

**PUBLIC REDACTED VERSION
COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

RECEIVED

In the Matter of:

THE APPLICATIONS OF BIG RIVERS)	FEB 27 2008
ELECTRIC CORPORATION FOR:)	PUBLIC SERVICE
(I) APPROVAL OF WHOLESALE TARIFF)	COMMISSION
ADDITIONS FOR BIG RIVERS ELECTRIC)	
CORPORATIONS, (II) APPROVAL OF)	CASE NO. 2007-00455
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)	

**ATTORNEY GENERAL'S SUPPLEMENTAL REQUEST FOR INFORMATION TO
JOINT APPLICANTS**

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits this Supplemental Request for Information to Big Rivers Electric Corporation ("Big Rivers"), E.ON U.S., LLC (E.ON), Western Kentucky Energy Corporation (WKEC) and LG&E Energy Marketing, Inc. (LEM) (hereinafter collectively referred to as the "Joint Applicants") to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Please identify the witness who will be prepared to answer questions concerning each request.
- (3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted

hereon.

(4) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(7) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

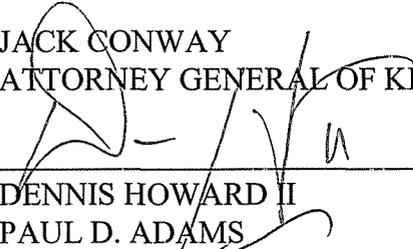
(8) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(9) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of

destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

Respectfully submitted,

JACK CONWAY
ATTORNEY GENERAL OF KENTUCKY



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CERTIFICATE OF SERVICE AND NOTICE OF FILING

I hereby give notice that this the 27th day of February, 2008, I have filed the original and ten copies of the foregoing Attorney General's Supplemental Request for Information to Joint Applicants with the Kentucky Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky, 40601 and certify that this same day I have served the parties by mailing a true copy of same, postage prepaid, to:

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Big Rivers Electric Corporation
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Henderson, KY 42420

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Stites & Harbison, PLLC
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124 West Todd Street
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Paducah, KY 42002-0929



Assistant Attorney General

ATTORNEY GENERAL'S SUPPLEMENTAL REQUEST FOR INFORMATION
Case No. 2007-00455

E.ON

1. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
2. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
3. Please provide data [REDACTED].
4. Is the [REDACTED]
5. In the event the [REDACTED], what are the financial impacts on Big Rivers?
6. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
7. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
 - a. If yes, please provide a copy.
 - b. If no, why not?
8. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
9. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
[REDACTED]
10. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
[REDACTED]
11. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
[REDACTED]

12. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
13. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
14. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
15. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
16. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
17. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
18. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
19. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
20. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
21. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
22. What is the [REDACTED]
23. Is there a [REDACTED]?

24. Have the [REDACTED]
25. Why are there [REDACTED]
26. Have the [REDACTED]
27. Has the [REDACTED]
28. Has the [REDACTED]
29. Has the [REDACTED]
30. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
31. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
32. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
33. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
34. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
35. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
36. If the company [REDACTED]
37. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]

- [REDACTED]
38. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
39. Were the [REDACTED]
40. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
41. Please describe [REDACTED]
42. What is the [REDACTED]
43. What is the [REDACTED]
44. Has the [REDACTED]
45. Has the [REDACTED]
46. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
47. What is the [REDACTED]
48. What is the [REDACTED]
49. If the [REDACTED]
50. Has the [REDACTED]
51. Have the [REDACTED]
52. Have the [REDACTED]

53. Have the [REDACTED]
54. Have the [REDACTED]
55. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
56. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
- a. If the answer is [REDACTED]
[REDACTED]
57. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
- a. [REDACTED]
- b. If not, why not?
58. When will the [REDACTED]
- a. Have the [REDACTED]
- b. If so, what are [REDACTED]
59. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
[REDACTED]
60. Please reference the Response to OAG 1-100 and 1-101, [REDACTED]
[REDACTED]
[REDACTED]
61. Please reference the Response to OAG 83. [REDACTED]
[REDACTED]

[REDACTED]

62. If the Smelters [REDACTED]

63. Please reference the response to OAG 1-100. For each year beginning 2008, provide the total annual amount going forward requested. (In other words, do not require the OAG to extrapolate the data. In the event the specific amount is “otherwise in the record in this proceeding,” please provide the reference.)

64. Please reference the response to OAG 1-101. For each year beginning 2008, provide the total annual amount going forward requested. (In other words, do not require the OAG to extrapolate the data. In the event the specific amount is “otherwise in the record in this proceeding,” please provide the reference.)

65. Please reference the Response to OAG 87. Please provide a responsive answer and do so by stating actual dollars.

66. Please reference the Response to OAG 88. Please provide a responsive answer and do not reference to another question where a non-responsive answer was provided.

67. Please reference the Response to OAG 89. Please provide a responsive answer and do not reference to another question where a non-responsive answer was provided.

68. Please reference the Response to OAG 91. Please provide a responsive answer and do not reference to another question where a non-responsive answer was provided.

69. Please reference the Response to OAG 94. Please provide a responsive answer.

- a. In addition, please describe in detail, including actual dollar amounts, the “uncertain and unfavorable financial results through 2023” to which E.ON refers in this answer.

70. Please reference the Response to OAG 95. Please provide a responsive answer.

- a. In addition, please describe in detail, including actual dollar amounts, the “uncertain and unfavorable financial results through 2023” to which E.ON refers in this answer.

71. Please reference the Response to OAG 97, E.ON AG, Form 6-K, August 15, 2007 Interim Report at page 50 where the following statements occur. “Under IFRS, E.ON is required to report under discontinued operations those operations of a reportable or operating

segment, or of a component thereof, which either have been disposed of or are classified as held for sale. **In the first six months of 2007, this applied to WKE, which is held for sale.**" (Emphasis added.)

- a. Regarding these statements, does IFRS allow the stated required reporting if a regulatory agency has not approved the sale?
- b. If not, please explain why E.ON AG made the reporting.
- c. If the unwind is not approved by the Commission, are there any ramifications or changes in the manner which the reporting is done?
- d. If yes, please describe same in detail.

72. Please reference the Response to OAG 104. Please provide a responsive answer and do not reference to another question where a non-responsive answer was provided. (In the event the Response to 1-87 is all inclusive of the materials, then so state.)

73. Please reference the response to OAG 1-100 and 1-101. Have the confidential attachments to these responses been provided to Big Rivers? If not, why not?

Big Rivers

74. Please reference the Response to OAG 1-18 at page numbered 9. What does BREC understand the title to mean when it states "Unwind Scenario Amortization Schedule -- Post Restructuring (**does not account for future restructurings**)" at the part which the Attorney General has emphasized.

75. Please reference the Response to OAG 1-31. The Attorney General clarifies the question by referring to the existing agreements and those which result as a consequence of the transaction, if approved.

76. Please reference the Response to OAG 1-32(b) where the witness states that "the Smelters assume a disproportionate share of that risk exposure [allocation of risks between Big Rivers' members, the Smelters and the E.ON U.S. Parties]."

- a. Is the witness aware of the terms of the agreement between the smelters and the E.ON U.S. Parties?
- b. If not, how can the witness definitively state that the smelters share a disproportionate risk?

77. Please reference the Response to OAG 1-33. Please provide the information requested. Moreover, state whether the agreements will have any financial impact on Big Rivers.
- a. Describe in detail, how and under what authority the Commission can approve the transaction without knowing the exact details concerning the provisions of the Indenture and the New Intercreditor Agreement.
78. Please reference the Response to OAG 1-36(b). Does Big Rivers acknowledge that the Commission is not statutorily required to approve the transaction? If so, what will Big Rivers do if approval is not granted?
79. Please reference the Response to OAG 1-37. Please provide the information requested. Moreover, state whether the agreements will have any financial impact on Big Rivers.
- a. Describe in detail, how and under what authority the Commission can approve the transaction without knowing the exact details concerning the consent fees and the restructure of debt to accomplish and support the Unwind Transaction.
80. Please reference the Response to OAG 1-50. Please provide the information requested.
81. Please reference the Response to OAG 1-51. Please provide the information requested.
82. Please reference the Response to OAG 1-71. Please provide the information requested.
83. Please reference the Response to OAG 1-109. Is Big Rivers aware that the smelters have done their own due diligence review of the generation facilities? If so, does Big Rivers know what the report says?
84. Please reference the Response to OAG 1-111. Does Big Rivers agree that if financing is not approved, then the time and resources spent on this litigation will be a waste?
85. Please reference the Response to OAG 1-119 at the August 29, 2007 email from Mr. Gaines to Burns Mercer, Sandy Novick and Kelly Nuckols. Please elaborate on the concern noted in the email about getting the plants back in bad shape and of little value. Specifically, was the concern addressed; to wit, the plants are being properly maintained?
86. Please reference the Response to OAG 1-119. Please explain why there are emails in January 2008, after this application was filed, which appear to reflect the development of calculations for riders.
87. Please reference the Response to HPM&L 1-3. Please answer the question without requiring the Attorney General to extrapolate the number from the attachments.

88. Please reference the Response to HPM&L 1-7. When does Big Rivers anticipate it will complete its due diligence review of the facilities?
89. Please reference the Response to PSC 1-50. Has Big Rivers confirmed with the contracting parties that the contracts are assignable?
90. Please reference the Response to PSC 1-51. When will the final due diligence report be completed?
91. Are the Joint Applicants presenting their application as a take it or leave it filing subject to no modifications?
92. Of the total cash consideration to be received by BREC from EON under the proposed transaction, what proportion of that total cash is earmarked by BREC to rectify deficiencies in the plant assets or otherwise improve the condition of the leased plant assets?
93. Of the total cash consideration to be received by BREC from EON under the proposed transaction, what proportion of that total cash is understood by BREC to be applicable to rectification of deficiencies in the plant assets or improvement of the condition of the leased plant assets?
94. Please refer to page 2 of the [REDACTED]
95. Please refer to page 4 of the [REDACTED] Please provide:
- a. a sensitivity run of the Unwind Financial Model (Exhibit 8), [REDACTED]
 - b. Indicate whether [REDACTED]
 - c. An electronic spreadsheet copy (.xls file) of the sensitivity run in a, above.

96. Please refer to page 4 of the [REDACTED]

97. Please refer to page 9 of the [REDACTED]

98. Please refer to Sections 8 of the [REDACTED]

99. Please refer to Sections 8 of the [REDACTED]

100. Please refer to Sections 8 of the [REDACTED]

101. Please refer to the Unwind Financial Model (Exhibit 8). Show and explain how the impact of a large customer tolling its own coal is accounted for in the financial projections, including any impacts on margins.

102. Please refer to Exhibit 20, Coordination Agreement, Section 3.7, Transmission Upgrade, where it states “Big Rivers will develop, finance and construct improvements to its transmission facilities to permit Big Rivers to transmit to its border all Base Energy.”
- a. Provide documents which show the capital costs, by year, of accomplishing this requirement, and show where these costs are incorporated into the Unwind Financial model as inputs.
 - b. Provide documents which show the operating costs, by year, of accomplishing and supporting this requirement, and show where these costs are incorporated into the Unwind Financial model as inputs.
103. Please refer to the response to OAG #1(h). Provide all documents, correspondence and communications between Big Rivers or its representatives and the creditors identified in the response which include the subject of the Unwind Financial Model.
104. Please refer to the response to OAG #1(h), third paragraph where issues with the City of Henderson are discussed. Assume each of the business issues between Big Rivers and the City of Henderson are resolved in the City’s favor, and incorporate such assumptions as revised inputs to the Unwind Financial Model to produce a sensitivity run.
- a. Identify and describe each of the business issues and the related changed model input.
 - b. Provide the Unwind Financial Model-City of Henderson sensitivity run, in electronic spreadsheet (.xls) file format.
105. To the extent not previously provided, provide documents which show the basis for Big Rivers assumptions regarding future labor costs under the to-be-negotiated contract with IBEW, as included in the Unwind Financial Model.
106. Please provide documents which show Big Rivers’ most current view of each of the negative and financial covenants that will likely be associated with new credit agreements assuming the proposed transactions.
107. Follow up to response to Staff #3, and the attached letter regarding “funding of consent fees”. Please provide a document which shows a) a list of consent fees by party and amount which has been agreed to, and, b) a list of parties to which consent fees will likely be due and an estimated contingency amount for each one.
108. Please refer to the following summarized directly from the response to Staff #8:

**WKEC Additions to Big Rivers Production Plant
Inception of Lease to December 31, 2007**

1998 & 1999	\$	5,827,500	
2000	\$	15,431,026	
2001	\$	13,192,912	
2002	\$	6,506,458	
2003	\$	94,650,068	Total
	\$	(64,567,905)	SCR - Wilson
	\$	30,082,163	Net
2004	\$	35,952,180	
2005	\$	16,057,651	
2006	\$	43,536,818	
2007	\$	21,364,023	
	\$	187,950,731	

Source: Response to OAG #8

109. Please explain and discuss the reasons why additions for the period 2003 – 2007 are markedly higher than for the period 1998 – 2002.

110. Please refer to the response to Staff #18. State at what point in time it will be known to Big Rivers that the Internal Revenue Service concurs with and accepts the assumed split of consideration for federal income tax purposes.

111. Please refer to the response to Staff #21, where it states “through 2010, the 60 year life per the Unwind Model serves to approximate the depreciable life.”

112. Looking to 2011 (three years in the future) what factors will modify this “60 year life”?

113. What percentage change is anticipated to this “60 year life”, and what direction (increase or decrease)?

114. Please refer to the response to Staff #22, [REDACTED]

115. Please refer to the response to Staff #30, regarding contract with Southwire.