



STOLL · KEENON · OGDEN
PLLC

2000 PNC PLAZA
500 WEST JEFFERSON STREET
LOUISVILLE, KY 40202-2828
MAIN: (502) 333-6000
FAX: (502) 333-6099
www.skofirm.com

KENDRICK R. RIGGS
DIRECT DIAL: (502) 560-4222
DIRECT FAX: (502) 627-8722
kendrick.riggs@skofirm.com

April 20, 2009

RECEIVED

APR 20 2009

**PUBLIC SERVICE
COMMISSION**

VIA HAND DELIVERY

Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

RE: The Application of Big Rivers Electric Corporation for: (i) Approval of Wholesale Tariff Additions for Big Rivers Electric Corporation, (ii) Approval of Transactions, (iii) Approval to Issue Evidences of Indebtedness, and (iv) Approval of Amendments to Contracts; and of E.ON U.S. LLC, Western Kentucky Energy Corp., and LG&E Energy Marketing, Inc. for Approval of Transactions
Case No. 2007-00455

Dear Mr. DeRouen:

Enclosed please find and accept for filing the original and ten copies of the April 20, 2009 Report on Status of Closing the Unwind Transaction in the above-referenced matter. Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the enclosed additional copies and return them to me in the enclosed self-addressed stamped envelope.

Should you have any questions please contact me at your convenience.

Yours very truly,

Kendrick R. Riggs

KRR:ec
Enclosures
cc: Parties of Record

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BIG RIVERS)	
ELECTRIC CORPORATION FOR)	
(I) APPROVAL OF WHOLESALE TARIFF)	
ADDITIONS FOR BIG RIVERS ELECTRIC)	
CORPORATION; (II) APPROVAL OF)	
TRANSACTIONS; (III) APPROVAL TO ISSUE)	
EVIDENCES OF INDEBTEDNESS; AND)	CASE NO. 2007-00455
(IV) APPROVAL OF AMENDMENTS TO)	
CONTRACTS; AND OF E.ON U.S., LLC,)	
WESTERN KENTUCKY ENERGY CORP.,)	
AND LG&E ENERGY MARKETING,)	
INC. FOR APPROVAL OF TRANSACTIONS)	

APRIL 20, 2009 REPORT ON STATUS OF CLOSING THE UNWIND TRANSACTION

The applicants ("Applicants") Big Rivers Electric Corporation ("Big Rivers"), E.ON U.S. LLC ("E.ON US"), Western Kentucky Energy Corp. ("WKEC") and LG&E Energy Marketing, Inc. ("LEM," and collectively with E.ON US and WKEC, the "E.ON Parties") make this status report filing, through counsel, to comply with the ordering paragraph number three of the March 6, 2009 Order of Public Service Commission ("Commission") in this matter.

On April 7, 2009, Big Rivers filed responses to the Commission Staff's Data Requests dated April 2, 2009. On April 8, 2009, Big Rivers and E.ON Parties, through their counsel and corporate representatives, attended an Informal Conference at the offices of the Commission during which they presented information and answered questions concerning the status of the closing on the Unwind Transaction. On April 14, 2009, the Commission Staff through its Executive Director filed a memorandum summarizing the discussions and information presented at the April 8, 2009 Informal Conference. Big Rivers and E.ON Parties do not take exception with the descriptions in the memorandum. The information contained in this Report reflects the

more significant developments in the closing activities since the April 8, 2009 Informal Conference.

Investment Grade Credit Ratings

On April 16, 2009, Big Rivers and E.ON Parties filed the joint statement Commission Staff requested at the Informal Conference concerning not closing the Unwind Transaction until five days after they have notified the Commission in writing that Big Rivers has received two investment grade credit ratings. Big Rivers and E.ON Parties will file a revised version of that letter on April 21, 2009 with the Commission clarifying that they will not close the Unwind Transaction until five days after they have notified the Commission in writing that Big Rivers has received two investment grade credit ratings.

On April 16, 2009, Big Rivers also submitted a letter answering the Commission Staff's requests for information made at the April 8, 2009 Informal Conference. One of these questions asked Big Rivers to identify any requirement in the Rural Utility Service loan documents that Big Rivers obtain two investment grade credit ratings.

The requests for investment grade credit ratings from Standard and Poors and Fitch Ratings remain under submission for consideration and final decision. Big Rivers expects some word from Standard and Poors during the week of April 20, 2009, on the effects of the additional information and suggestions made by Big Rivers regarding the Standard and Poors analysis. All indications are that Fitch Ratings is still on schedule to complete its work by month end.

Capabilities of Generating Plants

All plants have been tested and met or exceeded required generation levels and closing condition is satisfied under the Termination Agreement.

The City of Henderson, Utility Commission Issue

On April 14, 2009, E.ON Parties submitted a Petition for Confidential Treatment of certain financial information contained in the document titled “Summary Description of Proposed Indemnity in favor of Big Rivers” which was distributed at April 8, 2009 Informal Conference with the financial information redacted. E.ON Parties and Big Rivers have reached an agreement on the term sheet for the indemnity agreement and are in the process of drafting the definitive indemnity agreement. E.ON Parties and Big Rivers will file the indemnity agreement with the Commission along with an explanation on why the agreement does not require approval by the Commission as soon as the agreement is complete.

Since the April 8, 2009 Informal Conference, no further updates or changes have been made to the Second Amendatory Agreement between E.ON Parties, Big Rivers, the City Of Henderson, Kentucky (the “City of Henderson”) and the City Of Henderson Utility Commission, D/B/A Henderson Municipal Power & Light (the “City Utility Commission”) or the Settlement Agreement and Release between E.ON Parties, City of Henderson and City Utility Commission.

Progress is being made toward concluding the negotiations between the City Utility Commission and Big Rivers on the General and Administrative Services Agreement. Big Rivers has met with City Utility Commission’s consultant on the NERC/SERC certification agreement, and further discussions are scheduled.

Southwire Rod and Cable

As described by Southwire Executive Vice President Jeff Herrin at the April 8, 2009, informal conference, the Southwire issues fall into two categories: (1) the agreements required to establish a new retail service arrangements, and (2) the agreements required in connection with Southwire’s consent to the Unwind Transaction. Following the informal conference,

representatives of Big Rivers, Southwire and Kenergy informally agreed to work to narrow and resolve the outstanding points on the retail service arrangements in hopes of achieving prompt filing of any agreements that may require Commission approval. Big Rivers and Kenergy received a response from Southwire Friday afternoon to their latest proposals, and are evaluating that response.

Hart-Scott-Rodino Application

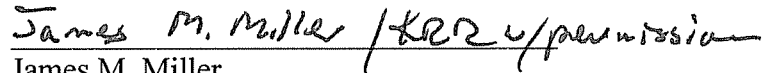
Big Rivers filed its Hart-Scott-Rodino application with the Department of Justice on April 14, 2009.

Other Due Diligence Issues

Big Rivers and WKEC continue to work on other closing related items, and have targeted May 7, 2009 as the closing date, assuming the agreed conditions precedent to that closing have been satisfied by that date. On April 16, 2009, Big Rivers also submitted a letter to the Commission answering the Commission Staff's requests for information made at the April 8, 2009 Informal Conference that Big Rivers furnish a copy of the three Transaction Termination Agreement schedules Big Rivers identified at the informal conference as requiring updating if the Unwind Transaction closing occurs after the end of April 2009.

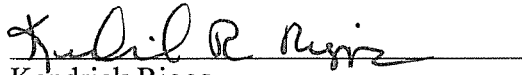
Should the Commission have any questions at any time about the contents of this report or the status of the transaction, please contact us at your first convenience.

Dated: April 20, 2009

 James M. Miller / KR2 w/ permission

James M. Miller
Tyson Kamuf
Sullivan, Mountjoy, Stainback
& Miller, P.S.C.
100 St. Ann Street
P.O. Box 727
Owensboro, Kentucky 42302-0727
Telephone No. (270) 926-4000

COUNSEL FOR BIG RIVERS
ELECTRIC CORPORATION

 Kendrick Riggs

Kendrick Riggs
Stoll Keenon Ogden PLLC
2000 PNC Plaza
500 W. Jefferson Street
Louisville, Kentucky 40202-2828
Telephone No. (502) 333-6000

Allyson Sturgeon
Senior Corporate Counsel
E.ON U.S. LLC
220 West Main Street
Louisville, Kentucky 40202
Telephone No. (502) 627-2088

COUNSEL FOR E.ON U.S., LLC,
WESTERN KENTUCKY ENERGY
CORP. AND LG&E ENERGY
MARKETING INC.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing April 20, 2009 Report on Status of Closing the Unwind Transaction was served via U.S. mail, first-class, postage prepaid, this 20th day of April 2009, upon the following persons:

C. William Blackburn
Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY 42420

Michael L. Kurtz
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OH 45202

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

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

Dennis G. Howard II
Assistant Attorney General
Office of the Attorney General
Office of Rate Intervention
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601-8204


Douglas L. Beresford
George F. Hobday Jr.
Hogan & Hartson, LLP
555 Thirteenth Street, N.W.
Washington, DC 20004-1109

John N. Hughes
Attorney at Law
124 West Todd Street
Frankfort, KY 40601

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

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

Don C. Meade
Priddy Cutler Miller & Meade
800 Republic Building
429 West Muhammad Ali Blvd.
Louisville, KY 40202


Counsel for E.ON U.S. LLC, Western
Kentucky Energy Corp. and LG&E Energy
Marketing, Inc.