

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC)	CASE NO.
CORPORATION FOR A GENERAL)	2009-00040
ADJUSTMENT IN RATES)	

O R D E R

On March 2, 2009, Big Rivers Electric Corporation ("Big Rivers") submitted an application for an adjustment of electric rates based on a historic test period that ended on November 30, 2008. The application proposed that the new rates become effective on April 1, 2009. Based on a review of Big Rivers' rate application, the Commission finds that an investigation will be necessary to determine the reasonableness of the proposed rates and that the investigation cannot be concluded by April 1, 2009. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the effective date of the proposed rates for five months.

Anticipating the Commission's suspension of the requested April 1, 2009 effective date, Big Rivers incorporated into its application a motion requesting authority, pursuant to KRS 278.190(2), to make its proposed rates effective subject to refund on an interim basis for services rendered on and after April 1, 2009. Big Rivers states that, absent this interim rate relief, its future cash reserves will be depleted to the point that its operations will be materially impaired or damaged. The Commission will establish an abbreviated procedural schedule to review and rule on this request. The Commission

reminds Big Rivers that the requested rates are not to become effective, on either an interim or permanent basis, until such approval is granted by the Commission.

Pursuant to 807 KAR 5:001, Section 14, Big Rivers requests permission to deviate from 807 KAR 5:001, Section 10(6)(u), which requires Big Rivers to provide a cost-of-service study with its rate application. Big Rivers states that “given its inability to borrow, imminent financial obligations and urgent need to place the rate changes in effect, Big Rivers had insufficient time to develop a cost of service methodology with its Members, and to prepare a cost of service study and rate design.”¹ Based on the unique circumstances and the fact that there are no proposed changes in rate design, the Commission finds good cause to approve the requested deviation.

The Commission expects the parties to use their best efforts to informally resolve any discovery disputes or requests for extensions of time. Any such informal resolution should be promptly reduced to writing and filed with the Commission and all parties of record. Absent informal resolution, an objection or motion should be filed at least four business days prior to the established due date. If this deadline is not met, the filing party should include in the written objection or motion a full and complete explanation for such failure.

IT IS THEREFORE ORDERED that:

1. Big Rivers’ rates are suspended for five months from the April 1, 2009 effective date up to and including August 31, 2009.
2. Big Rivers’ request to deviate from 807 KAR 5:001, Section 10(6)(u), is approved.

¹ Big Rivers’ Application at 8.

3. The procedural schedule set forth in Appendix A, which is attached hereto and incorporated herein, shall be followed for investigating the requests for interim rate relief.

4. The procedural schedule set forth in Appendix B, which is attached hereto and incorporated herein, shall be followed for investigating the requests for permanent rate increase.

5. a. All requests for information and responses thereto shall be appropriately bound, tabbed, and indexed, and the original and seven copies shall be filed with the Commission, with copies to all parties of record. Any request for information by letter from the Commission Staff shall be responded to as if set forth in a Commission Order. All responses shall include the name of the witness who will be responsible for responding to questions related to the information provided.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or an association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. A party shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any request to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

e. Careful attention shall be given to copied material to ensure its legibility. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

6. Any party filing testimony shall file an original and ten copies with the Commission, with copies to all parties of record.

7. Big Rivers shall give notice of the hearings in accordance with the provisions set out in 807 KAR 5:011, Section 8(5). At the time publication is requested, Big Rivers shall forward a duplicate of the notice and request to the Commission.

8. At any public hearing in this matter, neither opening statements nor summarization of direct testimony shall be permitted.

9. Any objections or motions relating to discovery or procedural dates shall be filed upon four business days' notice or the filing party shall explain, in writing, why such notice was not possible.

10. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

11. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

By the Commission

ENTERED
MAR 16 2009 *M*
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

[Handwritten Signature]
for: Executive Director

Case No. 2009-00040

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00040 DATED MARCH 16, 2009

All initial requests for information to Big Rivers
shall be filed no later than.....03/18/2009

Big Rivers shall file responses to initial requests
for information no later than.....03/24/2009

Last day for Big Rivers to publish notice of hearing03/19/2009

Public hearing to be held at 10:00 a.m., Eastern
Daylight Time, in Hearing Room 1 of the Commission's
offices at 211 Sower Boulevard, Frankfort, Kentucky,
for the purposes of presenting direct testimony by
Intervenors and cross-examination
of witnesses of Big Rivers and Intervenors.....03/26/2009

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00040 DATED MARCH 16, 2009

- All initial requests for information to Big Rivers
shall be filed no later than.....04/20/2009

- Big Rivers shall file responses to initial requests
for information no later than.....05/04/2009

- All supplemental requests for information to
Big Rivers shall be filed no later than05/18/2009

- Big Rivers shall file responses to supplemental
requests for information no later than06/01/2009

- Intervenor testimony, if any, in verified prepared form,
shall be filed no later than.....06/15/2009

- All requests for information to Intervenors shall be
filed no later than06/29/2009

- Intervenors shall file responses to requests for
information no later than.....07/13/2009

- Big Rivers shall file rebuttal testimony, if any,
in verified form, no later than07/27/2009

- Last day for Big Rivers to publish notice of hearingto be scheduled

- Public hearing for the purpose of cross-examination
of witnesses of Big Rivers and Intervenors.....to be scheduled

- Simultaneous Briefs, if any.....to be scheduled

Mark A Bailey
President CEO
Big Rivers Electric Corporation
201 Third Street
Henderson, KY 42419-0024

Douglas Bererford
Hogan & Hartson, L.L.P.
555 Thirteenth Street, N.W.
Washington, DC 20004-1109

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

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

David A Spainhoward
Vice President
Big Rivers Electric Corporation
201 Third Street
Henderson, KY 42419-0024