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April 24, 2009

RECEIVED

APR 24 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 24, 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 24, 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 the Public Service Commission (“Commission”) in this matter.

The information contained in this Report reflects the more significant developments in the closing activities since the April 20, 2009 Report on Status of Closing the Unwind Transaction.

Investment Grade Credit Ratings

Big Rivers and E.ON Parties filed a revised version of their April 16, 2009 letter 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.

Big Rivers has received a written evaluation by Standard & Poor's Ratings Service ("S&P"). This evaluation is considered to be confidential by S&P; and Big Rivers is required to hold the evaluation in confidence from the public record under the terms of its engagement with S&P. Under separate cover, Big Rivers is filing the evaluation from S&P with the Commission today pursuant to a petition for confidential treatment. Big Rivers now is prepared to move as expeditiously as possible to close the Unwind Transaction without the need to seek further changes to the Public Service Commission's Order of March 6, 2009. Big Rivers and E.ON Parties strongly desire to resolve the remaining issues and close the Unwind Transaction in May 2009.

The City of Henderson, Utility Commission Issue

Since the April 20, 2009 Report on Status of Closing the Unwind Transaction, 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.

As reported in the April 20, 2009 Report on Status of Closing the Unwind Transaction, 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.

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, further discussions are scheduled, and Applicants anticipate filing the documents associated with this portion of the transaction.

Southwire Rod and Cable

As described in the April 20, 2009 Report on Status of Closing the Unwind Transaction, 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. Big Rivers and Kenergy received a response from Southwire in the afternoon of April 19, 2009 to their latest proposals. Big Rivers and Kenergy have evaluated that response and discussed with Southwire's counsel today the need to file the retail agreement with the Commission. While Big Rivers and Kenergy do not yet have a final agreement with Southwire, Southwire is being provided a copy of the documents in this filing. Big Rivers and Kenergy under separate cover are filing with the Commission today the retail service agreement to begin the commencement of the time period under KRS 278.180(1) with the acknowledgement that Southwire's consent to the Unwind transaction is necessary and that a separate Delivery Point Agreement will be required before closing. In their filing, Big Rivers and Kenergy are requesting the Commission shorten the notice period to 20 days and schedule an informal conference during the week of April 27, 2009.

Hart-Scott-Rodino Application

As described in the April 20, 2009 Report on Status of Closing the Unwind Transaction Big Rivers filed its Hart-Scott-Rodino application with the Department of Justice on April 14, 2009. No further activity has occurred with respect to this filing.

Other Due Diligence Issues

Big Rivers and WKEC continue to work on other closing related items, and strongly desire to close the transaction as soon as possible in May 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 24, 2009

James M. Miller (with permission)
James M. Miller

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CORP. AND LG&E ENERGY
MARKETING INC.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing April 24, 2009 Report on Status of Closing the Unwind Transaction was served via U.S. mail, first-class, postage prepaid, this 24th day of April 2009, upon the following persons:

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