiencies, or material weaknesses in the design or operation of internal control over financial reporting of which we are aware, which could adversely affect the Company's ability to initiate, authorize, record, process, or report financial data. We have applied the definitions of a "significant deficiency" and a "material weakness" in accordance with the definitions in Statement on Auditing Standards No. 115, *Communicating Internal Control Related Matters Identified in an Audit*.
15. Receivables reported in the financial statements represent valid claims against debtors for sales or other charges arising on or before the balance sheet date and have been appropriately reduced to their estimated net realizable value.
16. Debt securities that have been classified as held-to-maturity have been so classified due to our intent and ability to hold such securities to maturity.

17. The following information about financial instruments with off-balance-sheet risk and financial instruments with concentrations of credit risk has been properly disclosed in the financial statements:
 - a. Extent, nature, and terms of financial instruments with off-balance-sheet risk;
 - b. The amount of credit risk of financial instruments with off-balance-sheet credit risk, and information about the collateral supporting such financial instruments; and
 - c. Significant concentrations of credit risk arising from all financial instruments and information about the collateral supporting such financial instruments.
18. The Company has accounted for asset retirement obligations in accordance with FASB ASC 410-20, *Asset Retirement and Environmental Obligations -- Asset Retirement Obligations*. The Company believes it has no legal obligation, including those under the doctrine of promissory estoppels, associated with the retirement of tangible long-lived assets at December 31, 2011.
19. The Company has appropriately grouped long-lived assets together for purposes of assessing impairment in accordance with FASB ASC 360, *Property, Plant and Equipment*. We have reviewed long-lived assets, including amortizable intangible assets, to be held and used, for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable. The Company believes no material adjustments to long-lived assets, including amortizable intangible asset, exists at December 31, 2011.
20. We are responsible for making the fair value measurements and disclosures included in the financial statements in accordance with FASB ASC 820, *Fair Value Measurement and Disclosures*, including determining the fair value of assets and liabilities for which there has been a significant decrease in the volume and level of activity in relation to the normal market activity for those assets or liabilities (or similar assets or liabilities) or for which transactions are deemed not orderly. As part of fulfilling this responsibility, we have established an accounting and financial reporting process for determining the fair value measurements and disclosures, in accordance with the fair value techniques included in FASB ASC 820, considered the appropriateness of valuation techniques, [including circumstances in which a practical expedient may be used to estimate fair value], adequately supported any significant assumptions used, and ensured that the presentation and disclosure of the fair value measurements are in accordance with U.S. generally accepted accounting principles including the disclosure requirements of FASB ASC 820. We believe the assumptions and techniques used by us, including those used by specialists engaged by us, are in accordance with the definition of fair value in FASB ASC 820 and the disclosures adequately describe the level of the inputs used in the fair value measurement, in accordance with the fair value hierarchy in FASB ASC 820.
21. We believe that all material expenditures that have been deferred to future periods will be recoverable.
22. Tax-exempt bonds issued have retained their tax-exempt status.
23. We believe that the actuarial assumptions and methods used to measure pension and postretirement benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
24. The Company has accounted for its derivatives and hedging activities in accordance with FASB ASC 815, *Derivatives and Hedging*, including the requirements to document its designation of contracts as normal purchase or normal sales at the inception of the contract in qualifying for the scope exception.

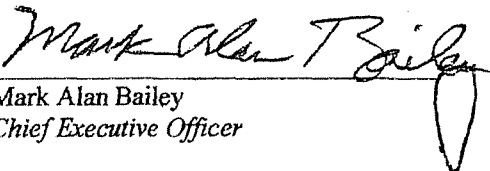
25. The Company expects to use all coal under long-term purchase contracts in the normal course of business.
26. The deferred tax asset valuation allowance has been determined pursuant to the provisions of FASB ASC 740, *Income Taxes*, including the Company's estimation of future taxable income, if necessary, and is adequate to reduce the total deferred tax asset to an amount that will more likely than not be realized.
27. The calculations of current and deferred tax expense (benefit) and the measurement of the related current and deferred tax assets and liabilities have been determined based on appropriate provisions of applicable enacted tax laws and regulations.
28. The Company believes it has no uncertain tax positions in accordance with the provisions of FASB ASC 740, *Income Taxes* at December 31, 2011.
29. We agree with the findings of specialists in evaluating their pension liability and coal flyover reports and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
30. We have disclosed to you all accounting policies and practices we have adopted that, if applied to significant items or transactions, would not be in accordance with U.S. generally accepted accounting principles. We have evaluated the impact of the application of each such policy and practice, both individually and in the aggregate, on the Company's current period financial statements, and the expected impact of each such policy and practice on future periods' financial reporting. We believe the effect of these policies and practices on the financial statements is not material. Furthermore, we do not believe the impact of the application of these policies and practices will be material to the financial statements in future periods.
31. All sales transactions entered into by the Company are final and there are no side agreements with customers.
32. Gross revenue includes only those sales for which the Company has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns.
33. The Company believes it has no variable interest entities (VIEs) at December 31, 2011, as defined by U.S. generally accepted accounting principles.
34. The Company has reviewed the current regulatory environment and we believe we have appropriately accounted for and disclosed matters in accordance with FASB ASC 980, *Regulated Operations*, and that there have been no significant changes that would impact the amounts of existing regulatory assets and liabilities recorded by the Companies on its financial statements as of December 31, 2011.

Further, we confirm that we are responsible for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with U.S. generally accepted accounting principles.


Big Rivers Electric Corporation
Page 6 of 6

Very truly yours,

Big Rivers Electric Corporation



Mark Alan Bailey
Chief Executive Officer



Mark Allen Hite
Vice President Accounting and Interim Chief Financial Officer



System Review Report

To the Partners of KPMG LLP
and the National Peer Review Committee of the AICPA Peer Review Board

We have reviewed the system of quality control for the accounting and auditing practice of KPMG LLP (the Firm), applicable to non-SEC issuers, in effect for the year ended March 31, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, an audit performed under FDICIA, and an audit of a carrying broker-dealer.

In our opinion, the system of quality control for the accounting and auditing practice of KPMG LLP, applicable to non-SEC issuers, in effect for the year ended March 31, 2011, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. KPMG LLP has received a peer review rating of *pass*.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

December 2, 2011

December 8, 2011

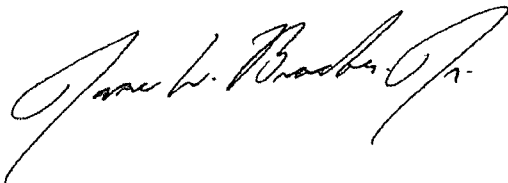
John B. Veihmeyer, CPA
KPMG LLP
345 Park Ave Bsmt LB6
New York, NY 10154

Dear Mr. Veihmeyer:

It is my pleasure to notify you that on December 8, 2011 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is September 30, 2014. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,



James W. Brackens, Jr.
Vice President—Ethics and Quality Practice
+1.919.402.4502
nprc@aicpa.org

cc: Betty Jo Charles, CPA

Firm Number: 10054128

Review Number: 320334

Administered by the
National Peer Review Committee

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 8/31/2014; Base Period 12ME 4/30/2013)

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Description of Filing Requirement:

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Quarterly reports to the stockholders for the most recent five (5) quarters.

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Response:

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Big Rivers' five most recent quarterly reports, which are provided to Big

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Rivers' lenders within 60 days after the end of the first three quarterly

14

periods of each fiscal year pursuant to the respective debt agreements, are

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included as attachments to this response.

16

Please refer to Tab 35 for copies of Big Rivers' annual reports for

17

the five most recent years, which are provided to Big Rivers' lenders for

18

fiscal year-end quarters.

19

Note: Big Rivers is a Member-owned, not-for-profit, generation and

20

transmission cooperative, which does not have stockholders.

Quarterly Report – September 30, 2012

BIG RIVERS ELECTRIC CORPORATION

Exhibit 1

BALANCE SHEET

As of September 30, 2012 and 2011

(Dollars in thousands)

	<u>Sep. 30, 2012</u>	<u>Sep. 30, 2011</u>
ASSETS		
UTILITY PLANT — Net	\$ 1,086,706	\$ 1,085,569
RESTRICTED INVESTMENTS — member rate mitigation	183,920	167,210
OTHER DEPOSITS AND INVESTMENTS — At cost	49,182	5,889
CURRENT ASSETS:		
Cash and cash equivalents	113,250	77,688
Accounts receivable	44,832	43,985
Fuel Inventory	32,352	27,134
Non-Fuel Inventory	26,017	24,662
Prepaid expenses	1,414	959
Total current assets	217,865	174,428
DEFERRED CHARGES AND OTHER	7,109	4,251
TOTAL	<u>\$ 1,544,782</u>	<u>\$ 1,437,347</u>
EQUITIES (DEFICIT) AND LIABILITIES		
CAPITALIZATION:		
Equities (deficit)	\$ 397,946	\$ 395,474
Long-term debt	848,351	784,187
Total capitalization	1,246,297	1,179,661
CURRENT LIABILITIES:		
Current maturities of long-term obligations	80,608	15,533
Voluntary prepayment of long-term debt	-	-
Notes payable	-	-
Purchased power payable	1,111	2,354
Accounts payable	25,889	26,627
Accrued expenses	9,116	8,990
Accrued interest	3,812	9,519
Total current liabilities	120,536	63,023
DEFERRED CREDITS AND OTHER:		
Regulatory liabilities — member rate mitigation	152,737	173,685
Other	25,212	20,978
Total deferred credits and other	177,949	194,663
COMMITMENTS AND CONTINGENCIES		
TOTAL	<u>\$ 1,544,782</u>	<u>\$ 1,437,347</u>

BIG RIVERS ELECTRIC CORPORATION

Exhibit 2

STATEMENTS OF OPERATIONS

For the Quarters and Nine Months Ended September 30, 2012 and 2011

(Dollars in thousands)

	Quarter Ended September 30		Nine Months Ended September 30	
	2012	2011	2012	2011
OPERATING REVENUE	\$ 146,921	\$ 149,418	\$ 423,042	\$ 424,489
OPERATING EXPENSES:				
Operations:				
Fuel for electric generation	58,943	58,925	165,833	173,107
Power purchased and interchanged	26,106	28,160	84,281	83,179
Production, excluding fuel	12,556	12,779	36,393	37,001
Transmission and other	9,680	9,403	29,901	29,205
Maintenance	11,883	11,494	34,736	32,622
Depreciation and amortization	10,488	9,060	30,852	26,374
Total operating expenses	<u>129,656</u>	<u>129,821</u>	<u>381,996</u>	<u>381,488</u>
ELECTRIC OPERATING MARGIN	<u>17,265</u>	<u>19,597</u>	<u>41,046</u>	<u>43,001</u>
INTEREST EXPENSE AND OTHER:				
Interest	11,096	11,381	33,195	34,060
Income tax expense		-	-	130
Other — net	64	42	187	158
Total interest expense and other	<u>11,160</u>	<u>11,423</u>	<u>33,382</u>	<u>34,348</u>
OPERATING MARGIN	<u>6,105</u>	<u>8,174</u>	<u>7,664</u>	<u>8,653</u>
NONOPERATING MARGIN:				
Interest income and other	386	29	462	245
Total nonoperating margin	<u>386</u>	<u>29</u>	<u>462</u>	<u>245</u>
NET MARGIN	<u>\$ 6,491</u>	<u>\$ 8,203</u>	<u>\$ 8,126</u>	<u>\$ 8,898</u>

Quarterly Report – June 30, 2012

BIG RIVERS ELECTRIC CORPORATION

BALANCE SHEET

As of June 30, 2012 and 2011

(Dollars in thousands)

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
ASSETS		
UTILITY PLANT — Net	\$ 1,091,306	\$ 1,085,266
RESTRICTED INVESTMENTS — member rate mitigation	153,575	171,654
OTHER DEPOSITS AND INVESTMENTS — At cost	6,024	5,865
CURRENT ASSETS:		
Cash and cash equivalents	47,659	76,443
Accounts receivable	43,726	40,787
Fuel Inventory	35,425	24,235
Non-Fuel Inventory	26,296	24,473
Prepaid expenses	2,312	1,661
Total current assets	155,418	167,599
DEFERRED CHARGES AND OTHER	4,489	3,811
TOTAL	\$ 1,410,812	\$ 1,434,195
EQUITIES (DEFICIT) AND LIABILITIES		
CAPITALIZATION:		
Equities (deficit)	\$ 391,456	\$ 387,271
Long-term debt	715,296	786,487
Total capitalization	1,106,752	1,173,758
CURRENT LIABILITIES:		
Current maturities of long-term obligations	78,282	14,811
Voluntary prepayment of long-term debt	-	-
Notes payable	-	-
Purchased power payable	927	2,046
Accounts payable	22,082	24,865
Accrued expenses	10,542	9,472
Accrued interest	9,924	10,242
Total current liabilities	121,757	61,436
DEFERRED CREDITS AND OTHER:		
Regulatory liabilities — member rate mitigation	157,856	178,159
Other	24,447	20,842
Total deferred credits and other	182,303	199,001
COMMITMENTS AND CONTINGENCIES		
TOTAL	\$ 1,410,812	\$ 1,434,195

BIG RIVERS ELECTRIC CORPORATION

STATEMENTS OF OPERATIONS

For the Quarters and Six Months Ended June 30, 2012 and 2011

(Dollars in thousands)

	Quarter Ended June 30		Six Months Ended June 30	
	2012	2011	2012	2011
OPERATING REVENUE	\$ 140,816	\$ 140,846	\$ 276,121	\$ 275,071
OPERATING EXPENSES:				
Operations:				
Fuel for electric generation	57,168	57,857	106,890	114,182
Power purchased and interchanged	26,649	29,158	58,175	55,019
Production, excluding fuel	12,017	12,073	23,837	24,222
Transmission and other	10,320	10,077	20,221	19,802
Maintenance	9,623	10,786	22,853	21,128
Depreciation and amortization	10,188	8,633	20,364	17,314
Total operating expenses	<u>125,965</u>	<u>128,584</u>	<u>252,340</u>	<u>251,667</u>
ELECTRIC OPERATING MARGIN	<u>14,851</u>	<u>12,262</u>	<u>23,781</u>	<u>23,404</u>
INTEREST EXPENSE AND OTHER:				
Interest	11,043	11,332	22,099	22,679
Income tax expense		130	-	130
Other — net	83	36	123	116
Total interest expense and other	<u>11,126</u>	<u>11,498</u>	<u>22,222</u>	<u>22,925</u>
OPERATING MARGIN	<u>3,725</u>	<u>764</u>	<u>1,559</u>	<u>479</u>
NONOPERATING MARGIN:				
Interest income and other	<u>13</u>	<u>29</u>	<u>76</u>	<u>216</u>
Total nonoperating margin	<u>13</u>	<u>29</u>	<u>76</u>	<u>216</u>
NET MARGIN	<u>\$ 3,738</u>	<u>\$ 793</u>	<u>\$ 1,635</u>	<u>\$ 695</u>

Quarterly Report – March 31, 2012

BIG RIVERS ELECTRIC CORPORATION

BALANCE SHEETS AS OF MARCH 31, 2012 (Dollars in thousands)

	2012
ASSETS	
UTILITY PLANT — Net	\$ 1,093,032
RESTRICTED INVESTMENTS — member rate mitigation	<u>158,852</u>
OTHER DEPOSITS AND INVESTMENTS — At cost	<u>5,952</u>
CURRENT ASSETS:	
Cash and cash equivalents	49,467
Accounts receivable	41,678
Fuel Inventory	34,868
Non-Fuel Inventory	25,893
Prepaid expenses	<u>3,108</u>
Total current assets	<u>155,014</u>
DEFERRED CHARGES AND OTHER	<u>4,408</u>
TOTAL	<u>\$ 1,417,258</u>
EQUITIES (DEFICIT) AND LIABILITIES	
CAPITALIZATION:	
Equities (deficit)	\$ 387,717
Long-term debt	<u>718,743</u>
Total capitalization	<u>1,106,460</u>
CURRENT LIABILITIES:	
Current maturities of long-term obligations	77,026
Voluntary prepayment of long-term debt	-
Notes payable	-
Purchased power payable	2,756
Accounts payable	26,151
Accrued expenses	8,328
Accrued interest	<u>9,220</u>
Total current liabilities	<u>123,481</u>
DEFERRED CREDITS AND OTHER:	
Regulatory liabilities — member rate mitigation	163,724
Other	<u>23,593</u>
Total deferred credits and other	<u>187,317</u>
COMMITMENTS AND CONTINGENCIES	
TOTAL	<u>\$ 1,417,258</u>

BIG RIVERS ELECTRIC CORPORATION

STATEMENTS OF OPERATIONS FOR THE QUARTER ENDED MARCH 31, 2012

(Dollars in thousands)

	Quarter Ended March 31, 2012	
	Actual	Budget
OPERATING REVENUE	\$ 135,305	\$ 151,203
OPERATING EXPENSES:		
Operations:		
Fuel for electric generation	49,722	57,635
Power purchased and interchanged	31,526	32,187
Production, excluding fuel	11,820	13,559
Transmission and other	9,901	10,656
Maintenance	13,230	17,453
Depreciation and amortization	10,176	10,313
Total operating expenses	<u>126,375</u>	<u>141,803</u>
ELECTRIC OPERATING MARGIN	<u>8,930</u>	<u>9,400</u>
INTEREST EXPENSE AND OTHER:		
Interest	11,056	11,021
Income tax expense		-
Other — net	<u>40</u>	<u>34</u>
Total interest expense and other	<u>11,096</u>	<u>11,055</u>
OPERATING MARGIN	<u>(2,166)</u>	<u>(1,655)</u>
NONOPERATING MARGIN:		
Interest income and other	<u>63</u>	<u>14</u>
Total nonoperating margin	<u>63</u>	<u>14</u>
NET MARGIN	<u>\$ (2,103)</u>	<u>\$ (1,641)</u>

Quarterly Report – September 30, 2011

BIG RIVERS ELECTRIC CORPORATION

BALANCE SHEET AS OF SEPTEMBER 30, 2011 (Dollars in thousands)

	2011
ASSETS	
UTILITY PLANT — Net	\$ 1,085,569
RESTRICTED INVESTMENTS — member rate mitigation	167,210
OTHER DEPOSITS AND INVESTMENTS — At cost	5,889
CURRENT ASSETS:	
Cash and cash equivalents	77,688
Accounts receivable	43,985
Fuel Inventory	27,134
Non-Fuel Inventory	24,662
Prepaid expenses	959
Total current assets	174,428
DEFERRED CHARGES AND OTHER	4,251
TOTAL	\$ 1,437,347
EQUITIES (DEFICIT) AND LIABILITIES	
CAPITALIZATION:	
Equities (deficit)	\$ 395,474
Long-term debt	784,187
Total capitalization	1,179,661
CURRENT LIABILITIES:	
Current maturities of long-term obligations	15,533
Voluntary prepayment of long-term debt	-
Notes payable	-
Purchased power payable	2,354
Accounts payable	26,627
Accrued expenses	8,990
Accrued interest	9,519
Total current liabilities	63,023
DEFERRED CREDITS AND OTHER:	
Regulatory liabilities — member rate mitigation	173,685
Other	20,978
Total deferred credits and other	194,663
COMMITMENTS AND CONTINGENCIES	
TOTAL	\$ 1,437,347

BIG RIVERS ELECTRIC CORPORATION

STATEMENTS OF OPERATIONS

FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2011

(Dollars in thousands)

	Quarter Ended September 30, 2011		Nine Months Ended September 30, 2011	
	Actual	Budget	Actual	Budget
OPERATING REVENUE	\$149,418	\$148,964	\$424,489	\$422,038
OPERATING EXPENSES:				
Operations:				
Fuel for electric generation	58,925	55,557	173,107	158,604
Power purchased and interchanged	28,160	27,069	83,179	80,954
Production, excluding fuel	12,779	16,818	37,001	48,501
Transmission and other	9,403	10,468	29,205	32,512
Maintenance	11,494	12,153	32,622	34,365
Depreciation and amortization	9,060	9,129	26,374	27,068
Total operating expenses	<u>129,821</u>	<u>131,194</u>	<u>381,488</u>	<u>382,004</u>
ELECTRIC OPERATING MARGIN	<u>19,597</u>	<u>17,770</u>	<u>43,001</u>	<u>40,034</u>
INTEREST EXPENSE AND OTHER:				
Interest	11,381	11,875	34,060	35,178
Income tax expense		62	130	187
Other — net	<u>42</u>	<u>35</u>	<u>158</u>	<u>103</u>
Total interest expense and other	<u>11,423</u>	<u>11,972</u>	<u>34,348</u>	<u>35,468</u>
OPERATING MARGIN	<u>8,174</u>	<u>5,798</u>	<u>8,653</u>	<u>4,566</u>
NONOPERATING MARGIN:				
Interest income and other	<u>29</u>	<u>97</u>	<u>245</u>	<u>385</u>
Total nonoperating margin	<u>29</u>	<u>97</u>	<u>245</u>	<u>385</u>
NET MARGIN	<u>\$ 8,203</u>	<u>\$ 5,895</u>	<u>\$ 8,898</u>	<u>\$ 4,951</u>

Quarterly Report – June 30, 2011

BIG RIVERS ELECTRIC CORPORATION

BALANCE SHEET

AS OF JUNE 30, 2011

(Dollars in thousands)

	2011
ASSETS	
UTILITY PLANT — Net	\$ 1,085,266
RESTRICTED INVESTMENTS — member rate mitigation	<u>171,654</u>
OTHER DEPOSITS AND INVESTMENTS — At cost	<u>5,865</u>
CURRENT ASSETS:	
Cash and cash equivalents	76,443
Accounts receivable	40,787
Fuel Inventory	24,235
Non-Fuel Inventory	24,473
Prepaid expenses	<u>1,661</u>
Total current assets	<u>167,599</u>
DEFERRED CHARGES AND OTHER	<u>3,811</u>
TOTAL	<u>\$ 1,434,195</u>
EQUITIES (DEFICIT) AND LIABILITIES	
CAPITALIZATION:	
Equities (deficit)	\$ 387,271
Long-term debt	<u>786,487</u>
Total capitalization	<u>1,173,758</u>
CURRENT LIABILITIES:	
Current maturities of long-term obligations	14,811
Voluntary prepayment of long-term debt	-
Notes payable	-
Purchased power payable	2,046
Accounts payable	24,865
Accrued expenses	9,472
Accrued interest	<u>10,242</u>
Total current liabilities	<u>61,436</u>
DEFERRED CREDITS AND OTHER:	
Regulatory liabilities — member rate mitigation	178,159
Other	<u>20,842</u>
Total deferred credits and other	<u>199,001</u>
COMMITMENTS AND CONTINGENCIES	
TOTAL	<u>\$ 1,434,195</u>

BIG RIVERS ELECTRIC CORPORATION

STATEMENTS OF OPERATIONS FOR THE QUARTER AND SIX MONTHS ENDED JUNE 30, 2011 (Dollars in thousands)

	Quarter Ended June 30, 2011		Six Months Ended June 30, 2011	
	Actual	Budget	Actual	Budget
OPERATING REVENUE	\$ 140,846	\$ 132,251	\$ 275,071	\$ 273,074
OPERATING EXPENSES:				
Operations:				
Fuel for electric generation	57,857	51,265	114,182	103,047
Power purchased and interchanged	29,158	27,355	55,019	53,885
Production, excluding fuel	12,073	16,305	24,222	31,683
Transmission and other	10,077	11,122	19,802	22,044
Maintenance	10,786	11,413	21,128	22,212
Depreciation and amortization	8,633	9,026	17,314	17,939
Total operating expenses	<u>128,584</u>	<u>126,486</u>	<u>251,667</u>	<u>250,810</u>
ELECTRIC OPERATING MARGIN	<u>12,262</u>	<u>5,765</u>	<u>23,404</u>	<u>22,264</u>
INTEREST EXPENSE AND OTHER:				
Interest	11,332	11,652	22,679	23,303
Income tax expense	130	63	130	125
Other — net	36	34	116	68
Total interest expense and other	<u>11,498</u>	<u>11,749</u>	<u>22,925</u>	<u>23,496</u>
OPERATING MARGIN	<u>764</u>	<u>(5,984)</u>	<u>479</u>	<u>(1,232)</u>
NONOPERATING MARGIN:				
Interest income and other	<u>29</u>	<u>193</u>	<u>216</u>	<u>288</u>
Total nonoperating margin	<u>29</u>	<u>193</u>	<u>216</u>	<u>288</u>
NET MARGIN	<u>\$ 793</u>	<u>\$ (5,791)</u>	<u>\$ 695</u>	<u>\$ (944)</u>

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Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 8/31/2014; Base Period 12ME 4/30/2013)

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Tab No. 42
Filing Requirement
807 KAR 5:001 Sec. 10(9)(s)
Sponsoring Witness: Mr. Ted J. Kelly

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Description of Filing Requirement:

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Summary of the latest depreciation study with schedules itemized by major plant accounts. If the required information has been filed in another commission case, a reference to that case's number and style will be sufficient.

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Response:

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Big Rivers' latest depreciation study is attached to, and is described and summarized in, the Direct Testimony of Mr. Ted J. Kelly at Tab No. 71 and the exhibits attached thereto.

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 8/31/2014; Base Period 12ME 4/30/2013)

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Tab No. 43
Filing Requirement
807 KAR 5:001 Sec. 10(9)(t)
Sponsoring Witness: Billie J. Richert

Description of Filing Requirement:

9 *List of all commercially available or in-house developed computer software,*
10 *programs, and models used in the development of the schedules and work*
11 *papers associated with the filing of the utility's application. This list shall*
12 *include each software, program, or model; what the software, program, or*
13 *model was used for; identify the supplier of each software, program, or*
14 *model; a brief description of the software, program, or model; the*
15 *specifications for the computer hardware and the operating system*
16 *required to run the program.*

17 **Response:**

18 A detailed list of all computer software, programs, and models used in the
19 development of schedules and work papers associated with this
20 application is included as an attachment to this response.

**Big Rivers Electric Corporation
Case No. 2012-00535**

**List of Computer Software, Programs, and Models
Used in Development of Schedules and Work Papers Associated with Filing of Utility's Application**

	Software/ Program/ Model	Use in Application	Supplier	Description	Specifications	Operating System
1	Microsoft Excel 2010	- Cost of Service Study, Revenue Requirement, and Rate Calculations - Depreciation Study (analysis and summary of results) - Various tables and exhibits presenting financial information for individual filing requirements	Microsoft	Spreadsheet and graphing program	Intel 2 GHz processor or greater	Windows XP SP3 or Windows 7
2	Microsoft Excel 2007	- Spreadsheet calculations for production cost and planning model	Microsoft	Spreadsheet and graphing program	Intel 2 GHz processor or greater	Windows XP SP3 or Windows 7
3	Microsoft Word 2010	- Cost of Service Study - Depreciation Study - Documenting responses to individual filing requirements	Microsoft	Word processing program	Intel 2 GHz processor or greater	Windows XP SP3 or Windows 7
4	Microsoft PowerPoint 2010	- Depreciation Study (Report Cover) - Monthly managerial reports (Tab 38)	Microsoft	Presentation program	Intel 2 GHz processor or greater	Windows 7 or Windows XP SP3
5	Microsoft Outlook 2010	Email communications	Microsoft	Email	Intel 2 GHz processor or greater	Windows 7 or Windows XP SP3
6	Planning & Risk Model (used by ACES Power Marketing)	- Production cost and planning modeling	Ventyx/ ABB	Production cost and planning model	Intel 2 GHz processor or greater	Windows XP SP3 or Windows 7
7	Adobe Acrobat X Standard 10.0	- Depreciation Study (Electronic version of study report document including Cover Page, Table of Contents, Report Text, and Tables) (Tab 42) - Other reports provided for various filing requirements	Adobe	Preserve and secure the layout of documents created in other applications by converting the files to a PDF format	Intel 2 GHz processor or greater	Windows 7 or Windows XP SP3
8	Windows Internet Explorer 8	- Industry Research	Microsoft	Web browser	Intel 2 GHz processor or greater	Windows 7 or Windows XP SP3

**Big Rivers Electric Corporation
Case No. 2012-00535**

**List of Computer Software, Programs, and Models
Used in Development of Schedules and Work Papers Associated with Filing of Utility's Application**

	Software/ Program/ Model	Use in Application	Supplier	Description	Specifications	Operating System
9	Oracle E-Business Suite	- Base period and prior period actual financial data.	Oracle Corporation	Accounting System	Intel 2 GHz processor or greater	Red Hat Enterprise 5.7
10	Hyperion Planning	- Pro Forma Adjustments	Oracle Corporation	Budgeting, forecasting, and reporting tool	Intel 2 GHz processor or greater	Window Server 2003
11	Nuance PDF Converter Pro 7 or 8	- Conversion of e-mail lists to an organized format inclusive of all attached documents	Nuance	Preserve and secure the layout of documents created in other applications by converting the files to a PDF format	Intel 2 GHz processor or greater	Windows 7 or Windows XP SP3

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 08/31/2014; Base Period 12ME 04/30/2013)

Tab No. 44
Filing Requirement
807 KAR 5:001 Section 10(9)(u)
Sponsoring Witness: Billie J. Richert

Description of Filing Requirement:

If the utility had any amounts charged or allocated to it by an affiliate or a general or home office or paid any monies to an affiliate or a general or home office during the base period or during the previous three (3) calendar years, the utility shall file:

- 1. A detailed description of the method and amounts allocated or charged to the utility by the affiliate or general or home office for each allocation or payment;*
- 2. The method and amounts allocated during the base period and the method and estimated amounts to be allocated during the forecasted test period;*
- 3. An explanation of how the allocator for both the base period and forecasted test period were determined; and*
- 4. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during the base period is reasonable.*

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 08/31/2014; Base Period 12ME 04/30/2013)

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2 **Response:**

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4 This filing requirement is not applicable to Big Rivers.

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 8/31/2014; Base Period 12ME 4/30/2013)

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Description of Filing Requirement:

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Cost of service study based on a methodology generally accepted within the

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industry and based on current and reliable data from a single time period.

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Response:

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The cost of service study is included with the Direct Testimony of Mr.

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John Wolfram at Tab No. 73 (Filing Requirement 807 KAR 5:001 Sec.

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10(9)(a)).

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 8/31/2014; Base Period 12ME 4/30/2013)

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Description of Filing Requirement:

9 *Local exchange carriers with fewer than 50,000 access lines shall not be required*
10 *to file cost of service studies, except as specifically directed by the commission.*

11 *Local exchange carriers with more than 50,000 access lines shall file:*

12

1. A jurisdictional separations study consistent with Part 36 of the

13

Federal Communications Commission's rules and regulations; and

14

2. Service specific cost studies to support the pricing of all services that

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generate annual revenue greater than \$1,000,000 except local exchange

16

access:

17

a. Based on current and reliable data from a single time period;

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and

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b. Using generally recognized fully allocated, embedded, or

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incremental cost principles.

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Response:

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This filing requirement is not applicable as Big Rivers is not a local

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exchange carrier.

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 8/31/2014; Base Period 12ME 4/30/2013)

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Tab No. 47
Filing Requirement
807 KAR 5:001 Sec. 10(10)(a)
Sponsoring Witness: Travis A. Siewert

Description of Filing Requirement:

Jurisdictional financial summary for both the base period and the forecasted period which details how the utility derived the amount of the requested revenue increase;

Response:

Financial summaries for both the base period and forecasted test period are included at Tab No. 55 (Filing Requirement 807 KAR 5:001 Sec. 10(10)(i)). The forecasted test period financial summary includes revenues from the proposed rates in this proceeding.

Detail of how Big Rivers derived the amount of the requested revenue increase is included in Exhibit Wolfram-2 in the Direct Testimony of Mr. John Wolfram at Tab No. 73 (Filing Requirement 807 KAR 5:001 Sec 10(9)(a)).

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 8/31/2014; Base Period 12ME 4/30/2013)

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Tab No. 48
Filing Requirement
807 KAR 5:001 Sec. 10(10)(b)
Sponsoring Witness: Travis A. Siewert

Description of Filing Requirement:

9 *Jurisdictional rate base summary for both the base and forecasted periods*
10 *with supporting schedules which include detailed analysis of each*
11 *component of rate base;*

12 **Response:**

13 See the attachments to this response for rate base summaries for both the
14 base period and forecasted test period, which include detailed analysis of
15 each component of rate base.

Big Rivers Electric Corporation
Case No. 2012-00535
Base Period 13-Month Average Rate Base

Item	Actual Apr-12	Actual May-12	Actual Jun-12	Actual Jul-12	Actual Aug-12	Actual Sep-12	Actual Oct-12
Rate Base (Base Period)							
Utility Plant in Service	\$ 1,980,203,110	\$ 1,980,206,600	\$ 1,980,197,560	\$ 1,981,269,297	\$ 1,985,784,266	\$ 1,997,624,468	\$ 1,998,490,214
Construction Work in Progress	62,030,952	61,264,300	64,799,330	65,352,551	56,509,725	44,936,428	47,402,755
Materials and Supplies	26,032,766	25,950,357	26,295,716	26,138,253	26,465,194	26,016,994	25,578,123
Fuel Stock	37,803,472	38,868,142	35,425,338	31,409,998	31,513,504	32,352,421	37,301,108
Prepayments	3,041,937	2,819,292	2,498,949	2,167,302	1,847,646	1,548,947	1,214,148
Cash Working Capital (1/8 of adjusted Annual O&M)	25,867,446	25,867,446	25,867,446	25,867,446	25,867,446	25,867,446	25,867,446
Total	\$ 2,134,979,683	\$ 2,134,976,137	\$ 2,135,084,339	\$ 2,132,204,847	\$ 2,127,987,781	\$ 2,128,346,704	\$ 2,135,853,794
Less: Accumulated Depreciation	948,180,822	951,109,754	953,691,035	957,483,738	954,111,029	955,854,941	958,897,679
Rate Base	\$ 1,186,798,861	\$ 1,183,866,383	\$ 1,181,393,304	\$ 1,174,721,109	\$ 1,173,876,752	\$ 1,172,491,763	\$ 1,176,956,115

Big Rivers Electric Corporation
Case No. 2012-00535
Base Period 13-Month Average Rate Base

Item	2012 Forecast Nov-12	2012 Forecast Dec-12	2013 Budget Jan-13	2013 Budget Feb-13	2013 Budget Mar-13	2013 Budget Apr-13	Base Period 13-Month Average
Rate Base (Base Period)							
Utility Plant in Service	\$ 2,005,940,088	\$ 2,012,077,895	\$ 2,013,270,411	\$ 2,014,571,471	\$ 2,018,961,444	\$ 2,025,291,281	\$ 1,999,529,854
Construction Work in Progress	45,000,000	42,000,000	40,000,000	40,000,000	40,000,000	40,000,000	49,945,849
Materials and Supplies	25,633,246	25,685,940	26,237,768	26,296,479	26,354,776	26,414,475	26,084,622
Fuel Stock	36,852,561	36,996,807	32,219,305	32,332,006	32,406,831	32,265,231	34,442,056
Prepayments	1,001,447	4,206,511	3,597,556	3,286,294	2,973,325	2,660,925	2,528,021
Cash Working Capital (1/8 of adjusted Annual O&M)	25,867,446	25,867,446	25,867,446	25,867,446	25,867,446	25,867,446	25,867,446
Total	\$ 2,140,294,788	\$ 2,146,834,599	\$ 2,141,192,486	\$ 2,142,353,696	\$ 2,146,563,822	\$ 2,152,499,358	\$ 2,138,397,848
Less: Accumulated Depreciation	961,107,036	963,817,983	970,489,707	973,798,996	976,141,819	977,889,349	961,736,453
Rate Base	\$ 1,179,187,752	\$ 1,183,016,616	\$ 1,170,702,779	\$ 1,168,554,700	\$ 1,170,422,003	\$ 1,174,610,009	\$ 1,176,661,395

Big Rivers Electric Corporation
Case No. 2012-00535
Fully Forecasted Test Period 13-Month Average Rate Base

Item	Budget Aug-13	Budget Sep-13	Budget Oct-13	Budget Nov-13	Budget Dec-13	Budget Jan-14	Budget Feb-14
Rate Base (Forecast Period)							
Utility Plant in Service	\$ 2,038,217,486	\$ 2,040,493,754	\$ 2,046,154,517	\$ 2,048,324,923	\$ 2,048,693,972	\$ 2,049,937,382	\$ 2,050,620,238
Construction Work in Progress	46,752,139	50,293,122	57,509,931	64,761,417	72,197,945	77,364,300	82,554,905
Materials and Supplies	26,639,530	26,702,245	26,764,852	26,827,750	26,890,716	26,955,341	27,020,393
Fuel Stock	32,472,516	32,763,437	32,971,843	33,104,887	33,184,166	33,559,103	33,783,026
Prepayments	1,461,993	1,166,672	871,351	576,030	4,182,720	3,857,131	3,532,004
Cash Working Capital (1/8 of adjusted Annual O&M)	25,642,732	25,642,732	25,642,732	25,642,732	25,642,732	25,642,732	25,642,732
Total	\$ 2,171,186,396	\$ 2,177,061,962	\$ 2,189,915,226	\$ 2,199,237,739	\$ 2,210,792,251	\$ 2,217,315,989	\$ 2,223,153,298
Less: Accumulated Depreciation	988,912,712	992,118,791	994,267,719	997,528,133	1,001,363,955	1,004,911,913	1,008,641,319
Rate Base	\$ 1,182,273,684	\$ 1,184,943,171	\$ 1,195,647,507	\$ 1,201,709,606	\$ 1,209,428,296	\$ 1,212,404,076	\$ 1,214,511,979

Big Rivers Electric Corporation
Case No. 2012-00535
Fully Forecasted Test Period 13-Month Average Rate Base

Item	Budget Mar-14	Budget Apr-14	Budget May-14	Budget Jun-14	Budget Jul-14	Budget Aug-14	Forecast Period 13-Month Average
Rate Base (Forecast Period)							
Utility Plant in Service	\$ 2,053,811,996	\$ 2,065,174,508	\$ 2,072,737,203	\$ 2,074,156,887	\$ 2,075,481,802	\$ 2,139,743,469	\$ 2,061,811,395
Construction Work in Progress	87,831,541	93,132,912	98,459,018	101,209,998	101,499,252	40,000,000	74,889,729
Materials and Supplies	27,085,618	27,151,260	27,217,143	27,282,781	27,348,482	27,414,369	27,023,114
Fuel Stock	34,020,213	34,077,892	34,030,458	34,093,671	34,136,645	34,159,267	33,565,933
Prepayments	3,206,877	2,881,750	2,556,623	2,231,496	1,906,369	1,581,242	2,308,635
Cash Working Capital (1/8 of adjusted Annual O&M)	25,642,732	25,642,732	25,642,732	25,642,732	25,642,732	25,642,732	25,642,732
Total	\$ 2,231,598,977	\$ 2,248,061,054	\$ 2,260,643,177	\$ 2,264,617,565	\$ 2,266,015,282	\$ 2,268,541,079	\$ 2,225,241,538
Less: Accumulated Depreciation	1,011,583,366	1,011,962,997	1,013,576,200	1,017,159,605	1,020,778,876	1,023,919,266	1,006,671,142
Rate Base	\$ 1,220,015,611	\$ 1,236,098,057	\$ 1,247,066,977	\$ 1,247,457,960	\$ 1,245,236,406	\$ 1,244,621,813	\$ 1,218,570,396

Case No. 2012-00535

Tab 48 Attachment - 807 KAR 5:001 Section 10(10)(b)

Sponsoring Witness: Travis A. Siewert

Page 4 of 4

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 08/31/2014; Base Period 12ME 04/30/2013)

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Tab No. 49
Filing Requirement
807 KAR 5:001 Section 10(10)(c)
Sponsoring Witness: Billie J. Richert

Description of Filing Requirement:

Jurisdictional operating income summary for both the base period and the forecasted period with supporting schedules which provide breakdowns by major account group and by individual account;

Response:

Operating income summaries for both the base period and forecasted test period are included at Tab No. 55 (Filing Requirement 807 KAR 5:001 Sec. 10(10)(i)). Supporting schedules for both the base period and forecasted test period, which provide breakdowns by major account group and by individual account, are included as an attachment to this response, and are filed under a Petition for Confidential Treatment.

Big Rivers Electric Corporation
Case No. 2012-00535
Operating Income Summary by Account
Base Period: 12ME April 30, 2013

RUS Account No.	Big Rivers Account No.	Account Description	Amount
403	403.110	DEPRECIATION EXPENSE-STEAM PLANT	\$ 20,130,623.91
403	403.111	DEPRECIATION EXPENSE-STEAM PLANT-CLEAN AIR	\$ 13,079,447.07
403	403.400	DEPRECIATION EXPENSE-GAS TURBINE	\$ 294,221.39
403	403.500	DEPRECIATION EXPENSE-TRANSMISSION	\$ 4,749,968.44
403	403.700	DEPRECIATION EXPENSE-GENERAL PLANT	\$ 2,961,725.98
404	404.110	AMORTIZATION EXPENSE	\$ 108,135.90
409	409.100	TAXES-FEDERAL INCOME	\$ 885.00
409	409.200	TAXES-FEDERAL INCOME-OTHER INC/DEDUCT	\$ -
411	411.800	GAIN FROM DISPOSITION OF ALLOWANCES	\$ -
419	419.000	INTEREST & DIVIDEND INCOME	\$ (1,556,386.43)
424	424.000	OTHER CAPITAL CREDITS & PATRONAGE ALLOC	\$ (1,277,124.05)
426	426.000	TAXES-FEDERAL UNEMPLOYMENT-GENERAL	\$ -
426	426.100	DONATIONS	\$ 91,959.14
426	426.300	PENALTIES	\$ -
426	426.400	CIVIC, POLITICAL, RELATED ACTIVITIES -- EXP	\$ 3,357.74
427	427.100	INTEREST ON LONG-TERM DEBT	\$ 45,126,332.34
427	427.310	INTEREST CHARGED TO CONST-CR	\$ (602,432.00)
428	428.000	AMORTIZATION--DEBT EXPENSE	\$ 306,937.63
431	431.100	INTEREST EXPENSE-NRUCFC	\$ 54,829.49
431	431.300	INTEREST EXPENSE-OTHER	\$ -
434	434.000	EXTRAORDINARY INCOME	\$ -
435	435.000	EXTRAORDINARY DEDUCTIONS	\$ -
447	447.101	SALES FOR RESALE-RUS-KE-RURAL	\$ (124,786,050.58)
447	447.110	SALES FOR RESALE-RUS-KE INDUSTRIALS	\$ (41,746,057.56)
447	447.191	SALES FOR RESALE-RUS-KE-ALCAN/CENTURY	\$ (363,712,397.05)
447	447.193	SALES FOR RESALE-RUS-KE-DOMTAR COGEN	\$ -
447	447.242	SALES FOR RESALE-OTHER-MISO	\$ -
454	454.000	RENT FROM ELECTRIC PROPERTY	\$ (24,000.00)
456	456.000	OTHER ELECTRIC REVENUES	
456	456.100	OTHER ELEC REV-POWER SUPPLY	
500	500.100	OPER SUPERVISION & ENGINEERING	
501	501.100	FUEL	
501	501.200	FUEL HANDLING	
501	501.300	BOTTOM ASH DISPOSAL	
502	502.100	STEAM EXPENSES	
502	502.110	STEAM EXPENSES - CLEAN AIR	
502	502.300	SO2 REAGENTS	
505	505.100	ELECTRIC EXPENSES	
506	506.100	MISC STEAM POWER EXPENSE	
506	506.300	NOX REAGENTS	
509	509.100	ALLOWANCES-CLEAN AIR	
510	510.000	MAINT SUPERVISION & ENG	

Big Rivers Electric Corporation
Case No. 2012-00535
Operating Income Summary by Account
Base Period: 12ME April 30, 2013

RUS Account No.	Big Rivers Account No.	Account Description	Amount
511	511.100	MAINT STRUCTURES	
512	512.100	MAINT BOILER PLANT	
512	512.110	MAINTENANCE BOILER PLANT-CLEAN AIR	
513	513.100	MAINTENANCE ELECTRIC PLANT	
514	514.100	MAINTENANCE MISC STEAM PLANT	
547	547.130	FUEL-OIL-GAS TURBINE	
548	548.100	GENERATION EXPENSES-GAS TURBINE	
553	553.100	MAINT GENERATING & ELEC PLANT-GAS TURBINE	
555	555.110	PURCHASED POWER-SEPA	
555	555.150	PURCHASED POWER-HMP&L STATION TWO	
555	555.152	PURCHASED POWER-HMP&L-CLEAN AIR	
555	555.188	PURCHASED POWER-RELIANT/ACES	
557	557.110	OTHER EXPENSE-POWER SUPPLY-ARBITRAGE	
557	557.350	OTHER EXPENSE-NON-SMELTER NON-FAC PPA	\$ (2,492,398.96)
560	560.100	OPER SUPERVISION & ENGINEERING-LINES	
560	560.200	OPER SUPERVISION & ENGINEERING-STATIONS	
561	561.100	LOAD DISPATCHING	\$ 1,138,944.67
561	561.400	SCHEDULING, SYSTEM CONTROL & DI	\$ 2,273,742.42
561	561.800	RELIABILITY PLANNING & STANDARD	\$ 149,594.73
562	562.100	STATION EXPENSES	
563	563.100	OVERHEAD LINE EXPENSES	\$ 980,035.33
565	565.100	TRANSMISSION OF ELECTRICITY BY OTHERS	\$ 2,726,923.82
566	566.100	MISC TRANSMISSION EXPENSE-LINES	\$ 517,092.71
566	566.200	MISC TRANSMISSION EXPENSE-STATIONS	\$ 282,680.85
567	567.200	RENTS-STATIONS	\$ 38,257.65
568	568.100	MAINT SUPERVISION & ENGINEERING-LINES	
568	568.200	MAINT SUPERVISION & ENGINEERING-STATIONS	
569	569.100	MAINTENANCE STRUCTURES	
570	570.100	MAINTENANCE STATION EQUIPMENT	
571	571.100	MAINTENANCE OVERHEAD LINES	
573	573.100	MAINTENANCE MISC TRANSMISSION PLANT-LINES	
573	573.200	MAINTENANCE MISC TRANSMISSION PLANT-STATIONS	
575	575.700	MARKET FACILITATION, MOINITORING - MISO	\$ 2,178,605.69
908	908.100	CUSTOMER ASSISTANCE EXPENSES	\$ 824,045.49
909	909.100	INFORMATION & INSTRUCTION ADV EXP	\$ 16,738.15
913	913.100	ADVERTISING EXPENSE	\$ 624,130.04
920	920.100	ADMINISTRATIVE AND GENERAL SALARIES	\$ 16,133,772.39
921	921.100	OFFICE SUPPLIES AND EXPENSES	\$ 6,647,289.09
921	921.105	OFFICE SUPPLIES AND EXPENSES-HMPL EXPENSES	\$ 564,826.69
923	923.100	OUTSIDE SERVICES EMPLOYED	\$ 2,532,154.70
925	925.100	INJURIES & DAMAGES	\$ 124,569.93
926	926.100	EMPLOYEE PENSIONS & BENEFITS-LTD	\$ 1,310,165.62

Big Rivers Electric Corporation
Case No. 2012-00535
Operating Income Summary by Account
Base Period: 12ME April 30, 2013

RUS Account No.	Big Rivers Account No.	Account Description	Amount
928	928.100	REGULATORY COMMISSION EXPENSES	\$ (24,092.77)
930	930.100	GENERAL ADVERTISING EXPENSES	\$ 668,060.41
930	930.200	MISCELLANEOUS GENERAL EXPENSES	\$ 1,161,384.37
931	931.100	RENTS-ADMINISTRATIVE & GENERAL	\$ 1,933.08
935	935.100	MAINTENANCE OF GENERAL PLANT	\$ 186,153.78
NET MARGIN			[REDACTED]

Big Rivers Electric Corporation
Case No. 2012-00535
Operating Income Summary by Account
Forecasted Test Period: 12ME August 31, 2014

RUS Account No.	Big Rivers Account No.	Account Description	Amount
403	403.110	DEPRECIATION EXPENSE-STEAM PLANT	\$ 21,761,642.00
403	403.111	DEPRECIATION EXPENSE-STEAM PLANT-CLEAN AIR	\$ 13,615,659.00
403	403.400	DEPRECIATION EXPENSE-GAS TURBINE	\$ 309,648.00
403	403.500	DEPRECIATION EXPENSE-TRANSMISSION	\$ 5,035,111.00
403	403.700	DEPRECIATION EXPENSE-GENERAL PLANT	\$ 3,369,604.00
404	404.110	AMORTIZATION EXPENSE	\$ 11,352.00
409	409.100	TAXES-FEDERAL INCOME	\$ 885.00
409	409.200	TAXES-FEDERAL INCOME-OTHER INC/DEDUCT	\$ -
411	411.800	GAIN FROM DISPOSITION OF ALLOWANCES	\$ -
419	419.000	INTEREST & DIVIDEND INCOME	\$ (1,974,857.80)
424	424.000	OTHER CAPITAL CREDITS & PATRONAGE ALLOC	\$ (2,706,447.55)
426	426.000	TAXES-FEDERAL UNEMPLOYMENT-GENERAL	\$ -
426	426.100	DONATIONS	\$ 55,470.75
426	426.300	PENALTIES	\$ -
426	426.400	CIVIC, POLITICAL, RELATED ACTIVITIES -- EXP	\$ 30,611.56
427	427.100	INTEREST ON LONG-TERM DEBT	\$ 46,983,291.41
427	427.310	INTEREST CHARGED TO CONST-CR	\$ (2,480,401.00)
428	428.000	AMORTIZATION--DEBT EXPENSE	\$ 505,011.83
431	431.100	INTEREST EXPENSE-NRUCFC	\$ -
431	431.300	INTEREST EXPENSE-OTHER	\$ -
434	434.000	EXTRAORDINARY INCOME	\$ -
435	435.000	EXTRAORDINARY DEDUCTIONS	\$ -
447	447.101	SALES FOR RESALE-RUS-KE-RURAL	\$ (179,193,191.76)
447	447.110	SALES FOR RESALE-RUS-KE INDUSTRIALS	\$ (54,432,857.53)
447	447.191	SALES FOR RESALE-RUS-KE-ALCAN/CENTURY	\$ (189,501,760.93)
447	447.193	SALES FOR RESALE-RUS-KE-DOMTAR COGEN	\$ -
447	447.242	SALES FOR RESALE-OTHER-MISO	\$ -
454	454.000	RENT FROM ELECTRIC PROPERTY	\$ (24,000.00)
456	456.000	OTHER ELECTRIC REVENUES	
456	456.100	OTHER ELEC REV-POWER SUPPLY	
500	500.100	OPER SUPERVISION & ENGINEERING	
501	501.100	FUEL	
501	501.200	FUEL HANDLING	
501	501.300	BOTTOM ASH DISPOSAL	
502	502.100	STEAM EXPENSES	
502	502.110	STEAM EXPENSES - CLEAN AIR	
502	502.300	SO2 REAGENTS	
505	505.100	ELECTRIC EXPENSES	
506	506.100	MISC STEAM POWER EXPENSE	
506	506.300	NOX REAGENTS	
509	509.100	ALLOWANCES-CLEAN AIR	
510	510.000	MAINT SUPERVISION & ENG	

Case No. 2012-00535

Tab 49 Attachment - 807 KAR 5:001 10(10)(c)

Sponsoring Witness: Billie J. Richert

Page 4 of 6

Big Rivers Electric Corporation
Case No. 2012-00535
Operating Income Summary by Account
Forecasted Test Period: 12ME August 31, 2014

RUS Account No.	Big Rivers Account No.	Account Description	Amount
511	511.100	MAINT STRUCTURES	
512	512.100	MAINT BOILER PLANT	
512	512.110	MAINTENANCE BOILER PLANT-CLEAN AIR	
513	513.100	MAINTENANCE ELECTRIC PLANT	
514	514.100	MAINTENANCE MISC STEAM PLANT	
547	547.130	FUEL-OIL-GAS TURBINE	
548	548.100	GENERATION EXPENSES-GAS TURBINE	
553	553.100	MAINT GENERATING & ELEC PLANT-GAS TURBINE	
555	555.110	PURCHASED POWER-SEPA	
555	555.150	PURCHASED POWER-HMP&L STATION TWO	
555	555.152	PURCHASED POWER-HMP&L-CLEAN AIR	
555	555.188	PURCHASED POWER-RELIANT/ACES	
557	557.110	OTHER EXPENSE-POWER SUPPLY-ARBITRAGE	
557	557.350	OTHER EXPENSE-NON-SMELTER NON-FAC PPA	\$ (1,380,236.32)
560	560.100	OPER SUPERVISION & ENGINEERING-LINES	
560	560.200	OPER SUPERVISION & ENGINEERING-STATIONS	
561	561.100	LOAD DISPATCHING	\$ 1,147,091.66
561	561.400	SCHEDULING, SYSTEM CONTROL & DI	\$ 1,212,082.00
561	561.800	RELIABILITY PLANNING & STANDARD	\$ 79,049.00
562	562.100	STATION EXPENSES	\$ 720,811.71
563	563.100	OVERHEAD LINE EXPENSES	\$ 1,236,070.20
565	565.100	TRANSMISSION OF ELECTRICITY BY OTHERS	\$ 2,448,000.00
566	566.100	MISC TRANSMISSION EXPENSE-LINES	\$ 247,977.66
566	566.200	MISC TRANSMISSION EXPENSE-STATIONS	\$ 365,943.60
567	567.200	RENTS-STATIONS	\$ 58,669.29
568	568.100	MAINT SUPERVISION & ENGINEERING-LINES	
568	568.200	MAINT SUPERVISION & ENGINEERING-STATIONS	
569	569.100	MAINTENANCE STRUCTURES	
570	570.100	MAINTENANCE STATION EQUIPMENT	
571	571.100	MAINTENANCE OVERHEAD LINES	
573	573.100	MAINTENANCE MISC TRANSMISSION PLANT-LINES	
573	573.200	MAINTENANCE MISC TRANSMISSION PLANT-STATIONS	
575	575.700	MARKET FACILITATION, MOINITORING - MISO	\$ 1,343,829.00
908	908.100	CUSTOMER ASSISTANCE EXPENSES	\$ 1,341,867.84
909	909.100	INFORMATION & INSTRUCTION ADV EXP	\$ 32,466.57
913	913.100	ADVERTISING EXPENSE	\$ 139,066.92
920	920.100	ADMINISTRATIVE AND GENERAL SALARIES	\$ 13,800,793.05
921	921.100	OFFICE SUPPLIES AND EXPENSES	\$ 8,136,683.45
921	921.105	OFFICE SUPPLIES AND EXPENSES--HMPL EXPENSES	\$ 572,889.00
923	923.100	OUTSIDE SERVICES EMPLOYED	\$ 3,651,542.68
925	925.100	INJURIES & DAMAGES	\$ -
926	926.100	EMPLOYEE PENSIONS & BENEFITS-LTD	\$ 401,840.90

Big Rivers Electric Corporation
Case No. 2012-00535
Operating Income Summary by Account
Forecasted Test Period: 12ME August 31, 2014

RUS Account No.	Big Rivers Account No.	Account Description	Amount
928	928.100	REGULATORY COMMISSION EXPENSES	\$ -
930	930.100	GENERAL ADVERTISING EXPENSES	\$ -
930	930.200	MISCELLANEOUS GENERAL EXPENSES	\$ 1,772,549.22
931	931.100	RENTS-ADMINISTRATIVE & GENERAL	\$ 1,933.08
935	935.100	MAINTENANCE OF GENERAL PLANT	\$ 216,482.87
NET MARGIN			████████████████████

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 8/31/2014; Base Period 12ME 4/30/2013)

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Tab No. 50
Filing Requirement
807 KAR 5:001 Section 10(10)(d)
Sponsoring Witness: Billie J. Richert

Description of Filing Requirement:

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*Summary of jurisdictional adjustments to operating income
by major account with supporting schedules for individual
adjustments and jurisdictional factors;*

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Response:

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A summary of pro forma adjustments to operating income by major account is included as an attachment to this response. Supporting schedules for individual adjustments are included in Exhibit Wolfram-2 in the Direct Testimony of Mr. John Wolfram at Tab No. 73 (Filing Requirement 807 KAR 5:001 10(9)(a)).

Big Rivers Electric Corporation
Case No. 2012-00535
Jurisdictional Adjustments to Operating Income

Major Account Group	NOTES	426	427	447
		\$ -	\$ -	\$ (33,538,999)
Schedule 1.01	Remove Fuel Adjustment Clause (FAC) Revenue	\$ -	\$ -	\$ -
Schedule 1.01	Remove Fuel Expense Recoverable through the FAC	\$ -	\$ -	\$ (21,321,155)
Schedule 1.02	Remove Environmental Surcharge (ES) Revenue	\$ -	\$ (190,135)	\$ -
Schedule 1.02	Remove Expenses Recoverable through the ES	\$ -	\$ -	\$ 2,426,432
Schedule 1.03	Remove Non-FAC PPA Revenue	\$ -	\$ -	\$ -
Schedule 1.03	Remove Expenses Recoverable through the Non-FAC PPA	\$ -	\$ -	\$ -
Schedule 1.04	Remove Promotional Advertising	\$ (17,906)	\$ -	\$ -
Schedule 1.05	Remove Lobbying Expenses	\$ -	\$ -	\$ -
Schedule 1.06	Remove Economic Development Expenses	\$ (43,328)	\$ -	\$ -
Schedule 1.07	Remove Donations Expenses	\$ -	\$ -	\$ -
Schedule 1.08	Remove Touchstone Energy Dues	\$ -	\$ -	\$ -
Schedule 1.09	Amortize 2011 Rate Case Expenses for Case No. 2011-00036	\$ -	\$ -	\$ -
Schedule 1.10	Remove Non-recurring Labor related to Wilson Layup	\$ -	\$ -	\$ -
Schedule 1.11	Normalize Certain Outside Professional Services	\$ -	\$ -	\$ -
Schedule 1.12	Normalize Demand Side Management Expenses	\$ -	\$ -	\$ -

Big Rivers Electric Corporation
Case No. 2012-00535
Jurisdictional Adjustments to Operating Income

Major Account Group	NOTES	500	501	502
Schedule 1.01	Remove Fuel Adjustment Clause (FAC) Revenue	\$ -	\$ -	\$ -
Schedule 1.01	Remove Fuel Expense Recoverable through the FAC	\$ -	\$ (26,995,228)	\$ -
Schedule 1.02	Remove Environmental Surcharge (ES) Revenue	\$ -	\$ -	\$ -
Schedule 1.02	Remove Expenses Recoverable through the ES	\$ -	\$ (2,804,058)	\$ (12,173,229)
Schedule 1.03	Remove Non-FAC PPA Revenue	\$ -	\$ -	\$ -
Schedule 1.03	Remove Expenses Recoverable through the Non-FAC PPA	\$ -	\$ -	\$ -
Schedule 1.04	Remove Promotional Advertising	\$ -	\$ -	\$ -
Schedule 1.05	Remove Lobbying Expenses	\$ -	\$ -	\$ -
Schedule 1.06	Remove Economic Development Expenses	\$ -	\$ -	\$ -
Schedule 1.07	Remove Donations Expenses	\$ -	\$ -	\$ -
Schedule 1.08	Remove Touchstone Energy Dues	\$ -	\$ -	\$ -
Schedule 1.09	Amortize 2011 Rate Case Expenses for Case No. 2011-00036	\$ (338,586)	\$ (295,998)	\$ (454,293)
Schedule 1.10	Remove Non-recurring Labor related to Wilson Layup	\$ -	\$ -	\$ -
Schedule 1.11	Normalize Certain Outside Professional Services	\$ -	\$ -	\$ -
Schedule 1.12	Normalize Demand Side Management Expenses	\$ -	\$ -	\$ -

Big Rivers Electric Corporation
Case No. 2012-00535
Jurisdictional Adjustments to Operating Income

Major Account Group	NOTES	505	506	509
Schedule 1.01	Remove Fuel Adjustment Clause (FAC) Revenue	\$ -	\$ -	\$ -
Schedule 1.01	Remove Fuel Expense Recoverable through the FAC	\$ -	\$ -	\$ -
Schedule 1.02	Remove Environmental Surcharge (ES) Revenue	\$ -	\$ -	\$ (44,391)
Schedule 1.02	Remove Expenses Recoverable through the ES	\$ -	\$ -	\$ -
Schedule 1.03	Remove Non-FAC PPA Revenue	\$ -	\$ -	\$ -
Schedule 1.03	Remove Expenses Recoverable through the Non-FAC PPA	\$ -	\$ -	\$ -
Schedule 1.04	Remove Promotional Advertising	\$ -	\$ -	\$ -
Schedule 1.05	Remove Lobbying Expenses	\$ -	\$ -	\$ -
Schedule 1.06	Remove Economic Development Expenses	\$ -	\$ -	\$ -
Schedule 1.07	Remove Donations Expenses	\$ -	\$ -	\$ -
Schedule 1.08	Remove Touchstone Energy Dues	\$ -	\$ -	\$ -
Schedule 1.09	Amortize 2011 Rate Case Expenses for Case No. 2011-00036	\$ (202,627)	\$ (61,979)	\$ -
Schedule 1.10	Remove Non-recurring Labor related to Wilson Layup	\$ -	\$ -	\$ -
Schedule 1.11	Normalize Certain Outside Professional Services	\$ -	\$ -	\$ -
Schedule 1.12	Normalize Demand Side Management Expenses	\$ -	\$ -	\$ -

Big Rivers Electric Corporation
Case No. 2012-00535
Jurisdictional Adjustments to Operating Income

Major Account Group	NOTES	510	511	512
Schedule 1.01	Remove Fuel Adjustment Clause (FAC) Revenue	\$ -	\$ -	\$ -
Schedule 1.01	Remove Fuel Expense Recoverable through the FAC	\$ -	\$ -	\$ -
Schedule 1.02	Remove Environmental Surcharge (ES) Revenue	\$ -	\$ -	\$ -
Schedule 1.02	Remove Expenses Recoverable through the ES	\$ -	\$ -	\$ -
Schedule 1.03	Remove Non-FAC PPA Revenue	\$ -	\$ -	\$ -
Schedule 1.03	Remove Expenses Recoverable through the Non-FAC PPA	\$ -	\$ -	\$ -
Schedule 1.04	Remove Promotional Advertising	\$ -	\$ -	\$ -
Schedule 1.05	Remove Lobbying Expenses	\$ -	\$ -	\$ -
Schedule 1.06	Remove Economic Development Expenses	\$ -	\$ -	\$ -
Schedule 1.07	Remove Donations Expenses	\$ -	\$ -	\$ -
Schedule 1.08	Remove Touchstone Energy Dues	\$ -	\$ -	\$ -
Schedule 1.09	Amortize 2011 Rate Case Expenses for Case No. 2011-00036	\$ -	\$ -	\$ -
Schedule 1.10	Remove Non-recurring Labor related to Wilson Layup	\$ (312,319)	\$ (59,610)	\$ (539,042)
Schedule 1.11	Normalize Certain Outside Professional Services	\$ -	\$ -	\$ -
Schedule 1.12	Normalize Demand Side Management Expenses	\$ -	\$ -	\$ -

Big Rivers Electric Corporation
Case No. 2012-00535
Jurisdictional Adjustments to Operating Income

Major Account Group	NOTES	513	514	555
Schedule 1.01	Remove Fuel Adjustment Clause (FAC) Revenue	\$ -	\$ -	\$ -
Schedule 1.01	Remove Fuel Expense Recoverable through the FAC	\$ -	\$ -	\$ (6,543,771)
Schedule 1.02	Remove Environmental Surcharge (ES) Revenue	\$ -	\$ -	\$ -
Schedule 1.02	Remove Expenses Recoverable through the ES	\$ -	\$ -	\$ (5,884,992)
Schedule 1.03	Remove Non-FAC PPA Revenue	\$ -	\$ -	\$ -
Schedule 1.03	Remove Expenses Recoverable through the Non-FAC PPA	\$ -	\$ -	\$ 2,426,432
Schedule 1.04	Remove Promotional Advertising	\$ -	\$ -	\$ -
Schedule 1.05	Remove Lobbying Expenses	\$ -	\$ -	\$ -
Schedule 1.06	Remove Economic Development Expenses	\$ -	\$ -	\$ -
Schedule 1.07	Remove Donations Expenses	\$ -	\$ -	\$ -
Schedule 1.08	Remove Touchstone Energy Dues	\$ -	\$ -	\$ -
Schedule 1.09	Amortize 2011 Rate Case Expenses for Case No. 2011-00036	\$ (142,481)	\$ (19,870)	\$ -
Schedule 1.10	Remove Non-recurring Labor related to Wilson Layup	\$ -	\$ -	\$ -
Schedule 1.11	Normalize Certain Outside Professional Services	\$ -	\$ -	\$ -
Schedule 1.12	Normalize Demand Side Management Expenses	\$ -	\$ -	\$ -

Big Rivers Electric Corporation
Case No. 2012-00535
Jurisdictional Adjustments to Operating Income

Major Account Group	NOTES	908	913	920
Schedule 1.01	Remove Fuel Adjustment Clause (FAC) Revenue	\$ -	\$ -	\$ -
Schedule 1.01	Remove Fuel Expense Recoverable through the FAC	\$ -	\$ -	\$ -
Schedule 1.02	Remove Environmental Surcharge (ES) Revenue	\$ -	\$ -	\$ -
Schedule 1.02	Remove Expenses Recoverable through the ES	\$ -	\$ -	\$ -
Schedule 1.03	Remove Non-FAC PPA Revenue	\$ -	\$ -	\$ -
Schedule 1.03	Remove Expenses Recoverable through the Non-FAC PPA	\$ -	\$ -	\$ -
Schedule 1.04	Remove Promotional Advertising	\$ -	\$ -	\$ -
Schedule 1.05	Remove Lobbying Expenses	\$ -	\$ (140,357)	\$ -
Schedule 1.06	Remove Economic Development Expenses	\$ -	\$ -	\$ -
Schedule 1.07	Remove Donations Expenses	\$ -	\$ -	\$ -
Schedule 1.08	Remove Touchstone Energy Dues	\$ -	\$ -	\$ -
Schedule 1.09	Amortize 2011 Rate Case Expenses for Case No. 2011-00036	\$ -	\$ -	\$ (168,653)
Schedule 1.10	Remove Non-recurring Labor related to Wilson Layup	\$ -	\$ -	\$ -
Schedule 1.11	Normalize Certain Outside Professional Services	\$ -	\$ -	\$ -
Schedule 1.12	Normalize Demand Side Management Expenses	\$ (131,314)	\$ -	\$ -

Big Rivers Electric Corporation
Case No. 2012-00535
Jurisdictional Adjustments to Operating Income

Major Account Group	NOTES	923	930	Total
Schedule 1.01	Remove Fuel Adjustment Clause (FAC) Revenue	\$ -	\$ -	\$ (33,538,999)
Schedule 1.01	Remove Fuel Expense Recoverable through the FAC	\$ -	\$ -	\$ (33,538,999)
Schedule 1.02	Remove Environmental Surcharge (ES) Revenue	\$ -	\$ -	\$ (21,321,155)
Schedule 1.02	Remove Expenses Recoverable through the ES	\$ (224,350)	\$ -	\$ (21,321,155)
Schedule 1.03	Remove Non-FAC PPA Revenue	\$ -	\$ -	\$ 2,426,432
Schedule 1.03	Remove Expenses Recoverable through the Non-FAC PPA	\$ -	\$ -	\$ 2,426,432
Schedule 1.04	Remove Promotional Advertising	\$ -	\$ (55,756)	\$ (55,756)
Schedule 1.05	Remove Lobbying Expenses	\$ -	\$ (53,017)	\$ (70,923)
Schedule 1.06	Remove Economic Development Expenses	\$ -	\$ -	\$ (140,357)
Schedule 1.07	Remove Donations Expenses	\$ -	\$ (20,000)	\$ (63,328)
Schedule 1.08	Remove Touchstone Energy Dues	\$ -	\$ (132,766)	\$ (132,766)
Schedule 1.09	Amortize 2011 Rate Case Expenses for Case No. 2011-00036	\$ 640,753	\$ -	\$ 640,753
Schedule 1.10	Remove Non-recurring Labor related to Wilson Layup	\$ -	\$ -	\$ (2,595,458)
Schedule 1.11	Normalize Certain Outside Professional Services	\$ (267)	\$ -	\$ (267)
Schedule 1.12	Normalize Demand Side Management Expenses	\$ -	\$ -	\$ (131,314)

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 8/31/2014; Base Period 12ME 4/30/2013)

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Tab No. 51
Filing Requirement
807 KAR 5:001 Sec. 10(10)(e)
Sponsoring Witness: Billie J. Richert

Description of Filing Requirement:

Jurisdictional federal and state income tax summary for both the base period and the forecasted period with all the supporting schedules of the various components of jurisdictional income taxes

Response:

FEDERAL INCOME TAX -

Big Rivers Electric Corporation (Big Rivers) is a member-owned, not-for profit, generation and transmission cooperative. Big Rivers utilizes federal non-patron operating losses (NOLs) to offset regular non-patron income.

As of tax year-end 2011, Big Rivers' federal non-patron NOLs total \$30,112,768. Anticipated federal income tax payments for the base period and forecasted test period are:

Base period-twelve months ending 4/30/2013	\$0
Forecast test year-twelve months ending 8/31/2014	\$0

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 8/31/2014; Base Period 12ME 4/30/2013)

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KENTUCKY STATE INCOME TAX -

Big Rivers utilizes Kentucky state patron operating losses (KYNOLs) to offset regular non-patron income. As of tax year-end 2011, Big Rivers' state non-patron KYNOLs total \$325,626,385.

Anticipated Kentucky state income tax payments for the base period and forecasted test period are:

Base period-twelve months ending 4/30/2013	\$0
Forecast test year-twelve months ending 8/31/2014	\$0

OTHER STATE INCOME TAX -

Big Rivers has ownership interest in ACES. As a member, Big Rivers reports its distributive share of ACES's income or loss for each state in which ACES has nexus.

Anticipated payments for other state income taxes the base period and the Forecasted test period are:

<u>Base Period - TME 4/30/2013</u>	
California	\$800
Arizona	50
North Carolina	35

<u>Forecast Test Period - TME 8/31/2014</u>	
California	\$800
Arizona	50
North Carolina	35

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 08/31/2014; Base Period 12ME 04/30/2013)

Tab No. 52
Filing Requirement
807 KAR 5:001 Sec. 10(10)(f)
Sponsoring Witness: Billie J. Richert

Description of Filing Requirement:

Summary schedules for both the base period and the forecasted period (the utility may also provide a summary segregating those items it proposes to recover in rates) of organization membership dues; initiation fees; expenditures at country clubs; charitable contributions; marketing, sales, and advertising expenditures; professional service expenses; civic and political activity expenses; expenditures for employee parties and outings; employee gift expenses; and rate case expenses

Response:

Please see the attachment to this response for summary schedules of the following items for both the base period and forecasted test period:

- Organization membership dues;
- Initiation fees;
- Country club expenses;

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 08/31/2014; Base Period 12ME 04/30/2013)

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- Charitable contributions;
- Marketing, sales, and advertising expenses;
- Professional service expenses;
- Civic and political activity expenses;
- Employee parties and outings;
- Employee gift expenses; and
- Rate case expenses

**Big Rivers Electric Corporation
Case No. 2012-00535**

Summary of Membership Dues; Initiation Fees, Country Club Expenses, Charitable Contributions; Marketing, Sales, and Advertising Expenses; Professional Service Expenses; Civic and Political Activity Expenses; Employee Parties and Outings; Employee Gift Expenses; and Rate Case Expenses

<u>Description of Expenditure</u>	<u>Base Period 12ME 4/30/2013</u>	<u>Forecasted Test Period 12ME 8/31/2014</u>
Membership Dues -		
Kentucky Association of Coops Inc	52,320	54,360
National Renewables Coop Org.	61,404	79,008
NERC	264,400	290,000
NRECA	312,917	354,806
Northwest Kentucky Training Consortium	300	-
Paducah Chamber of Commerce	1,100	-
NG&T Managers Associations	800	800
North American Transmission Forum	25,000	25,000
Touchstone Energy	128,899	132,766
SFPC	-	62,500
Total Membership Dues	\$ 847,140	\$ 999,240
Initiation Fees -		
-	\$ -	\$ -
Total Initiation Fees	\$ -	\$ -
County Club Expenses -		
-	\$ -	\$ -
Total Country Club Expenses	\$ -	\$ -
Charitable Contributions -		
426 Donations	\$ 70,871	\$ 43,328
NRECA	20,000	20,000
Total Charitable Contributions	\$ 90,871	\$ 63,328
Marketing, Sales, and Advertising Expenses -		
908 Customer Assistance Expenses	\$ 901,018	\$ 1,131,312
909 Information and Instruction Adv. Exp.	7,755	-
910 Misc. Customer Svc. & Informational Exp.	-	-
913 Advertising Expense	235,428	140,357
930 Misc. General Expenses	58,715	55,756
Total Marketing, Sales, and Advertising Expenses	\$ 1,202,916	\$ 1,327,425

Big Rivers Electric Corporation
Case No. 2012-00535

Summary of Membership Dues; Initiation Fees, Country Club Expenses, Charitable Contributions; Marketing, Sales, and Advertising Expenses; Professional Service Expenses; Civic and Political Activity Expenses; Employee Parties and Outings; Employee Gift Expenses; and Rate Case Expenses

<u>Description of Expenditure</u>	<u>Base Period 12ME 4/30/2013</u>	<u>Forecasted Test Period 12ME 8/31/2014</u>
Professional Service Expenses -		
American Management Consulting LLC	\$ 44,605	\$ -
Associated Engineers, Inc.	2,200	-
Burns & McDonnell	25,000	-
Cardwell Energy Associates Inc.	1,000	-
Catalyst Consulting LLC	44,438	-
DB Consulting LLC	11,412	-
DLA Piper LLP	253	-
Doe Anderson, Inc.	16,132	-
Duke Energy Ohio, Inc.	5,997	-
Fidelity Institutional Operations Co., Inc.	7,058	-
GDS Associates, Inc.	71,832	8,500
Hogan Lovells, LLP	136,833	-
Hunton & Williams LLP	49,862	-
Integrity Development Consultants, Inc.	5,894	-
KPMG LLP	146,268	157,000
L Robert Kimball	50,392	60,000
McBrayer, McGinnis, Leslie & Kirkland, PLLC	6,725	-
Mercer Inc./Wm. M.	209,868	-
Myriad CPA Group	15,000	21,500
Navigant Consulting, Inc.	3,000	-
Ohio Valley Financial Group	46,124	-
Orrick, Herrington & Sutcliffe LLP	148,688	24,000
Power Costs Inc.	6,951	-
Sullivan, Mountjoy, Stainback & Miller, P.S.C.	428,495	174,000
TSE Services Inc.	48,828	-
Ziemer, Stayman, Weitzel & Shoulders, LLP	10,327	-
923 Outside Services Employed	491,416	718,408
923 Outside Services Power Supply	224,501	432,620
923 Outside Services Generation	10,896	21,432
928 Regulatory Commission Expenses	3,134	5,408
Total Professional Service Expenses	\$ 2,273,131	\$ 1,622,868

**Big Rivers Electric Corporation
Case No. 2012-00535**

Summary of Membership Dues; Initiation Fees, Country Club Expenses, Charitable Contributions; Marketing, Sales, and Advertising Expenses; Professional Service Expenses; Civic and Political Activity Expenses; Employee Parties and Outings; Employee Gift Expenses; and Rate Case Expenses

<u>Description of Expenditure</u>	<u>Base Period 12ME 4/30/2013</u>	<u>Forecasted Test Period 12ME 8/31/2014</u>
Civic and Political Activity Expenses -		
426 Civic, Political, Related	\$ 6,725	\$ -
923 Outside Services Employed	6,720	13,440
920 Administrative and General Salaries NRECA	-	1,566
	44,526	53,017
Total Civic and Political Activity Expenses	\$ 57,971	\$ 68,023
Employee Parties and Outings -		
Employee Parties and Outings	\$ 24,790	\$ 25,286
Total Employee Parties and Outings	\$ 24,790	\$ 25,286
Employee Gift Expenses -		
Employee Gifts	\$ 38,003	\$ 25,960
Total Employee Gifts	\$ 38,003	\$ 25,960
Rate Case Expenses - Rate Case No. 2011-00036		
Burns & McDonnell	\$ 34,434	\$ -
Catalyst Consulting LLC	14,613	-
Hogan Lovells LLP	26,584	-
The Prime Group	2,888	-
Sullivan, Mountjoy, Stainback & Miller, P.S.C.	59,907	-
Total Rate Case Expenses	\$ 138,425	\$ -

**Big Rivers Electric Corporation
Case No. 2012-00535**

Summary of Membership Dues; Initiation Fees, Country Club Expenses, Charitable Contributions; Marketing, Sales, and Advertising Expenses; Professional Service Expenses; Civic and Political Activity Expenses; Employee Parties and Outings; Employee Gift Expenses; and Rate Case Expenses

<u>Description of Expenditure</u>	<u>Base Period 12ME 4/30/2013</u>	<u>Forecasted Test Period 12ME 8/31/2014</u>
Rate Case Expenses - Rate Case No. 2012-00535 (See Note 1)		
Sullivan, Mountjoy, Stainback & Miller, P.S.C.	\$ -	\$ 151,540
Dinsmore & Shohl, LLP	-	173,693
Catalyst Consulting	-	137,085
Burns & McDonnell	-	33,432
ACES Power Marketing	-	14,313
Daniel Walker	-	18,595
Total 2012 Rate Case Expenses	\$ -	\$ 528,658
Total	\$ 4,673,246	\$ 4,660,788

Note 1: Big Rivers is requesting approval to recover, through rates, the costs it incurs in this case and the authority to amortize those costs over 36 months as explained in the Direct Testimony of Ms. DeAnna M. Speed (Tab No. 68). The 2012 rate case expenses included in the Forecasted Test Period (above) represent one-third of the total budgeted rate case expenses associated with this case (Case No. 2012-00535).

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 8/31/2014; Base Period 12ME 4/30/2013)

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Tab No. 53
Filing Requirement
807 KAR 5:001 Sec. 10(10)(g)
Sponsoring Witness: James V. Haner

Description of Filing Requirement:

9 *Analyses of payroll costs including schedules for wages and salaries,*
10 *employee benefits, payroll taxes, straight time and overtime hours and*
11 *executive compensation by title.*

12 **Response:**

13 Analyses of officer and non-officer base period and forecasted test period
14 payroll costs, including schedule for wages and salaries, employee
15 benefits, payroll taxes and straight time and overtime hours are included
16 as an attachment to this response^{1,2}.

¹ Big Rivers' budget assumes each employee will have 2,080 hours of straight time and paid time off per year. Big Rivers does not budget overtime hours; instead Big Rivers budgets overtime dollars by applying a factor to straight time.

² Big Rivers' straight time dollars and hours include straight time worked and paid time off benefits for vacation, holiday, sick and personal time.

**Big Rivers Electric Corporation
Case No. 2012-00535
Analysis of Payroll Costs**

<u>Description of Expenditure</u>	Historical Base Period (Actuals) May-12 to Oct-12	Forecasted Base Period (Budget) Nov-12 to Apr-13	Base Period Total May-12 to Apr-13	Forecasted Test Period Sep-13 to Aug-14
Wages and Salaries -				
Straight-time	\$ 21,789,451	\$ 21,907,723	\$ 43,697,174	\$ 40,734,937
Overtime	2,745,566	2,808,164	5,553,730	5,034,009
Incentive Pay	-	1,500,000	1,500,000	-
Total Wages and Salaries	\$ 24,535,017	\$ 26,215,887	\$ 50,750,904	\$ 45,768,946
Employer Payroll Taxes -				
F.I.C.A.	\$ 1,874,574	\$ 1,867,983	\$ 3,742,557	\$ 3,461,993
Federal & State Unemployment Taxes	11,314	56,961	68,275	115,929
Total Payroll Taxes	\$ 1,885,888	\$ 1,924,944	\$ 3,810,832	\$ 3,577,922
Employee Benefits (Employer portion)				
401k Plan	\$ 752,490	\$ 756,236	\$ 1,508,726	\$ 1,415,311
Dental Insurance	205,495	212,945	418,440	400,184
Group Life Insurance	134,410	136,826	271,236	251,159
Long Term Disability Insurance	154,879	196,739	351,618	303,357
Medical Insurance	4,153,512	4,329,365	8,482,877	8,069,263
Post Retirement Medical	1,088,293	886,130	1,974,423	1,324,449
Pension	4,066,744	3,533,175	7,599,919	5,795,180
Workers Compensation	342,954	373,658	716,612	677,804
Total Employee Benefits	\$ 10,898,778	\$ 10,425,074	\$ 21,323,852	\$ 18,236,707
Description				
Straight Time Hours	616,193	630,000	1,246,193	1,157,625
Over Time Hours	63,381		63,381	

Case No. 2012-00535

Tab 53 Attachment - 807 KAR 5:001 Section 10(10)(g)

Sponsoring Witness: James V. Haner

Page 1 of 3

**Big Rivers Electric Corporation
Case No. 2012-00535
Analysis of Payroll Costs**

<u>Description of Expenditure</u>	Historical Base Period (Actuals) May-12 to Oct-12	Forecasted Base Period (Budget) Nov-12 to Apr-13	Base Period Total May-12 to Apr-13	Forecasted Test Period Sep-13 to Aug-14
President and Chief Executive Officer				
Total Compensation				
Base Compensation	\$ 261,120	\$ 265,187	\$ 526,307	\$ 542,308
Other Compensation	\$ 9,000	\$ 9,000	\$ 18,000	\$ 18,000
Incentive Compensation	-	-	-	-
Total Compensation	\$ 270,120	\$ 274,187	\$ 544,307	\$ 560,308
Payroll Taxes -				
F.I.C.A.	\$ 3,786	\$ 10,895	\$ 14,681	\$ 15,173
Fed & State Unemployment Taxes	-	203	203	227
Total Payroll Taxes	\$ 3,786	\$ 11,098	\$ 14,884	\$ 15,400
Employee Benefits -				
401k Plan	\$ 4,410	\$ 4,535	\$ 8,945	\$ 9,180
Dental Insurance	282	292	574	605
Group Life Insurance	1,410	1,418	2,828	2,900
Long Term Disability Insurance	821	929	1,750	1,966
Medical Insurance	7,323	7,368	14,691	15,085
Post Retirement Medical	2,471	1,688	4,159	2,679
Pension	12,000	12,111	24,111	24,320
Workers Compensation	67	70	137	146
Total Employee Benefits	\$ 28,784	\$ 28,411	\$ 57,194	\$ 56,881

**Big Rivers Electric Corporation
Case No. 2012-00535
Analysis of Payroll Costs**

<u>Description of Expenditure</u>	Historical Base Period (Actuals) May-12 to Oct-12	Forecasted Base Period (Budget) Nov-12 to Apr-13	Base Period Total May-12 to Apr-13	Forecasted Test Period Sep-13 to Aug-14
Vice President Production				
Total Compensation	\$ 141,280	\$ 143,481	\$ 284,761	\$ 293,418
Base Compensation	\$ 3,968	\$ 4,369	\$ 8,337	\$ 8,811
Other Compensation	-	155,631	155,631	10,000
Incentive Compensation	\$ 145,248	\$ 303,481	\$ 448,729	\$ 312,229
Total Compensation				
Payroll Taxes -				
F.I.C.A.	\$ 2,049	\$ 9,815	\$ 11,864	\$ 11,564
Fed & State Unemployment Taxes	-	203	203	227
Total Payroll Taxes	\$ 2,049	\$ 10,018	\$ 12,066	\$ 11,791
Employee Benefits -				
401k Plan	\$ 4,410	\$ 4,535	\$ 8,945	\$ 9,180
Dental Insurance	282	292	574	605
Group Life Insurance	778	792	1,570	1,642
Long Term Disability Insurance	821	929	1,750	1,966
Medical Insurance	7,323	7,368	14,691	15,085
Post Retirement Medical	2,471	1,688	4,159	2,679
Pension	12,000	12,111	24,111	24,320
Workers Compensation	67	70	137	146
Total Employee Benefits	\$ 28,153	\$ 27,785	\$ 55,937	\$ 55,622

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 8/31/2014; Base Period 12ME 4/30/2013)

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Tab No. 54
Filing Requirement
807 KAR 5:001 Sec. 10(10)(h)
Sponsoring Witness: John Wolfram

Description of Filing Requirement:

Computation of the gross revenue conversion factor for the forecast period.

10

Response:

Big Rivers did not utilize a gross revenue conversion factor to determine the revenue deficiency in this proceeding. Therefore, this filing requirement is not applicable to Big Rivers.

Big Rivers Electric Corporation
Case No. 2012-00535
Comparative Income Statements, Revenue Statistics, and Sales Statistics
(in \$000's)

Line Item:	Actual Calendar Year 2007	Actual Calendar Year 2008	Actual Calendar Year 2009	Actual Calendar Year 2010	Actual Calendar Year 2011	Base Period 12ME 4/30/2013	Forecasted Test Period 12ME 8/31/2014	Budget Calendar Year 2015	Budget Calendar Year 2016
Electric Energy Revenues	\$ 261,892	\$ 204,519	\$ 326,730	\$ 514,490	\$ 558,372				
Income from Leased Property-Net	29,588	29,348	15,889	-	-				
Other Operating Revenue and Income	9,714	10,240	14,604	12,834	3,617	4,644	3,696	3,697	3,696
Total Oper Revenues & Patronage Capital	\$ 301,194	\$ 244,107	\$ 357,223	\$ 527,324	\$ 561,989				
Operation Expense-Production-excl fuel	\$ -	\$ -	\$ 22,381	\$ 52,507	\$ 50,410				
Operation Expense-Production-Fuel	-	-	80,654	207,748	226,229				
Operation Expense-Other Power Supply	167,963	112,761	115,826	99,421	112,262				
Operation Expense-Transmission	9,374	7,222	8,257	8,122	9,183				
Operation Expense - RTO/ISO	-	-	-	-	2,530				
Consumer Service & Informational Expense	672	697	717	446	632				
Operation Expense - Sales	605	724	552	240	185				
Operation Expense - Administrative & General	14,196	17,477	24,191	26,462	26,557				
Total Operation Expense	\$ 192,810	\$ 138,881	\$ 252,578	\$ 394,946	\$ 427,988		0		
Maintenance Expense-Production	\$ -	\$ -	\$ 24,400	\$ 42,157	\$ 42,896				
Maintenance Expense-Transmission	3,781	4,002	5,226	4,473	4,681				
Maintenance Expense-General Plant	416	209	170	250	141				
Total Maintenance Expense	\$ 4,197	\$ 4,211	\$ 29,796	\$ 46,880	\$ 47,718				
Depreciation & Amortization Expense	\$ 5,068	\$ 5,303	\$ 18,465	\$ 34,242	\$ 35,407	\$ 41,324	\$ 44,103	\$ 46,847	\$ 47,800
Taxes	1,086	1,072	1,831	263	98	1	1	1	1
Interest on Long-Term Debt	74,115	75,193	60,028	47,064	45,715	45,126	46,983	47,086	46,728
Interest Charged to Construction-Credit	(392)	(492)	(133)	(683)	(548)	(602)	(2,480)	(499)	(368)
Other Interest Expense	27	7	4	189	59	55	-	-	-
Other Deductions	(2,797)	4,870	2,169	166	220	402	591	594	445
Total Cost of Electric Service	\$ 274,114	\$ 229,045	\$ 364,738	\$ 523,067	\$ 556,657				
Operating Margins	\$ 27,080	\$ 15,062	\$ (7,515)	\$ 4,257	\$ 5,332				

Case No. 2012-00535

Tab 55 Attachment - 807 KAR 5:001 10(10)(i)

Sponsoring Witness: Billie J. Richert

Page 1 of 2

Big Rivers Electric Corporation
Case No. 2012-00535
Comparative Income Statements, Revenue Statistics, and Sales Statistics
(in \$000's)

Line Item:	Actual Calendar Year 2007	Actual Calendar Year 2008	Actual Calendar Year 2009	Actual Calendar Year 2010	Actual Calendar Year 2011	Base Period 12ME 4/30/2013	Forecasted Test Period 12ME 8/31/2014	Budget Calendar Year 2015	Budget Calendar Year 2016
Interest Income	\$ 19,311	\$ 11,963	\$ 316	\$ 391	\$ 150	\$ 1,556	\$ 1,976	\$ 1,880	\$ 1,819
Other Non-Operating Income - net			13	2,321	9				
Other Capital Credits & Pat Dividends	786	791	538	21	109	1,277	2,706	2,623	2,539
Extraordinary Items			537,978						
Net Patronage Capital or Margins	\$ 47,177	\$ 27,816	\$ 531,330	\$ 6,990	\$ 5,600				
Description:									
Sales to Members-MWh	2,406,447	2,386,916	2,239,445	2,481,390	2,371,106	2,420,926	2,436,557	2,479,656	2,519,437
Rural	921,358	925,793	919,587	930,168	973,092	953,162	943,699	943,699	944,107
Large Industrial			2,885,491	6,348,431	6,854,819	7,370,193	3,159,206	3,159,206	3,167,862
Smelter			6,044,523	9,759,989	10,199,017	10,744,281	6,539,462	6,582,561	6,631,406
Total Sales to Members-MWh	3,327,805	3,312,709	6,044,523	9,759,989	10,199,017	10,744,281	6,539,462	6,582,561	6,631,406
Generation-MWh (Net of HMPL Share)									
Revenue from Members (Mills per kWh)	34.04	34.57	42.88	44.13	44.74	49.74	64.70	67.87	69.86
% kWh Increase Over Previous Period	4%	0%	82%	61%	4%	5%	-39%	1%	1%
% Equity / Total Assets	-13%	-14%	25%	26%	28%	26%	27%	29%	30%
TIER	1.64	1.37	9.85	1.15	1.12	1.28	1.20	1.24	1.18
DSC	2.04	1.17	2.44	1.47	1.47	1.55	1.51	1.56	1.48
System Peak Demand-MW									
Winter Season	604	619	1,304	1,367	1,375	1,529	1,057	1,063	1,072
Summer Season	653	616	1,300	1,393	1,441	1,529	1,053	1,060	1,068
Member Load Growth %									
Energy	4%	0%	82%	61%	4%	5%	-39%	1%	1%
Demand	3%	-5%	111%	7%	3%	6%	-31%	1%	1%
Annual Load Factor %	58%	61%	53%	80%	81%	80%	71%	71%	71%

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 08/31/2014; Base Period 12ME 04/30/2013)

Tab No. 55
Filing Requirement
807 KAR 5:001 Section 10(10)(i)
Sponsoring Witness: Billie J. Richert

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6 **Description of Filing Requirement:**
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8 *Comparative income statements (exclusive of dividends per*
9 *share or earnings per share), revenue statistics and sales*
10 *statistics for 5 calendar years prior to application filing*
11 *date, base period, forecasted period, and 2 calendar years*
12 *beyond forecast.*

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14 **Response:**
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16 Comparative income statements and sales and revenue
17 statistics for the 5 calendar years prior to this application
18 (note that 2012 is not yet available), the base period,
19 forecasted period, and 2 calendar years beyond the forecast
20 period (2015 and 2016) are included as an attachment to this
21 response.

Big Rivers Electric Corporation
Case No. 2012-00535
Comparative Income Statements, Revenue Statistics, and Sales Statistics
(in \$000's)

Line Item:	Actual Calendar Year 2007	Actual Calendar Year 2008	Actual Calendar Year 2009	Actual Calendar Year 2010	Actual Calendar Year 2011	Base Period 12ME 4/30/2013	Forecasted Test Period 12ME 8/31/2014	Budget Calendar Year 2015	Budget Calendar Year 2016
Electric Energy Revenues	\$ 261,892	\$ 204,519	\$ 326,730	\$ 514,490	\$ 558,372				
Income from Leased Property-Net	29,588	29,348	15,889	-	-				
Other Operating Revenue and Income	9,714	10,240	14,604	12,834	3,617	4,644	3,696	3,697	3,696
Total Oper Revenues & Patronage Capital	\$ 301,194	\$ 244,107	\$ 357,223	\$ 527,324	\$ 561,989				
Operation Expense-Production-excl fuel	\$ -	\$ -	\$ 22,381	\$ 52,507	\$ 50,410				
Operation Expense-Production-Fuel	-	-	80,654	207,748	226,229				
Operation Expense-Other Power Supply	167,963	112,761	115,826	99,421	112,262				
Operation Expense-Transmission	9,374	7,222	8,257	8,122	9,183				
Operation Expense - RTO/ISO	-	-	-	-	2,530				
Consumer Service & Informational Expense	672	697	717	446	632				
Operation Expense - Sales	605	724	552	240	185				
Operation Expense - Administrative & General	14,196	17,477	24,191	26,462	26,557				
Total Operation Expense	\$ 192,810	\$ 138,881	\$ 252,578	\$ 394,946	\$ 427,988				
Maintenance Expense-Production	\$ -	\$ -	\$ 24,400	\$ 42,157	\$ 42,896				
Maintenance Expense-Transmission	3,781	4,002	5,226	4,473	4,681				
Maintenance Expense-General Plant	416	209	170	250	141				
Total Maintenance Expense	\$ 4,197	\$ 4,211	\$ 29,796	\$ 46,880	\$ 47,718				
Depreciation & Amortization Expense	\$ 5,068	\$ 5,303	\$ 18,465	\$ 34,242	\$ 35,407	\$ 41,324	\$ 44,103	\$ 46,847	\$ 47,800
Taxes	1,086	1,072	1,831	263	98	1	1	1	1
Interest on Long-Term Debt	74,115	75,193	60,028	47,064	45,715	45,126	46,983	47,086	46,728
Interest Charged to Construction-Credit	(392)	(492)	(133)	(683)	(548)	(602)	(2,480)	(499)	(368)
Other Interest Expense	27	7	4	189	59	55	-	-	-
Other Deductions	(2,797)	4,870	2,169	166	220	402	591	594	445
Total Cost of Electric Service	\$ 274,114	\$ 229,045	\$ 364,738	\$ 523,067	\$ 556,657				
Operating Margins	\$ 27,080	\$ 15,062	\$ (7,515)	\$ 4,257	\$ 5,332				

Case No. 2012-00535

Tab 55 Attachment - 807 KAR 5:001 10(10)(i)

Sponsoring Witness: Billie J. Richert

Page 1 of 2

Big Rivers Electric Corporation
Case No. 2012-00535
Comparative Income Statements, Revenue Statistics, and Sales Statistics
(in \$000's)

Line Item:	Actual Calendar Year 2007	Actual Calendar Year 2008	Actual Calendar Year 2009	Actual Calendar Year 2010	Actual Calendar Year 2011	Base Period 12ME 4/30/2013	Forecasted Test Period 12ME 8/31/2014	Budget Calendar Year 2015	Budget Calendar Year 2016
Interest Income	\$ 19,311	\$ 11,963	\$ 316	\$ 391	\$ 150	\$ 1,556	\$ 1,976	\$ 1,880	\$ 1,819
Other Non-Operating Income - net	-	-	13	2,321	9	-	-	-	-
Other Capital Credits & Pat Dividends	786	791	538	21	109	1,277	2,706	2,623	2,539
Extraordinary Items	-	-	537,978	-	-	-	-	-	-
Net Patronage Capital or Margins	<u>\$ 47,177</u>	<u>\$ 27,816</u>	<u>\$ 531,330</u>	<u>\$ 6,990</u>	<u>\$ 5,600</u>				
Description:									
Sales to Members-MWh									
Rural	2,406,447	2,386,916	2,239,445	2,481,390	2,371,106	2,420,926	2,436,557	2,479,656	2,519,437
Large Industrial	921,358	925,793	919,587	930,168	973,092	953,162	943,699	943,699	944,107
Smelter	-	-	2,885,491	6,348,431	6,854,819	7,370,193	3,159,206	3,159,206	3,167,862
Total Sales to Members-MWh	<u>3,327,805</u>	<u>3,312,709</u>	<u>6,044,523</u>	<u>9,759,989</u>	<u>10,199,017</u>	<u>10,744,281</u>	<u>6,539,462</u>	<u>6,582,561</u>	<u>6,631,406</u>
Generation-MWh (Net of HMPL Share)	-	-							
Revenue from Members (Mills per kWh)	34.04	34.57	42.88	44.13	44.74	49.74	64.70	67.87	69.86
% kWh Increase Over Previous Period	4%	0%	82%	61%	4%	5%	-39%	1%	1%
% Equity / Total Assets	-13%	-14%	25%	26%	28%	26%	27%	29%	30%
TIER	1.64	1.37	9.85	1.15	1.12	1.28	1.20	1.24	1.18
DSC	2.04	1.17	2.44	1.47	1.47	1.55	1.51	1.56	1.48
System Peak Demand-MW									
Winter Season	604	619	1,304	1,367	1,375	1,529	1,057	1,063	1,072
Summer Season	653	616	1,300	1,393	1,441	1,529	1,053	1,060	1,068
Member Load Growth %									
Energy	4%	0%	82%	61%	4%	5%	-39%	1%	1%
Demand	3%	-5%	111%	7%	3%	6%	-31%	1%	1%
Annual Load Factor %	58%	61%	53%	80%	81%	80%	71%	71%	71%

Case No. 2012-00535

Tab 55 Attachment - 807 KAR 5:001 10(10)(i)

Sponsoring Witness: Billie J. Richert

Page 2 of 2

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 8/31/2014; Base Period 12ME 4/30/2013)

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Tab No. 56
Filing Requirement
807 KAR 5:001 Sec. 10(10)(j)
Sponsoring Witness: Billie J. Richert

Description of Filing Requirement:

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Cost of capital summary for both the base period and forecasted period

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with supporting schedules providing details on each component of the

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capital structure.

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Response:

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Cost of capital summaries for both the base period and forecasted period,

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with supporting schedules providing details of each component of the

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capital structure, are included as an attachment to this response.

Big Rivers Electric Corporation
Case No. 2012-00535
Cost of Capital Schedules

Cost of Capital Summary - Base Period (as of April 30, 2013)

Capital Components	Estimated Balance as of 4/30/2013	Interest Rate (a)	Ratio (b)	Cost of Capital [(a) x (b)]
Pollution Control Bonds:				
2013 Series PC Bonds	\$ 58,800,000	6.000%	6.347%	0.381%
2010A Series PC Bonds	\$ 83,300,000	6.000%	8.991%	0.539%
RUS:				
Series A Note	\$ 80,040,466	5.836%	8.639%	0.504%
Series B Note	\$ 132,203,981	5.799%	14.269%	0.827%
CFC:				
Series 2012B Refinance Note	\$ 294,999,647	4.500%	31.840%	1.433%
Series 2012B Equity Note	\$ 42,529,840	5.350%	4.590%	0.246%
Secured Credit Facility - ECP Borrowing	\$ 5,010,000	3.000%	0.541%	0.016%
CoBank:				
Series 2012A Term Loan	\$ 229,608,416	4.300%	24.783%	1.066%
Total Debt	<u>\$ 926,492,350</u>		<u>100.000%</u>	<u>5.012%</u>
TIER Requirement				1.24 6.215%

Big Rivers Electric Corporation
Case No. 2012-00535
Cost of Capital Schedules

Cost of Capital Summary - Forecasted Test Period (as of August 31, 2014)

Capital Components	Forecasted Balance as of 8/31/2014	Interest Rate (a)	Ratio (b)	Cost of Capital [(a) x (b)]
Pollution Control Bonds:				
2013 Series PC Bonds	\$ 56,450,000	6.000%	5.903%	0.354%
2010A Series PC Bonds	\$ 83,300,000	6.000%	8.711%	0.523%
RUS:				
Series A Note	\$ 80,097,979	5.836%	8.376%	0.489%
Series B Note	\$ 142,062,841	5.799%	14.855%	0.861%
CFC:				
Series 2012B Refinance Note	\$ 277,849,800	4.500%	29.054%	1.307%
Series 2012B Equity Note	\$ 40,548,994	5.350%	4.240%	0.227%
Secured Credit Facility - ECP Borrowing	\$ 55,810,000	3.000%	5.836%	0.175%
CoBank:				
Series 2012A Term Loan	\$ 220,187,072	4.300%	23.025%	0.990%
Total Debt	\$ 956,306,686		100.000%	4.927%
TIER Requirement				1.24 6.109%

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 08/31/2014; Base Period 12ME 04/30/2013)

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Tab No. 57
Filing Requirement
807 KAR 5:001 Section 10(10)(k)
Sponsoring Witness: Billie J. Richert

Description of Filing Requirement:

Comparative financial data and earnings measures for the ten (10) most recent calendar years, the base period, and the forecast period.

Response:

Comparative financial data and earnings measures for the ten (10) most recent calendar years (note that 2012 is not yet available), the base period, and the forecasted test period is included as an attachment to this response.

Big Rivers Electric Corporation
Case No. 2012-00535
Comparative Income Statements, Revenue Statistics, and Sales Statistics

Line Item:	Actual Calendar Year 2002	Actual Calendar Year 2003	Actual Calendar Year 2004	Actual Calendar Year 2005	Actual Calendar Year 2006	Actual Calendar Year 2007
Electric Energy Revenues	\$ 136,363	\$ 151,969	\$ 164,810	\$ 181,367	\$ 190,834	\$ 261,892
Income from Leased Property-Net	25,798	28,746	29,500	29,469	29,544	29,588
Other Operating Revenue and Income	10,754	11,617	10,967	9,913	9,858	9,714
Total Oper Revenues & Patronage Capital	\$ 172,915	\$ 192,332	\$ 205,277	\$ 220,749	\$ 230,236	\$ 301,194
Operation Expense-Production-excl fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operation Expense-Production-Fuel	-	-	-	-	-	-
Operation Expense-Other Power Supply	84,995	96,619	104,791	112,805	112,757	167,963
Operation Expense-Transmission	4,140	5,771	4,582	4,970	5,586	9,374
Operation Expense - RTO/ISO	-	-	-	-	-	-
Consumer Service & Informational Expense	526	563	590	729	664	672
Operation Expense - Sales	468	493	671	722	711	605
Operation Expense - Administrative & General	8,073	9,667	10,564	11,583	12,430	14,196
Total Operation Expense	\$ 98,202	\$ 113,113	\$ 121,198	\$ 130,809	\$ 132,148	\$ 192,810
Maintenance Expense-Production	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance Expense-Transmission	2,357	2,465	2,474	2,904	3,334	3,781
Maintenance Expense-General Plant	81	152	99	221	274	416
Total Maintenance Expense	\$ 2,438	\$ 2,617	\$ 2,573	\$ 3,125	\$ 3,608	\$ 4,197

Big Rivers Electric Corporation
Case No. 2012-00535
Comparative Income Statements, Revenue Statistics, and Sales Statistics

Line Item:	Actual Calendar Year 2008	Actual Calendar Year 2009	Actual Calendar Year 2010	Actual Calendar Year 2011	Base Period 12ME 4/30/2013	Forecasted Test Period 12ME 8/31/2014
Electric Energy Revenues	\$ 204,519	\$ 326,730	\$ 514,490	\$ 558,372		
Income from Leased Property-Net	29,348	15,889	-	-	-	-
Other Operating Revenue and Income	10,240	14,604	12,834	3,617	4,644	3,696
Total Oper Revenues & Patronage Capital	\$ 244,107	\$ 357,223	\$ 527,324	\$ 561,989		
Operation Expense-Production-excl fuel	\$ -	\$ 22,381	\$ 52,507	\$ 50,410		
Operation Expense-Production-Fuel	-	80,654	207,748	226,229		
Operation Expense-Other Power Supply	112,761	115,826	99,421	112,262		
Operation Expense-Transmission	7,222	8,257	8,122	9,183		
Operation Expense - RTO/ISO	-	-	-	2,530		
Consumer Service & Informational Expense	697	717	446	632		
Operation Expense - Sales	724	552	240	185		
Operation Expense - Administrative & General	17,477	24,191	26,462	26,557		
Total Operation Expense	\$ 138,881	\$ 252,578	\$ 394,946	\$ 427,988		
Maintenance Expense-Production	\$ -	\$ 24,400	\$ 42,157	\$ 42,896		
Maintenance Expense-Transmission	4,002	5,226	4,473	4,681		
Maintenance Expense-General Plant	209	170	250	141		
Total Maintenance Expense	\$ 4,211	\$ 29,796	\$ 46,880	\$ 47,718		

Big Rivers Electric Corporation
Case No. 2012-00535
Comparative Income Statements, Revenue Statistics, and Sales Statistics

Line Item:	Actual Calendar Year 2002	Actual Calendar Year 2003	Actual Calendar Year 2004	Actual Calendar Year 2005	Actual Calendar Year 2006	Actual Calendar Year 2007
Depreciation & Amortization Expense	\$ 4,841	\$ 4,925	\$ 4,958	\$ 4,942	\$ 5,053	\$ 5,068
Taxes	1,027	1,038	1,120	1,114	1,100	1,086
Interest on Long-Term Debt	70,585	68,885	68,644	71,744	73,344	74,115
Interest Charged to Construction-Credit	(42)	(145)	(221)	(160)	(236)	(392)
Other Interest Expense	5	45	49	20	31	27
Other Deductions	(2,597)	(2,649)	(2,665)	(2,732)	(2,770)	(2,797)
Total Cost of Electric Service	\$ 174,459	\$ 187,829	\$ 195,656	\$ 208,862	\$ 212,278	\$ 274,114
Operating Margins	\$ (1,544)	\$ 4,503	\$ 9,621	\$ 11,887	\$ 17,958	\$ 27,080
Interest Income	\$ 10,869	\$ 11,079	\$ 11,730	\$ 13,681	\$ 15,800	\$ 19,311
Other Non-Operating Income - net	2	-	-	-	-	-
Other Capital Credits & Pat Dividends	728	656	674	775	784	786
Extraordinary Items	-	2,111	-	-	-	-
Net Patronage Capital or Margins	\$ 10,055	\$ 18,349	\$ 22,025	\$ 26,343	\$ 34,542	\$ 47,177

Big Rivers Electric Corporation
Case No. 2012-00535
Comparative Income Statements, Revenue Statistics, and Sales Statistics

Line Item:	Actual Calendar Year 2008	Actual Calendar Year 2009	Actual Calendar Year 2010	Actual Calendar Year 2011	Base Period 12ME 4/30/2013	Forecasted Test Period 12ME 8/31/2014
Depreciation & Amortization Expense	\$ 5,303	\$ 18,465	\$ 34,242	\$ 35,407	\$ 41,324	\$ 44,103
Taxes	1,072	1,831	263	98	1	1
Interest on Long-Term Debt	75,193	60,028	47,064	45,715	45,126	46,983
Interest Charged to Construction-Credit	(492)	(133)	(683)	(548)	(602)	(2,480)
Other Interest Expense	7	4	189	59	55	-
Other Deductions	4,870	2,169	166	220	402	591
Total Cost of Electric Service	\$ 229,045	\$ 364,738	\$ 523,067	\$ 556,657		
Operating Margins	\$ 15,062	\$ (7,515)	\$ 4,257	\$ 5,332		
Interest Income	\$ 11,963	\$ 316	\$ 391	\$ 150	\$ 1,556	\$ 1,976
Other Non-Operating Income - net	-	13	2,321	9	-	-
Other Capital Credits & Pat Dividends	791	538	21	109	1,277	2,706
Extraordinary Items	-	537,978	-	-	-	-
Net Patronage Capital or Margins	\$ 27,816	\$ 531,330	\$ 6,990	\$ 5,600		

Big Rivers Electric Corporation
Case No. 2012-00535
Comparative Income Statements, Revenue Statistics, and Sales Statistics

Line Item: Description:	Actual Calendar Year 2002	Actual Calendar Year 2003	Actual Calendar Year 2004	Actual Calendar Year 2005	Actual Calendar Year 2006	Actual Calendar Year 2007
Sales to Members-MWh						
Rural	2,114,691	2,089,688	2,132,801	2,262,698	2,231,554	2,406,447
Large Industrial	1,077,323	962,670	997,202	971,243	956,502	921,358
Smelter						
Total Sales to Members-MWh	3,192,014	3,052,358	3,130,003	3,233,941	3,188,056	3,327,805
Generation-MWh (Net of HMPL Share)	-	-	-	-	-	-
Revenue from Members (Mills per kWh)	33.97	33.78	33.55	33.84	34.11	34.04
% kWh Increase Over Previous Period	-3%	-4%	3%	3%	-1%	4%
% Equity / Total Assets	-27%	-25%	-23%	-21%	-17%	-13%
TIER	1.14	1.27	1.32	1.37	1.47	1.64
DSC	1.19	1.46	1.76	1.79	1.86	2.04
System Peak Demand-MW						
Winter Season	531	585	562	558	593	604
Summer Season	603	584	604	618	631	653

Big Rivers Electric Corporation
Case No. 2012-00535
Comparative Income Statements, Revenue Statistics, and Sales Statistics

Line Item: Description:	Actual Calendar Year 2008	Actual Calendar Year 2009	Actual Calendar Year 2010	Actual Calendar Year 2011	Base Period 12ME 4/30/2013	Forecasted Test Period 12ME 8/31/2014
Sales to Members-MWh						
Rural	2,386,916	2,239,445	2,481,390	2,371,106	2,420,926	2,436,557
Large Industrial	925,793	919,587	930,168	973,092	953,162	943,699
Smelter		2,885,491	6,348,431	6,854,819	7,370,193	3,159,206
Total Sales to Members-MWh	3,312,709	6,044,523	9,759,989	10,199,017	10,744,281	6,539,462
Generation-MWh (Net of HMPL Share)	-					
Revenue from Members (Mills per kWh)	34.57	42.88	44.13	44.74	49.74	64.70
% kWh Increase Over Previous Period	0%	82%	61%	4%	5%	-39%
% Equity / Total Assets	-14%	25%	26%	28%	26%	27%
TIER	1.37	9.85	1.15	1.12	1.28	1.20
DSC	1.17	2.44	1.47	1.47	1.55	1.51
System Peak Demand-MW						
Winter Season	619	1,304	1,367	1,375	1,529	1,057
Summer Season	616	1,300	1,393	1,441	1,529	1,053

Big Rivers Electric Corporation
Case No. 2012-00535
Comparative Income Statements, Revenue Statistics, and Sales Statistics

Line Item:	Actual Calendar Year 2002	Actual Calendar Year 2003	Actual Calendar Year 2004	Actual Calendar Year 2005	Actual Calendar Year 2006	Actual Calendar Year 2007
Member Load Growth %						
Energy	-3%	-4%	3%	3%	-1%	4%
Demand	1%	-3%	3%	2%	2%	3%
Annual Load Factor %	60%	60%	59%	60%	58%	58%

Big Rivers Electric Corporation
Case No. 2012-00535
Comparative Income Statements, Revenue Statistics, and Sales Statistics

Line Item:	Actual Calendar Year 2008	Actual Calendar Year 2009	Actual Calendar Year 2010	Actual Calendar Year 2011	Base Period 12ME 4/30/2013	Forecasted Test Period 12ME 8/31/2014
Member Load Growth %						
Energy	0%	82%	61%	4%	5%	-39%
Demand	-5%	111%	7%	3%	6%	-31%
Annual Load Factor %	61%	53%	80%	81%	80%	71%

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 8/31/2014; Base Period 12ME 4/30/2013)

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Description of Filing Requirement:

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Narrative description and explanation of all proposed tariff changes.

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Response:

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A narrative description and explanation of all proposed tariff changes are

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included in the Direct Testimony of Mr. Albert M. Yockey under Tab 65

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(Filing Requirement 807 KAR 5:001 Sec 10(9)(a)). Also, please see the

15

Present Tariff versus Proposed Tariff shown in side-by-side comparative

16

format at Tab 9.

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Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 08/31/2014; Base Period 12ME 04/30/2013)

Tab No. 59
Filing Requirement
807 KAR 5:001 Section 10(10)(m)
Sponsoring Witness: Billie J. Richert

Description of Filing Requirement:

Revenue summary for both base and forecasted periods with supporting schedules which provide detailed billing analyses for all customer classes.

Response:

The base period revenue summary, which includes detailed billing analyses for all customer classes, is included on pages 1 through 4 of the attachment to this response.

The forecasted period revenue summary, which includes detailed billing analyses for all customer classes, is included on pages 5 through 8 of the attachment to this response.

Big Rivers Electric Corporation
Case No. 2012-00535
Billing Determinants and Revenue
Base Period 12ME - April 30, 2013
Base Year 5/1/2012 - 4/30/2013
Revenue Summary

	Total Base Year Revenue (000s)	
Rural	\$	124,786
Large Industrial		45,927
Smelter		363,712
Total	\$	534,425

Big Rivers Electric Corporation
Case No. 2012-00535
Billing Determinants and Revenue
Base Period 12ME - April 30, 2013
Billing Analysis Base Year

Actual Billing Determinants and Revenue 5/1/2012 - 10/31/2012
Forecasted Billing Determinants and Revenue 11/1/2012 - 12/31/2012
Budgeted Billing Determinants and Revenue 1/1/2013 - 4/30/2013

Smelter Rate	Billing Units	Rate	Revenue \$
Base Fixed Energy (kWh)	7,325,304,000	\$ 0.039405	\$ 288,655,720
Base Variable Energy	34,591,103	0.021806	754,294
Back-Up Energy	12,573,778	0.039529	497,024
Surplus Energy	(2,493,184)	0.034709	(86,535)
Supplemental Energy	217,000	0.030114	6,535
TIER Adjustment	7,325,304,000	0.002942	21,550,670
Non-FAC PPA	7,359,895,103	(0.000505)	(3,714,688)
FAC	7,359,895,103	0.003492	25,702,084
Environmental Surcharge	7,359,895,103	0.002263	16,652,656
Surcharge	7,359,895,103	0.001860	13,690,361
Adjustment			4,276
Rate (\$/kWh)		<u>\$ 0.049349</u>	<u>\$ 363,712,397</u>

Big Rivers Electric Corporation
Case No. 2012-00535
Billing Determinants and Revenue
Base Period 12ME - April 30, 2013

Billing Analysis Base Year
Actual Billing Determinants and Revenue 5/1/2012 - 10/31/2012
Forecasted Billing Determinants and Revenue 11/1/2012 - 12/31/2012
Budgeted Billing Determinants and Revenue 1/1/2013 - 4/30/2013

Rural Rate	Billing Units	Rate	Billing \$	Revenue \$
Demand (kW)	5,388,931	\$ 9.50	\$ 51,194,844	\$ 51,194,844
Energy (kWh)	2,420,925,805	0.029736	71,988,650	71,988,650
Base Rate (\$/kWh)	2,420,925,805	<u>\$ 0.050883</u>	<u>\$ 123,183,494</u>	<u>\$ 123,183,494</u>
Non-Smelter Non-FAC PPA	2,420,925,805	\$ (0.001242)	\$ (3,006,668)	\$ (3,006,668)
FAC	2,420,925,805	0.003480	8,423,690	8,423,690
Environmental Surcharge	2,420,925,805	0.002534	6,135,605	6,135,605
Surcredit	2,420,925,805	(0.004110)	(9,950,155)	(9,950,155)
Economic Reserve	2,420,925,805	(0.006442)	(15,596,792)	
Rate (\$/kWh)		<u>\$ 0.045103</u>	<u>\$ 109,189,174</u>	<u>\$ 124,785,966</u>

Big Rivers Electric Corporation
Case No. 2012-00535
Billing Determinants and Revenue
Base Period 12ME - April 30, 2013

Billing Analysis Base Year
 Actual Billing Determinants and Revenue 5/1/2012 - 10/31/2012
 Forecasted Billing Determinants and Revenue 11/1/2012 - 12/31/2012
 Budgeted Billing Determinants and Revenue 1/1/2013 - 4/30/2013

<u>Large Industrial Rate</u>	<u>Billing Units</u>	<u>Rate</u>	<u>Billing \$</u>	<u>Revenue \$</u>
Demand (kW)	1,700,070	\$ 10.50	\$ 17,850,735	\$ 17,850,735
Energy (kWh)	953,161,521	0.024505	23,357,223	23,357,223
Base Rate (\$/kWh)	953,161,521	<u>\$ 0.043233</u>	<u>\$ 41,207,958</u>	<u>\$ 41,207,958</u>
Non-Smelter Non-FAC PPA	953,161,521	\$ (0.001249)	\$ (1,190,856)	\$ (1,190,856)
FAC	953,161,521	0.003490	3,326,542	3,326,542
Environmental Surcharge	953,161,521	0.006866	6,544,658	6,544,658
Surcredit	953,161,521	(0.004156)	(3,961,493)	(3,961,493)
Economic Reserve	953,161,521	(0.010744)	(10,240,683)	(10,240,683)
Rate (\$/kWh)		<u>\$ 0.037440</u>	<u>\$ 35,686,126</u>	<u>\$ 45,926,809</u>

Big Rivers Electric Corporation
Case No. 2012-00535
Billing Determinants and Revenue
Forecasted Period 12ME - August 31, 2014
Forecasted Year 9/1/2013 - 8/31/2014
Revenue Summary

	Total Forecasted Year Revenue (000s)	
Rural	\$	179,193
Large Industrial		54,433
Smelter		189,502
Total	\$	423,128

Case No. 2012-00535

Tab 59 Attachment - 807 KAR 5:001 Section 10(10)m

Sponsoring Witness: Billie J. Richert

Page 5 of 8

Big Rivers Electric Corporation
Case No. 2012-00535
Billing Determinants and Revenue
Forecasted Period 12ME - August 31, 2014
Billing Analysis Forecasted Year
Budgeted Billing Determinants and Revenue 9/1/2013 - 8/31/2014

<u>Smelter Rate</u>	<u>Billing Units</u>		<u>Rate</u>	<u>Revenue \$</u>
Base Fixed Energy (kWh)	3,159,206,400	\$	0.047597	\$ 150,368,554
TIER Adjustment	3,159,206,400	\$	0.002945	\$ 9,303,467
Non-FAC PPA	3,159,206,400		(0.000369)	(1,165,347)
FAC	3,159,206,400		0.005121	16,176,808
Environmental Surcharge	3,159,206,400		0.002818	8,905,812
Surcharge	3,159,206,400		0.001872	5,912,468
Rate (\$/kWh)		\$	<u>0.059984</u>	<u>\$ 189,501,761</u>

Big Rivers Electric Corporation
Case No. 2012-00535
Billing Determinants and Revenue
Forecasted Period 12ME - August 31, 2014
Billing Analysis Forecasted Year
Budgeted Billing Determinants and Revenue 9/1/2013 - 8/31/2014

Rural Rate	Billing Units	Rate	Billing \$	Revenue \$
Demand (kW)	5,322,297	\$ 16.95	\$ 90,212,932	\$ 90,212,932
Energy (kWh)	2,436,557,000	0.030000	73,096,710	73,096,710
Base Rate (\$/kWh)	2,436,557,000	<u>\$ 0.067025</u>	<u>163,309,642</u>	<u>163,309,642</u>
Non-Smelter Non-FAC PPA	2,436,557,000	\$ (0.000781)	\$ (1,903,467)	\$ (1,903,467)
FAC	2,436,557,000	0.005141	12,526,275	12,526,275
Environmental Surcharge	2,436,557,000	0.003897	9,496,100	9,496,100
Surcredit	2,436,557,000	(0.001738)	(4,235,358)	(4,235,358)
Economic Reserve	2,436,557,000	(0.010114)	(24,642,915)	
Rate (\$/kWh)		<u>\$ 0.063430</u>	<u>\$ 154,550,277</u>	<u>\$ 179,193,192</u>

Big Rivers Electric Corporation
Case No. 2012-00535
Billing Determinants and Revenue
Forecasted Period 12ME - August 31, 2014
Billing Analysis Forecasted Year
Budgeted Billing Determinants and Revenue 9/1/2013 - 8/31/2014

Large Industrial Rate	Billing Units	Rate	Billing \$	Revenue \$
Demand (kW)	1,674,594	\$ 12.41	\$ 20,781,712	\$ 20,781,712
Energy (kWh)	943,698,679	0.030000	28,310,960	28,310,960
Base Rate (\$/ kWh)	943,698,679	<u>\$ 0.052022</u>	<u>49,092,672</u>	<u>49,092,672</u>
Non-Smelter Non-FAC PPA	943,698,679	\$ (0.000781)	\$ (737,229)	\$ (737,229)
FAC	943,698,679	0.005125	4,836,245	4,836,245
Environmental Surcharge	943,698,679	0.003092	2,918,280	2,918,280
Surcredit	943,698,679	(0.001777)	(1,677,110)	(1,677,110)
Economic Reserve	943,698,679	(0.009302)	(8,778,318)	(8,778,318)
Rate (\$/kWh)		<u>\$ 0.048379</u>	<u>\$ 45,654,540</u>	<u>\$ 54,432,858</u>

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 8/31/2014; Base Period 12ME 4/30/2013)

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Description of Filing Requirement:

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A typical bill comparison under present and proposed rates for all

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customer classes.

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Response:

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A typical bill comparison under present and proposed rates

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for all customer classes is included as an attachment to

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Filing Requirement 807 KAR 5:001 Sec. 10(1)(b)(9) at Tab

16

No. 10. Typical bill comparisons are also described in the

17

Direct Testimony of Mr. John Wolfram at Tab No. 73 (Filing

18

Requirement 807 KAR 5:001 Sec. 10(9)(a)).

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 8/31/2014; Base Period 12ME 4/30/2013)

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Tab No. 61
Filing Requirement
807 KAR 5:001 Sec. 10(11)
Sponsoring Witness: Albert M. Yockey

Description of Filing Requirement:

8 *A request for waiver of any of the provisions of these filing requirements*
9 *must set forth the specific reasons for the request. The commission shall*
10 *grant the request for waiver upon good cause shown by the utility. In*
11 *determining whether good cause has been shown, the commission may*
12 *consider:*

13 *(a) Whether other information which the utility would provide if the waiver*
14 *is granted is sufficient to allow the commission to effectively and*
15 *efficiently review the rate application;*

16 *(b) Whether the information which is the subject of the waiver request is*
17 *normally maintained by the utility or reasonably available to it from*
18 *the information which it maintains; and*

19 *(c) The expense to the utility in providing the information which is the*
20 *subject of the waiver request.*

21 **Response:**

22 Big Rivers is not requesting any waivers at this time. Please note that on
23 December 20, 2012, the Commission issued an order in this proceeding

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 8/31/2014; Base Period 12ME 4/30/2013)

1 granting Big Rivers a deviation and allowing Big Rivers to file its
2 Application under the version of the Commission's regulations existing
3 prior to the revisions that became effective January 4, 2013.

Big Rivers Electric Corporation
Case No. 2012-00535
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 08/31/2014; Base Period 12ME 04/30/2013)

Tab No. 62
Kentucky IRP Standard
Ordering Paragraph No. 2,
Commission's Order dated July 24, 2012

Sponsoring Witness: Albert M. Yockey

Description of Order Requirement:

The Kentucky IRP Standard which states:

Each electric utility shall integrate energy efficiency resources into its plans and shall adopt policies establishing cost-effective energy efficiency resources with equal priority as other resource options.

In each integrated resource plan, certificate case, and rate case, the subject electric utility shall fully explain its consideration of cost-effective energy efficiency resources as defined in the Commission's IRP regulation (807 KAR 5:058).

Response:

Please see the Direct Testimony of Mr. Albert M. Yockey at Tab No. 65 (Filing Requirement 807 KAR 5:001 Sec. 10(9)(a)) for a discussion of Big Rivers' cost-effective energy efficiency resources, and their impact on Big Rivers' rate request.