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June 4, 2009

RECEIVED

JUN 04 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 June 4, 2009 Joint 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)

**JUNE 4, 2009 JOINT 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.

The information contained in this Report reflects the more significant developments in the closing activities from the May 26, 2009 Report on Status of Closing the Unwind Transaction through June 3, 2009.

Outstanding Issues related to Closing

Big Rivers and WKEC continue to work on other closing related items, and asked Rio Tinto/Alcan, Century Aluminum of Kentucky (“Century”), City of Henderson/City Utility Commission and Southwire to advise by Tuesday, May 26, 2009 whether each is prepared to close the Unwind Transaction, and, if so, by Tuesday, June 2, 2009.

On May 26, 2009, Century informed the other parties to the Unwind Transaction that Century was now unwilling to proceed with the transaction due to “extreme economic circumstances” and the concern that the proposed power agreement now restricts its “operational flexibility” and compromises Century’s “near-term liquidity.” Alcan replied by letter that it was prepared to go forward with the Unwind Transaction, subject to review and approval of any further amendments to the transaction. A copy of Alcan’s letter is enclosed. Southwire advised that it is not yet ready to provide its consent, but is continuing to work on the outstanding issues and has asked to continue its discussions with E.ON and Big Rivers.

As stated in the Joint Report on Status of Closing filed on May 26, one issue remains to be resolved between Big Rivers and HMPL prior to closing.

E.ON and Century negotiated through and until the evening of May 28, but again reached an impasse. On May 29, 2009, Century and Big Rivers issued press releases. Copies are attached to this Joint Report. On the same day, E.ON by email requested the Public Service Commission to schedule an informal conference with Commission Staff and parties to this case to discuss the issues associated with the closing of the transaction.

The informal conference was held at the Commission’s offices on June 3, 2009. The parties, attending in person or by phone, agreed to attend an informal conference on June 16, 2009 at 9:00 a.m. ESDT for the purpose of discussing the outstanding issues related to the closing and allowing Commission Staff to act as a mediator between the parties for the purpose of resolving the issues. E.ON will submit a motion to formally request the scheduling of the conference and will also send a letter to Southwire communicating the date and time for the conference.

Investment Grade Credit Ratings

On June 1, 2009, Moody's Investor Service issued a press release, stating it was withdrawing its previous investment grade credit rating in response to the announcement by Century on May 28.

The City of Henderson, Utility Commission Issues

The NERC/SERC Certification Agreement between Big Rivers and 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") is complete, and will be filed with the Commission for informational purposes. Big Rivers and the City Utility Commission have reached agreement on an operational procedure letter confirming Big Rivers' plan to allocate emission allowances between Big Rivers and City Utility Commission after the transaction consistent with assumptions in the Financial Model. Big Rivers and the City Utility Commission have still not reached agreement regarding the operational procedures letter stating Big Rivers' intentions with respect to burning of petroleum coke and bituminous coal at Station Two. City of Henderson and City Utility Commission take the position that this document with Big Rivers must be completed prior to closing the Unwind Transaction.

Southwire Rod and Cable

As described in prior Status Reports, Big Rivers' current understanding is that no further progress can be made on the retail service arrangements until progress is made on obtaining Southwire's consent to the Unwind Transaction. Recent efforts to resolve these issues with Southwire have been unsuccessful. Southwire did not attend an informal conference on May 21, 2009, on the power contracts Kenergy and Big Rivers have proposed for future service to Southwire after closing of the Unwind Transaction.

Status of March 6, 2009 Order

E.ON Parties and Big Rivers acknowledge that the Commission will need to take action on the continued force and effect of the March 6, 2009 Order if the Unwind Transaction does not close. The Joint Applicants recommend, and the parties at the June 3, 2009 Informal Conference agreed, that the Commission should defer taking any action until at least June 18, 2009 when the next Joint Status Report on closing is due to be filed. Joint Applicants will make a recommendation in the June 18, 2009 Report based on the progress at the June 16, 2009 Informal Conference.

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: June 4, 2009

James M. Miller (with permission)

James M. Miller

Tyson Kamuf

Sullivan, Mountjoy, Stainback
& Miller, P.S.C.

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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 June 4, 2009 Joint Report on Status of Closing the Unwind Transaction was served via U.S. mail, first-class, postage prepaid, this 4th day of June 2009, upon the following persons:

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Via Electronic Mail and
Regular U.S. Mail

May 27, 2009

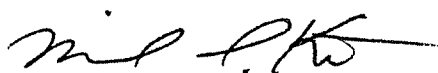
Hon. Richard Raff
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: Rio Tinto Alcan – Docket No. 2007-00455

Dear Richard:

I was asked by Rio Tinto Alcan to forward to you the attached letter. I am also serving this document on all parties to Case No. 2007-00455.

Very truly yours,



Michael L. Kurtz, Esq.
BOEHM, KURTZ & LOWRY

MLKkew
Attachment
Cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by mailing a true and correct copy, by electronic mail (when available) or regular U.S. mail to all parties on the 27th day of May, 2009.



Michael L. Kurtz, Esq.

Honorable Douglas L Beresford
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Via fax and email

Mr. Paul W. Thompson
Sr.V.P. Energy Services
E.On | U.S.
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U.S.A.

Mr. Mark Bailey
President & CEO
Big Rivers Electric Corporation
201 Third Street
Henderson, KY 42420
U.S.A.

Tuesday, May 26, 2009

Mr. Thompson:
Mr. Bailey:

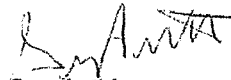
Re: Commitment to Unwind

The purpose of this letter is to inform you that we have obtained our business group's authorisations in relation to the Unwind. We expect to obtain Rio Tinto's final authorisation, following which Alcan Primary Products Corporation ("Alcan") would be in a position to proceed to closing the Unwind transaction.

Of course, as discussed after the KPSC Informal Conference last week, Alcan's intent to go forward is predicated on the current terms and conditions of the Unwind. Should further amendments be proposed or agreed, including with other parties, Alcan reserves the right to review and approve such future modifications.

As of this writing, we do not know the status of the consent from Southwire or whether the issues with Century Aluminum or between Big Rivers and HMPL can be resolved acceptably. Please advise as soon as you can the status of these discussions.

Yours sincerely,



Guy Authier
Vice President
Primary Metal
Québec South, United States and Québec Joint Ventures

c.c. Wayne Hale, Century Aluminum
Richard G. Raff, Esq., KPSC for Interested Parties in case 2007-00455

FINAL DRAFT May 27, 2009

Century Aluminum Unable to Complete Long-Term Power Contract for Hawesville, KY Smelter

MONTEREY, CA. May 29, 2009 -- Century Aluminum of Kentucky, a wholly owned subsidiary of Century Aluminum Company (NASDAQ: CENX), today announced that due to unfavorable business conditions, it is unable at this time to move forward on a proposed new, long-term power contract for the company's Hawesville, Kentucky smelter.

Century, along with Western Kentucky Energy (a subsidiary of E.ON U.S.), Big Rivers Energy, and Rio Tinto Alcan, has been working for more than five years to negotiate an "unwind" of the existing contractual arrangement between Big Rivers and Western Kentucky Energy (WKE), and to define a new agreement that would provide long-term and affordable power to the two smelters in western Kentucky.

"We are disappointed that we cannot proceed with the transaction at this time," said Hawesville vice president and plant manager Matt Powell. "All parties have been working hard for a long time to create a mutually acceptable agreement. We have consistently supported the transaction based upon the expectation that it would produce a power contract that would support Hawesville's long-term profitability. Current and expected economic conditions, however, have created the perfect-storm – significant weakness in both aluminum prices and wholesale electric prices. The proposed contract might support Hawesville's viability over the long-term, but the contract's take-or-pay requirement, in its current form, could create financial hardship for the company in the short-term. Regrettably, after discussions with WKE and Big Rivers over the past several weeks, we could not find a solution for mitigating the risk. We will continue to work diligently to secure a long-term power agreement that satisfies the needs of all western Kentucky constituents."

At full capacity, the Hawesville smelter produces approximately 250,000 tonnes of primary aluminum annually from five potlines. As a result of the global economic crisis and depressed aluminum prices, Century curtailed one potline in March 2009. The Hawesville smelter currently receives its electrical power from Kenergy Corp (a member of the Big Rivers system), under a power supply agreement between WKE and Kenergy. Although the current power supply agreement expires at the end of 2010, it does provide the plant with necessary operating flexibility.

Century Aluminum Company, the parent of Century Aluminum of Kentucky, owns primary aluminum capacity in the United States and Iceland, as well as an interest in alumina and bauxite assets in the United States and Jamaica. Century's corporate offices are located in Monterey, California.

Cautionary Statement

This press release may contain "forward-looking statements" within the meaning of U.S. federal securities laws. The company has based its forward-looking statements on current expectations and projections about the future; however, these statements are subject to risks, uncertainties and assumptions, any of which could cause the company's actual results to differ materially from those expressed in its forward-looking statements. More information about these risks, uncertainties and assumptions can be found in the risk factors and forward-looking statements cautionary language contained in the company's Annual Report on Form 10-K and in other filings made with the Securities and Exchange Commission. The company does not undertake, and specifically disclaims, any obligation

to revise any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date such forward-looking statements are made.

Certified Advisors for the First North market of the OMX Nordic Exchange Iceland hf. for Global Depositary Receipts in Iceland:

Helga Gunnarsdottir, Director-Corporate Finance, NBI hf.

Astros Vidarsdottir, Senior Manager-Corporate Finance, NBI hf.

Contacts:


Mike Dildine (media)

831-642-9364

Shelly Lair (investors)

831-642-9357



Your Trickle-down Energy® Cooperative 

FOR IMMEDIATE RELEASE
May 29, 2009

FOR MORE INFORMATION CONTACT:
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“UNWIND” STALLED, BIG RIVERS TO FOCUS ON SOLIDIFYING FINANCES

HENDERSON, Ky. – The years-long effort to “Unwind” the lease agreements between E.ON U.S. and Big Rivers Electric Corp. has been stalled due to economic conditions affecting the Century aluminum smelter in Hawesville, Kentucky. Part of the complicated transaction depends on long-term power contracts approved by the Kentucky Public Service Commission being signed between Big Rivers and the Century and Rio Tinto Alcan smelters. While officials at Rio Tinto Alcan say they are prepared to move forward under the terms outlined in the Unwind documents, Century officials announced today that “extreme economic circumstances” preclude them from entering into the contract terms.

A primary purpose of the Unwind was to put long-term power contracts in place for the smelters to help protect some 1,400 jobs there. The contracts under which Century and Rio Tinto Alcan are operating now expire in 2010 and 2011, respectively.

Big Rivers President and CEO Mark Bailey expressed disappointment in the development, but pointed out that the overall Unwind transaction cannot proceed without the participation of all parties in its current structure. However, Big Rivers and E.ON U.S. are assessing their options to move forward without Century.

With the Unwind stalled, Bailey said that Big Rivers will turn its attention now to shoring up its financial condition by continuing with planned cost reductions as well as pursuing the rate case filed by the co-op earlier this year with the Kentucky Public Service Commission. The rate case was only necessary should the Unwind transaction fail. The filing seeks to cover Big Rivers’ operating expenses that otherwise would have been covered as a result of the Unwind.

The current lease agreements between E.ON U.S. and Big Rivers for the operation of power plants owned by Big Rivers and the City of Henderson have been in place since 1998 and are scheduled to run until 2023.

Big Rivers Electric Corporation is an electric generation and transmission cooperative headquartered in Henderson, Kentucky and owned by its three distribution cooperative members—Jackson Purchase Energy Corporation, headquartered in Paducah; Kenegy Corp, headquartered in Henderson; and Meade County Rural Electric Cooperative Corporation, headquartered in Brandenburg. These member cooperatives deliver retail electric power and energy to more than 110,000 residential, commercial, and industrial customers in portions of 22 Western Kentucky counties.