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June 19, 2009

VIA HAND DELIVERY

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

RECEIVED

JUN 19 2009

PUBLIC SERVICE
COMMISSION

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:

At the June 16, 2009 Informal Conference in this proceeding, E.ON U.S. LLC presented the terms to its agreement with and Century Aluminum Company. At the conclusion of the presentation, Commission Staff requested E.ON U.S. LLC to provide an illustrative example of the billing calculations for this agreement.

Enclosed please find and accept for filing the original and ten copies of an illustrative calculation of the agreement between E.ON U.S. LLC and Century Aluminum Company.

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

Jeff DeRouen
June 19, 2009
Page 2

KRR:ec
Enclosures
cc: Parties of Record

Simplified Example Calculation of E.ON U.S. / Century Agreement

<u>Line</u>	<u>Assumptions:</u>		
1	Average Market Sales Price / MWh	\$39.00	
2	BREC Fixed Production Cost / MWh	\$19.00	
3	BREC All-In Production Cost / MWh	\$43.00	
4	Term	12,984	Hours (July 9, 2009 - December 31, 2010)
5	Century Capacity (MW)	482	5 Potlines
6	Capacity of 4 Potlines Currently in Production (MW)	377	
7	Capacity Curtailed (MW) - 3 Potlines	294	Line 5 - (Line 6/2)
8	% of Curtailment Remarketed by BREC	90%	
9	Base Amount	\$82,000,000	Tentative
10	Aluminum Production Credit Rate	\$17.09	Line 9 / (Line 6 * 98% * Line 4)
11	Century does not provide "Notice of Termination for Closure" by 12/31/10		
12			
13	<u>Backstop Payments</u>		
14	Curtailed Energy (MWhs)	3,734,588	Line 7 * 98% * Line 4
15			
16	Curtailed Energy Remarketed (MWhs)	3,361,129	Line 14 * Line 8
17	Loss/MWh on Remarketed Energy	(\$4)	Line 1 - Line 3
18	Loss on Remarketed Energy	<u>(\$13,444,517)</u>	Line 16 * Line 17
19			
20	Curtailed Energy Not Remarketed (MWhs)	373,459	Line 14 * (1-Line 8)
21	Fixed Cost Per MWh	(\$19)	- Line 2
22	Loss on Energy Not Remarketed	<u>(\$7,095,717)</u>	
23			
24	Total Backstop Payments	<u>\$20,540,234</u>	- (Line 18 + Line 22)
25			
26			
27	<u>Aluminum Production Credits</u>		
28	Energy Consumed by Century	2,398,534	(Line 5 - Line 7) * 98% * Line 4
29	Aluminum Production Credit Rate:	\$17.09	Line 10
30			
31	Aluminum Production Credits	<u>\$41,000,000</u>	Line 28 * Line 29
32			
33			
34	<u>Repayment Due E.ON U.S.</u>		
35	Total Backstop Payments + Aluminum Production Credits	\$61,540,234	Line 24 + Line 31
36			
37	Repayment Due E.ON U.S. from Century	<u>\$0</u>	Max ((Line 35 - Line 9), 0)
38			
39			
40	<u>Contingent Escrow Funding for Century on 12/31/10</u>		
41	Initial Fuel Escrow Funding	\$39,694,118	
42	Less Portion Utilized	\$19,847,059	Line 41 / Line 9 * Line 31
43			
44	Contingent Escrow Funding for Century	<u>\$19,847,059</u>	Line 40 - Line 41
45			
46	<u>Contingent Escrow Funding for Alcan on 12/31/10</u>	\$0	If Line 42 < \$13,500,000, = \$4,250,000, else 0