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February 5, 2013

Via Federal Express

Jeff DeRouen
Executive Director
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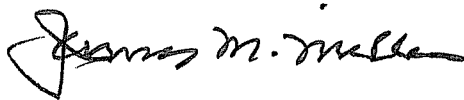
*Also Licensed in Indiana

Re: *In the Matter of: The Application of
Big Rivers Electric Corporation for a General
Adjustment in Rates*, PSC Case No. 2012-00535

Dear Mr. DeRouen:

Enclosed for filing on behalf of Big Rivers Electric Corporation ("Big Rivers") are an original and ten copies of Big Rivers' response to the Attorney General's Brief Regarding KIUC's Motion for Corrected Notice. I certify that on this date, a copy of this letter and a copy of the response were served on each of the persons on the attached service list by first class mail, postage prepaid.

Sincerely yours,



James M. Miller

JMM/ej
Enclosures

cc: Billie Richert
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1 COMMONWEALTH OF KENTUCKY
2 BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
3
4

5 In the Matter of:

6
7 Application of Big Rivers Electric)
8 Corporation for a General) Case No. 2012-00535
9 Adjustment in Rates)
10

11
12 **RESPONSE OF BIG RIVERS ELECTRIC CORPORATION TO THE ATTORNEY**
13 **GENERAL'S BRIEF REGARDING KIUC'S MOTION FOR A CORRECTED**
14 **NOTICE**
15

16 Comes Big Rivers Electric Corporation ("Big Rivers"), by counsel, and for
17 its response to the Attorney General's Brief Regarding KIUC's Motion for a
18 Corrected Notice, states as follows:

19 1. On February 1, 2013, the Attorney General filed his brief in
20 response to the motion of Kentucky Industrial Utility Customers, Inc. ("KIUC")
21 to require Big Rivers to provide a revised customer notice (the "Motion"). KIUC
22 filed its Motion on January 23, 2013. 807 KAR 5:001 Section 5(2) provides,
23 "Unless the commission orders otherwise, a party to a case shall file a response
24 to a motion no later than seven (7) days from the date of filing of a motion."
25 Thus, the Attorney General's brief is not timely.

26 2. Additionally, while Big Rivers appreciates and acknowledges that
27 the Attorney General does not want to delay this proceeding due to the
28 criticality of the schedule, the Attorney General implies in his brief that Big
29 Rivers provided a less-than-transparent notice to the retail customers of Big
30 Rivers' three distribution cooperative members ("Members"). There are two
31 principal reasons this is incorrect. First, Big Rivers did not provide the notice

1 to the retail customers. Big Rivers provided the notice to its Members, and
2 those Members say they understood the Big Rivers notice. Big Rivers' Members
3 will each be filing an application to flow through the Big Rivers rate increase to
4 their retail members, and each will give its retail members notice of the
5 proposed rate increase as required by law. Big Rivers does not have the
6 information to calculate specifically the individual retail rates for each of its
7 Members' rate classifications, or the effect of the proposed wholesale rate
8 increase on each of those classifications. Second, the Attorney General adopts
9 KIUC's position that the percent increase in the notice Big Rivers sent to its
10 Members was incorrect because it was calculated gross of the Member Rate
11 Stability Mechanism ("MRSM") rather than net of the MRSM, and the Attorney
12 General asks the Public Service Commission to require Big Rivers to provide a
13 new customer notice. The Attorney General's position is wrong for the same
14 reasons KIUC's position is wrong, as fully explained in Big Rivers' response to
15 KIUC's Motion filed January 28, 2013, and the Attorney General's request that
16 Big Rivers be required to provide a new notice should be denied.

17 3. On page 3 of his brief, the Attorney General states that "Big Rivers'
18 hypothetical calculations [failed] to take into consideration the real world,
19 actual amounts and percentages involved once the MRSM is taken into
20 consideration." While the percent increase differs depending on whether the
21 calculation is net or gross of the MRSM, the actual dollar amount of the
22 wholesale rate increase does not change. Big Rivers pointed this fact out in its
23 response to KIUC's Motion, although KIUC did not challenge the accuracy of

1 the actual dollar amount that was in the notice from Big Rivers to its Members.
2 So, it is unclear why the Attorney General then quotes Mr. Starheim's estimate
3 for the Kenergy-specific *retail*, residential dollar impact of the proposed
4 *wholesale* increase, what that estimate has to do with KIUC's Motion, or how
5 requiring Big Rivers to send a "corrected" notice of the percent increase in
6 wholesale rates would resolve the Attorney General's concern about confusion
7 on the part of retail customers. The "wide range of numbers" referred to in the
8 Attorney General's Motion and the newspaper article attached thereto involve
9 two estimates for the dollar amount of the retail residential impact of the
10 wholesale rate increase, which is due not to whether the MRSM is included but
11 to the fact that the retail increase will be different for each of Big Rivers'
12 Members.

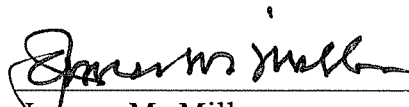
13 4. Neither KIUC nor the Attorney General can show that any of Big
14 Rivers' Members was misled by the notice from Big Rivers' because all three
15 have said they were not misled. Whatever the purpose of the KIUC Motion, the
16 relief requested in it should be denied.

17 WHEREFORE, Big Rivers respectfully requests that the Commission
18 deny KIUC's Motion.

19 On this the 5th day of February, 2013.

20

Respectfully submitted,



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Counsel for Big Rivers Electric
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Certificate of Notice

I certify that a true and accurate copy of the foregoing was served by first class mail, postage prepaid, upon the persons listed on the service list accompanying this response, on this the 5th day of February, 2013.



James M. Miller