

ORIGINAL



Your Touchstone Energy® Cooperative 

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

APPLICATION OF BIG RIVERS)
ELECTRIC CORPORATION FOR A) **Case No. 2013-00199**
GENERAL ADJUSTMENT IN RATES)

VOLUME 4 of 5

APPLICATION TABS 36 through 59

FILED: June 28, 2013

ORIGINAL

Big Rivers Electric Corporation
Case No. 2013-00199
Table of Contents

Forecasted Test Year
(Forecast Yest Year 12ME January 15, 2015; Base Period TME September 30, 2013)

Volume Number	Tab Number	Item	
1	1	Table of Contents	
1	1	Application	

Big Rivers Electric Corporation
Case No. 2013-00199
Table of Contents

Forecasted Test Year

(Forecast Yest Year 12ME January 15, 2015; Base Period TME September 30, 2013)

Volume Number	Tab Number	Filing Requirement	Description	Sponsoring Witness(es)
1	1	807 KAR 5:001 Section 16(1)(b)1	<i>Reason the adjustment</i>	Mr. Bailey
1	2	807 KAR 5:001 Section 16(1)(b)2	<i>Certificate of good standing or certificate of authorization</i>	Ms. Richert
1	3	807 KAR 5:001 Section 16(1)(b)3	<i>Certificate of assumed name</i>	Ms. Richert
1	4	807 KAR 5:001 Section 16(1)(b)4	<i>Proposed tariff</i>	Ms. Speed
1	5	807 KAR 5:001 Section 16(1)(b)5	<i>Utility's proposed tariff changes - Current Tariff v. Proposed Tariff [Side-by-Side]</i>	Ms. Speed
1	6	807 KAR 5:001 Section 16(1)(b)6	<i>Customer notice complies with subsections (3) and (4); copy of notice</i>	Ms. Speed
1	7	807 KAR 5:001 Section 16(2)	<i>Notice of Intent</i>	Ms. Speed
1	8	807 KAR 5:001 Section 16(3)(a)	<i>Manner of Notification (<= 20 Customers)</i>	Ms. Speed
1	9	807 KAR 5:001 Section 16(3)(b)	<i>Manner of Notification (> 20 Customers)</i>	Ms. Speed
1	10	807 KAR 5:001 Section 16(3)(c)	<i>Service in Multiple Counties</i>	Ms. Speed
1	11	807 KAR 5:001 Section 16(4)	<i>Notice Requirements</i>	Ms. Speed
1	12	807 KAR 5:001 Section 16(5)	<i>Proff of Notice</i>	Ms. Speed
1	13	807 KAR 5:001 Section 16(6)	<i>Additional Notice Requirements</i>	Ms. Speed
1	14	807 KAR 5:001 Section 16(7)	<i>Abbreviated Form of Notice</i>	Ms. Speed
1	15	807 KAR 5:001 Section 16(8)	<i>Notice of hearing scheduled by the commission in compliance with KRS 424.300</i>	Ms. Speed
1	16	807 KAR 5:001 Section 16(11)(a)	<i>Financial date for Forecasted Period presented in form of pro forma adjustments to Base Period</i>	Mr. Wolfram and Mr. Williams
1	17	807 KAR 5:001 Section 16(11)(b)	<i>Forcasted adjustments limited to twelve (12) months immediately following suspension period.</i>	Mr. Williams
1	18	807 KAR 5:001 Section 16(11)(c)	<i>Capitalization and Net Investment Rate Base</i>	Mr. Warren

Big Rivers Electric Corporation
Case No. 2013-00199
Table of Contents

Forecasted Test Year

(Forecast Yest Year 12ME January 15, 2015; Base Period TME September 30, 2013)

Volume Number	Tab Number	Filing Requirement	Description	Sponsoring Witness(es)
1	19	807 KAR 5:001 Section 16(11)(d) and 807 KAR 5:001 Section 16(11)(e)	<i>No revisions to Forecasted Test Period except for mathematical errors or changes in regulatory or statutory enactments; Commission may require Alternative Forecast</i>	Ms. Speed
1	20	807 KAR 5:001 Section 16(11)(f)	<i>Reconciliation of Rate Base and Capital used to determine Revenue requirements</i>	Mr. Warren
1	21	807 KAR 5:001 Section 16(12)(a)	<i>Prepared testimony of each witness including utility's chief officer in Kentucky addressing programs to achieve improvements, efficiency, and productivity.</i>	Mr. Bailey
1	22	807 KAR 5:001 Section 16(12)(b)	<i>Most recent capital construction budget with minimum of three (3) year forecast of construction expenditures.</i>	Mr. Berry and Mr. Crockett
1	23	807 KAR 5:001 Section 16(12)(c)	<i>Description of all factors used in preparing forecast period, including econometric models, variables, assumptions, escalation factors, etc.</i>	Mr. Williams
1	24	807 KAR 5:001 Section 16(12)(d)	<i>Utility's annual and monthly budget for twelve (12) months preceding filing date, base period, and forecasted period.</i>	Ms. Richert
1	25	807 KAR 5:001 Section 16(12)(e)	<i>Statement of attestation of utility's chief officer in Kentucky regarding forecast's reasonableness/reliability, and affirming forecast's assumption/methodologies used in forecasts given to management.</i>	Mr. Bailey
1	26	807 KAR 5:001 Section 16(12)(f)	<i>Provide information on each major construction project comprising \geq 5% of annual construction budget within three (3) year forecast.</i>	Mr. Berry and Mr. Crockett
1	27	807 KAR 5:001 Section 16(12)(g)	<i>Provide aggregate information on all construction project comprising $<$ 5% of annual construction budget within three (3) year forecast.</i>	Mr. Berry and Mr. Crockett

Big Rivers Electric Corporation
Case No. 2013-00199
Table of Contents

Forecasted Test Year
(Forecast Yest Year 12ME January 15, 2015; Base Period TME September 30, 2013)

Volume Number	Tab Number	Filing Requirement	Description	Sponsoring Witness(es)
1	28	807 KAR 5:001 Section 16(12)(h)	<i>Financial forecast information corresponding to three (3) forecasted years included in capital construction budget.</i>	Ms. Barron, Mr. Berry, Mr. Haner, Mr. Warren, Mr. Williams, and Mr. Wolfram
1	29	807 KAR 5:001 Section 16(12)(i)	<i>Most recent Federal Energy Regulatory Commission or Federal Communication Commission audit reports.</i>	Ms. Richert
2	30	807 KAR 5:001 Section 16(12)(j)	<i>Prospectuses of the most recent stock or bond offerings.</i>	Ms. Richert
2	31	807 KAR 5:001 Section 16(12)(k)	<i>Most recent Federal Energy Regulatory Commission Form 1 (electric) or Form 2 (gas), or Automated Reporting Management Information System Report (telephone) and Public Service Commission Form T (telephone);</i>	Ms. Richert
2	32	807 KAR 5:001 Section 16(12)(l)	<i>Annual report to shareholders, or members, and statistical supplement</i>	Ms. Richert
2	33	807 KAR 5:001 Section 16(12)(m)	<i>Current chart of accounts</i>	Ms. Richert
2	34	807 KAR 5:001 Section 16(12)(n)	<i>Latest twelve (12) months of monthly managerial reports providing financial results of operations in comparison to forecast</i>	Ms. Richert
3	35	807 KAR 5:001 Section 16(12)(o)	<i>Monthly budget variance reports with explanations, for twelve (12) months prior to base period, each month of base period, and subsequent months, when available.</i>	Ms. Richert
4	36	807 KAR 5:001 Section 16(12)(p)	<i>Securities and Exchange Commission's annual reports, Form 10-Ks, Form 8-Ks, and form 10-Qs.</i>	Ms. Richert
4	37	807 KAR 5:001 Section 16(12)(q)	<i>Independent auditor's annual opinion report.</i>	Ms. Richert
4	38	807 KAR 5:001 Section 16(12)(r)	<i>Quarterly reports to stockholders for most recent five (5) quarters.</i>	Ms. Richert

Big Rivers Electric Corporation
Case No. 2013-00199
Table of Contents

Forecasted Test Year
(Forecast Yest Year 12ME January 15, 2015; Base Period TME September 30, 2013)

Volume Number	Tab Number	Filing Requirement	Description	Sponsoring Witness(es)
4	39	807 KAR 5:001 Section 16(12)(s)	<i>Summary of the utility's latest depreciation study with schedules by major plant accounts.</i>	Ms. Richert
4	40	807 KAR 5:001 Section 16(12)(t)	<i>List of all commercially available or in-house developed computer software, programs, and models</i>	Ms. Richert
4	41	807 KAR 5:001 Section 16(12)(u)	<i>Information related to any amounts charged, allocated, or paid to utility by an affiliate, general office, or home office.</i>	Ms. Richert
4	42	807 KAR 5:001 Section 16(12)(v)	<i>Cost of service study</i>	Mr. Wolfram
4	43	807 KAR 5:001 Section 16(12)(w)	<i>Local exchange carriers, jurisdictional separations study, and service specific cost studies.</i>	Ms. Richert
4	44	807 KAR 5:001 Section 16(13)(a)	<i>Jurisdictional financial summary for base period and forecasted period deriving amount of requested increase.</i>	Mr. Warren
4	45	807 KAR 5:001 Section 16(13)(b)	<i>Jurisdictional rate base summary for base period and forecasted period with schedules detailing analysis of rate base.</i>	Mr. Warren
4	46	807 KAR 5:001 Section 16(13)(c)	<i>Jurisdictional operating income summary for base period and forecasted period with schedules detailing major/individual accounts.</i>	Ms. Richert
4	47	807 KAR 5:001 Section 16(13)(d)	<i>Summary of jurisdictional adjustments to operating income by major account with supporting schedules.</i>	Ms. Richert
4	48	807 KAR 5:001 Section 16(13)(e)	<i>Jurisdictional federal and sate income tax summary for base period and forecasted period with all supporting schedules.</i>	Ms. Richert
4	49	807 KAR 5:001 Section 16(13)(f)	<i>Summary schedules for base period and forecasted period of membership dues, initiation fees, country club expenditures, et. al.</i>	Ms. Richert

Big Rivers Electric Corporation
Case No. 2013-00199
Table of Contents

Forecasted Test Year

(Forecast Yest Year 12ME January 15, 2015; Base Period TME September 30, 2013)

Volume Number	Tab Number	Filing Requirement	Description	Sponsoring Witness(es)
4	50	807 KAR 5:001 Section 16(13)(g)	<i>Analysis of payroll costs including schedules for wages/salaries, employee benefits, payroll taxes, straight/overtime hours, et. al.</i>	Mr. Haner
4	51	807 KAR 5:001 Section 16(13)(h)	<i>Computation of gross revenue conversion factor for forecasted period.</i>	Mr. Wolfram
4	52	807 KAR 5:001 Section 16(13)(i)	<i>Comparative income statements and revenue/sales statistics for five (5) most recent calendar years from application filing date, base/forecasted periods, plus two (2) years beyond forecasted period.</i>	Ms. Richert
4	53	807 KAR 5:001 Section 16(13)(j)	<i>Cost of capital summary for base period and forecasted period with supporting schedules.</i>	Ms. Richert
4	54	807 KAR 5:001 Section 16(13)(k)	<i>Comparative financial data for ten (10) most recent calendar years, base period, and forecasted period.</i>	Ms. Richert
4	55	807 KAR 5:001 Section 16(13)(l)	<i>Narrative description and explanation of all proposed tariff changes.</i>	Ms. Speed
4	56	807 KAR 5:001 Section 16(13)(m)	<i>Revenue summary for base period and forecasted period with supporting schedules detailing billing analyses for customer classes.</i>	Ms. Richert
4	57	807 KAR 5:001 Section 16(13)(n)	<i>Typical bill comparison for present and proposed rates for all customer classes.</i>	Mr. Wolfram
4	58	807 KAR 5:001 Section 16(15)	<i>Request for waiver(s)</i>	Ms. Richert
4	59	Ordering Paragraph Nos. 2 and 3 of Commission's Order, dated July 24, 2012, in CN 2008-00408	<i>Electric utility in rate case to fully explain consideration of cost-effective energy efficiency programs and their impact on test year</i>	Ms. Barron

**Big Rivers Electric Corporation
Case No. 2013-00199
Table of Contents**

Forecasted Test Year
(Forecast Yest Year 12ME January 15, 2015; Base Period TME September 30, 2013)

Direct Testimony and Exhibits

Volume Number	Tab Number	Witness	Exhibit(s)	Exhibit Decription
5	60	Mark A. Bailey	Exhibit Bailey - 1	Professional Summary
5	61	Billie J. Richert	Exhibit Richert - 1	Professional Summary
			Exhibit Richert - 2	MFIR Calculation
			Exhibit Richert - 3	Generation & Transmisison Cooperatives Comparison Analysis
			Exhibit Richert - 4	Credit Rating Agency Reports
5	62	DeAnna M. Speed	Exhibit Speed - 1	Professional Summary
			Exhibit Speed - 2	Summary of Proposed Changes to Tariff Rates
			Exhibit Speed - 3	Side-by-Side Comparison of Big Rivers Proposed Tariff in CN 2012-000535 (PSC KY No. 25) versus Big Rivers Proposed Tariff in CN 2013-00199 (PSC KY No. 26)
5	63	Robert W. Berry	Exhibit Berry - 1	Forecasted Production Non-Labor Fixed Departmental Expenses (FDE)
			Exhibit Berry - 2	Forecasted Production Capital Work Plan
5	64	David G. Crockett	[None]	
5	65	Daniel M. Walker	Exhibit Walker - 1	G&T Cooperatives, Ratings and 2011 TIER
			Exhibit Walker - 2	G&T Cooperatives Debt Service Coverage (DSC) Ratios
			Exhibit Walker - 3	Equity Ratio
5	66	Jeffrey A. Williams	Exhibit Williams - 1	Professional Summary

**Big Rivers Electric Corporation
Case No. 2013-00199
Table of Contents**

Forecasted Test Year
(Forecast Yest Year 12ME January 15, 2015; Base Period TME September 30, 2013)

Direct Testimony and Exhibits

Volume Number	Tab Number	Witness	Exhibit(s)	Exhibit Description
5	67	Lindsay N. Barron	Exhibit Barron - 1	Professional Summary
			Exhibit Barron - 2	U.S. Department of Agriculture, Rural Utilities Service Approval Letter for 2013 Load Forecast Work Plan
			Exhibit Barron - 3	2014 and 2015 Energy and Demand Budget
5	68	James V. Haner	Exhibit Haner -1	Professional Summary
			Exhibit Haner -2	Calculation of Severance Costs
5	69	Christopher A. Warren	Exhibit Warren -1	Professional Summary
			Exhibit Warren -2	Big Rivers Financial Model
			Exhibit Warren -3	Financial Results with and without Rate Increase
5	70	John Wolfram	Exhibit Wolfram - 1	Professional Summary
			Exhibit Wolfram - 2	Revenue Requirements and Pro Forma Adjustments
			Exhibit Wolfram - 3	Cost-of-Service Study: Functional Assignment and Classification
			Exhibit Wolfram - 4	Cost-of-Service Study: Allocation to Rate Classes
			Exhibit Wolfram - 5	Billing Determinants: Present & Proposed Rates
			Exhibit Wolfram - 6	Summary of Proposed Increase
			Exhibit Wolfram - 7	Estimate of Retail Rate Increase
			Exhibit Wolfram - 8	Rate Comparison to Other Kentucky Utilities



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01/31/2015; Base Period 12ME 09/30/2013)

1
2
3
4
5
6
7
8
9
10
11
12
13
14

Tab No. 36
Filing Requirement
807 KAR 5:001 Section 16(12)(p)
Sponsoring Witness: Billie J. Richert

Description of Filing Requirement:

A copy of the utility's annual report on Form 10-K as filed with the Securities and Exchange Commission for the most recent two (2) years, and any Form 8-K issued during the past two (2) years, and any Form 10-Q issued during the past six (6) quarters;

Response:

Big Rivers does not file annual reports, Form 10-Ks, Form 8-Ks, or Form 10-Qs with the Securities and Exchange Commission.



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01/31/2015; Base Period 12ME 09/30/2013)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17

Tab No. 37
Filing Requirement
807 KAR 5:001 Section 16(12)(q)
Sponsoring Witness: Billie J. Richert

Description of Filing Requirement:

The independent auditor's annual opinion report, with any written communication from the independent auditor to the utility that indicates the existence of a material weakness in the utility's internal controls.

Response:

Big Rivers' independent auditor's annual opinion reports for 2012 are attached hereto. Big Rivers has not received any written communication from its independent auditor indicating the existence of a material weakness in the utility's internal controls.



KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Independent Auditors' Report

The Board of Directors and Members
Big Rivers Electric Corporation:

Report on the Financial Statements

We have audited the accompanying financial statements of Big Rivers Electric Corporation, which comprise the balance sheets as of December 31, 2012 and 2011, and the related statements of operations, comprehensive income, equities (deficit), and cash flows for each of the years in the three-year period ended December 31, 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Big Rivers Electric Corporation as of December 31, 2012 and 2011, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2012, in accordance with U.S. generally accepted accounting principles.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued a report dated March 29, 2013, on our consideration of Big Rivers Electric Corporations' internal control over financial reporting and our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audits.

KPMG LLP

Philadelphia, Pennsylvania
March 29, 2013



BIG RIVERS ELECTRIC CORPORATION

Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

December 31, 2012



KPMG LLP
Suite 3400
312 Walnut Street
Cincinnati, OH 45202

**Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

The Board of Directors
Big Rivers Electric Corporation:

We have audited the balance sheets of Big Rivers Electric Corporation (Big Rivers) as of December 31, 2012 and 2011 and the related statements of operations, comprehensive income, equities (deficit), and cash flows for each of the years in the three-year period ended December 31, 2012 and have issued our report thereon dated March 29, 2013.

We conducted our audits in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Internal Control over Financial Reporting

The management of Big Rivers is responsible for establishing and maintaining effective internal control. In planning and performing our fiscal year 2012 audit, we considered Big Rivers' internal control over financial reporting by obtaining an understanding of Big Rivers' internal controls, determining whether internal controls have been placed in operation, assessing control risk, and performing tests of controls as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Big Rivers' internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Big Rivers' internal controls over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the third paragraph of this report and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. In our fiscal year 2012 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and Other Matters

The management of Big Rivers is responsible for complying with laws, regulations, contracts, and grant agreements applicable to Big Rivers. As part of obtaining reasonable assurance about whether Big Rivers' financial statements are free of material misstatement, we performed tests over Big Rivers' compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. We limited our tests of compliance to the provisions described in the preceding sentence, and we did not test compliance with all laws, regulations, contracts, and grants agreements applicable to Big Rivers. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our other tests of compliance disclosed no instances of noncompliance or other matters that are required to be reported therein under *Government Auditing Standards*.

Purpose of this Report

This report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Big Rivers' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering Big Rivers' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the board of directors, members, and management of Big Rivers, the U.S. Department of Agriculture Rural Utilities Service, and supplemental lenders, and is not intended to be, and should not be used by anyone other than these specified parties.

KPMG LLP

March 29, 2013



BIG RIVERS ELECTRIC CORPORATION

Management Letter

December 31, 2012 and 2011



KPMG LLP
Suite 3400
312 Walnut Street
Cincinnati, OH 45202

March 29, 2013

The Board of Directors
Big Rivers Electric Corporation:

We have audited the financial statements of Big Rivers Electric Corporation (Big Rivers) as of and for the years ended December 31, 2012 and 2011, and have issued our report thereon dated March 29, 2013. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and §7 CFR 1773, *Policy on Audits of Rural Utilities Services (RUS) Borrowers*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

In planning and performing our audits, we considered Big Rivers' internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Big Rivers' internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Big Rivers' internal controls over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal controls over financial reporting was for the limited purpose described in the second paragraph of this section and was not designed to identify all deficiencies, or material weaknesses. We did not identify any deficiencies in internal controls over financial reporting that we consider to be material weaknesses, as defined above.

§7 CFR 1773.33 requires comments on specific aspects of the internal control over financial reporting compliance with specific RUS loan and security instrument provisions, and other additional matters. We have grouped our comments accordingly. In addition to obtaining reasonable assurance about whether the financial statements are free from material misstatements, at your request, we performed tests of specific aspects of the internal control over financial reporting, of compliance with specific RUS loan and security instrument provisions, and of additional matters. The specific aspects of internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and additional matters tested include, among other things, the accounting procedures and records, materials control,



compliance with specific RUS loan and security provisions set forth in §7 CFR 1773.33(e)(1), related-party transactions, depreciation rates, a schedule of deferred debit and credits, and a schedule of investments, upon which we express an opinion. In addition, our audit of the financial statements also included the procedures specified in §7 CFR 1773.38 – 1773.45. Our objective was not to provide an opinion on these specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, or additional matters, and accordingly, we express no opinion thereon.

No reports (other than our independent auditors' report and our independent auditors' report on internal control over financial reporting and on compliance and other matters, both dated March __, 2013) have been furnished to management. Our comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters as required by §7 CFR 1773.33 are presented below.

Comments on Certain Specific Aspects of the Internal Control over Financial Reporting

We noted no matters regarding Big Rivers' internal control over financial reporting and its operation that we consider to be a material weakness as previously defined with respect to:

- The accounting procedures and records;
- The process for accumulating and recording labor, materials, and overhead costs and the distribution of these costs to construction, retirement, and maintenance and other expense accounts; and
- The materials control.

Comments on Compliance with Specific RUS Loan and Security Investment Provisions

At your request, we have performed certain procedures with respect to compliance with certain provisions of law, regulations, contracts, and grant agreements. The procedures we performed are summarized as follows:

- Procedures performed with respect to the requirement for a borrower to obtain written approval of the mortgagee to enter into any contract for the operation or maintenance of property, or for the use of mortgaged property by others, for the year ended December 31, 2012 and 2011:
 1. Big Rivers did not enter into any new contracts during the year for the operation or maintenance of its property, or for the use of its property by others, as defined in §7 CFR 1773.33(e)(1)(i).



2. Reviewed board of directors' minutes to ascertain whether board-approved written contracts were entered into during the respective year for the operation or maintenance of its property, or for the use of its property by others, as defined in §7 CFR 1773.33(e)(1)(i). No board-approved contracts were noted during our review.
 3. No written contracts were entered into during the year requiring RUS approval.
- Procedures performed with respect to the requirement to submit RUS Financial and Operating Report Electric Power Supply Part A – Financial to the RUS:
 1. Agreed amounts reported in Part A to Big Rivers' records.

The results of our tests indicate that, with respect to the items tested, Big Rivers complied, in all material respects, with the specific RUS loan and security instrument provisions referred to below. The specific provisions tested, as well as any exceptions noted, include the requirements that:

- The borrower did not enter into any contract for the operation or maintenance of property, or for the use of mortgaged property by others. As no written contracts specified by §7 CFR 1773.33(e)(1)(i) have been entered into during the year, Big Rivers has not obtained written approval of the RUS to enter into any contract for the operation or maintenance of property, or for the use of mortgaged property by others.
- The borrower has submitted its Part A to the RUS and the Part A, Financial and Statistical Report, as of December 31, 2012 and 2011, represented by the borrower as the report submitted to RUS, is an agreement with Big Rivers' audited records in all material respects and it appears reasonable based upon the audit procedures performed.

Comments on Other Additional Matters

In connection with our audit of the financial statements of Big Rivers, nothing came to our attention that caused us to believe that Big Rivers failed to comply with respect to:

- The reconciliation of continuing property records to the controlling general ledger plant accounts addressed at §7 CFR 1773.33(c)(1);
- The clearing of the construction accounts and the accrual of depreciation on completed construction addressed at §7 CFR 1773.33(c)(2);
- The retirement of plant addressed at §7 CFR 1773.33(c)(3) and (4);
- Approval of the sale, lease, or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap addressed at §7 CFR 1773.33(c)(5);



- The disclosure of material related-party transactions in accordance with the Statement of Financial Accounting Standards No.57, *Related-Party Transactions* (ASC 850), for the year ended December 31, 2012, in the financial statements referenced in the first paragraph of this report addressed at §7 CFR 1773.33(f);
- The depreciation rates addressed at §7 CFR 1773.33(g);
- The detailed schedule of deferred debits and deferred credits; and
- The detailed schedule of investments.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed schedule of deferred debits and deferred credits required by §7 CFR 1773.33(h), and the detailed schedule of investments required by §7 CFR 1773.33(i) attached hereto are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the responsibility of Big Rivers' management. This information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the board of directors, management, and the RUS and supplemental lenders, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

March 29, 2013

BIG RIVERS ELECTRIC CORPORATION
Detailed Schedule of Deferred Debits and Credits
December 31, 2012

Deferred debits:

Prelim. survey and investigation and other deferred charges	\$ <u>3,981,082</u>
RUS Part A, Section B, Line 30	<u>3,981,082</u>
Environmental compliance plan expenses	704,087
Financing fees	<u>4,249,579</u>
Deferred charges and other	\$ <u><u>8,934,748</u></u>

Deferred credits:

Regulatory liabilities – member rate mitigation	\$ <u>148,088,314</u>
RUS Part A, Section B, Line 59	<u>148,088,314</u>
Provision for pension and postretirement benefits	
Other liabilities	<u>21,571,187</u>
RUS Part A, Section B, Line 48	<u>21,571,187</u>
Total deferred credits and other	\$ <u><u>169,659,501</u></u>

Note: Big Rivers has not received written approval from RUS to record the items on the above schedule. Management does not believe written approval from RUS is required for these items.

BIG RIVERS ELECTRIC CORPORATION

Detailed Schedule of Investments

December 31, 2012

Investments in associated organizations	\$ 47,523,706
Investments in economic development projects	<u>10,000</u>
RUS Part A, Section B, Lines 7-11	<u>\$ 47,533,706</u>



KPMG LLP
Suite 3400
312 Walnut Street
Cincinnati, OH 45202

March 29, 2013

The Board of Directors
Big Rivers Electric Corporation
Henderson, Kentucky

Gentlemen:

We have audited the financial statements of Big Rivers Electric Corporation (Big Rivers) as of and for the years ended December 31, 2012 and 2011, and have issued our report thereon under date of March 29, 2013. Under our professional standards, we are providing you with the accompanying information related to the conduct of our audits.

Our Responsibility under Professional Standards

We are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of the Board of Directors are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles. We have a responsibility to perform our audit of the financial statements in accordance with professional standards. In carrying out this responsibility, we planned and performed the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Because of the nature of audit evidence and the characteristics of fraud, we are to obtain reasonable, not absolute, assurance that material misstatements are detected. We have no responsibility to plan and perform the audit to obtain reasonable assurance that misstatements, whether caused by error or fraud, that are not material to the financial statements are detected. Our audits do not relieve management or the Board of Directors of their responsibilities.

In addition, in planning and performing our audit of the financial statements, we considered internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

We also have a responsibility to communicate significant matters related to the financial statement audit that are, in our professional judgment, relevant to the responsibilities of the Board of Directors in overseeing the financial reporting process. We are not required to design procedures for the purpose of identifying other matters to communicate to you.



The Board of Directors
Big Rivers Electric Corporation
March 29, 2013
Page 2 of 4

Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing the Company's financial statements and our auditors' report thereon does not extend beyond the financial information identified in our auditors' report, and we have no obligation to perform any procedures to corroborate other information contained in these documents.

Significant Accounting Policies

The significant accounting policies used by the Company are described in note 1 to the financial statements.

Qualitative Aspects of Accounting Practices

We have discussed with the Board of Directors and management our judgments about the quality, not just the acceptability, of the Company's accounting principles as applied in its financial reporting. The discussions generally included such matters as the consistency of the Company's accounting policies and their application, and the understandability and completeness of the Company's financial statements, which include related disclosures.

Unusual Transactions

There were no unusual transactions noted during our audit.

Management Judgments and Accounting Estimates

The preparation of the financial statements requires management of the Company to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Accounting estimates in the Company's financial statements include the following:

- Useful lives of property, plant, and equipment.
- Pension and postretirement benefit expense and obligation assumptions, including healthcare costs and discount rate used to determine the present value of the postretirement obligation. Management uses third-party actuaries to assist with this estimate.
- As disclosed in note 5 to the financial statements, two aluminum smelters (smelters), to which the Company sells a significant portion of its electric generation, have provided notices of termination. The ultimate impact of matters related to these events is uncertain. We have discussed these events with management and the Board of Directors, including our evaluation of the Company's ability to continue as a going concern.



The Board of Directors
Big Rivers Electric Corporation
March 29, 2013
Page 3 of 4

Uncorrected and Corrected Misstatements

In connection with our audit of the Company's financial statements, we did not identify any financial statement misstatements in the Company's books and records as of and for the year ended December 31, 2012.

Disagreements with Management

There were no disagreements with management on financial accounting and reporting matters that, if not satisfactorily resolved, would have caused a modification of our auditors' report on the Company's financial statements.

Management's Consultation with Other Accountants

To the best of our knowledge, management has not consulted with or obtained opinions, written or oral, from other independent accountants during the year ended December 31, 2012.

Significant Issues Discussed, or Subject to Correspondence, with Management

We generally discuss a variety of matters with management each year prior to our retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Material Written Communications

Attached to this letter please find copies of the following material written communications between management and us:

1. Engagement letter
2. Management representation letter
3. 2011 System Review Report

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

Independence

Our professional standards and other regulatory requirements specify that we communicate to you in writing, at least annually, all relationships between our firm and the Company and persons in a financial reporting oversight role at the Company and provide confirmation that we are independent accountants with respect to the Company.



The Board of Directors
Big Rivers Electric Corporation
March 29, 2013
Page 4 of 4

We hereby confirm that as of March 29, 2013 we are independent accountants with respect to the Company under all other relevant professional and regulatory standards.

* * * * *

This letter to the Board of Directors is intended solely for the information and use of the Board of Directors and management, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP



KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Telephone +1 267 256 7000
Fax +1 267 256 7200
Internet www.us.kpmg.com

C. M. MITE
B. Blackburn
D. Windhaus

September 29, 2010

Big Rivers Electric Corporation
201 Third Street
Henderson, Kentucky 42419-0024

Attention: William Denton, Chairman of the Board

This letter (the Engagement Letter) confirms our understanding of our engagement to provide professional services to Big Rivers Electric Corporation (the Company).

Objectives and Limitations of Services

Audit Services

We will issue written reports upon our audit of the Company's financial statements as set forth in Appendix I.

We have the responsibility to conduct and will conduct the audit of the financial statements in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, with the objective of expressing an opinion as to whether the presentation of the financial statements, taken as a whole, that have been prepared by management with the oversight of those charged with governance, conforms with U.S. generally accepted accounting principles.

In conducting the audit, we will perform tests of the accounting records and such other procedures, as we consider necessary in the circumstances, to provide a reasonable basis for our opinion on the financial statements. We also will assess the accounting principles used and significant estimates made by management, and evaluate the overall financial statement presentation.

Our audit of the financial statements is planned and performed to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Absolute assurance is not attainable because of the nature of audit evidence and the characteristics of fraud. Therefore, there is a risk that material errors, fraud (including fraud that may be an illegal act), and other illegal acts may exist and not be detected by an audit of financial statements performed in accordance with the auditing standards generally accepted in the United States of America. Also, an audit is not designed to detect matters that are immaterial to the financial statements, and because the determination of abuse is subjective, *Government Auditing Standards* does not expect auditors to provide reasonable assurance of detecting abuse.

Our reports will be addressed to the board of directors of the Company. We cannot provide assurance that an unqualified opinion will be rendered. Circumstances may arise in which it is necessary for us to modify our reports or withdraw from the engagement.



Big Rivers Electric Corporation
September 29, 2010
Page 2

While our report may be sent to the Company electronically for your convenience, only the hard copy report is to be relied upon as our work product.

Internal Control over Financial Reporting and Compliance and Other Matters

In planning and performing our audit of the financial statements, we will consider the Company's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements and not to provide an opinion on the effectiveness of the Company's internal control over financial reporting. In accordance with *Government Auditing Standards*, we are required to communicate that the limited purpose of our consideration of internal control may not meet the needs of some users who require additional information about internal control. We can provide other services to provide you with additional information on internal control which we would be happy to discuss with you at your convenience.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Company's compliance with certain provisions of laws, regulations, contracts and grant agreements, violations of which could have a direct and material effect on the financial statements. However, our objective is not to provide an opinion on compliance with such provisions.

In accordance with *Government Auditing Standards*, we will prepare a written report, *Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards* (GAGAS report), on our consideration of internal control over financial reporting and tests of compliance made as part of our audit of the financial statements. While the objective of our audit of the financial statements is not to report on the Company's internal control over financial reporting and we are not obligated to search for material weaknesses or significant deficiencies as part of our audit of the financial statements, this report will include any material weaknesses and significant deficiencies to the extent they come to our attention. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. This report will also include illegal acts and fraud, unless clearly inconsequential, and material violations of provisions of contracts and grant agreements and abuse. It will indicate that it is intended solely for the information and use of the board of directors and management of the Company and federal awarding agencies and pass-through entities and that it is not intended to be and should not be used by anyone other than these specified parties.

In accordance with *Government Auditing Standards*, we will also issue a management letter to communicate violations of provisions of contracts or grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential that come to our attention.

In accordance with *Government Auditing Standards*, we are also required in certain circumstances to report fraud or illegal acts directly to parties outside the auditee.



Offering Documents

Should the Company wish to include or incorporate by reference these financial statements and our audit report(s) thereon into an offering of exempt securities, prior to our consenting to include or incorporate by reference our report(s) on such financial statements, we would consider our consent to the inclusion of our report and the terms thereof at that time. We will be required to perform procedures as required by the standards of the American Institute of Certified Public Accountants, including, but not limited to, reading other information incorporated by reference in the offering document and performing subsequent event procedures. Our reading of the other information included or incorporated by reference in the offering document will consider whether such information, or the manner of its presentation, is materially inconsistent with information, or the manner of its presentation, appearing in the financial statements. However, we will not perform procedures to corroborate such other information (including forward-looking statements). The specific terms of our future services with respect to future offering documents will be determined at the time the services are to be performed.

Should the Company wish to include or incorporate by reference these financial statements and our audit report(s) thereon into an offering of exempt securities without obtaining our consent to include or incorporate by reference our report(s) on such financial statements, and we are not otherwise associated with the offering document, then the Company agrees to include the following language in the offering document:

“KPMG LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. KPMG LLP also has not performed any procedures relating to this official statement.”

Our Responsibility to Communicate with the Board of Directors

We will report to the board of directors, in writing, the following matters:

- Corrected misstatements arising from the audit that could, in our judgment, either individually or in aggregate, have a significant effect on the Company’s financial reporting process. In this context, corrected misstatements are proposed corrections of the financial statements that were recorded by management and, in our judgment, may not have been detected except through the auditing procedures performed.
- Uncorrected misstatements aggregated during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in aggregate.
- Any disagreements with management or other significant difficulties encountered in performance of our audit.
- Other matters required to be communicated by auditing standards generally accepted in the United States of America.

We will also read minutes, if any, of the board directors meetings for consistency with our understanding of the communications made to the board of directors and determine that the board of directors has received copies of all material written communications between ourselves and management. We will also determine that the board of directors has been informed of i) the initial selection of, or the reasons for any change in,



significant accounting policies or their application during the period under audit, ii) the methods used by management to account for significant unusual transactions, and iii) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

If, in performance of our audit procedures, circumstances arise which make it necessary to modify our report or withdraw from the engagement, we will communicate to the board of directors our reasons for modification or withdrawal.

Management Responsibilities

The management of the Company is responsible for the fair presentation, in accordance with U.S. generally accepted accounting principles, of the financial statements and all representations contained therein. Management also is responsible for identifying and ensuring that the Company complies with laws, regulations, contracts, and grant agreements applicable to its activities, and for informing us of any known material violations of such laws and regulations and provisions of contracts and grant agreements. Management also is responsible for preventing and detecting fraud, including the design and implementation of programs and controls to prevent and detect fraud, for adopting sound accounting policies, and for establishing and maintaining effective internal controls and procedures for financial reporting to maintain the reliability of the financial statements and to provide reasonable assurance against the possibility of misstatements that are material to the financial statements. Management is also responsible for informing us, of which it has knowledge, of all material weaknesses and significant deficiencies in the design or operation of such controls. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Management of the Company also agrees that all records, documentation, and information we request in connection with our audit will be made available to us, that all material information will be disclosed to us, and that we will have the full cooperation of the Company's personnel. As required by the auditing standards generally accepted in the United States of America, we will make specific inquiries of management about the representations embodied in the financial statements and the effectiveness of internal control, and obtain a representation letter from management about these matters. The responses to our inquiries, the written representations, and the results of audit tests, among other things, comprise the evidential matter we will rely upon in forming an opinion on the financial statements.

In accordance with *Government Auditing Standards*, as part of our planning of the audit we will evaluate whether the Company has taken appropriate corrective action to address findings and recommendations from previous engagements that could have a material effect on the financial statements. To assist us, management agrees to identify previous audits, attestation engagements, or other studies that relate to the objectives of the audit, including whether related recommendations have been implemented, prior to October 31st of each respective year under audit.

Management is responsible for adjusting the financial statements to correct material misstatements and for affirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements being reported upon taken as a whole. Because of the importance of management's representations to the effective performance of our services, the Company will release KPMG LLP (KPMG) and its personnel from any claims, liabilities, costs and



Big Rivers Electric Corporation
September 29, 2010
Page 5

expenses relating to our services under this letter attributable to any misrepresentations in the representation letter referred to above.

Management is also responsible for providing us with written responses in accordance with *Government Auditing Standards* to the findings included in the GAGAS report within 30 days of being provided with draft findings. If such information is not provided on a timely basis prior to release of the report, the GAGAS report will indicate the status of management's responses.

Management is responsible for the distribution of the reports issued by KPMG.

Dispute Resolution

Any dispute or claim arising out of or relating to this Engagement Letter or the services provided hereunder, or any other audit or attest services provided by or on behalf of KPMG or any of its subcontractors or agents to the Company or at its request, shall be submitted first to non-binding mediation (unless either party elects to forego mediation by initiating a written request for arbitration) and if mediation is not successful within 90 days after the issuance by one of the parties of a request for mediation then to binding arbitration in accordance with the Rules for Non-Administered Arbitration of the International Institute for Conflict Prevention and Resolution then in effect ("CPR Arbitration Rules"). Any issue concerning the extent to which any dispute is subject to arbitration, or any dispute concerning the applicability, interpretation, or enforceability of these dispute resolution procedures, including any contention that all or part of these procedures is invalid or unenforceable, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. By operation of this provision, the parties agree to forego litigation over such disputes in any court of competent jurisdiction.

Mediation, if selected, may take place at a location to be designated by the parties using Mediation Procedures of the International Institute for Conflict Prevention and Resolution, with the exception of paragraph 2 (Selecting the Mediator). Arbitration shall take place in New York, New York. The arbitration panel shall have no power to award non-monetary or equitable relief of any sort except as provided in CPR Rule 13 (Interim Measures of Protection). Damages that are inconsistent with any applicable agreement between the parties, that are punitive in nature, or that are not measured by the prevailing party's actual damages shall be unavailable in arbitration or any other forum. In no event, even if any other portion of these provisions is held to be invalid or unenforceable, shall the arbitration panel have power to make an award or impose a remedy that could not be made or imposed by a court deciding the matter in the same jurisdiction.

Either party may seek to enforce any written agreement reached by the parties during mediation, or to confirm and enforce any final award entered in arbitration, in any court of competent jurisdiction. Notwithstanding the agreement to such procedures, either party may seek equitable relief to enforce its rights in any court of competent jurisdiction.

Other Matters

This letter shall serve as the Company's authorization for the use of e-mail and other electronic methods to transmit and receive information, including confidential information, between KPMG and the Company and between KPMG and outside specialists or other entities engaged by either KPMG or the Company. The Company acknowledges that e-mail travels over the public Internet, which is not a secure means of communication and, thus, confidentiality of the transmitted information could be compromised through no



Big Rivers Electric Corporation
September 29, 2010
Page 6

fault of KPMG. KPMG will employ commercially reasonable efforts and take appropriate precautions to protect the privacy and confidentiality of transmitted information.

Further, for purposes of the services described in this letter only, the Company hereby grants to KPMG a limited, revocable, non-exclusive, non-transferable, paid up and royalty-free license, without right of sublicense, to use all names, logos, trademarks and service marks of the Company solely for presentations or reports to the Company or for internal KPMG presentations and intranet sites.

KPMG is a limited liability partnership comprising both certified public accountants and certain principals who are not licensed as certified public accountants. Such principals may participate in the engagements to provide the services described in this letter.

KPMG-controlled entities and KPMG member firms located outside the United States operating under our supervision may also participate in providing the services described in this letter, and KPMG uses administrative services operating at our direction, including third parties inside and outside the U.S., that may access your information to perform administrative and clerical procedures.

The Company agrees to provide prompt notification if the Company or any of its subsidiaries currently are or become subject to the laws of a foreign jurisdiction that require regulation of any securities issued by the Company or such subsidiary.

The work papers for this engagement are the property of KPMG. Pursuant to *Government Auditing Standards*, we are required to make certain work papers available in a full and timely manner to Regulators upon request for their reviews of audit quality and for use by their auditors. In addition, we may be requested to make certain work papers available to Regulators pursuant to authority provided by law or regulation. Access to the requested work papers will be provided under supervision of KPMG personnel. Furthermore, upon request, we may provide photocopies of selected work papers to Regulators. Such Regulators may intend, or decide, to distribute the photocopies or information contained therein to others, including other government agencies.

In the event KPMG is requested pursuant to subpoena or other legal process to produce its documents and/or testimony relating to this engagement for the Company in judicial or administrative proceedings to which KPMG is not a party, the Company shall reimburse KPMG at standard billing rates for its professional time and expenses, including reasonable attorney's fees, incurred in responding to such requests.

Other Government Auditing Standards Matters

As required by *Government Auditing Standards*, we have attached a copy of KPMG's most recent peer review report.

Additional Reports and Fees for Services

Appendix I to this letter lists the additional reports we will issue as part of this engagement and our fees for professional services to be performed per this letter.

In addition, fees for any special audit-related projects, such as research and/or consultation on special business or financial issues, will be billed separately from the audit fees for professional services set forth



Big Rivers Electric Corporation
September 29, 2010
Page 7

in Appendix I at the rates presented in Appendix II and may be subject to written arrangements supplemental to those in this letter.

* * * * *

Our engagement herein is for the provision of annual audit services for the financial statements and other related reports for the periods described in Appendix I, and it is understood that such services are provided as a single engagement. Pursuant to our arrangement as reflected in this letter we will provide the services set forth in Appendix I as a single engagement for each of the Company's subsequent fiscal years until either Management or we terminate this agreement, or mutually agree to the modification of its terms. The fees for each year through 2012 are disclosed in this letter and subsequent to 2012 will be annually subject to negotiation and approval by the board of directors.

We shall be pleased to discuss this letter with you at any time. For your convenience in confirming these arrangements, we enclose a copy of this letter. Please sign and return it to us.

Very truly yours,

KPMG LLP

Joseph P. Charles
Partner

cc: Mark Alan Bailey, *President and Chief Executive Officer*
Charles William Blackburn, *Senior Vice President of Financial and Energy Services and Chief Financial Officer*
Mark Allen Hite, *Vice President of Accounting*



Big Rivers Electric Corporation
September 29, 2010
Page 8

ACCEPTED:

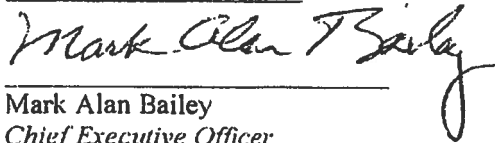
Big Rivers Electric Corporation



William Denton
Chairman of the Board

10-4-10
Date

ACKNOWLEDGED BY:



Mark Alan Bailey
Chief Executive Officer

9/30/10
Date



Appendix I

Fees for Services

Based upon our discussions with and representations of management, our fees for services we will perform are estimated as follows:

Audit of the financial statements of Big Rivers Electric Corporation as of and for the year ended December 31, 2010	\$115,000
Audit of the financial statements of Big Rivers Electric Corporation as of and for the years ended December 31, 2011 and 2010.	\$115,000
Audit of the financial statements of Big Rivers Electric Corporation as of and for the years ended December 31, 2012 and 2011.	\$115,000

Other Reports:

Other reports that we will issue as part of this engagement for 2010, 2011, and 2012 are as follows:

<u>Report</u>	<u>Fee</u>
Report on Compliance and on Internal Control Over Financial Reporting Based on Audit of Financial Statements Performed in Accordance with Government Auditing Standards and based on 7 CFR Part 1773, Policy on Audits of RUS Borrowers.	Included in fees above
RUS Management Letter	Included in fees above

The above estimates are based on the level of experience of the individuals who will perform the services. In addition, expenses are billed for reimbursement as incurred. Expenses for items such as travel, telephone, postage, and typing, printing, and reproduction of financial statements are estimated at approximately 15% of the above fees per year. Circumstances encountered during the performance of these services that warrant additional time or expense could cause us to be unable to deliver them within the above estimates. We will endeavor to notify you of any such circumstances as they are assessed.

Where KPMG is reimbursed for expenses, it is KPMG's policy to bill the Company the amount incurred at the time the good or service is purchased. If KPMG subsequently receives a volume rebate or other incentive payment from a vendor relating to such expenses, KPMG does not credit such payment to the Company. Instead, KPMG applies such payments to reduce its overhead costs, which costs are taken into account in determining KPMG's standard billing rates and certain transaction charges which may be charged to the Company.



Appendix II

Hourly Rates for Additional Services

To the extent additional services are provided to Company outside the scope of this engagement letter, we will bill the Company at the hourly rates listed below. The nature and scope of any such work will be agreed to with management prior to beginning the additional services. In the event there are circumstances that arise related to additional services we will take all reasonable steps to notify management and the board of directors of the changes as soon as possible and if any resulting changes would be subject to a separate written arrangement between KPMG and the Company.

Experiace Level	Audit Hourly Rates
Partner	\$325
Managing Director	N/A
Senior Manager	\$250
Manager	\$200
Senior Associate	\$150
Associate	\$125

PricewaterhouseCoopers LLP
400 Campus Drive
P. O. Box 988
Florham Park NJ 07932
Telephone (973) 236 4000
Facsimile (973) 236 5000

System Review Report

To the Partners of KPMG LLP
and the AICPA Center for Public Company Audit Firms Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of KPMG LLP (the Firm) applicable to non-SEC issuers in effect for the year ended March 31, 2008. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*, audits of employee benefit plans, and an audit performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice applicable to non-SEC issuers of KPMG LLP in effect for the year ended March 31, 2008, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. KPMG LLP has received a peer review rating of *pass*.

PricewaterhouseCoopers LLP

December 2, 2008

Review Program

December 19, 2008

Timothy P. Flynn, CPA
KPMG LLP
757 Third Avenue, 9th Floor
New York, NY 10017-2013

Dear Mr. Flynn:

It is my pleasure to notify you that on December 17, 2008, the Center for Public Company Audit Firms Peer Review Committee accepted the report on the most recent system review of your firm. The due date for your next review is September 30, 2011. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,



Robert Rohweder, Chair
CPCAF Peer Review Committee

cc: Betty Jo Charles, CPA

Firm Number: 10054128

Review Number: 264505



201 Third Street
P.O. Box 24
Henderson, KY 42419-0024
270-827-2561
www.bigrivers.com

March 29, 2013

KPMG LLP
1601 Market Street
Philadelphia, PA 19103

Ladies and Gentlemen:

We are providing this letter in connection with your audits of the balance sheets of Big Rivers Electric Corporation (the Company) as of December 31, 2012 and 2011, the related statements of operations, comprehensive income, equities (deficit), and cash flows for each of the years then ended, and the related notes to the financial statements, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, for the purpose of expressing an opinion as to whether these financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Company in conformity with U.S. generally accepted accounting principles.

We understand that based on your audits you are responsible for reporting (1) the results of testing the Company's internal control over financial reporting; and (2) the results of testing for compliance with applicable laws, regulations, provisions of contracts, and grant agreements.

We confirm that we are responsible for the fair representation of the Company's financial statements described above as of December 31, 2012 and 2011 and for the years then ended, in conformity with U.S. generally accepted accounting principles. We also confirm that we are responsible for establishing and maintaining effective internal control and for compliance with applicable laws, regulations, provisions of contracts, and grant agreements.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of March 29, 2013, the following representations made to you during your audit(s):

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 29, 2010, for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles.

2. We have made available to you:
 - a. All records, documentation, and information that is relevant to the preparation and fair presentation of the financial statements;
 - b. Additional information that you have requested from us for the purpose of the audit(s);
 - c. Unrestricted access and the full cooperation of personnel within the entity from whom you determined it necessary to obtain audit evidence; and
 - d. All minutes of the meetings of stockholders, directors, and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. Except as disclosed to you in writing, there have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no:
 - a. Violations or possible violations of laws or regulations, whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b. Unasserted claims or assessments that our lawyers have advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 450, *Contingencies*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB ASC 450, *Contingencies*.
 - d. Material transactions that have not been properly recorded in the accounting records underlying the financial statements.
 - e. Events that have occurred subsequent to the balance sheet date/date of the statement of operations and through the date of this letter that would require adjustment to or disclosure in the financial statements.
5. We acknowledge our responsibility for preventing and detecting fraud, including the design and implementation of programs and controls to prevent and detect fraud; for adopting sound accounting policies; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements and to provide reasonable assurance against the possibility of misstatements that are material to the financial statements whether due to error or fraud.
6. There are no deficiencies, significant deficiencies, or material weakness in the design or operation of internal control over financial reporting of which we are aware, which could adversely affect the

Company's ability to initiate, authorize, record, process, or report financial data. We have applied the definitions of a "significant deficiency" and a "material weakness" in accordance with the definitions in AU-C Section 265, *Communicating Internal Control Related Matters Identified in an Audit*.

7. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a. Management
 - b. Employees who have significant roles in internal control over financial reporting, or
 - c. Others where the fraud could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, short sellers, or others.
9. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
10. We have no knowledge of any officer or director or member of the board of directors of the Company, or any other person acting under the direction thereof, having taken any action to fraudulently influence, coerce, manipulate or mislead you during your audit.
11. The following have been properly recorded or disclosed in the consolidated financial statements:
 - a. Related party relationships and transactions, of which we are aware, in accordance with the requirements of U.S. generally accepted accounting principles, including sales, purchases, loans, transfers, leasing arrangements, guarantees, ongoing contractual commitments and amounts receivable from or payable to related parties.

The term "related party" refers to affiliates of the enterprise; entities for which investments in their equity securities would, absent the election of the fair value option under FASB ASC 825, *Financial Instruments*, be required to be accounted for by the equity method by the enterprise; trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; principal owners of the enterprise; its management; members of the immediate families of principal owners of the enterprise and its management; and other parties with which the enterprise may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. Another party also is a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.
 - b. Guarantees, whether written or oral, under which the Company is contingently liable, including guarantee contracts and indemnification agreements pursuant to FASB ASC 460, *Guarantees*.

- c. Significant estimates and material concentrations known to management that are required to be disclosed in accordance with FASB ASC 275, *Risks and Uncertainties*. Significant estimates are estimates at the balance sheet date, which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which it is reasonably possible that events could occur which would significantly disrupt normal finances within the next year.
12. The Company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral except as provided for in the indenture dated July 1, 2009.
13. The Company has complied with all aspects of laws, regulations, and contractual agreements that may affect the financial statements, including noncompliance.
14. Receivables reported in the financial statements represent valid claims against debtors for sales or other charges arising on or before the balance sheet date and have been appropriately reduced to their estimated net realizable value.
15. Debt securities that have been classified as held-to-maturity have been so classified due to our intent and ability to hold such securities to maturity. All other debt securities have been classified as available-for-sale or trading. There are no other-than-temporary impairment losses on debt securities.
16. The following information about financial instruments with off-balance-sheet risk and financial instruments with concentrations of credit risk has been properly disclosed in the financial statements:
 - a. Extent, nature, and terms of financial instruments with off-balance-sheet risk;
 - b. The amount of credit risk of financial instruments with off-balance-sheet credit risk, and information about the collateral supporting such financial instruments; and
 - c. Significant concentrations of credit risk arising from all financial instruments and information about the collateral supporting such financial instruments.
17. The Company has accounted for asset retirement obligations in accordance with FASB ASC 410-20, *Asset Retirement and Environmental Obligations -- Asset Retirement Obligations*. All legal obligations, including those under the doctrine of promissory estoppel, associated with the retirement of tangible long-lived assets have been recognized. The Company recognized the obligations at fair value.
18. The Company has appropriately grouped long-lived assets together for purposes of assessing impairment in accordance with FASB ASC 360, *Property, Plant and Equipment*. We have reviewed long-lived assets, including amortizable intangible assets, to be held and used, for impairment

whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable. Provision has been made for any material adjustments to long-lived assets including amortizable intangible assets.

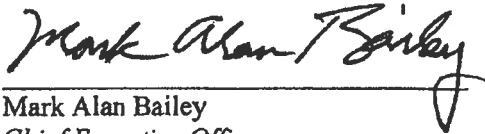
19. We are responsible for making the fair value measurements and disclosures included in the financial statements in accordance with FASB ASC 820, *Fair Value Measurement and Disclosures*, including determining the fair value of assets and liabilities for which there has been a significant decrease in the volume and level of activity in relation to the normal market activity for those assets or liabilities (or similar assets or liabilities) or for which transactions are deemed not orderly. As part of fulfilling this responsibility, we have established an accounting and financial reporting process for determining the fair value measurements and disclosures, in accordance with the fair value techniques included in FASB ASC 820, considered the appropriateness of valuation techniques, [including circumstances in which a practical expedient may be used to estimate fair value], adequately supported any significant assumptions used, and ensured that the presentation and disclosure of the fair value measurements are in accordance with U.S. generally accepted accounting principles including the disclosure requirements of FASB ASC 820. We believe the assumptions and techniques used by us, including those used by specialists engaged by us, are in accordance with the definition of fair value in FASB ASC 820 and the disclosures adequately describe the level of the inputs used in the fair value measurement, in accordance with the fair value hierarchy in FASB ASC 820.
20. We believe that all material expenditures that have been deferred to future periods will be recoverable.
21. Tax-exempt bonds issued have retained their tax-exempt status.
22. We believe that the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
23. All sales transactions entered into by the Company are final and there are no side agreements with customers, or other terms in effect, which allow for the return of merchandise, except for defectiveness or other conditions covered by usual and customary warranties.
24. The financial statements disclose all of the matters of which we are aware that are relevant to the entity's ability to continue as a going concern, including significant conditions and events, and our plans. The Company is currently in compliance with all of its debt covenants. Management of Big Rivers believes that the Company's results of operations and cash flows will provide sufficient liquidity for the Company to operate its business and meet its obligations as they come due for the foreseeable future.
25. The Company has accounted for its derivatives and hedging activities in accordance with FASB ASC 815, *Derivatives and Hedging*, including the requirements to document its designation of contracts as normal purchase or normal sales at the inception of the contract in qualifying for the scope exception.
26. The Company expects to use all coal under long-term purchase contracts in the normal course of business.

27. The deferred tax asset valuation allowance has been determined pursuant to the provisions of FASB ASC 740, *Income Taxes*, including the Company's estimation of future taxable income, if necessary, and is adequate to reduce the total deferred tax asset to an amount that will more likely than not be realized.
28. The calculations of current and deferred tax expense (benefit) and the measurement of the related current and deferred tax assets and liabilities have been determined based on appropriate provisions of applicable enacted tax laws and regulations.
29. Uncertain tax positions have been accounted for in accordance with the provisions of FASB ASC 740, *Income Taxes*.
30. We agree with the findings of specialists in evaluating the Company's pension and postretirement obligations and physical inventory adjustments and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
31. We have disclosed to you all accounting policies and practices we have adopted that, if applied to significant items or transactions, would not be in accordance with U.S. generally accepted accounting principles. We have evaluated the impact of the application of each such policy and practice, both individually and in the aggregate, on the Company's current period financial statements [and our assessment of internal control over financial reporting], and the expected impact of each such policy and practice on future periods' financial reporting. We believe the effect of these policies and practices on the financial statements is not material. Furthermore, we do not believe the impact of the application of these policies and practices will be material to the financial statements in future periods.
32. Gross revenue includes only those sales for which the Company has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any sales for which the Company has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.
33. The Company believes it has no variable interest entities (VIEs) at December 31, 2012, as defined by U.S. generally accepted accounting principles.
34. The Company has reviewed the current regulatory environment and we believe we have appropriately accounted for and disclosed matters in accordance with FASB ASC 980, *Regulated Operations*, and that there have been no significant changes that would impact the amounts of existing regulatory assets and liabilities recorded by the Companies on its financial statements as of December 31, 2012.

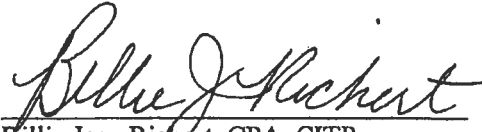
Further, we confirm that we are responsible for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with U.S. generally accepted accounting principles.

Very truly yours,

Big Rivers Electric Corporation



Mark Alan Bailey
Chief Executive Officer



Billie Jean Richert, CPA, CITP
Vice President Accounting, Rates, and Chief Financial Officer



System Review Report

To the Partners of KPMG LLP
and the National Peer Review Committee of the AICPA Peer Review Board

We have reviewed the system of quality control for the accounting and auditing practice of KPMG LLP (the Firm), applicable to non-SEC issuers, in effect for the year ended March 31, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, an audit performed under FDICIA, and an audit of a carrying broker-dealer.

In our opinion, the system of quality control for the accounting and auditing practice of KPMG LLP, applicable to non-SEC issuers, in effect for the year ended March 31, 2011, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. KPMG LLP has received a peer review rating of *pass*.

December 2, 2011

December 8, 2011

John B. Veihmeyer, CPA
KPMG LLP
345 Park Ave Bsmnt LB6
New York, NY 10154

Dear Mr. Veihmeyer:

It is my pleasure to notify you that on December 8, 2011 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is September 30, 2014. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,



James W. Brackens, Jr.
Vice President—Ethics and Quality Practice
+1.919.402.4502
nprc@aicpa.org

cc: Betty Jo Charles, CPA

Firm Number: 10054128

Review Number: 320334



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01/31/2015; Base Period 12ME 09/30/2013)

Tab No. 38
Filing Requirement
807 KAR 5:001 Section 16(12)(r)
Sponsoring Witness: Billie J. Richert

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

Description of Filing Requirement:

The quarterly reports to the stockholders for the most recent five (5) quarters;

Response:

Big Rivers' five most recent quarterly reports, which are provided to Big Rivers' lenders within 60 days after the end of the first three quarterly periods of each fiscal year pursuant to the respective debt agreements, are included as attachments to this response. Please refer to Tab 32 for copies of Big Rivers' annual reports for the two most recent years, which are provided to Big Rivers' lenders for fiscal year-end quarters.

Note: Big Rivers is a Member-owned, not-for-profit, generation and transmission cooperative, which does not have stockholders.

BIG RIVERS ELECTRIC CORPORATION

BALANCE SHEET
AS OF MARCH 31
(Dollars in thousands)

	2013	2012
ASSETS		
UTILITY PLANT — Net	\$ 1,081,465	\$ 1,093,032
RESTRICTED INVESTMENTS — member rate mitigation	140,019	158,852
RESTRICTED INVESTMENTS — CAPEX	35,036	-
RESTRICTED INVESTMENTS — NRUCFC Capital Term Certificates	43,156	-
OTHER DEPOSITS AND INVESTMENTS — At cost	6,322	5,952
CURRENT ASSETS:		
Cash and cash equivalents	116,380	49,467
Accounts receivable	47,135	41,678
Fuel Inventory	29,509	34,868
Non-Fuel Inventory	25,929	25,893
Prepaid expenses	4,281	3,108
Total current assets	223,234	155,014
DEFERRED DEBITS AND OTHER		
Regulatory Assets - Environmental Compliance Plan	641	-
Deferred charges and other	9,211	4,408
Total Deferred Debits and Other	9,852	4,408
TOTAL	\$ 1,539,084	\$ 1,417,258
EQUITIES (DEFICIT) AND LIABILITIES		
CAPITALIZATION:		
Equities (deficit)	\$ 412,404	\$ 387,717
Long-term debt	842,231	718,743
Total capitalization	1,254,635	1,106,460
CURRENT LIABILITIES:		
Current maturities of long-term obligations	79,241	77,026
Purchased power payable	1,734	2,756
Accounts payable	27,470	26,151
Accrued expenses	8,100	8,328
Accrued interest	4,108	9,220
Total current liabilities	120,653	123,481
DEFERRED CREDITS AND OTHER:		
Regulatory liabilities — member rate mitigation	141,303	163,724
Other	22,493	23,593
Total deferred credits and other	163,796	187,317
TOTAL	\$ 1,539,084	\$ 1,417,258

BIG RIVERS ELECTRIC CORPORATION

STATEMENTS OF OPERATIONS FOR THE QUARTER ENDED MARCH 31 (Dollars in thousands)

	Quarter Ended March 31	
	2013	2012
OPERATING REVENUE	\$ 151,218	\$ 135,305
OPERATING EXPENSES:		
Operations:		
Fuel for electric generation	61,032	49,722
Power purchased and interchanged	27,425	31,526
Production, excluding fuel	12,611	11,820
Transmission and other	10,275	9,901
Maintenance	10,226	13,230
Depreciation and amortization	10,287	10,176
Total operating expenses	<u>131,856</u>	<u>126,375</u>
ELECTRIC OPERATING MARGIN	<u>19,362</u>	<u>8,930</u>
INTEREST EXPENSE AND OTHER:		
Interest	10,987	11,056
Other — net	139	40
Total interest expense and other	<u>11,126</u>	<u>11,096</u>
OPERATING MARGIN	<u>8,236</u>	<u>(2,166)</u>
NONOPERATING MARGIN:		
Interest income and other	<u>1,286</u>	<u>63</u>
Total nonoperating margin	<u>1,286</u>	<u>63</u>
NET MARGIN	<u>\$ 9,522</u>	<u>\$ (2,103)</u>

BIG RIVERS ELECTRIC CORPORATION

BALANCE SHEET

As of September 30, 2012 and 2011

(Dollars in thousands)

	<u>Sep. 30, 2012</u>	<u>Sep. 30, 2011</u>
ASSETS		
UTILITY PLANT — Net	\$ 1,086,706	\$ 1,085,569
RESTRICTED INVESTMENTS — member rate mitigation	183,920	167,210
OTHER DEPOSITS AND INVESTMENTS — At cost	49,182	5,889
CURRENT ASSETS:		
Cash and cash equivalents	113,250	77,688
Accounts receivable	44,832	43,985
Fuel Inventory	32,352	27,134
Non-Fuel Inventory	26,017	24,662
Prepaid expenses	1,414	959
Total current assets	217,865	174,428
DEFERRED CHARGES AND OTHER	7,109	4,251
TOTAL	\$ 1,544,782	\$ 1,437,347
EQUITIES (DEFICIT) AND LIABILITIES		
CAPITALIZATION:		
Equities (deficit)	\$ 397,946	\$ 395,474
Long-term debt	848,351	784,187
Total capitalization	1,246,297	1,179,661
CURRENT LIABILITIES:		
Current maturities of long-term obligations	80,608	15,533
Voluntary prepayment of long-term debt	-	-
Notes payable	-	-
Purchased power payable	1,111	2,354
Accounts payable	25,889	26,627
Accrued expenses	9,116	8,990
Accrued interest	3,812	9,519
Total current liabilities	120,536	63,023
DEFERRED CREDITS AND OTHER:		
Regulatory liabilities — member rate mitigation	152,737	173,685
Other	25,212	20,978
Total deferred credits and other	177,949	194,663
COMMITMENTS AND CONTINGENCIES		
TOTAL	\$ 1,544,782	\$ 1,437,347

BIG RIVERS ELECTRIC CORPORATION

STATEMENTS OF OPERATIONS

For the Quarters and Nine Months Ended September 30, 2012 and 2011

(Dollars in thousands)

	Quarter Ended September 30		Nine Months Ended September 30	
	2012	2011	2012	2011
OPERATING REVENUE	\$ 146,921	\$ 149,418	\$ 423,042	\$ 424,489
OPERATING EXPENSES:				
Operations:				
Fuel for electric generation	58,943	58,925	165,833	173,107
Power purchased and interchanged	26,106	28,160	84,281	83,179
Production, excluding fuel	12,556	12,779	36,393	37,001
Transmission and other	9,680	9,403	29,901	29,205
Maintenance	11,883	11,494	34,736	32,622
Depreciation and amortization	10,488	9,060	30,852	26,374
Total operating expenses	<u>129,656</u>	<u>129,821</u>	<u>381,996</u>	<u>381,488</u>
ELECTRIC OPERATING MARGIN	<u>17,265</u>	<u>19,597</u>	<u>41,046</u>	<u>43,001</u>
INTEREST EXPENSE AND OTHER:				
Interest	11,096	11,381	33,195	34,060
Income tax expense		-	-	130
Other — net	64	42	187	158
Total interest expense and other	<u>11,160</u>	<u>11,423</u>	<u>33,382</u>	<u>34,348</u>
OPERATING MARGIN	<u>6,105</u>	<u>8,174</u>	<u>7,664</u>	<u>8,653</u>
NONOPERATING MARGIN:				
Interest income and other	<u>386</u>	<u>29</u>	<u>462</u>	<u>245</u>
Total nonoperating margin	<u>386</u>	<u>29</u>	<u>462</u>	<u>245</u>
NET MARGIN	<u>\$ 6,491</u>	<u>\$ 8,203</u>	<u>\$ 8,126</u>	<u>\$ 8,898</u>

BIG RIVERS ELECTRIC CORPORATION

BALANCE SHEET

As of June 30, 2012 and 2011

(Dollars in thousands)

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
ASSETS		
UTILITY PLANT — Net	\$ 1,091,306	\$ 1,085,266
RESTRICTED INVESTMENTS — member rate mitigation	153,575	171,654
OTHER DEPOSITS AND INVESTMENTS — At cost	6,024	5,865
CURRENT ASSETS:		
Cash and cash equivalents	47,659	76,443
Accounts receivable	43,726	40,787
Fuel Inventory	35,425	24,235
Non-Fuel Inventory	26,296	24,473
Prepaid expenses	2,312	1,661
Total current assets	155,418	167,599
DEFERRED CHARGES AND OTHER	4,489	3,811
TOTAL	\$ 1,410,812	\$ 1,434,195
EQUITIES (DEFICIT) AND LIABILITIES		
CAPITALIZATION:		
Equities (deficit)	\$ 391,456	\$ 387,271
Long-term debt	715,296	786,487
Total capitalization	1,106,752	1,173,758
CURRENT LIABILITIES:		
Current maturities of long-term obligations	78,282	14,811
Voluntary prepayment of long-term debt	-	-
Notes payable	-	-
Purchased power payable	927	2,046
Accounts payable	22,082	24,865
Accrued expenses	10,542	9,472
Accrued interest	9,924	10,242
Total current liabilities	121,757	61,436
DEFERRED CREDITS AND OTHER:		
Regulatory liabilities — member rate mitigation	157,856	178,159
Other	24,447	20,842
Total deferred credits and other	182,303	199,001
COMMITMENTS AND CONTINGENCIES		
TOTAL	\$ 1,410,812	\$ 1,434,195

BIG RIVERS ELECTRIC CORPORATION

STATEMENTS OF OPERATIONS

For the Quarters and Six Months Ended June 30, 2012 and 2011

(Dollars in thousands)

	Quarter Ended June 30		Six Months Ended June 30	
	2012	2011	2012	2011
OPERATING REVENUE	\$ 140,816	\$ 140,846	\$ 276,121	\$ 275,071
OPERATING EXPENSES:				
Operations:				
Fuel for electric generation	57,168	57,857	106,890	114,182
Power purchased and interchanged	26,649	29,158	58,175	55,019
Production, excluding fuel	12,017	12,073	23,837	24,222
Transmission and other	10,320	10,077	20,221	19,802
Maintenance	9,623	10,786	22,853	21,128
Depreciation and amortization	10,188	8,633	20,364	17,314
Total operating expenses	<u>125,965</u>	<u>128,584</u>	<u>252,340</u>	<u>251,667</u>
ELECTRIC OPERATING MARGIN	<u>14,851</u>	<u>12,262</u>	<u>23,781</u>	<u>23,404</u>
INTEREST EXPENSE AND OTHER:				
Interest	11,043	11,332	22,099	22,679
Income tax expense		130	-	130
Other — net	83	36	123	116
Total interest expense and other	<u>11,126</u>	<u>11,498</u>	<u>22,222</u>	<u>22,925</u>
OPERATING MARGIN	<u>3,725</u>	<u>764</u>	<u>1,559</u>	<u>479</u>
NONOPERATING MARGIN:				
Interest income and other	<u>13</u>	<u>29</u>	<u>76</u>	<u>216</u>
Total nonoperating margin	<u>13</u>	<u>29</u>	<u>76</u>	<u>216</u>
NET MARGIN	<u>\$ 3,738</u>	<u>\$ 793</u>	<u>\$ 1,635</u>	<u>\$ 695</u>

BIG RIVERS ELECTRIC CORPORATION

BALANCE SHEETS AS OF MARCH 31, 2012 (Dollars in thousands)

ASSETS	2012
UTILITY PLANT — Net	\$ 1,093,032
RESTRICTED INVESTMENTS — member rate mitigation	158,852
OTHER DEPOSITS AND INVESTMENTS — At cost	5,952
CURRENT ASSETS:	
Cash and cash equivalents	49,467
Accounts receivable	41,678
Fuel Inventory	34,868
Non-Fuel Inventory	25,893
Prepaid expenses	3,108
Total current assets	155,014
DEFERRED CHARGES AND OTHER	4,408
TOTAL	\$ 1,417,258
EQUITIES (DEFICIT) AND LIABILITIES	
CAPITALIZATION:	
Equities (deficit)	\$ 387,717
Long-term debt	718,743
Total capitalization	1,106,460
CURRENT LIABILITIES:	
Current maturities of long-term obligations	77,026
Voluntary prepayment of long-term debt	-
Notes payable	-
Purchased power payable	2,756
Accounts payable	26,151
Accrued expenses	8,328
Accrued interest	9,220
Total current liabilities	123,481
DEFERRED CREDITS AND OTHER:	
Regulatory liabilities — member rate mitigation	163,724
Other	23,593
Total deferred credits and other	187,317
COMMITMENTS AND CONTINGENCIES	
TOTAL	\$ 1,417,258

BIG RIVERS ELECTRIC CORPORATION

STATEMENTS OF OPERATIONS FOR THE QUARTER ENDED MARCH 31, 2012 (Dollars in thousands)

	Quarter Ended March 31, 2012	
	Actual	Budget
OPERATING REVENUE	\$ 135,305	\$ 151,203
OPERATING EXPENSES:		
Operations:		
Fuel for electric generation	49,722	57,635
Power purchased and interchanged	31,526	32,187
Production, excluding fuel	11,820	13,559
Transmission and other	9,901	10,656
Maintenance	13,230	17,453
Depreciation and amortization	10,176	10,313
Total operating expenses	<u>126,375</u>	<u>141,803</u>
ELECTRIC OPERATING MARGIN	<u>8,930</u>	<u>9,400</u>
INTEREST EXPENSE AND OTHER:		
Interest	11,056	11,021
Income tax expense		-
Other — net	<u>40</u>	<u>34</u>
Total interest expense and other	<u>11,096</u>	<u>11,055</u>
OPERATING MARGIN	<u>(2,166)</u>	<u>(1,655)</u>
NONOPERATING MARGIN:		
Interest income and other	<u>63</u>	<u>14</u>
Total nonoperating margin	<u>63</u>	<u>14</u>
NET MARGIN	<u>\$ (2,103)</u>	<u>\$ (1,641)</u>

BIG RIVERS ELECTRIC CORPORATION

BALANCE SHEET AS OF SEPTEMBER 30, 2011 (Dollars in thousands)

	2011
ASSETS	
UTILITY PLANT — Net	\$ 1,085,569
RESTRICTED INVESTMENTS — member rate mitigation	167,210
OTHER DEPOSITS AND INVESTMENTS — At cost	5,889
CURRENT ASSETS:	
Cash and cash equivalents	77,688
Accounts receivable	43,985
Fuel Inventory	27,134
Non-Fuel Inventory	24,662
Prepaid expenses	959
Total current assets	174,428
DEFERRED CHARGES AND OTHER	4,251
TOTAL	\$ 1,437,347
EQUITIES (DEFICIT) AND LIABILITIES	
CAPITALIZATION:	
Equities (deficit)	\$ 395,474
Long-term debt	784,187
Total capitalization	1,179,661
CURRENT LIABILITIES:	
Current maturities of long-term obligations	15,533
Voluntary prepayment of long-term debt	-
Notes payable	-
Purchased power payable	2,354
Accounts payable	26,627
Accrued expenses	8,990
Accrued interest	9,519
Total current liabilities	63,023
DEFERRED CREDITS AND OTHER:	
Regulatory liabilities — member rate mitigation	173,685
Other	20,978
Total deferred credits and other	194,663
COMMITMENTS AND CONTINGENCIES	
TOTAL	\$ 1,437,347

BIG RIVERS ELECTRIC CORPORATION

STATEMENTS OF OPERATIONS FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2011 (Dollars in thousands)

	Quarter Ended September 30, 2011		Nine Months Ended September 30, 2011	
	Actual	Budget	Actual	Budget
OPERATING REVENUE	\$149,418	\$148,964	\$424,489	\$422,038
OPERATING EXPENSES:				
Operations:				
Fuel for electric generation	58,925	55,557	173,107	158,604
Power purchased and interchanged	28,160	27,069	83,179	80,954
Production, excluding fuel	12,779	16,818	37,001	48,501
Transmission and other	9,403	10,468	29,205	32,512
Maintenance	11,494	12,153	32,622	34,365
Depreciation and amortization	9,060	9,129	26,374	27,068
Total operating expenses	<u>129,821</u>	<u>131,194</u>	<u>381,488</u>	<u>382,004</u>
ELECTRIC OPERATING MARGIN	<u>19,597</u>	<u>17,770</u>	<u>43,001</u>	<u>40,034</u>
INTEREST EXPENSE AND OTHER:				
Interest	11,381	11,875	34,060	35,178
Income tax expense		62	130	187
Other — net	42	35	158	103
Total interest expense and other	<u>11,423</u>	<u>11,972</u>	<u>34,348</u>	<u>35,468</u>
OPERATING MARGIN	<u>8,174</u>	<u>5,798</u>	<u>8,653</u>	<u>4,566</u>
NONOPERATING MARGIN:				
Interest income and other	29	97	245	385
Total nonoperating margin	<u>29</u>	<u>97</u>	<u>245</u>	<u>385</u>
NET MARGIN	<u>\$ 8,203</u>	<u>\$ 5,895</u>	<u>\$ 8,898</u>	<u>\$ 4,951</u>



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01/31/2015; Base Period 12ME 09/30/2013)

1
2
3
4
5
6

Tab No. 39
Filing Requirement
807 KAR 5:001 Sec. 16(12)(s)
Sponsoring Witness: Billie J. Richert

Description of Filing Requirement:

7 *The summary of the latest depreciation study with schedules*
8 *itemized by major plant accounts, except that telecommunications*
9 *utilities that have adopted the commission's average depreciation*
10 *rates shall provide a schedule that identifies the current and base*
11 *period depreciation rates used by major plant accounts. If the*
12 *required information has been filed in another commission case, a*
13 *reference to that case's number shall be sufficient;*

14 **Response:**

15 A summary of Big Rivers' latest depreciation study with schedules
16 itemized by major plant accounts was filed in In the Matter of:
17 Application of Big Rivers Electric Corporation for a General
18 Adjustment in Rates, Case No. 2012-00535. See Big Rivers'
19 application, Tabs 42 and 71, in Case No. 2012-00535.



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01/31/2015; Base Period 12ME 09/30/2013)

Tab No. 40
Filing Requirement
807 KAR 5:001 Sec 16(12)(t)
Sponsoring Witness: Billie J. Richert

1
2
3
4
5
6 **Description of Filing Requirement:**
7

8 *A list of all commercially available or in-house developed computer*
9 *software, programs, and models used in the development of the*
10 *schedules and work papers associated with the filing of the utility's*
11 *application. This list shall include each software, program, or*
12 *model; what the software, program, or model was used for; identify*
13 *the supplier of each software, program, or model; a brief*
14 *description of the software, program, or model; the specifications*
15 *for the computer hardware and the operating system required to run*
16 *the program;*

17 **Response:**
18

19 A detailed list of all computer software, programs, and models used
20 in the development of schedules and work papers associated with
21 this application is included as an attachment to this response.
22
23

Big Rivers Electric Corporation

Case No. 2013-00199

Tab. No. 40 Attachment

List of Software, Programs and Models Used to Develop Information in Application

	Software/ Program/ Model	Use in Application	Supplier
1	Microsoft Excel 2010	- Cost of Service Study, Revenue Requirement, Rates calculations - Various tables and exhibits presenting financial information	Microsoft
2	Microsoft Excel 2007	- Spreadsheet calculations for production cost and planning model	Microsoft
3	Microsoft Word 2010	- Cost of Service Study - Documenting responses to individual filing requirements	Microsoft
4	Microsoft Outlook 2010	Email	Microsoft
5	Planning & Risk Model (used by ACES Power Marketing)	- Production cost and planning modeling	Ventyx/ ABB
6	Windows Internet Explorer 8	Industry Research	Microsoft

Case No. 2012-00199

Tab 40 Attachment - 807 KAR 5:001

Sec 16(12)(t)

Sponsoring Witness: Billie J. Richert

Page 1 of 6

Big Rivers Electric Corporation

Case No. 2013-00199

Tab. No. 40 Attachment

List of Software, Programs and Models Used to Develop Information in Application

	Software/ Program/ Model	Use in Application	Supplier
7	Oracle E-Business Suite	Base period and prior period actual financial data.	Oracle Corporation
8	Hyperion Planning	Pro Forma Adjustment	Oracle Corporation
9	Nuance PDF Converter Pro 7 or 8	Conversion of e-mail lists to an organized format inclusive of all attached documents	Nuance

Big Rivers Electric Corporation

Case No. 2013-00199

Tab. No. 40 Attachment

List of Software, Programs and Models Used to Develop Information in Application

	Software/ Program/ Model	Description	Specifications
1	Microsoft Excel 2010	Spreadsheet and graphing program	Intel 2 GHz processor or greater
2	Microsoft Excel 2007	Spreadsheet and graphing program	Intel 2 GHz processor or greater
3	Microsoft Word 2010	Word processing program	Intel 2 GHz processor or greater
4	Microsoft Outlook 2010	Email	Intel 2 GHz processor or greater
5	Planning & Risk Model (used by ACES Power Marketing)	Production cost and planning model	Intel 2 GHz processor or greater
6	Windows Internet Explorer 8	Web browser	Intel 2 GHz processor or greater

Case No. 2012-00199

Tab 40 Attachment - 807 KAR 5:001

Sec 16(12)(t)

Sponsoring Witness: Billie J. Richert

Page 3 of 6

Big Rivers Electric Corporation

Case No. 2013-00199

Tab. No. 40 Attachment

List of Software, Programs and Models Used to Develop Information in Application

	Software/ Program/ Model	Description	Specifications
7	Oracle E-Business Suite	Accounting System	Intel 2 GHz processor or greater
8	Hyperion Planning	Budgeting, forecasting, and reporting tool	Intel 2 GHz processor or greater
9	Nuance PDF Converter Pro 7 or 8	Preserve and secure the layout of documents created in other applications by converting the files to a PDF format	Intel 2 GHz processor or greater

Case No. 2012-00199

Tab 40 Attachment - 807 KAR 5:001

Sec 16(12)(t)

Sponsoring Witness: Billie J. Richert

Page 4 of 6

Big Rivers Electric Corporation

Case No. 2013-00199

Tab. No. 40 Attachment

List of Software, Programs and Models Used to Develop Information in Application

	Software/ Program/ Model	Operating System
1	Microsoft Excel 2010	Windows XP SP3 or Windows 7
2	Microsoft Excel 2007	Windows XP SP3 or Windows 7
3	Microsoft Word 2010	Windows XP SP3 or Windows 7
4	Microsoft Outlook 2010	Windows 7 or Windows XP SP3
5	Planning & Risk Model (used by ACES Power Marketing)	Windows XP SP3 or Windows 7
6	Windows Internet Explorer 8	Windows 7 or Windows XP SP3

Case No. 2012-00199

Tab 40 Attachment - 807 KAR 5:001

Sec 16(12)(t)

Sponsoring Witness: Billie J. Richert

Page 5 of 6

Big Rivers Electric Corporation

Case No. 2013-00199

Tab. No. 40 Attachment

List of Software, Programs and Models Used to Develop Information in Application

	Software/ Program/ Model	Operating System
7	Oracle E-Business Suite	Red Hat Enterprise 5.7
8	Hyperion Planning	Window Server 2003
9	Nuance PDF Converter Pro 7 or 8	Windows 7 or Windows XP SP3



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01/31/2015; Base Period 12ME 09/30/2013)

1
2
3
4
5
6

Tab No. 41
Filing Requirement
807 KAR 5:001 Section 16(12)(u)
Sponsoring Witness: Billie J. Richert

Description of Filing Requirement:

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

If the utility had any amounts charged or allocated to it by an affiliate or a general or home office or paid monies to an affiliate or a general or home office during the base period or during the previous three (3) calendar years, the utility shall file:

- 1. A detailed description of the method and amounts allocated or charged to the utility by the affiliate or general or home office for each allocation or payment;*
- 2. The method and amounts allocated during the base period and the method and estimated amounts to be allocated during the forecasted test period;*
- 3. An explanation of how the allocator for both the base period and forecasted test period were determined; and*
- 4. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during the base period is reasonable.*

22

Response:

23

This filing requirement is not applicable to Big Rivers.



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01/31/2015; Base Period 12ME 09/30/2013)

1
2
3
4
5
6

Tab No. 42
Filing Requirement
807 KAR 5:001 Section 16(12)(v)
Sponsoring Witness: John Wolfram

Description of Filing Requirement:

7 *If the utility provides gas, electric, sewage utility, or water utility*
8 *service and has annual gross revenues greater than \$5,000,000, a*
9 *cost of service study based on a methodology generally accepted*
10 *within the industry and based on current and reliable data from a*
11 *single time period.*

12 **Response:**

13 The cost of service study is included with the Direct Testimony of
14 Mr. John Wolfram at Tab No. 70.



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01/31/2015; Base Period 12ME 09/30/2013)

Tab No. 43
Filing Requirement
807 KAR 5:001 Section 16(12)(w)
Sponsoring Witness: Billie J. Richert

1
2
3
4
5
6 **Description of Filing Requirement:**

7 *Incumbent local exchange carriers with fewer than 50,000 access*
8 *lines shall not be required to file cost of service studies, except as*
9 *specifically directed by the commission. Local exchange carriers*
10 *with more than 50,000 access lines shall file:*

11 *1. A jurisdictional separations study consistent with 47 C.F.R.*

12 *Part 36; and*

13 *2. Service specific cost studies to support the pricing of all*

14 *services that generate annual revenue greater than \$1,000,000*

15 *except local exchange access:*

16 *a. Based on current and reliable data from a single time*

17 *period; and*

18 *b. Using generally recognized fully allocated, embedded,*

19 *or incremental cost principles.*

20 **Response:**

21 This filing requirement is not applicable as Big Rivers is not a local
22 exchange carrier.



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 1/31/2015; Base Period 12ME 9/30/2013)

1
2
3
4
5
6
7

Tab No. 44
Filing Requirement
807 KAR 5:001 Sec 16(13)(a)
Sponsoring Witnesses: Christopher A. Warren

Description of Filing Requirement:

8 *Jurisdictional financial summary for both the base period and the*
9 *forecasted period which details how the utility derived the amount of*
10 *the requested revenue increase;*

11 **Response:**

12 Financial summaries for both the base period and forecasted test
13 period are included under Tab 52 (Filing Requirement 807 KAR
14 5:001 Sec. 16(13)(i)). The forecasted test period financial summary
15 includes revenues from the proposed rates in this proceeding. Detail
16 of how Big Rivers derived the amount of the requested revenue
17 increase is included in Exhibit Wolfram-2 in the Direct Testimony of
18 Mr. John Wolfram at Tab No. 70.



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 1/31/2015; Base Period 12ME 9/30/2013)

1
2
3
4
5
6
7
8
9
10
11
12
13
14

Tab No. 45
Filing Requirement
807 KAR 5:001 Sec. 16(13)(b)
Sponsoring Witness: Christopher A. Warren

Description of Filing Requirement:

Jurisdictional rate base summary for both the base period and the forecasted period with supporting schedules, which included detailed analyses of each component of the rate base;

Response:

See the attachment to this response for rate base summaries for both the base period and forecasted test period, which include detailed analysis of each component of rate base.

Big Rivers Electric Corporation
Case No. 2013-00199
Base Period 13-Month Average Rate Base

Item	Actual September 2012	Actual October 2012	Actual November 2012	Actual December 2012
Rate Base (Base Period)				
Utility Plant in Service	1,997,624,468	1,998,490,214	1,998,739,597	1,999,408,056
Construction Work in Progress	44,936,428	47,402,755	51,284,124	50,813,643
Materials and Supplies	26,016,994	25,578,123	24,928,710	24,957,073
Fuel Stock	32,352,421	37,301,108	34,451,929	34,145,612
Prepayments	1,548,947	1,214,148	933,700	4,175,474
Cash Working Capital (1/8 of adjusted Annual O&M)	26,078,719	26,078,719	26,078,719	26,078,719
Total	2,128,557,978	2,136,065,067	2,136,416,779	2,139,578,577
Less: Accumulated Depreciation	955,854,941	958,897,679	962,036,997	962,994,278
Rate Base	1,172,703,037	1,177,167,388	1,174,379,782	1,176,584,299

Case No. 2013-00199

Tab 45 - 807 KAR 5:001 Section 16(13)(b)

Sponsoring Witness: Christopher A. Warren

Page 1 of 8

Big Rivers Electric Corporation
Case No. 2013-00199
Base Period 13-Month Average Rate Base

Item	Actual January 2013	Actual February 2013	Actual March 2013	2013 Forecast April 2013
Rate Base (Base Period)				
Utility Plant in Service	1,999,408,056	1,999,408,280	2,005,031,798	2,016,914,569
Construction Work in Progress	52,786,618	53,628,696	47,789,799	40,000,000
Materials and Supplies	25,174,844	25,521,791	25,929,072	25,988,497
Fuel Stock	27,956,906	29,646,076	29,508,660	28,995,371
Prepayments	3,803,370	3,469,706	3,228,070	2,639,172
Cash Working Capital (1/8 of adjusted Annual O&M)	26,078,719	26,078,719	26,078,719	26,078,719
Total	2,135,208,513	2,137,753,268	2,137,566,118	2,140,616,328
Less: Accumulated Depreciation	966,671,647	970,351,964	971,356,277	973,775,245
Rate Base	1,168,536,866	1,167,401,304	1,166,209,841	1,166,841,083

Case No. 2013-00199

Tab 45 - 807 KAR 5:001 Section 16(13)(b)

Sponsoring Witness: Christopher A. Warren

Page 2 of 8

Big Rivers Electric Corporation
Case No. 2013-00199
Base Period 13-Month Average Rate Base

Item	2013 Forecast May 2013	2013 Forecast June 2013	2013 Forecast July 2013	2013 Forecast August 2013
Rate Base (Base Period)				
Utility Plant in Service	2,022,367,549	2,025,872,751	2,027,564,711	2,029,567,148
Construction Work in Progress	40,902,183	42,109,458	44,425,221	46,752,139
Materials and Supplies	26,039,828	26,098,534	26,155,371	26,214,393
Fuel Stock	27,817,727	28,436,769	29,508,641	30,125,722
Prepayments	2,310,258	1,998,992	1,687,726	1,376,460
Cash Working Capital (1/8 of adjusted Annual O&M)	26,078,719	26,078,719	26,078,719	26,078,719
Total	2,145,516,264	2,150,595,223	2,155,420,389	2,160,114,581
Less: Accumulated Depreciation	975,814,837	978,478,733	981,727,070	984,886,781
Rate Base	1,169,701,427	1,172,116,490	1,173,693,319	1,175,227,800

Case No. 2013-00199

Tab 45 - 807 KAR 5:001 Section 16(13)(b)

Sponsoring Witness: Christopher A. Warren

Page 3 of 8

Big Rivers Electric Corporation
Case No. 2013-00199
Base Period 13-Month Average Rate Base

Item	2013 Forecast September 2013	13-Month Average
Rate Base (Base Period)		
Utility Plant in Service	2,033,812,411	2,011,862,278
Construction Work in Progress	50,293,122	47,163,399
Materials and Supplies	26,276,541	25,759,982
Fuel Stock	31,402,549	30,896,115
Prepayments	1,065,194	2,265,478
Cash Working Capital (1/8 of adjusted Annual O&M)	26,078,719	26,078,719
Total	2,168,928,536	2,144,025,971
Less: Accumulated Depreciation	987,464,910	971,562,412
Rate Base	1,181,463,626	1,172,463,559

Case No. 2013-00199

Tab 45 - 807 KAR 5:001 Section 16(13)(b)

Sponsoring Witness: Christopher A. Warren

Page 4 of 8

Big Rivers Electric Corporation
Case No. 2013-00199
Fully Forecasted Test Period 13-Month Average Rate Base

Item	January 2014	February 2014	March 2014	April 2014
Rate Base (Forecast Period)				
Utility Plant in Service	2,046,066,155	2,046,536,211	2,049,575,969	2,054,354,967
Construction Work in Progress	76,966,355	82,156,960	87,433,596	92,734,967
Materials and Supplies	26,232,221	26,285,430	26,338,774	26,392,234
Fuel Stock	18,545,480	18,865,772	19,122,992	19,251,323
Prepayments	3,576,411	3,251,284	2,926,157	2,601,030
Cash Working Capital (1/8 of adjusted Annual O&M)	22,763,024	22,763,024	22,763,024	22,763,024
Total	2,194,149,646	2,199,858,681	2,208,160,512	2,218,097,545
Less: Accumulated Depreciation	999,516,399	1,003,367,015	1,006,410,504	1,008,918,237
Rate Base	1,194,633,247	1,196,491,666	1,201,750,008	1,209,179,308

Case No. 2013-00199

Tab 45 - 807 KAR 5:001 Section 16(13)(b)

Sponsoring Witness: Christopher A. Warren

Page 5 of 8

Big Rivers Electric Corporation
Case No. 2013-00199
Fully Forecasted Test Period 13-Month Average Rate Base

Item	May 2014	June 2014	July 2014	August 2014
Rate Base (Forecast Period)				
Utility Plant in Service	2,060,310,440	2,061,566,409	2,062,670,609	2,124,807,475
Construction Work in Progress	98,061,073	100,812,053	101,101,307	40,000,000
Materials and Supplies	26,445,905	26,499,515	26,553,165	26,606,952
Fuel Stock	19,268,787	19,337,019	19,381,965	19,405,660
Prepayments	2,275,903	1,950,776	1,625,649	1,300,522
Cash Working Capital (1/8 of adjusted Annual O&M)	22,763,024	22,763,024	22,763,024	22,763,024
Total	<u>2,229,125,132</u>	<u>2,232,928,796</u>	<u>2,234,095,719</u>	<u>2,234,883,633</u>
Less: Accumulated Depreciation	1,011,078,743	1,014,750,222	1,018,475,752	1,022,205,924
Rate Base	<u><u>1,218,046,389</u></u>	<u><u>1,218,178,574</u></u>	<u><u>1,215,619,967</u></u>	<u><u>1,212,677,709</u></u>

Case No. 2013-00199

Tab 45 - 807 KAR 5:001 Section 16(13)(b)

Sponsoring Witness: Christopher A. Warren

Page 6 of 8

**Big Rivers Electric Corporation
Case No. 2013-00199**

Fully Forecasted Test Period 13-Month Average Rate Base

Item	September 2014	October 2014	November 2014	December 2014
Rate Base (Forecast Period)				
Utility Plant in Service	2,126,492,638	2,128,525,480	2,128,699,202	2,128,808,416
Construction Work in Progress	40,000,000	40,000,000	40,000,000	40,000,000
Materials and Supplies	26,660,863	26,714,769	26,768,873	26,823,050
Fuel Stock	19,429,229	19,454,683	19,470,581	19,475,615
Prepayments	975,395	650,268	325,141	4,097,085
Cash Working Capital (1/8 of adjusted Annual O&M)	22,763,024	22,763,024	22,763,024	22,763,024
Total	<u>2,236,321,149</u>	<u>2,238,108,224</u>	<u>2,238,026,821</u>	<u>2,241,967,190</u>
Less: Accumulated Depreciation	1,025,859,193	1,029,410,569	1,033,552,815	1,037,715,822
Rate Base	<u><u>1,210,461,956</u></u>	<u><u>1,208,697,655</u></u>	<u><u>1,204,474,006</u></u>	<u><u>1,204,251,368</u></u>

Big Rivers Electric Corporation
Case No. 2013-00199
Fully Forecasted Test Period 13-Month Average Rate Base

Item	January 2015	13-Month Average
Rate Base (Forecast Period)		
Utility Plant in Service	2,129,853,321	2,088,328,253
Construction Work in Progress	40,000,000	67,635,870
Materials and Supplies	26,877,717	26,553,805
Fuel Stock	19,950,884	19,304,615
Prepayments	3,755,218	2,254,680
Cash Working Capital (1/8 of adjusted Annual O&M)	22,763,024	22,763,024
Total	2,243,200,164	2,226,840,247
Less: Accumulated Depreciation	1,041,580,459	1,019,449,358
Rate Base	1,201,619,705	1,207,390,889



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01/31/2015; Base Period 12ME 09/30/2013)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

Tab No. 46
Filing Requirement
807 KAR 5:001 Section 16(13)(c)
Sponsoring Witness: Billie J. Richert

Description of Filing Requirement:

Jurisdictional operating income summary for both the base period and the forecasted period with supporting schedules which provide breakdowns by major account group and by individual account;

Response:

Operating income summaries for both the base period and forecasted test period are included under Tab 52 (Filing Requirement 807 KAR 5:001 Sec. 16(13)(i)). Supporting schedules for both the base period and forecasted test period, which provide breakdowns by major account group and by individual account, are included as an attachment to this response. The attachment to this response contains information that is being provided under a petition for confidential treatment.

Big Rivers Electric Corporation
Case No. 2013-00199
Trial Balance
Base Period TME - September 30, 2013

RUS Account No.	Big Rivers Account No.	Account Description	Amount
403	403.110	DEPRECIATION EXPENSE-STEAM PLANT	\$ 24,410,227.44
403	403.111	DEPRECIATION EXPENSE-STEAM PLANT-CLEAN AIR	13,130,414.60
403	403.400	DEPRECIATION EXPENSE-GAS TURBINE	146,949.85
403	403.500	DEPRECIATION EXPENSE-TRANSMISSION	2,316,659.86
403	403.700	DEPRECIATION EXPENSE-GENERAL PLANT	1,439,087.77
404	404.110	AMORTIZATION EXPENSE	78,264.24
409	409.100	TAXES-FEDERAL INCOME	645.00
409	409.200	TAXES-FEDERAL INCOME-OTHER INC/DEDUCT	0.00
411	411.800	GAIN FROM DISPOSITION OF ALLOWANCES	0.00
419	419.000	INTEREST & DIVIDEND INCOME	(2,010,608.08)
424	424.000	OTHER CAPITAL CREDITS & PATRONAGE ALLOC	(1,308,035.75)
426	426.000	TAXES-FEDERAL UNEMPLOYMENT-GENERAL	0.00
426	426.100	DONATIONS	83,682.60
426	426.300	PENALTIES	169,969.61
426	426.400	CIVIC, POLITICAL, RELATED ACTIVITIES -- EXP	54,244.72
427	427.100	INTEREST ON LONG-TERM DEBT	44,052,059.07
427	427.310	INTEREST CHARGED TO CONST-CR	(607,446.00)
428	428.000	AMORTIZATION--DEBT EXPENSE	407,424.19
431	431.100	INTEREST EXPENSE-NRUCFC	0.00
431	431.300	INTEREST EXPENSE-OTHER	92,552.80
434	434.000	EXTRAORDINARY INCOME	0.00

Case No. 2013-00199

Tab 46 Attachment - 807 KAR 5:001 Section 16(13)(c)

Sponsoring Witness: Billie J. Richert

Page 1 of 10

Big Rivers Electric Corporation
Case No. 2013-00199
Trial Balance
Base Period TME - September 30, 2013

<u>RUS Account No.</u>	<u>Big Rivers Account No.</u>	<u>Account Description</u>	<u>Amount</u>
435	435.000	EXTRAORDINARY DEDUCTIONS	0.00
447	447.101	SALES FOR RESALE-RUS-RURAL	(128,668,149.68)
447	447.110	SALES FOR RESALE-RUS-INDUSTRIALS	(43,241,038.87)
447	447.191	SALES FOR RESALE-RUS-ALCAN/CENTURY	(343,108,009.51)
447	447.193	SALES FOR RESALE-RUS-DOMTAR COGEN	(3,679,703.51)
447	447.242	SALES FOR RESALE-OTHER-MISO	
454	454.000	RENT FROM ELECTRIC PROPERTY	(24,000.00)
456	456.000	OTHER ELECTRIC REVENUES	
456	456.100	OTHER ELEC REV-POWER SUPPLY	
500	500.100	OPER SUPERVISION & ENGINEERING	
501	501.100	FUEL	
501	501.200	FUEL HANDLING	
501	501.300	BOTTOM ASH DISPOSAL	
502	502.100	STEAM EXPENSES	
502	502.110	STEAM EXPENSES - CLEAN AIR	
502	502.300	SO2 REAGENTS	
505	505.100	ELECTRIC EXPENSES	
506	506.100	MISC STEAM POWER EXPENSE	
506	506.300	NOX REAGENTS	
509	509.100	ALLOWANCES-CLEAN AIR	
510	510.000	MAINT SUPERVISION & ENG	

Case No. 2013-00199

Tab 46 Attachment - 807 KAR 5:001 Section 16(13)(c)

Sponsoring Witness: Billie J. Richert

Page 2 of 10

Big Rivers Electric Corporation
Case No. 2013-00199
Trial Balance
Base Period TME - September 30, 2013

RUS Account No.	Big Rivers Account No.	Account Description	Amount	
511	511.100	MAINT STRUCTURES		
512	512.100	MAINT BOILER PLANT		
512	512.110	MAINTENANCE BOILER PLANT-CLEAN AIR		
513	513.100	MAINTENANCE ELECTRIC PLANT		
514	514.100	MAINTENANCE MISC STEAM PLANT		
547	547.130	FUEL-OIL-GAS TURBINE		
548	548.100	GENERATION EXPENSES-GAS TURBINE		
553	553.100	MAINT GENERATING & ELEC PLANT-GAS TURBINE		
555	555.110	PURCHASED POWER-SEPA		
555	555.150	PURCHASED POWER-HMP&L STATION TWO		
555	555.152	PURCHASED POWER-HMP&L-CLEAN AIR		
555	555.142	PURCHASED POWER-MISO		
557	557.110	OTHER EXPENSE-POWER SUPPLY-ARBITRAGE		
557	557.350	OTHER EXPENSE-NON-SMELTER NON-FAC PPA		(3,221,553.60)
560	560.100	OPER SUPERVISION & ENGINEERING-LINES		
560	560.200	OPER SUPERVISION & ENGINEERING-STATIONS		
561	561.100	LOAD DISPATCHING	1,195,711.57	
561	561.400	SCHEDULING, SYSTEM CONTROL & DI	2,302,250.41	
561	561.800	RELIABILITY PLANNING & STANDARD	145,784.55	
562	562.100	STATION EXPENSES		
563	563.100	OVERHEAD LINE EXPENSES		

Case No. 2013-00199

Tab 46 Attachment - 807 KAR 5:001 Section 16(13)(c)

Sponsoring Witness: Billie J. Richert

Page 3 of 10

Big Rivers Electric Corporation
Case No. 2013-00199
Trial Balance
Base Period TME - September 30, 2013

<u>RUS Account No.</u>	<u>Big Rivers Account No.</u>	<u>Account Description</u>	<u>Amount</u>
565	565.100	TRANSMISSION OF ELECTRICITY BY OTHERS	4,152,720.80
566	566.100	MISC TRANSMISSION EXPENSE-LINES	
566	566.200	MISC TRANSMISSION EXPENSE-STATIONS	
567	567.200	RENTS-STATIONS	38,829.12
568	568.100	MAINT SUPERVISION & ENGINEERING-LINES	
568	568.200	MAINT SUPERVISION & ENGINEERING-STATIONS	
569	569.100	MAINTENANCE STRUCTURES	
570	570.100	MAINTENANCE STATION EQUIPMENT	
571	571.100	MAINTENANCE OVERHEAD LINES	
573	573.100	MAINTENANCE MISC TRANSMISSION PLANT-LINES	
573	573.200	MAINTENANCE MISC TRANSMISSION PLANT-STATIONS	
575	575.700	MARKET FACILITATION, MOINITORING - MISO	2,450,622.71
904	904.000	UNCOLLECTIBLE ACCOUNT	297,191.47
908	908.100	CUSTOMER ASSISTANCE EXPENSES	1,354,599.98
909	909.100	INFORMATION & INSTRUCTION ADV EXP	89,887.66
913	913.100	ADVERTISING EXPENSE	175,696.46
920	920.100	ADMINISTRATIVE AND GENERAL SALARIES	14,475,551.35
921	921.100	OFFICE SUPPLIES AND EXPENSES	7,315,789.36
921	921.105	OFFICE SUPPLIES AND EXPENSES--HMPL EXPENSES	0.00
923	923.100	OUTSIDE SERVICES EMPLOYED	3,404,241.87
925	925.100	INJURIES & DAMAGES	114,955.64

Case No. 2013-00199

Tab 46 Attachment - 807 KAR 5:001 Section 16(13)(c)

Sponsoring Witness: Billie J. Richert

Page 4 of 10

Big Rivers Electric Corporation
Case No. 2013-00199
Trial Balance
Base Period TME - September 30, 2013

RUS Account No.	Big Rivers Account No.	Account Description	Amount
926	926.100	EMPLOYEE PENSIONS & BENEFITS-LTD	944,282.09
928	928.100	REGULATORY COMMISSION EXPENSES	(735,134.41)
930	930.100	GENERAL ADVERTISING EXPENSES	150,690.71
930	930.200	MISCELLANEOUS GENERAL EXPENSES	1,492,682.62
931	931.100	RENTS-ADMINISTRATIVE & GENERAL	1,932.54
935	935.100	MAINTENANCE OF GENERAL PLANT	████████████████████
		NET MARGIN	████████████████████

Big Rivers Electric Corporation
Case No. 2013-00199
Trial Balance
Forecasted Test Period TME - February 28, 2015

RUS Account No.	Big Rivers Account No.	Account Description	Amount
403	403.110	DEPRECIATION EXPENSE-STEAM PLANT	\$ 31,308,558.00
403	403.111	DEPRECIATION EXPENSE-STEAM PLANT-CLEAN AIR	14,389,947.00
409	409.100	TAXES-FEDERAL INCOME	885.00
419	419.000	INTEREST & DIVIDEND INCOME	(1,832,568.87)
424	424.000	OTHER CAPITAL CREDITS & PATRONAGE ALLOC	(2,739,447.55)
426	426.100	DONATIONS	56,220.80
426	426.400	CIVIC, POLITICAL, RELATED ACTIVITIES -- EXP	30,664.49
427	427.100	INTEREST ON LONG-TERM DEBT	43,765,993.70
427	427.310	INTEREST CHARGED TO CONST-CR	(1,768,401.29)
428	428.000	AMORTIZATION--DEBT EXPENSE	581,387.78
447	447.101	SALES FOR RESALE-RUS-RURAL	(234,469,433.06)
447	447.110	SALES FOR RESALE-RUS-INDUSTRIALS	(75,771,887.44)
447	447.191	SALES FOR RESALE-RUS-ALCAN/CENTURY	0.00
447	447.193	SALES FOR RESALE-RUS-DOMTAR COGEN	0.00
447	447.24	SALES FOR RESALE-OTHER-MISO	[REDACTED]
454	454.000	RENT FROM ELECTRIC PROPERTY	(24,000.00)
456	456.000	OTHER ELECTRIC REVENUES	[REDACTED]
456	456.100	OTHER ELEC REV-POWER SUPPLY	[REDACTED]
500	500.100	OPER SUPERVISION & ENGINEERING	[REDACTED]

Case No. 2013-00199

Tab 46 Attachment - 807 KAR 5:001 Section 16(13)(c)

Sponsoring Witness: Billie J. Richert

Big Rivers Electric Corporation
Case No. 2013-00199
Trial Balance
Forecasted Test Period TME - February 28, 2015

RUS Account No.	Big Rivers Account No.	Account Description	Amount
501	501.100	FUEL	
501	501.200	FUEL HANDLING	
501	501.300	BOTTOM ASH DISPOSAL	
502	502.100	STEAM EXPENSES	
502	502.110	STEAM EXPENSES - CLEAN AIR	
502	502.300	SO2 REAGENTS	
505	505.100	ELECTRIC EXPENSES	
506	506.100	MISC STEAM POWER EXPENSE	
506	506.300	NOX REAGENTS	
509	509.100	ALLOWANCES-CLEAN AIR	
510	510.000	MAINT SUPERVISION & ENG	
511	511.100	MAINT STRUCTURES	
512	512.100	MAINT BOILER PLANT	
512	512.110	MAINTENANCE BOILER PLANT-CLEAN AIR	
513	513.100	MAINTENANCE ELECTRIC PLANT	
514	514.100	MAINTENANCE MISC STEAM PLANT	
547	547.130	FUEL-OIL-GAS TURBINE	
548	548.100	GENERATION EXPENSES-GAS TURBINE	
553	553.100	MAINT GENERATING & ELEC PLANT-GAS TURBINE	

Big Rivers Electric Corporation
Case No. 2013-00199
Trial Balance
Forecasted Test Period TME - February 28, 2015

<u>RUS</u> <u>Account No.</u>	<u>Big Rivers</u> <u>Account No.</u>	<u>Account Description</u>	<u>Amount</u>
555	555.110	PURCHASED POWER-SEPA	
555	555.150	PURCHASED POWER-HMP&L STATION TWO	
555	555.152	PURCHASED POWER-HMP&L-CLEAN AIR	
555	555.142	PURCHASED POWER-MISO	
557	557.110	OTHER EXPENSE-POWER SUPPLY-ARBITRAGE	
557	557.350	OTHER EXPENSE-NON-SMELTER NON-FAC PPA	(2,386,704.71)
560	560.100	OPER SUPERVISION & ENGINEERING-LINES	
560	560.200	OPER SUPERVISION & ENGINEERING-STATIONS	
561	561.100	LOAD DISPATCHING	1,140,310.47
561	561.400	SCHEDULING, SYSTEM CONTROL & DI	867,456.00
561	561.800	RELIABILITY PLANNING & STANDARD	56,572.00
562	562.100	STATION EXPENSES	
563	563.100	OVERHEAD LINE EXPENSES	
565	565.100	TRANSMISSION OF ELECTRICITY BY OTHERS	2,698,514.00
566	566.100	MISC TRANSMISSION EXPENSE-LINES	
566	566.200	MISC TRANSMISSION EXPENSE-STATIONS	372,009.72
567	567.200	RENTS-STATIONS	
568	568.100	MAINT SUPERVISION & ENGINEERING-LINES	
568	568.200	MAINT SUPERVISION & ENGINEERING-STATIONS	

Case No. 2013-00199

Tab 46 Attachment - 807 KAR 5:001 Section 16(13)(c)

Sponsoring Witness: Billie J. Richert

Page 8 of 10

Big Rivers Electric Corporation
Case No. 2013-00199
Trial Balance
Forecasted Test Period TME - February 28, 2015

RUS Account No.	Big Rivers Account No.	Account Description	Amount
569	569.100	MAINTENANCE STRUCTURES	[REDACTED]
570	570.100	MAINTENANCE STATION EQUIPMENT	
571	571.100	MAINTENANCE OVERHEAD LINES	
573	573.100	MAINTENANCE MISC TRANSMISSION PLANT-LINES	
573	573.200	MAINTENANCE MISC TRANSMISSION PLANT-STATIONS	
575	575.700	MARKET FACILITATION, MOINITORING - MISO	
904.00	904.000	UNCOLLECTIBLE ACCOUNT	
908	908.100	CUSTOMER ASSISTANCE EXPENSES	
909	909.100	INFORMATION & INSTRUCTION ADV EXP	
913	913.100	ADVERTISING EXPENSE	
920	920.100	ADMINISTRATIVE AND GENERAL SALARIES	13,444,104.87
921	921.100	OFFICE SUPPLIES AND EXPENSES	8,303,618.76
921	921.11	OFFICE SUPPLIES AND EXPENSES--HMPL EXPENSES	572,484.00
923	923.100	OUTSIDE SERVICES EMPLOYED	4,081,955.21
925	925.100	INJURIES & DAMAGES	0.00
926	926.100	EMPLOYEE PENSIONS & BENEFITS-LTD	398,480.90
928	928.100	REGULATORY COMMISSION EXPENSES	0.00
930	930.100	GENERAL ADVERTISING EXPENSES	0.00
930	930.200	MISCELLANEOUS GENERAL EXPENSES	1,657,245.91

Case No. 2013-00199

Tab 46 Attachment - 807 KAR 5:001 Section 16(13)(c)

Sponsoring Witness: Billie J. Richert

Page 9 of 10

Big Rivers Electric Corporation
Case No. 2013-00199
Trial Balance
Forecasted Test Period TME - February 28, 2015

RUS Account No.	Big Rivers Account No.	Account Description	Amount
931	931.100	RENTS-ADMINISTRATIVE & GENERAL	1,933.08
935	935.100	MAINTENANCE OF GENERAL PLANT	
		NET MARGIN	



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01/31/2015; Base Period 12ME 09/30/2013)

Tab No. 47
Filing Requirement
807 KAR 5:001 Sec 16(13)(d)
Sponsoring Witness: Billie J. Richert

1
2
3
4
5
6

Description of Filing Requirement:

7 *A summary of jurisdictional adjustments to operating income by*
8 *major account with supporting schedules for individual adjustments*
9 *and jurisdictional factors;*

10 **Response:**

11 A summary of pro forma adjustments to operating income by major
12 account is included as an attachment to this response. Supporting
13 schedules for individual adjustments are included in Exhibit
14 Wolfram-2 in the Direct Testimony of Mr. John Wolfram at Tab No.
15 70.

Big Rivers Electric Corporation
Case No. 2013-00199
Jurisdictional Adjustments to Operating Income

Major Account Group	NOTES	426	427
Schedule 1.01	Remove Fuel Adjustment Clause (FAC) Revenue	\$ -	\$ -
Schedule 1.01	Remove Fuel Expense Recoverable through the FAC	\$ -	\$ -
Schedule 1.02	Remove Environmental Surcharge (ES) Revenue	\$ -	\$ -
Schedule 1.02	Remove Expenses Recoverable through the ES	\$ -	\$ (1,042,118)
Schedule 1.03	Remove Non-FAC PPA Revenue	\$ -	\$ -
Schedule 1.03	Remove Expenses Recoverable through the Non-FAC PPA	\$ -	\$ -
Schedule 1.04	Remove Promotional Advertising	\$ -	\$ -
Schedule 1.05	Remove Lobbying Expenses	\$ (18,006)	\$ -
Schedule 1.06	Remove Economic Development Expenses	\$ -	\$ -
Schedule 1.07	Remove Donations Expenses	\$ (23,328)	\$ -
Schedule 1.08	Remove Touchstone Energy dues	\$ -	\$ -
Schedule 1.09	Remove Surcredit Revenue (Crediting of Smelter Surcharge)	\$ -	\$ -
Schedule 1.10	Remove Non-recurring Labor related to Plant Layup	\$ -	\$ -
Schedule 1.11	Normalize Certain Outside Professional Services	\$ -	\$ -
Schedule 1.12	Normalize Demand Side Management Expenses	\$ -	\$ -
Schedule 1.13	Normalize Non-Labor Expenses related to Plant Layup	\$ -	\$ -
Schedule 1.14	Normalize MISO Capacity charge related to Plant Layup	\$ -	\$ -

Big Rivers Electric Corporation
Case No. 2013-00199
Jurisdictional Adjustments to Operating Income

Major Account Group	NOTES	447
Schedule 1.01	Remove Fuel Adjustment Clause (FAC) Revenue	\$ (19,581,659)
Schedule 1.01	Remove Fuel Expense Recoverable through the FAC	\$ -
Schedule 1.02	Remove Environmental Surcharge (ES) Revenue	\$ (17,858,704)
Schedule 1.02	Remove Expenses Recoverable through the ES	\$ -
Schedule 1.03	Remove Non-FAC PPA Revenue	\$ 1,183,384
Schedule 1.03	Remove Expenses Recoverable through the Non-FAC PPA	\$ -
Schedule 1.04	Remove Promotional Advertising	\$ -
Schedule 1.05	Remove Lobbying Expenses	\$ -
Schedule 1.06	Remove Economic Development Expenses	\$ -
Schedule 1.07	Remove Donations Expenses	\$ -
Schedule 1.08	Remove Touchstone Energy dues	\$ -
Schedule 1.09	Remove Surcredit Revenue (Crediting of Smelter Surcharge)	\$ 442,329
Schedule 1.10	Remove Non-recurring Labor related to Plant Layup	\$ -
Schedule 1.11	Normalize Certain Outside Professional Services	\$ -
Schedule 1.12	Normalize Demand Side Management Expenses	\$ -
Schedule 1.13	Normalize Non-Labor Expenses related to Plant Layup	\$ -
Schedule 1.14	Normalize MISO Capacity charge related to Plant Layup	\$ -

Big Rivers Electric Corporation
Case No. 2013-00199
Jurisdictional Adjustments to Operating Income

Major Account Group	NOTES	500	501
Schedule 1.01	Remove Fuel Adjustment Clause (FAC) Revenue	\$ -	\$ -
Schedule 1.01	Remove Fuel Expense Recoverable through the FAC	\$ -	\$ (13,790,122)
Schedule 1.02	Remove Environmental Surcharge (ES) Revenue	\$ -	\$ -
Schedule 1.02	Remove Expenses Recoverable through the ES	\$ -	\$ (1,289,355)
Schedule 1.03	Remove Non-FAC PPA Revenue	\$ -	\$ -
Schedule 1.03	Remove Expenses Recoverable through the Non-FAC PPA	\$ -	\$ -
Schedule 1.04	Remove Promotional Advertising	\$ -	\$ -
Schedule 1.05	Remove Lobbying Expenses	\$ -	\$ -
Schedule 1.06	Remove Economic Development Expenses	\$ -	\$ -
Schedule 1.07	Remove Donations Expenses	\$ -	\$ -
Schedule 1.08	Remove Touchstone Energy dues	\$ -	\$ -
Schedule 1.09	Remove Surcredit Revenue (Crediting of Smelter Surcharge)	\$ -	\$ -
Schedule 1.10	Remove Non-recurring Labor related to Plant Layup	\$ (482,295)	\$ (5,219)
Schedule 1.11	Normalize Certain Outside Professional Services	\$ -	\$ -
Schedule 1.12	Normalize Demand Side Management Expenses	\$ -	\$ -
Schedule 1.13	Normalize Non-Labor Expenses related to Plant Layup	\$ -	\$ -
Schedule 1.14	Normalize MISO Capacity charge related to Plant Layup	\$ -	\$ -

Big Rivers Electric Corporation
Case No. 2013-00199
Jurisdictional Adjustments to Operating Income

Major Account Group	NOTES	502
Schedule 1.01	Remove Fuel Adjustment Clause (FAC) Revenue	\$ -
Schedule 1.01	Remove Fuel Expense Recoverable through the FAC	\$ -
Schedule 1.02	Remove Environmental Surcharge (ES) Revenue	\$ -
Schedule 1.02	Remove Expenses Recoverable through the ES	\$ (5,152,101)
Schedule 1.03	Remove Non-FAC PPA Revenue	\$ -
Schedule 1.03	Remove Expenses Recoverable through the Non-FAC PPA	\$ -
Schedule 1.04	Remove Promotional Advertising	\$ -
Schedule 1.05	Remove Lobbying Expenses	\$ -
Schedule 1.06	Remove Economic Development Expenses	\$ -
Schedule 1.07	Remove Donations Expenses	\$ -
Schedule 1.08	Remove Touchstone Energy dues	\$ -
Schedule 1.09	Remove Surcredit Revenue (Crediting of Smelter Surcharge)	\$ -
Schedule 1.10	Remove Non-recurring Labor related to Plant Layup	\$ (669,009)
Schedule 1.11	Normalize Certain Outside Professional Services	\$ -
Schedule 1.12	Normalize Demand Side Management Expenses	\$ -
Schedule 1.13	Normalize Non-Labor Expenses related to Plant Layup	\$ -
Schedule 1.14	Normalize MISO Capacity charge related to Plant Layup	\$ -

Big Rivers Electric Corporation
Case No. 2013-00199
Jurisdictional Adjustments to Operating Income

Major Account Group	NOTES	505	506
Schedule 1.01	Remove Fuel Adjustment Clause (FAC) Revenue	\$ -	\$ -
Schedule 1.01	Remove Fuel Expense Recoverable through the FAC	\$ -	\$ -
Schedule 1.02	Remove Environmental Surcharge (ES) Revenue	\$ -	\$ -
Schedule 1.02	Remove Expenses Recoverable through the ES	\$ -	\$ -
Schedule 1.03	Remove Non-FAC PPA Revenue	\$ -	\$ -
Schedule 1.03	Remove Expenses Recoverable through the Non-FAC PPA	\$ -	\$ -
Schedule 1.04	Remove Promotional Advertising	\$ -	\$ -
Schedule 1.05	Remove Lobbying Expenses	\$ -	\$ -
Schedule 1.06	Remove Economic Development Expenses	\$ -	\$ -
Schedule 1.07	Remove Donations Expenses	\$ -	\$ -
Schedule 1.08	Remove Touchstone Energy dues	\$ -	\$ -
Schedule 1.09	Remove Surcredit Revenue (Crediting of Smelter Surcharge)	\$ -	\$ -
Schedule 1.10	Remove Non-recurring Labor related to Plant Layup	\$ (739,347)	\$ (153,418)
Schedule 1.11	Normalize Certain Outside Professional Services	\$ -	\$ -
Schedule 1.12	Normalize Demand Side Management Expenses	\$ -	\$ -
Schedule 1.13	Normalize Non-Labor Expenses related to Plant Layup	\$ -	\$ -
Schedule 1.14	Normalize MISO Capacity charge related to Plant Layup	\$ -	\$ -

Big Rivers Electric Corporation
Case No. 2013-00199
Jurisdictional Adjustments to Operating Income

Major Account Group	NOTES	509
Schedule 1.01	Remove Fuel Adjustment Clause (FAC) Revenue	\$ -
Schedule 1.01	Remove Fuel Expense Recoverable through the FAC	\$ -
Schedule 1.02	Remove Environmental Surcharge (ES) Revenue	\$ -
Schedule 1.02	Remove Expenses Recoverable through the ES	\$ (14,362)
Schedule 1.03	Remove Non-FAC PPA Revenue	\$ -
Schedule 1.03	Remove Expenses Recoverable through the Non-FAC PPA	\$ -
Schedule 1.04	Remove Promotional Advertising	\$ -
Schedule 1.05	Remove Lobbying Expenses	\$ -
Schedule 1.06	Remove Economic Development Expenses	\$ -
Schedule 1.07	Remove Donations Expenses	\$ -
Schedule 1.08	Remove Touchstone Energy dues	\$ -
Schedule 1.09	Remove Surcredit Revenue (Crediting of Smelter Surcharge)	\$ -
Schedule 1.10	Remove Non-recurring Labor related to Plant Layup	\$ -
Schedule 1.11	Normalize Certain Outside Professional Services	\$ -
Schedule 1.12	Normalize Demand Side Management Expenses	\$ -
Schedule 1.13	Normalize Non-Labor Expenses related to Plant Layup	\$ -
Schedule 1.14	Normalize MISO Capacity charge related to Plant Layup	\$ -

Big Rivers Electric Corporation
Case No. 2013-00199
Jurisdictional Adjustments to Operating Income

Major Account Group	NOTES	510	511
Schedule 1.01	Remove Fuel Adjustment Clause (FAC) Revenue	\$ -	\$ -
Schedule 1.01	Remove Fuel Expense Recoverable through the FAC	\$ -	\$ -
Schedule 1.02	Remove Environmental Surcharge (ES) Revenue	\$ -	\$ -
Schedule 1.02	Remove Expenses Recoverable through the ES	\$ -	\$ -
Schedule 1.03	Remove Non-FAC PPA Revenue	\$ -	\$ -
Schedule 1.03	Remove Expenses Recoverable through the Non-FAC PPA	\$ -	\$ -
Schedule 1.04	Remove Promotional Advertising	\$ -	\$ -
Schedule 1.05	Remove Lobbying Expenses	\$ -	\$ -
Schedule 1.06	Remove Economic Development Expenses	\$ -	\$ -
Schedule 1.07	Remove Donations Expenses	\$ -	\$ -
Schedule 1.08	Remove Touchstone Energy dues	\$ -	\$ -
Schedule 1.09	Remove Surcredit Revenue (Crediting of Smelter Surcharge)	\$ -	\$ -
Schedule 1.10	Remove Non-recurring Labor related to Plant Layup	\$ (228,615)	\$ (41,566)
Schedule 1.11	Normalize Certain Outside Professional Services	\$ -	\$ -
Schedule 1.12	Normalize Demand Side Management Expenses	\$ -	\$ -
Schedule 1.13	Normalize Non-Labor Expenses related to Plant Layup	\$ -	\$ (214,940)
Schedule 1.14	Normalize MISO Capacity charge related to Plant Layup	\$ -	\$ -

Big Rivers Electric Corporation
Case No. 2013-00199
Jurisdictional Adjustments to Operating Income

Major Account Group	NOTES	512
Schedule 1.01	Remove Fuel Adjustment Clause (FAC) Revenue	\$ -
Schedule 1.01	Remove Fuel Expense Recoverable through the FAC	\$ -
Schedule 1.02	Remove Environmental Surcharge (ES) Revenue	\$ -
Schedule 1.02	Remove Expenses Recoverable through the ES	\$ -
Schedule 1.03	Remove Non-FAC PPA Revenue	\$ -
Schedule 1.03	Remove Expenses Recoverable through the Non-FAC PPA	\$ -
Schedule 1.04	Remove Promotional Advertising	\$ -
Schedule 1.05	Remove Lobbying Expenses	\$ -
Schedule 1.06	Remove Economic Development Expenses	\$ -
Schedule 1.07	Remove Donations Expenses	\$ -
Schedule 1.08	Remove Touchstone Energy dues	\$ -
Schedule 1.09	Remove Surcredit Revenue (Crediting of Smelter Surcharge)	\$ -
Schedule 1.10	Remove Non-recurring Labor related to Plant Layup	\$ (158,276)
Schedule 1.11	Normalize Certain Outside Professional Services	\$ -
Schedule 1.12	Normalize Demand Side Management Expenses	\$ -
Schedule 1.13	Normalize Non-Labor Expenses related to Plant Layup	\$ (792,592)
Schedule 1.14	Normalize MISO Capacity charge related to Plant Layup	\$ -

Big Rivers Electric Corporation
Case No. 2013-00199
Jurisdictional Adjustments to Operating Income

Major Account Group	NOTES	513	514
Schedule 1.01	Remove Fuel Adjustment Clause (FAC) Revenue	\$ -	\$ -
Schedule 1.01	Remove Fuel Expense Recoverable through the FAC	\$ -	\$ -
Schedule 1.02	Remove Environmental Surcharge (ES) Revenue	\$ -	\$ -
Schedule 1.02	Remove Expenses Recoverable through the ES	\$ -	\$ -
Schedule 1.03	Remove Non-FAC PPA Revenue	\$ -	\$ -
Schedule 1.03	Remove Expenses Recoverable through the Non-FAC PPA	\$ -	\$ -
Schedule 1.04	Remove Promotional Advertising	\$ -	\$ -
Schedule 1.05	Remove Lobbying Expenses	\$ -	\$ -
Schedule 1.06	Remove Economic Development Expenses	\$ -	\$ -
Schedule 1.07	Remove Donations Expenses	\$ -	\$ -
Schedule 1.08	Remove Touchstone Energy dues	\$ -	\$ -
Schedule 1.09	Remove Surcredit Revenue (Crediting of Smelter Surcharge)	\$ -	\$ -
Schedule 1.10	Remove Non-recurring Labor related to Plant Layup	\$ (62,350)	\$ (131,627)
Schedule 1.11	Normalize Certain Outside Professional Services	\$ -	\$ -
Schedule 1.12	Normalize Demand Side Management Expenses	\$ -	\$ -
Schedule 1.13	Normalize Non-Labor Expenses related to Plant Layup	\$ (134,338)	\$ (201,507)
Schedule 1.14	Normalize MISO Capacity charge related to Plant Layup	\$ -	\$ -

Big Rivers Electric Corporation
Case No. 2013-00199
Jurisdictional Adjustments to Operating Income

Major Account Group	NOTES	555
Schedule 1.01	Remove Fuel Adjustment Clause (FAC) Revenue	\$ -
Schedule 1.01	Remove Fuel Expense Recoverable through the FAC	\$ (5,791,537)
Schedule 1.02	Remove Environmental Surcharge (ES) Revenue	\$ -
Schedule 1.02	Remove Expenses Recoverable through the ES	\$ (10,152,916)
Schedule 1.03	Remove Non-FAC PPA Revenue	\$ -
Schedule 1.03	Remove Expenses Recoverable through the Non-FAC PPA	\$ 1,183,384
Schedule 1.04	Remove Promotional Advertising	\$ -
Schedule 1.05	Remove Lobbying Expenses	\$ -
Schedule 1.06	Remove Economic Development Expenses	\$ -
Schedule 1.07	Remove Donations Expenses	\$ -
Schedule 1.08	Remove Touchstone Energy dues	\$ -
Schedule 1.09	Remove Surcredit Revenue (Crediting of Smelter Surcharge)	\$ -
Schedule 1.10	Remove Non-recurring Labor related to Plant Layup	\$ -
Schedule 1.11	Normalize Certain Outside Professional Services	\$ -
Schedule 1.12	Normalize Demand Side Management Expenses	\$ -
Schedule 1.13	Normalize Non-Labor Expenses related to Plant Layup	\$ -
Schedule 1.14	Normalize MISO Capacity charge related to Plant Layup	\$ -

Big Rivers Electric Corporation
Case No. 2013-00199
Jurisdictional Adjustments to Operating Income

Major Account Group	NOTES	557	908
Schedule 1.01	Remove Fuel Adjustment Clause (FAC) Revenue	\$ -	\$ -
Schedule 1.01	Remove Fuel Expense Recoverable through the FAC	\$ -	\$ -
Schedule 1.02	Remove Environmental Surcharge (ES) Revenue	\$ -	\$ -
Schedule 1.02	Remove Expenses Recoverable through the ES	\$ -	\$ -
Schedule 1.03	Remove Non-FAC PPA Revenue	\$ -	\$ -
Schedule 1.03	Remove Expenses Recoverable through the Non-FAC PPA	\$ -	\$ -
Schedule 1.04	Remove Promotional Advertising	\$ -	\$ -
Schedule 1.05	Remove Lobbying Expenses	\$ -	\$ -
Schedule 1.06	Remove Economic Development Expenses	\$ -	\$ -
Schedule 1.07	Remove Donations Expenses	\$ -	\$ -
Schedule 1.08	Remove Touchstone Energy dues	\$ -	\$ -
Schedule 1.09	Remove Surcredit Revenue (Crediting of Smelter Surcharge)	\$ -	\$ -
Schedule 1.10	Remove Non-recurring Labor related to Plant Layup	\$ -	\$ -
Schedule 1.11	Normalize Certain Outside Professional Services	\$ -	\$ -
Schedule 1.12	Normalize Demand Side Management Expenses	\$ -	\$ (96,000)
Schedule 1.13	Normalize Non-Labor Expenses related to Plant Layup	\$ -	\$ -
Schedule 1.14	Normalize MISO Capacity charge related to Plant Layup	\$ (408,442)	\$ -

Big Rivers Electric Corporation
Case No. 2013-00199
Jurisdictional Adjustments to Operating Income

Major Account Group	NOTES	913
Schedule 1.01	Remove Fuel Adjustment Clause (FAC) Revenue	\$ -
Schedule 1.01	Remove Fuel Expense Recoverable through the FAC	\$ -
Schedule 1.02	Remove Environmental Surcharge (ES) Revenue	\$ -
Schedule 1.02	Remove Expenses Recoverable through the ES	\$ -
Schedule 1.03	Remove Non-FAC PPA Revenue	\$ -
Schedule 1.03	Remove Expenses Recoverable through the Non-FAC PPA	\$ -
Schedule 1.04	Remove Promotional Advertising	\$ -
Schedule 1.05	Remove Lobbying Expenses	\$ -
Schedule 1.06	Remove Economic Development Expenses	\$ (144,568)
Schedule 1.07	Remove Donations Expenses	\$ -
Schedule 1.08	Remove Touchstone Energy dues	\$ -
Schedule 1.09	Remove Surcredit Revenue (Crediting of Smelter Surcharge)	\$ -
Schedule 1.10	Remove Non-recurring Labor related to Plant Layup	\$ -
Schedule 1.11	Normalize Certain Outside Professional Services	\$ -
Schedule 1.12	Normalize Demand Side Management Expenses	\$ -
Schedule 1.13	Normalize Non-Labor Expenses related to Plant Layup	\$ -
Schedule 1.14	Normalize MISO Capacity charge related to Plant Layup	\$ -

Big Rivers Electric Corporation
Case No. 2013-00199
Jurisdictional Adjustments to Operating Income

Major Account Group	NOTES	920	923
Schedule 1.01	Remove Fuel Adjustment Clause (FAC) Revenue	\$ -	\$ -
Schedule 1.01	Remove Fuel Expense Recoverable through the FAC	\$ -	\$ -
Schedule 1.02	Remove Environmental Surcharge (ES) Revenue	\$ -	\$ -
Schedule 1.02	Remove Expenses Recoverable through the ES	\$ -	\$ (207,852)
Schedule 1.03	Remove Non-FAC PPA Revenue	\$ -	\$ -
Schedule 1.03	Remove Expenses Recoverable through the Non-FAC PPA	\$ -	\$ -
Schedule 1.04	Remove Promotional Advertising	\$ -	\$ -
Schedule 1.05	Remove Lobbying Expenses	\$ -	\$ -
Schedule 1.06	Remove Economic Development Expenses	\$ -	\$ -
Schedule 1.07	Remove Donations Expenses	\$ -	\$ -
Schedule 1.08	Remove Touchstone Energy dues	\$ -	\$ -
Schedule 1.09	Remove Surcredit Revenue (Crediting of Smelter Surcharge)	\$ -	\$ -
Schedule 1.10	Remove Non-recurring Labor related to Plant Layup	\$ (159,910)	\$ -
Schedule 1.11	Normalize Certain Outside Professional Services	\$ -	\$ 73,593
Schedule 1.12	Normalize Demand Side Management Expenses	\$ -	\$ -
Schedule 1.13	Normalize Non-Labor Expenses related to Plant Layup	\$ -	\$ -
Schedule 1.14	Normalize MISO Capacity charge related to Plant Layup	\$ -	\$ -

Case No. 2013-00199

Tab 47 - 807 KAR 5:001 Sec 16(13)(d)

Sponsoring Witness: Billie J. Richert

Page 13 of 14

Big Rivers Electric Corporation
Case No. 2013-00199
Jurisdictional Adjustments to Operating Income

Major Account Group	NOTES	930	Total
Schedule 1.01	Remove Fuel Adjustment Clause (FAC) Revenue	\$ -	\$ (19,581,659)
Schedule 1.01	Remove Fuel Expense Recoverable through the FAC	\$ -	\$ (19,581,659)
Schedule 1.02	Remove Environmental Surcharge (ES) Revenue	\$ -	\$ (17,858,704)
Schedule 1.02	Remove Expenses Recoverable through the ES	\$ -	\$ (17,858,704)
Schedule 1.03	Remove Non-FAC PPA Revenue	\$ -	\$ 1,183,384
Schedule 1.03	Remove Expenses Recoverable through the Non-FAC PPA	\$ -	\$ 1,183,384
Schedule 1.04	Remove Promotional Advertising	\$ (55,756)	\$ (55,756)
Schedule 1.05	Remove Lobbying Expenses	\$ (53,017)	\$ (71,023)
Schedule 1.06	Remove Economic Development Expenses	\$ -	\$ (144,568)
Schedule 1.07	Remove Donations Expenses	\$ (40,000)	\$ (63,328)
Schedule 1.08	Remove Touchstone Energy dues	\$ (132,766)	\$ (132,766)
Schedule 1.09	Remove Surcredit Revenue (Crediting of Smelter Surcharge)	\$ -	\$ 442,329
Schedule 1.10	Remove Non-recurring Labor related to Plant Layup	\$ -	\$ (2,831,632)
Schedule 1.11	Normalize Certain Outside Professional Services	\$ -	\$ 73,593
Schedule 1.12	Normalize Demand Side Management Expenses	\$ -	\$ (96,000)
Schedule 1.13	Normalize Non-Labor Expenses related to Plant Layup	\$ -	\$ (1,343,377)
Schedule 1.14	Normalize MISO Capacity charge related to Plant Layup	\$ -	\$ (408,442)



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01/31/2015; Base Period 12ME 09/30/2013)

Tab No. 48
Filing Requirement
807 KAR 5:001 Section 16(13)(e)
Sponsoring Witness: Billie J. Richert

Description of Filing Requirement:

A jurisdictional federal and state income tax summary for both the base period and the forecasted period with all the supporting schedules of the various components of jurisdictional income taxes;

Response:

FEDERAL INCOME TAX

Big Rivers Electric Corporation (Big Rivers) is a member-owned, not-for-profit, generation and transmission cooperative. Big Rivers utilizes federal non-patron operating losses (NOLs) to offset regular non-patron income. As of tax year-end 2011, Big Rivers' federal non-patron NOLs total \$30,112,768.

Anticipated payments for the base period and the forecasted period:

Base period-twelve months ending 9/30/2013	\$0
--	-----

Forecast test year-twelve months ending 1/31/2015	\$0
---	-----

KENTUCKY STATE INCOME TAX

Big Rivers utilizes Kentucky state patron operating losses (KYNOLs) to offset regular non-patron income. As of tax year-end 2011, Big Rivers' state non-patron KYNOLs total \$325,626,385.

Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01/31/2015; Base Period 12ME 09/30/2013)

1 Anticipated payments of the base period and the forecasted period:

2 Base period-twelve months ending 9/30/2013 \$0

3 Forecast test year-twelve months ending 1/31/2015 \$0

4 OTHER STATE INCOME TAX

5 Big Rivers has ownership interest in Alliance for Cooperative
6 Energy Services Power Marketing LLC (APM). As a member, Big
7 Rivers reports its distributive share of APM's income or loss for
8 each state in which APM has nexus.

9 Anticipated payments for the base period and the forecasted period:

10 Base period-twelve months ending 9/30/2013

11 California \$800

12 Arizona 50

13 North Carolina 35

14 Forecast test year-twelve months ending 1/31/2015

15 California \$800

16 Arizona 50

17 North Carolina 35



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01/31/2015; Base Period 12ME 09/30/2013)

1 **Tab No. 49**
2 **Filing Requirement**
3 **807 KAR 5:001 Sec 16(13)(f)**
4 **Sponsoring Witness: Billie J. Richert**
5

6 **Description of Filing Requirement:**

7 *Summary schedules for both the base period and the forecasted*
8 *period (the utility may also provide a summary segregating those*
9 *items it proposes to recover in rates) of organization membership*
10 *dues; initiation fees; expenditures at country clubs; charitable*
11 *contributions; marketing, sales, and advertising expenditures;*
12 *professional service expenses; civic and political activity expenses;*
13 *expenditures for employee parties and outings; employee gift*
14 *expenses; and rate case expenses*

15 **Response:**

16 Please see the attachment to this response for summary schedules of
17 the following items for both the base period and forecasted test
18 period:

- 19 • Organization membership dues;
- 20 • Initiation fees;
- 21 • Country club expenses;
- 22 • Charitable contributions;
- 23 • Marketing, sales, and advertising expenses;

Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01/31/2015; Base Period 12ME 09/30/2013)

- 1 • Professional service expenses;
- 2 • Civic and political activity expenses;
- 3 • Employee parties and outings;
- 4 • Employee gift expenses; and
- 5 • Rate case expenses

6

Big Rivers Electric Corporation

Case No. 2013-00199

**Summary of Membership Dues; Initiation Fees, Country Club Expenditures,
Charitable Contributions; Marketing, Sales, and Advertising Expenditures;
Professional Service Expenses; Civic and Political Activity Expenses; Employee
Parties and Outings; Employee Gift Expenses;
and Rate Case Expenses**

<u>Description of Expenditure</u>	<u>Base Period</u> <u>12ME September 30, 2013</u>
Membership Dues -	
Downtown Henderson Project	\$ 250
Kentucky Association of Coops Inc	54,700
Kentucky Association for Economic Development	150
National G&T Managers Association	650
National Renewables Coop Org.	73,237
NERC	268,569
North American Transmission Forum	-
NRECA	354,806
Paducah Chamber of Commerce	1,100
PJM	5,000
Touchstone Energy	121,500
Total Membership Dues	\$ 879,962
Initiation Fees -	
	\$ -
Total Initiation Fees	\$ -
County Club Expenditures -	
	\$ -
Total Country Club Expenses	\$ -
Charitable Contributions -	
426 Donations	\$ 77,248
921 Office Supplies	(20,150)
NRECA	20,000
Total Charitable Contributions	\$ 77,098

Case No. 2013-00199

Exhibit 49 - 807 KAR 5:001 Section 16(13)f (Base Pd)

Sponsoring Witness: Billie J. Richert

Page 1 of 11

Big Rivers Electric Corporation

Case No. 2013-00199

**Summary of Membership Dues; Initiation Fees, Country Club Expenditures,
Charitable Contributions; Marketing, Sales, and Advertising Expenditures;
Professional Service Expenses; Civic and Political Activity Expenses; Employee
Parties and Outings; Employee Gift Expenses;
and Rate Case Expenses**

<u>Description of Expenditure</u>	<u>Base Period</u> <u>12ME September 30, 2013</u>	
Marketing, Sales, and Advertising Expenditures -		
908 Customer Assistance Expenses	\$	1,131,406
909 Information & Instruction Adv Expenses		70,714
913 Advertising Expenses		239,360
921 Office Supplies and Expenses		(1,469)
930 Miscellaneous General Expenses		47,657
Total Marketing, Sales, and Advertising Expenses	\$	<u>1,487,668</u>
Professional Service Expenses - Excluding Rate Cases		
American Management Consulting LLC	\$	48,964
Bass, Berry, Simms PLC		28,864
Burda/Felicia T.		3,491
Burns & McDonnell Engineering Co., Inc.		85,282
Cardwell Energy Associates Inc.		1,500
Catalyst Consulting LLC		3,937
DB Consulting LLC		5,636
Dinsmore & Shohl LLP		48,839
Doe Anderson		8,597
Duke Energy Ohio Inc.		21,735
Fidelity Institutional Operations Co., Inc.		7,500
GDS Associates Inc.		24,213
Hogan & Lovells, LLP		141,763
Hunton and Williams LLP		214
KAEC		15,000
KPMG LLP		155,215
L. Robert Kimball		50,392
McBrayer, McGinnis, Leslie		15,843

Big Rivers Electric Corporation

Case No. 2013-00199

**Summary of Membership Dues; Initiation Fees, Country Club Expenditures,
Charitable Contributions; Marketing, Sales, and Advertising Expenditures;
Professional Service Expenses; Civic and Political Activity Expenses; Employee
Parties and Outings; Employee Gift Expenses;
and Rate Case Expenses**

<u>Description of Expenditure</u>	<u>Base Period 12ME September 30, 2013</u>
Mercer Inc./Wm. M.	178,443
Myriad CPA Group	20,600
Navigant Consulting, Inc.	20,000
Ohio Valley Financial Group	57,912
Orrick, Herrington & Sutcliffe LLP	159,004
Power Cost Inc./PCI	6,951
Shipman and Goodwin	1,552
Southwest Power Pool	(2,041)
Sullivan, Mountjoy, Stainback & Miller P.S.C.	384,350
The Prime Group	10,380
Towers Watson Delaware Inc.	1,050
TSE Services Inc.	24,414
Ziemer, Stayman, Weitzel	13,478
923 Outside Services Employed	442,869
923 Outside Services Power Supply	329,322
923 Outside Services Generation	17,442
928 Regulatory Commission Expenses	2,856
Total Professional Service Expenses	\$ 2,335,567
Civic and Political Activity Expenses -	
NRECA	\$ 53,017
426 Civic, Political, Related	54,245
920 Administrative and General Salaries	-
921 Office Supplies	(14)
923 Outside Services Employed	7,840
930 Miscellaneous General Expenses	(44,526)
Total Civic and Political Activity Expenses	\$ 70,562

Case No. 2013-00199

Exhibit 49 - 807 KAR 5:001 Section 16(13)f (Base Pd)

Sponsoring Witness: Billie J. Richert

Page 3 of 11

Big Rivers Electric Corporation

Case No. 2013-00199

**Summary of Membership Dues; Initiation Fees, Country Club Expenditures,
Charitable Contributions; Marketing, Sales, and Advertising Expenditures;
Professional Service Expenses; Civic and Political Activity Expenses; Employee
Parties and Outings; Employee Gift Expenses;
and Rate Case Expenses**

<u>Description of Expenditure</u>	<u>Base Period</u> <u>12ME September 30, 2013</u>
Employee Parties and Outings -	
	\$ 39,428
<u>Total Employee Parties and Outings</u>	<u>\$ 39,428</u>

Big Rivers Electric Corporation

Case No. 2013-00199

**Summary of Membership Dues; Initiation Fees, Country Club Expenditures,
Charitable Contributions; Marketing, Sales, and Advertising Expenditures;
Professional Service Expenses; Civic and Political Activity Expenses; Employee
Parties and Outings; Employee Gift Expenses;
and Rate Case Expenses**

<u>Description of Expenditure</u>	<u>Base Period</u> <u>12ME September 30, 2013</u>
Employee Gift Expenses - Employee Gifts	\$ 35,125
Total Employee Gifts	\$ 35,125
Rate Case Expenses - Case #2011-00036	
Burns & McDonnell Engineering Co., Inc.	\$ 10,363
Catalyst Consulting LLC	262
Hogan & Lovells, LLP	7,096
Sullivan, Mountjoy, Stainback & Miller P.S.C.	3,865
Total Rate Case #2011-00036 Expenses	\$ 21,586
Rate Case Expenses - Case #2012-00535	
Sullivan, Mountjoy, Stainback & Miller P.S.C.	\$ 12,628
Dinsmore & Shohl, LLP	14,475
Catalyst Consulting	11,423
Burns & McDonnell	2,786
ACES Power Marketing	1,193
Other Consulting/Legal	1,550
Total Rate Case #2012-00535 Expenses	\$ 44,055
Case #2013-00199	
Sullivan, Mountjoy, Stainback & Miller P.S.C.	\$ -

Case No. 2013-00199

Exhibit 49 - 807 KAR 5:001 Section 16(13)f (Base Pd)

Sponsoring Witness: Billie J. Richert

Page 5 of 11

Big Rivers Electric Corporation

Case No. 2013-00199

**Summary of Membership Dues; Initiation Fees, Country Club Expenditures,
Charitable Contributions; Marketing, Sales, and Advertising Expenditures;
Professional Service Expenses; Civic and Political Activity Expenses; Employee
Parties and Outings; Employee Gift Expenses;
and Rate Case Expenses**

<u>Description of Expenditure</u>	<u>Base Period 12ME September 30, 2013</u>
Dinsmore & Shohl, LLP	-
Catalyst Consulting	-
Burns & McDonnell	-
ACES Power Marketing	-
Other Consulting/Legal	-
Total Rate Case #2013-00199 Expenses	\$ -
Total	\$ 4,991,051

Note 1: Big Rivers is requesting approval to recover, through rates, the costs it incurs in this case and the authority to amortize those costs over 36 months. The 2012 rate case expenses included in the Base Period (above) represent amortized portion of the total budgeted rate case expenses associated with Case No. 2012-00535. The 2013 rate case expenses are deferred and amortized over 36 months beginning February 1, 2014, therefore there is no expense amortized in the Base Period (Case No. 2013-00199).

Big Rivers Electric Corporation

Case No. 2013-00199

**Summary of Membership Dues; Initiation Fees, Country Club Expenditures,
Charitable Contributions; Marketing, Sales, and Advertising Expenditures;
Professional Service Expenses; Civic and Political Activity Expenses; Employee
Parties and Outings; Employee Gift Expenses; and Rate Case Expenses**

<u>Description of Expenditure</u>	<u>Forecasted Test Period</u> <u>12ME January 31, 2015</u>
Membership Dues -	
Downtown Henderson Project	\$ -
Kentucky Association of Coops Inc	54,412
Kentucky Association for Economic Development	-
National G&T Managers Association	800
National Renewables Coop Org.	79,206
NERC	300,000
North American Transmission Forum	27,500
NRECA	354,806
Paducah Chamber of Commerce	-
PJM	-
Touchstone Energy	132,766
Total Membership Dues	\$ 949,490
Initiation Fees -	-
	\$ -
Total Initiation Fees	\$ -
County Club Expenditures -	-
	\$ -
Total Country Club Expenses	\$ -
Charitable Contributions -	
426 Donations	\$ 43,328
921 Office Supplies	-
NRECA	20,000
Total Charitable Contributions	\$ 63,328

Big Rivers Electric Corporation

Case No. 2013-00199

**Summary of Membership Dues; Initiation Fees, Country Club Expenditures,
Charitable Contributions; Marketing, Sales, and Advertising Expenditures;
Professional Service Expenses; Civic and Political Activity Expenses; Employee
Parties and Outings; Employee Gift Expenses; and Rate Case Expenses**

<u>Description of Expenditure</u>	<u>Forecasted Test Period 12ME January 31, 2015</u>
Marketing, Sales, and Advertising Expenditures -	
908 Customer Assistance Expenses	\$ 1,095,998
909 Information & Instruction Adv Expenses	-
913 Advertising Expenses	144,568
921 Office Supplies and Expenses	-
930 Miscellaneous General Expenses	55,756
Total Marketing, Sales, and Advertising Expenses	<u>\$ 1,296,322</u>
Professional Service Expenses - Excluding Rate Cases	
American Management Consulting LLC	\$ -
Bass, Berry, Simms PLC	-
Burda/Felicia T.	-
Burns & McDonnell Engineering Co., Inc.	-
Cardwell Energy Associates Inc.	-
Catalyst Consulting LLC	-
DB Consulting LLC	-
Dinsmore & Shohl LLP	-
Doe Anderson	-
Duke Energy Ohio Inc.	-
Fidelity Institutional Operations Co., Inc.	-
GDS Associates Inc.	-
Hogan & Lovells, LLP	-
Hunton and Williams LLP	-
KAEC	-
KPMG LLP	159,000
L. Robert Kimball	60,000
McBrayer, McGinnis, Leslie	-
Mercer Inc./Wm. M.	-
Myriad CPA Group	33,470
Navigant Consulting, Inc.	-

Case No. 2013-00199

Exhibit 49 - 807 KAR 5:001 Section 16(13)f (FTP)

Sponsoring Witness: Billie J. Richert

Page 8 of 11

Big Rivers Electric Corporation

Case No. 2013-00199

**Summary of Membership Dues; Initiation Fees, Country Club Expenditures,
Charitable Contributions; Marketing, Sales, and Advertising Expenditures;
Professional Service Expenses; Civic and Political Activity Expenses; Employee
Parties and Outings; Employee Gift Expenses; and Rate Case Expenses**

Description of Expenditure	Forecasted Test Period 12ME January 31, 2015
Ohio Valley Financial Group	-
Orrick, Herrington & Sutcliffe LLP	24,000
Power Cost Inc./PCI	-
Shipman and Goodwin	-
Southwest Power Pool	-
Sullivan, Mountjoy, Stainback & Miller P.S.C.	174,000
The Prime Group	-
Towers Watson Delaware Inc.	-
TSE Services Inc.	-
Ziemer, Stayman, Weitzel	-
923 Outside Services Employed	724,132
923 Outside Services Power Supply	359,316
923 Outside Services Generation	21,899
928 Regulatory Commission Expenses	5,712
Total Professional Service Expenses	\$ 1,561,529
Civic and Political Activity Expenses -	
NRECA	\$ 53,017
426 Civic, Political, Related	-
920 Administrative and General Salaries	1,566
921 Office Supplies	-
923 Outside Services Employed	13,440
930 Miscellaneous General Expenses	-
Total Civic and Political Activity Expenses	\$ 68,023
Employee Parties and Outings -	
	\$ 40,217
Total Employee Parties and Outings	\$ 40,217

Big Rivers Electric Corporation

Case No. 2013-00199

**Summary of Membership Dues; Initiation Fees, Country Club Expenditures,
Charitable Contributions; Marketing, Sales, and Advertising Expenditures;
Professional Service Expenses; Civic and Political Activity Expenses; Employee
Parties and Outings; Employee Gift Expenses; and Rate Case Expenses**

<u>Description of Expenditure</u>	<u>Forecasted Test Period 12ME January 31, 2015</u>	
Employee Gift Expenses -		
Employee Gifts	\$	25,960
Total Employee Gifts	\$	25,960
Rate Case Expenses -		
Case #2011-00036		
Burns & McDonnell Engineering Co., Inc.	\$	-
Catalyst Consulting LLC		-
Hogan & Lovells, LLP		-
Sullivan, Mountjoy, Stainback & Miller P.S.C.		-
Total Rate Case #2011-00036 Expenses	\$	-
Rate Case Expenses -		
Case #2012-00535		
Sullivan, Mountjoy, Stainback & Miller P.S.C.	\$	151,540
Dinsmore & Shohl, LLP		173,702
Catalyst Consulting		137,085
Burns & McDonnell		33,432
ACES Power Marketing		14,313
Other Consulting/Legal		18,595
Total Rate Case #2012-00535 Expenses	\$	528,667
Case #2013-00199		
Sullivan, Mountjoy, Stainback & Miller P.S.C.	\$	110,446
Dinsmore & Shohl, LLP		153,462
Catalyst Consulting		90,399
Burns & McDonnell		12,330

Big Rivers Electric Corporation

Case No. 2013-00199

**Summary of Membership Dues; Initiation Fees, Country Club Expenditures,
Charitable Contributions; Marketing, Sales, and Advertising Expenditures;
Professional Service Expenses; Civic and Political Activity Expenses; Employee
Parties and Outings; Employee Gift Expenses; and Rate Case Expenses**

<u>Description of Expenditure</u>	<u>Forecasted Test Period 12ME January 31, 2015</u>
ACES Power Marketing	8,333
Other Consulting/Legal	93,732
Total Rate Case #2013-00199 Expenses	\$ 468,702
Total	\$ 5,002,238

Note 1: Big Rivers is requesting approval to recover, through rates, the costs it incurs in this case and the authority to amortize those costs over 36 months. The 2012 rate case expenses included in the Forecasted Test Period (above) represent one-third of the total budgeted rate case expenses associated with Case No. 2012-00535. The 2013 rate case expenses included in the Forecasted Test Period (above) represent one-third of the total forecasted rate case expenses associated with this case (Case No. 2013-00199).



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01/31/2015; Base Period 12ME 09/30/2013)

Tab No. 50
Filing Requirement
807 KAR 5:001 Section 16(13)(g)
Sponsoring Witness: James Haner

1
2
3
4
5
6 **Description of Filing Requirement:**

7 *An analysis of payroll costs including schedules for wages and salaries, employee*
8 *benefits, payroll taxes, straight time and overtime hours, and executive*
9 *compensation by title.*

10 **Response:**

11 A schedule of salaries and wages, employee benefits, payroll taxes, straight time
12 and overtime hours, and executive compensation by title is included as an
13 attachment to this response.^{1,2}

¹ Big Rivers' forecast assumes each employee will have 2,080 hours of straight time and paid time off per year. Big Rivers does not forecast overtime hours; instead Big Rivers forecasts overtime dollars by applying a factor to straight time.

² Big Rivers' straight time dollars and hours include straight time worked and paid time off benefits for vacation, holiday, sick and personal time.

Big Rivers Electric Corporation
Case No. 2013-00199
Analysis of Payroll Costs

<u>Description of Expenditure</u>	<u>Historical Base Period Oct-12 to Mar-13</u>	<u>Forecasted Base Period Apr-13 to Sept-13</u>	<u>Base Period Total Oct-12 to Sept-13</u>	<u>Forecasted Test Period Feb-14 to Jan-15</u>
Wages and Salaries -				
Straight-time	\$17,665,930	\$22,306,589	\$39,972,519	\$34,602,082
Overtime	\$3,039,484	\$2,799,886	\$5,839,370	\$3,892,208
Total Wages and Salaries	\$20,705,414	\$25,106,475	\$45,811,889	\$38,494,290
Employer Payroll Taxes -				
F.I.C.A.	\$1,780,582	\$1,909,687	\$3,690,269	\$2,899,468
Federal & State Unemployment Taxes	\$29,755	\$64,237	\$93,992	\$96,896
Total Payroll Taxes	\$1,810,337	\$1,973,924	\$3,784,261	\$2,996,364
Employee Benefits (Employer portion)				
401k Plan	\$576,594	\$778,087	\$1,354,681	\$1,188,120
Dental Insurance	\$207,068	\$220,002	\$427,070	\$335,939
Group Life Insurance	\$131,837	\$138,077	\$269,914	\$210,842
Long Term Disability Insurance	\$170,743	\$214,757	\$385,500	\$247,170
Medical Insurance	\$3,051,281	\$4,436,190	\$7,487,471	\$6,774,007
Post Retirement Medical	\$564,563	\$733,999	\$1,298,562	\$1,107,106
Pension	\$4,024,566	\$4,041,755	\$8,066,321	\$4,172,459
Workers Compensation	\$331,922	\$373,830	\$705,752	\$567,750
Total Employee Benefits	\$9,058,574	\$10,936,697	\$19,995,271	\$14,603,393
Grand Total	\$31,574,325	\$38,017,096	\$69,591,421	\$56,094,047
Straight Time Hours	521,931	651,382	1,173,313	965,825
Overtime Hours	64,671		64,671	

Big Rivers Electric Corporation
Case No. 2013-00199
Executive Compensation by Title

<u>Description of Expenditure</u>	Historical Base Period Oct-12 to Mar-13	Forecasted Base Period Apr-13 to Sept-13	Base Period Total Oct-12 to Sept-13	Forecasted Test Period Feb-14 to Jan-15
<u>President and Chief Executive Officer</u>				
Total Compensation				
Base Compensation	\$ 261,120	\$ 265,187	\$ 526,307	\$ 542,308
Other Compensation	\$ 9,000	\$ 9,000	\$ 18,000	\$ 18,000
Total Compensation	\$ 270,120	\$ 274,187	\$ 544,307	\$ 560,308
Payroll Taxes -				
F.I.C.A.	\$ 11,342	\$ 2,300	\$ 13,642	\$ 15,173
Fed & State Unemployment Taxes	203	-	203	478
Total Payroll Taxes	\$ 11,545	\$ 2,300	\$ 13,845	\$ 15,651
Employee Benefits -				
401k Plan	\$ 4,410	\$ 4,535	\$ 8,945	\$ 9,180
Dental Insurance	282	292	\$ 574	605
Group Life Insurance	1,410	1,418	\$ 2,828	2,900
Long Term Disability Insurance	821	929	\$ 1,750	1,966
Medical Insurance	7,323	7,368	\$ 14,691	15,085
Post Retirement Medical	2,471	1,688	\$ 4,159	2,679
Pension	12,000	12,111	\$ 24,111	24,320
Workers Compensation	67	70	137	146
Total Employee Benefits	\$ 28,784	\$ 28,411	\$ 57,195	\$ 56,881

Big Rivers Electric Corporation
Case No. 2013-00199
Executive Compensation by Title

<u>Description of Expenditure</u>	Historical Base Period Oct-12 to Mar-13	Forecasted Base Period Apr-13 to Sept-13	Base Period Total Oct-12 to Sept-13	Forecasted Test Period Feb-14 to Jan-15
Chief Operating Officer				
Total Compensation				
Base Compensation	\$ 147,694	\$ 162,500	\$ 310,194	\$ 339,789
Other Compensation	\$ 3,968	\$ 4,369	\$ 8,337	\$ 8,811
Total Compensation	\$ 151,662	\$ 166,869	\$ 318,531	\$ 348,600
Payroll Taxes -				
F.I.C.A.	\$ 11,590	\$ 2,300	\$ 13,890	\$ 15,006
Fed & State Unemployment Taxes	203	-	203	478
Total Payroll Taxes	\$ 11,793	\$ 2,300	\$ 14,093	\$ 15,484
Employee Benefits -				
401k Plan	\$ 4,410	\$ 4,535	\$ 8,945	\$ 9,180
Dental Insurance	282	292	574	605
Group Life Insurance	778	792	1,570	1,642
Long Term Disability Insurance	821	929	1,750	1,966
Medical Insurance	7,323	7,368	14,691	15,085
Post Retirement Medical	2,471	1,688	4,159	2,679
Pension	12,000	12,111	24,111	24,320
Workers Compensation	67	70	137	146
Total Employee Benefits	\$ 28,152	\$ 27,785	\$ 55,937	\$ 55,623



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01/31/2015; Base Period 12ME 09/30/2013)

1
2
3
4
5
6

Tab No. 51
Filing Requirement
807 KAR 5:001 Section 16(13)(h)
Sponsoring Witness: John Wolfram

Description of Filing Requirement:

7
8

*A computation of the gross revenue conversion factor for the
forecasted period;*

9

Response:

10
11
12

Big Rivers did not utilize a gross revenue conversion factor to
determine the revenue deficiency in this proceeding. Therefore, this
filing requirement is not applicable to Big Rivers.



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 1/31/2015; Base Period 12ME 9/30/2013)

Tab No. 52
Filing Requirement
807 KAR 5:001 Section 16(13)(i)
Sponsoring Witness: Ms. Billie J. Richert

Description of Filing Requirement:

Comparative income statements (exclusive of dividends per share or earnings per share), revenue statistics and sales statistics for 5 calendar years prior to application filing date, base period, forecasted period, and 2 calendar years beyond forecast.

Response:

See the attachment hereto for comparative income statements and sales and revenue statistics for the 5 calendar years prior to this application, the base period, forecasted period, and 2 calendar years beyond the forecast period (2016 and 2017). The attachment to this response contains information that is being provided under a petition for confidential treatment.

Big Rivers Electric Corporation

Case No. 2013-00199

Tab. No. 52 Attachment

Comparative Income Statements, Revenue Statistics, and Sales Statistics

Line Item:	Actual Calendar Year 2008	Actual Calendar Year 2009	Actual Calendar Year 2010	Actual Calendar Year 2011	Actual Calendar Year 2012
Electric Energy Revenues	\$ 204,519	\$ 326,730	\$ 514,490	\$ 558,372	\$ 563,385
Income from Leased Property-Net	29,348	15,889	-	-	
Other Operating Revenue and Income	10,240	14,604	12,834	3,617	4,957
Total Oper Revenues & Patronage Capital	\$ 244,107	\$ 357,223	\$ 527,324	\$ 561,989	\$ 568,342
Operation Expense-Production-excl fuel	\$ -	\$ 22,381	\$ 52,507	\$ 50,410	\$ 48,055
Operation Expense-Production-Fuel	-	80,654	207,748	226,229	226,369
Operation Expense-Other Power Supply	112,761	115,826	99,421	112,262	111,465
Operation Expense-Transmission	7,222	8,257	8,122	9,183	10,119
Operation Expense - RTO/ISO	-	-	-	2,530	2,262
Operation Expense - Customer Accounts	-	-	-	-	297
Consumer Service & Informational Expense	697	717	446	632	886
Operation Expense - Sales	724	552	240	185	191
Operation Expense - Administrative & General	17,477	24,191	26,462	26,557	26,429
Total Operation Expense	\$ 138,881	\$ 252,578	\$ 394,946	\$ 427,988	\$ 426,073
Maintenance Expense-Production	\$ -	\$ 24,400	\$ 42,157	\$ 42,896	\$ 41,170
Maintenance Expense-Transmission	4,002	5,226	4,473	4,681	4,608
Maintenance Expense-General Plant	209	170	250	141	184
Total Maintenance Expense	\$ 4,211	\$ 29,796	\$ 46,880	\$ 47,718	\$ 45,962

Case No. 2013-00199

Tab 52 Attachment - 807 KAR 5:001 16(13)(i)

Sponsoring Witness: Billie J. Richert

Big Rivers Electric Corporation

Case No. 2013-00199

Tab. No. 52 Attachment

Comparative Income Statements, Revenue Statistics, and Sales Statistics

Line Item:	Base Period 12ME 9/30/2013	Forecasted Test Period 12ME 1/31/2015	Forecast Calendar Year 2016	Forecast Calendar Year 2017
Electric Energy Revenues				
Income from Leased Property-Net		-	-	-
Other Operating Revenue and Income	3,951	3,647	3,678	3,678
Total Oper Revenues & Patronage Capital				
Operation Expense-Production-excl fuel				
Operation Expense-Production-Fuel				
Operation Expense-Other Power Supply				
Operation Expense-Transmission				
Operation Expense - RTO/ISO				
Operation Expense - Customer Accounts				
Consumer Service & Informational Expense				
Operation Expense - Sales				
Operation Expense - Administrative & General				
Total Operation Expense				
Maintenance Expense-Production				
Maintenance Expense-Transmission				
Maintenance Expense-General Plant				
Total Maintenance Expense				

Case No. 2013-00199

Tab 52 Attachment - 807 KAR 5:001 16(13)(i)

Sponsoring Witness: Billie J. Richert

Big Rivers Electric Corporation

Case No. 2013-00199

Tab. No. 52 Attachment

Comparative Income Statements, Revenue Statistics, and Sales Statistics

	Actual Calendar Year 2008	Actual Calendar Year 2009	Actual Calendar Year 2010	Actual Calendar Year 2011	Actual Calendar Year 2012
Depreciation & Amortization Expense	\$ 5,303	\$ 18,465	\$ 34,242	\$ 35,407	\$ 41,090
Taxes	1,072	1,831	263	98	4
Interest on Long-Term Debt	75,193	60,028	47,064	45,715	45,033
Interest Charged to Construction-Credit	(492)	(133)	(683)	(548)	(766)
Other Interest Expense	7	4	189	59	148
Other Deductions	4,870	2,169	166	220	546
Total Cost of Electric Service	\$ 229,045	\$ 364,738	\$ 523,067	\$ 556,657	\$ 558,090
Operating Margins	\$ 15,062	\$ (7,515)	\$ 4,257	\$ 5,332	\$ 10,252
Interest Income	\$ 11,963	\$ 316	\$ 391	\$ 150	\$ 963
Allowance for Funds Used during Const	0	0	0	0	
Other Non-Operating Income - net	-	13	2,321	9	-
Other Capital Credits & Pat Dividends	791	538	21	109	62
Extraordinary Items	-	537,978	-	-	-
Net Patronage Capital or Margins	\$ 27,816	\$ 531,330	\$ 6,990	\$ 5,600	\$ 11,277

Case No. 2013-00199

Tab 52 Attachment - 807 KAR 5:001 16(13)(i)

Sponsoring Witness: Billie J. Richert

Page 3 of 8

Big Rivers Electric Corporation

Case No. 2013-00199

Tab. No. 52 Attachment

Comparative Income Statements, Revenue Statistics, and Sales Statistics

	Base Period 12ME 9/30/2013	Forecasted Test Period 12ME 1/31/2015	Forecast Calendar Year 2016	Forecast Calendar Year 2017
Depreciation & Amortization Expense	\$ 41,522	\$ 45,699	\$ 47,717	\$ 48,337
Taxes	1	1	1	1
Interest on Long-Term Debt	44,052	43,766	43,505	43,101
Interest Charged to Construction-Credit	(607)	(1,769)	(292)	(403)
Other Interest Expense	93	-	-	-
Other Deductions	715	668	724	528
Total Cost of Electric Service				
Operating Margins				
Interest Income	\$ 2,011	\$ 1,833	\$ 1,734	\$ 1,687
Allowance for Funds Used during Const	0	0	0	0
Other Non-Operating Income - net	-	-	-	-
Other Capital Credits & Pat Dividends	1,308	2,739	2,539	2,449
Extraordinary Items		-	-	-
Net Patronage Capital or Margins				

Big Rivers Electric Corporation

Case No. 2013-00199

Tab. No. 52 Attachment

Comparative Income Statements, Revenue Statistics, and Sales Statistics

	Actual Calendar Year 2008	Actual Calendar Year 2009	Actual Calendar Year 2010	Actual Calendar Year 2011	Actual Calendar Year 2012
Description:					
Sales to Members-MWh					
Rural	2,386,916	2,239,445	2,481,390	2,371,106	2,321,479
Large Industrial	925,793	919,587	930,168	973,092	961,298
Smelter		2,885,491	6,348,431	6,854,819	7,424,472
Total Sales to Members-MWh	3,312,709	6,044,523	9,759,989	10,199,017	10,707,249
Generation-MWh (Net of HMPL Share)	-	4,545,503	11,496,996	11,849,618	10,560,316
Revenue from Members (Mills per kWh)	34.57	42.88	44.13	44.74	45.88
% kWh Increase Over Previous Period	0%	82%	61%	4%	5%
% Equity / Total Assets	-14%	25%	26%	28%	26%
TIER	1.37	9.85	1.15	1.12	1.24
DSC	1.17	2.44	1.47	1.47	1.58
System Peak Demand-MW					
Winter Season	619	1,304	1,367	1,375	1,425
Summer Season	616	1,300	1,393	1,441	1,536

Case No. 2013-00199

Tab 52 Attachment - 807 KAR 5:001 16(13)(i)

Sponsoring Witness: Billie J. Richert

Big Rivers Electric Corporation
Case No. 2013-00199
Tab. No. 52 Attachment
Comparative Income Statements, Revenue Statistics, and Sales Statistics

Description:	Base Period 12ME 9/30/2013	Forecasted Test Period 12ME 1/31/2015	Forecast Calendar Year 2016	Forecast Calendar Year 2017
Sales to Members-MWh				
Rural	2,355,205	2,308,552	2,262,136	2,281,571
Large Industrial	954,070	983,179	985,324	982,555
Smelter	6,912,196	-	-	-
Total Sales to Members-MWh	10,221,471	3,291,731	3,247,460	3,264,126
Generation-MWh (Net of HMPL Share)				
Revenue from Members (Mills per kWh)	63.30	94.25	99.27	102.73
% kWh Increase Over Previous Period				
% Equity / Total Assets	28%	30%	32%	32%
TIER	1.36	1.11	1.10	1.13
DSC	1.37	1.54	1.50	1.51
System Peak Demand-MW				
Winter Season	1,473	638	640	645
Summer Season	1,507	660	662	667

Case No. 2013-00199

Tab 52 Attachment - 807 KAR 5:001 16(13)(i)

Sponsoring Witness: Billie J. Richert

Page 6 of 8

Big Rivers Electric Corporation

Case No. 2013-00199

Tab. No. 52 Attachment

Comparative Income Statements, Revenue Statistics, and Sales Statistics

	Actual Calendar Year 2008	Actual Calendar Year 2009	Actual Calendar Year 2010	Actual Calendar Year 2011	Actual Calendar Year 2012
Member Load Growth %					
Energy	0%	82%	61%	4%	5%
Demand	-5%	111%	7%	3%	7%
Annual Load Factor %	61%	53%	80%	81%	79%

Big Rivers Electric Corporation

Case No. 2013-00199

Tab. No. 52 Attachment

Comparative Income Statements, Revenue Statistics, and Sales Statistics

	Base Period 12ME 9/30/2013	Forecasted Test Period 12ME 1/31/2015	Forecast Calendar Year 2016	Forecast Calendar Year 2017
Member Load Growth %				
Energy	-5%	-68%	-1%	1%
Demand	-2%	-56%	0%	1%
Annual Load Factor %	77%	57%	56%	56%



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01/31/2015; Base Period 12ME 09/30/2013)

1
2
3
4
5

Tab No. 53
Filing Requirement
807 KAR 5:001 Section 16(13)(j)
Sponsoring Witness: Billie J. Richert

6 **Description of Filing Requirement:**

7 *A cost of capital summary for both the base period and forecasted*
8 *period with supporting schedules providing details on each*
9 *component of the capital structure;*

10 **Response:**

11 Cost of capital summaries for both the base period and forecasted
12 period, with supporting schedules providing details of each
13 component of the capital structure, are included as an attachment to
14 this response.

15

**Big Rivers Electric Corporation
Case No. 2013-00199
Tab No. 53 (Attachment)**

Cost of Capital Summary

Cost of Capital Summary - Base Period (as of September 30, 2013)

Capital Components	Estimated Balance as of 9/30/2013	Interest Rate (a)	Ratio (b)	Cost of Capital [(a) x (b)]
Pollution Control Bonds:				
2010A Series PC Bonds	\$ 83,300,000	6.000%	9.383%	0.56296%
RUS:				
Series A Note	\$ 80,051,614	5.836%	9.017%	0.526%
Series B Note	\$ 136,075,433	5.799%	15.327%	0.889%
CFC:				
Series 2012B Refinance Note	\$ 288,778,482	4.500%	32.527%	1.464%
Series 2012B Equity Note	\$ 41,887,024	5.350%	4.718%	0.252%
Secured Credit Facility - ECP Borrowing	\$ 31,810,000	3.000%	3.583%	0.107%
CoBank:				
Series 2012A Term Loan	\$ 225,906,474	4.300%	25.445%	1.094%
Total Debt	\$ 887,809,027		100.000%	4.896%
TIER Requirement				1.24 6.071%

**Big Rivers Electric Corporation
Case No. 2013-00199
Tab No. 53 (Attachment)**

Cost of Capital Summary

Cost of Capital Summary - Forecasted Test Period (as of January 31, 2015)

Capital Components	Forecasted Balance as of 1/31/2015	Interest Rate (a)	Ratio (b)	Cost of Capital [(a) x (b)]
Pollution Control Bonds:				
2010A Series PC Bonds	\$ 83,300,000	6.000%	9.259%	0.556%
RUS:				
Series A Note	\$ 80,122,523	5.836%	8.906%	0.520%
Series B Note	\$ 146,245,898	5.799%	16.256%	0.943%
CFC:				
Series 2012B Refinance Note	\$ 275,067,743	4.500%	30.575%	1.376%
Series 2012B Equity Note	\$ 40,203,227	5.350%	4.469%	0.239%
Secured Credit Facility - ECP Borrowing	\$ 58,440,000	3.000%	6.496%	0.195%
CoBank:				
Series 2012A Term Loan	\$ 216,260,045	4.300%	24.039%	1.034%
Total Debt	\$ 899,639,436		100.000%	4.862%
TIER Requirement				1.24 6.028%



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 1/31/2015; Base Period 12ME 9/30/2013)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15

Tab No. 54
Filing Requirement
807 KAR 5:001 Section 16(13)(k)
Sponsoring Witness: Ms. Billie J. Richert

Description of Filing Requirement:

Comparative financial data and earnings measures for the ten (10) most recent calendar years, the base period, and the forecast period.

Response:

Comparative financial data and earnings measures for the ten (10) most recent calendar years, the base period, and the forecast period are included as an attachment to this response. The attachment to this response contains information that is being provided under a petition for confidential treatment.

Big Rivers Electric Corporation

Case No. 2013-00199

Tab No. 54 (Attachment)

Comparative Income Statements, Revenue Statistics, and Sales Statistics

	Actual Calendar Year 2003	Actual Calendar Year 2004	Actual Calendar Year 2005	Actual Calendar Year 2006	Actual Calendar Year 2007	Actual Calendar Year 2008
Electric Energy Revenues	\$ 151,969	\$ 164,810	\$ 181,367	\$ 190,834	\$ 261,892	\$ 204,519
Income from Leased Property-Net	28,746	29,500	29,469	29,544	29,588	29,348
Other Operating Revenue and Income	11,617	10,967	9,913	9,858	9,714	10,240
Total Oper Revenues & Patronage Capital	\$ 192,332	\$ 205,277	\$ 220,749	\$ 230,236	\$ 301,194	\$ 244,107
Operation Expense-Production-excl fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operation Expense-Production-Fuel	-	-	-	-	-	-
Operation Expense-Other Power Supply	96,619	104,791	112,805	112,757	167,963	112,761
Operation Expense-Transmission	5,771	4,582	4,970	5,586	9,374	7,222
Operation Expense - RTO/ISO	-	-	-	-	-	-
Operation Expense - Customer Accounts	-	-	-	-	-	-
Consumer Service & Informational Expense	563	590	729	664	672	697
Operation Expense - Sales	493	671	722	711	605	724
Operation Expense - Administrative & General	9,667	10,564	11,583	12,430	14,196	17,477
Total Operation Expense	\$ 113,113	\$ 121,198	\$ 130,809	\$ 132,148	\$ 192,810	\$ 138,881
Maintenance Expense-Production	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance Expense-Transmission	2,465	2,474	2,904	3,334	3,781	4,002
Maintenance Expense-General Plant	152	99	221	274	416	209
Total Maintenance Expense	\$ 2,617	\$ 2,573	\$ 3,125	\$ 3,608	\$ 4,197	\$ 4,211

Case No. 2013-00199

Tab 54 Attachment - 807 KAR 5:001 16(13)(k)

Sponsoring Witness: Billie J. Richert

Page 1 of 8

Big Rivers Electric Corporation

Case No. 2013-00199

Tab No. 54 (Attachment)

Comparative Income Statements, Revenue Statistics, and Sales Statistics

	Actual Calendar Year 2009	Actual Calendar Year 2010	Actual Calendar Year 2011	Actual Calendar Year 2012	Base Period 12ME 9/30/2013	Forecasted Test Period 12ME 1/31/2015
Electric Energy Revenues	\$ 326,730	\$ 514,490	\$ 558,372	\$ 563,385		
Income from Leased Property-Net	15,889	-	-			-
Other Operating Revenue and Income	14,604	12,834	3,617	4,957	3,951	3,647
Total Oper Revenues & Patronage Capital	\$ 357,223	\$ 527,324	\$ 561,989	\$ 568,342		
Operation Expense-Production-excl fuel	\$ 22,381	\$ 52,507	\$ 50,410	\$ 48,055		
Operation Expense-Production-Fuel	80,654	207,748	226,229	226,369		
Operation Expense-Other Power Supply	115,826	99,421	112,262	111,465		
Operation Expense-Transmission	8,257	8,122	9,183	10,119		
Operation Expense - RTO/ISO	-	-	2,530	2,262		
Operation Expense - Customer Accounts	-	-	-	297		
Consumer Service & Informational Expense	717	446	632	886		
Operation Expense - Sales	552	240	185	191		
Operation Expense - Administrative & General	24,191	26,462	26,557	26,429		
Total Operation Expense	\$ 252,578	\$ 394,946	\$ 427,988	\$ 426,073		
Maintenance Expense-Production	\$ 24,400	\$ 42,157	\$ 42,896	\$ 41,170		
Maintenance Expense-Transmission	5,226	4,473	4,681	4,608		
Maintenance Expense-General Plant	170	250	141	184		
Total Maintenance Expense	\$ 29,796	\$ 46,880	\$ 47,718	\$ 45,962		

Case No. 2013-00199

Tab 54 Attachment - 807 KAR 5:001 16(13)(k)

Sponsoring Witness: Billie J. Richert

Big Rivers Electric Corporation

Case No. 2013-00199

Tab No. 54 (Attachment)

Comparative Income Statements, Revenue Statistics, and Sales Statistics

	Actual Calendar Year 2003	Actual Calendar Year 2004	Actual Calendar Year 2005	Actual Calendar Year 2006	Actual Calendar Year 2007	Actual Calendar Year 2008
Depreciation & Amortization Expense	\$ 4,925	\$ 4,958	\$ 4,942	\$ 5,053	\$ 5,068	\$ 5,303
Taxes	1,038	1,120	1,114	1,100	1,086	1,072
Interest on Long-Term Debt	68,885	68,644	71,744	73,344	74,115	75,193
Interest Charged to Construction-Credit	(145)	(221)	(160)	(236)	(392)	(492)
Other Interest Expense	45	49	20	31	27	7
Other Deductions	(2,649)	(2,665)	(2,732)	(2,770)	(2,797)	4,870
Total Cost of Electric Service	\$ 187,829	\$ 195,656	\$ 208,862	\$ 212,278	\$ 274,114	\$ 229,045
Operating Margins	\$ 4,503	\$ 9,621	\$ 11,887	\$ 17,958	\$ 27,080	\$ 15,062
Interest Income	\$ 11,079	\$ 11,730	\$ 13,681	\$ 15,800	\$ 19,311	\$ 11,963
Other Non-Operating Income - net	-	-	-	-	-	-
Other Capital Credits & Pat Dividends	656	674	775	784	786	791
Extraordinary Items	2,111	-	-	-	-	-
Net Patronage Capital or Margins	\$ 18,349	\$ 22,025	\$ 26,343	\$ 34,542	\$ 47,177	\$ 27,816

Case No. 2013-00199

Tab 54 Attachment - 807 KAR 5:001 16(13)(k)

Sponsoring Witness: Billie J. Richert

Page 3 of 8

Big Rivers Electric Corporation

Case No. 2013-00199

Tab No. 54 (Attachment)

Comparative Income Statements, Revenue Statistics, and Sales Statistics

	Actual Calendar Year 2009	Actual Calendar Year 2010	Actual Calendar Year 2011	Actual Calendar Year 2012	Base Period 12ME 9/30/2013	Forecasted Test Period 12ME 1/31/2015
Depreciation & Amortization Expense	\$ 18,465	\$ 34,242	\$ 35,407	\$ 41,090	\$ 41,522	\$ 45,699
Taxes	1,831	263	98	4	1	1
Interest on Long-Term Debt	60,028	47,064	45,715	45,033	44,052	43,766
Interest Charged to Construction-Credit	(133)	(683)	(548)	(766)	(607)	(1,769)
Other Interest Expense	4	189	59	148	93	-
Other Deductions	2,169	166	220	546	715	668
Total Cost of Electric Service	\$ 364,738	\$ 523,067	\$ 556,657	\$ 558,090		
Operating Margins	\$ (7,515)	\$ 4,257	\$ 5,332	\$ 10,252		
Interest Income	\$ 316	\$ 391	\$ 150	\$ 963	\$ 2,011	\$ 1,833
Other Non-Operating Income - net	13	2,321	9	-	-	-
Other Capital Credits & Pat Dividends	538	21	109	62	1,308	2,739
Extraordinary Items	537,978	-	-	-	-	-
Net Patronage Capital or Margins	\$ 531,330	\$ 6,990	\$ 5,600	\$ 11,277		

Big Rivers Electric Corporation

Case No. 2013-00199

Tab No. 54 (Attachment)

Comparative Income Statements, Revenue Statistics, and Sales Statistics

	Actual Calendar Year 2003	Actual Calendar Year 2004	Actual Calendar Year 2005	Actual Calendar Year 2006	Actual Calendar Year 2007	Actual Calendar Year 2008
Description:						
Sales to Members-MWh						
Rural	2,089,688	2,132,801	2,262,698	2,231,554	2,406,447	2,386,916
Large Industrial	962,670	997,202	971,243	956,502	921,358	925,793
Smelter						
Total Sales to Members-MWh	3,052,358	3,130,003	3,233,941	3,188,056	3,327,805	3,312,709
Generation-MWh (Net of HMPL Share)	-	-	-	-	-	-
Revenue from Members (Mills per kWh)	33.78	33.55	33.84	34.11	34.04	34.57
% kWh Increase Over Previous Period	-4%	3%	3%	-1%	4%	0%
% Equity / Total Assets	-25%	-23%	-21%	-17%	-13%	-14%
TIER	1.27	1.32	1.37	1.47	1.64	1.37
DSC	1.46	1.76	1.79	1.86	2.04	1.17
System Peak Demand-MW						
Winter Season	585	562	558	593	604	619
Summer Season	584	604	618	631	653	616

Case No. 2013-00199

Tab 54 Attachment - 807 KAR 5:001 16(13)(k)

Sponsoring Witness: Billie J. Richert

Big Rivers Electric Corporation

Case No. 2013-00199

Tab No. 54 (Attachment)

Comparative Income Statements, Revenue Statistics, and Sales Statistics

	Actual Calendar Year 2009	Actual Calendar Year 2010	Actual Calendar Year 2011	Actual Calendar Year 2012	Base Period 12ME 9/30/2013	Forecasted Test Period 12ME 1/31/2015
Description:						
Sales to Members-MWh						
Rural	2,239,445	2,481,390	2,371,106	2,321,479	2,355,205	2,308,552
Large Industrial	919,587	930,168	973,092	961,298	954,070	983,179
Smelter	2,885,491	6,348,431	6,854,819	7,424,472	6,912,196	-
Total Sales to Members-MWh	6,044,523	9,759,989	10,199,017	10,707,249	10,221,471	3,291,731
Generation-MWh (Net of HMPL Share)	4,545,503	11,496,996	11,849,618	10,560,316	[REDACTED]	[REDACTED]
Revenue from Members (Mills per kWh)	42.88	44.13	44.74	45.88	63.30	94.25
% kWh Increase Over Previous Period	82%	61%	4%	5%	[REDACTED]	[REDACTED]
% Equity / Total Assets	25%	26%	28%	26%	28%	30%
TIER	9.85	1.15	1.12	1.24	1.36	1.11
DSC	2.44	1.47	1.47	1.58	1.37	1.51
System Peak Demand-MW						
Winter Season	1,304	1,367	1,375	1,425	1,473	638
Summer Season	1,300	1,393	1,441	1,536	1,507	660

Case No. 2013-00199

Tab 54 Attachment - 807 KAR 5:001 16(13)(k)

Sponsoring Witness: Billie J. Richert

Big Rivers Electric Corporation

Case No. 2013-00199

Tab No. 54 (Attachment)

Comparative Income Statements, Revenue Statistics, and Sales Statistics

	Actual Calendar Year 2003	Actual Calendar Year 2004	Actual Calendar Year 2005	Actual Calendar Year 2006	Actual Calendar Year 2007	Actual Calendar Year 2008
Member Load Growth %						
Energy	-4%	3%	3%	-1%	4%	0%
Demand	-3%	3%	2%	2%	3%	-5%
Annual Load Factor %	60%	59%	60%	58%	58%	61%

Big Rivers Electric Corporation

Case No. 2013-00199

Tab No. 54 (Attachment)

Comparative Income Statements, Revenue Statistics, and Sales Statistics

	Actual Calendar Year 2009	Actual Calendar Year 2010	Actual Calendar Year 2011	Actual Calendar Year 2012	Base Period 12ME 9/30/2013	Forecasted Test Period 12ME 1/31/2015
Member Load Growth %						
Energy	82%	61%	4%	5%	-5%	-68%
Demand	111%	7%	3%	7%	-2%	-56%
Annual Load Factor %	53%	80%	81%	79%	77%	57%



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01/31/2015; Base Period 12ME 09/30/2013)

1
2
3
4
5
6

Tab No. 55
Filing Requirement
807 KAR 5:001 Section 16(13)(I)
Sponsoring Witness: DeAnna M. Speed

Description of Filing Requirement:

7
8

*A narrative description and explanation of all proposed tariff
changes;*

9

Response:

10
11
12
13

A narrative description and explanation of all proposed tariff
changes are included in the Direct Testimony of Ms. DeAnna M.
Speed under Tab 62. Also, please see the Present Tariff versus
Proposed Tariff shown in side-by-side comparative format at Tab 5.



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 1/31/2015; Base Period 12ME 9/30/2013)

1
2
3
4
5
6

Tab. No. 56
Filing Requirement
807 KAR 5:001 Section 16(13)(m)
Sponsoring Witness: Billie J. Richert

6 **Description of Filing Requirement:**

7
8
9

Revenue summary for both base and forecasted periods with supporting schedules which provide detailed billing analyses for all customer classes.

10 **Response:**

11
12
13

The base period and forecasted period revenue summaries, which includes detailed billing analyses for all customer classes, is included in the attachment to this response.

Big Rivers Electric Corporation
Case No. 2013-00199
Billing Determinants and Revenue
Base Period 12ME - September 30, 2013

Base Year 10/1/2012 - 9/30/2013
Revenue Summary

	Total Base Year Revenue (000s)
Rural	128,668
Large Industrial	43,241
Smelter	343,108
Total \$	515,017

Big Rivers Electric Corporation
Case No. 2013-00199
Billing Determinants and Revenue
Base Period 12ME - September 30, 2013

Billing Analysis Base Year
Actual Billing Determinants and Revenue 10/1/2012 - 3/31/2013
Forecasted Billing Determinants and Revenue 4/1/2013 - 9/30/2013

<u>Smelter Rate</u>	Billing Units		Rate	Revenue \$
Base Fixed Energy (kWh)	6,842,344,320	\$	0.039801	272,334,259
Base Variable Energy	51,461,687	\$	0.021806	1,122,174
Back-Up Energy	18,390,437	\$	0.041049	754,911
Surplus Energy	0	\$	-	-
Supplemental Energy	0	\$	-	-
TIER Adjustment	6,842,344,320	\$	0.002742	18,764,151
Non-FAC PPA	6,893,806,007	\$	(0.000300)	(2,069,806)
FAC	6,893,806,007	\$	0.003427	23,625,921
Environmental Surcharge	6,893,806,007	\$	0.002288	15,774,358
Surcharge	6,893,806,007	\$	0.001856	12,797,604
Adjustment				4,276
Rate (\$/kWh)		\$	<u>0.049638</u>	<u>343,107,848</u>

Big Rivers Elec Corporation
Case No. 2013-00199
Billing Determinants and Revenue
Base Period 12ME - September 30, 2013

Billing Analysis Base Year
Actual Billing Determinants and Revenue 10/1/2012 - 3/31/2013
Forecasted Billing Determinants and Revenue 4/1/2013 - 9/30/2013

Rural Rate	Billing Units	Rate	Billing \$	Revenue \$
Demand (kW)	5,131,543	\$ 10.72	55,008,073	55,008,073
Energy (kWh)	2,355,204,750	\$ 0.029765	70,102,165	70,102,165
Base Rate (\$/kWh)	2,355,204,750	\$ 0.053121	125,110,237	125,110,237
Non-Smelter Non-FAC PPA	2,355,204,750	\$ (0.001297)	(3,055,287)	(3,055,287)
FAC	2,355,204,750	\$ 0.003450	8,125,091	8,125,091
Environmental Surcharge	2,355,204,750	\$ 0.002887	6,798,961	6,798,961
Surcredit	2,355,204,750	\$ (0.003529)	(8,310,852)	(8,310,852)
Economic Reserve	2,355,204,750	\$ (0.006750)	(15,897,229)	
Rate (\$/kWh)		\$ 0.047883	112,770,921	128,668,150

Big Rivers Electric Corporation
Case No. 2013-00199
Billing Determinants and Revenue
Base Period 12ME - September 30, 2013

Billing Analysis Base Year
Actual Billing Determinants and Revenue 10/1/2012 - 3/31/2013
Forecasted Billing Determinants and Revenue 4/1/2013 - 9/30/2013

<u>Large Industrial Rate</u>	<u>Billing Units</u>	<u>Rate</u>	<u>Billing \$</u>	<u>Revenue \$</u>
Demand (kW)	1,694,011	\$ 10.74	18,186,825	18,186,825
Energy (kWh)	954,070,119	\$ 0.025142	23,987,430	23,987,430
Base Rate (\$/kWh)	954,070,119	<u>\$ 0.044205</u>	<u>42,174,256</u>	<u>42,174,256</u>
Non-Smelter Non-FAC PPA	954,070,119	\$ (0.001291)	(1,231,407)	(1,231,407)
FAC	954,070,119	\$ 0.003456	3,297,547	3,297,547
Environmental Surcharge	954,070,119	\$ 0.002494	2,379,311	2,379,311
Surcredit	954,070,119	\$ (0.003541)	(3,378,667)	(3,378,667)
Economic Reserve	954,070,119	\$ (0.006356)	(6,063,822)	(6,063,822)
Rate (\$/kWh)		<u>\$ 0.038967</u>	<u>37,177,217</u>	<u>43,241,040</u>

Big Rivers Electric Corporation
Case No. 2013-00199
Billing Determinants and Revenue
Forecast Period 12ME - January 31, 2015

**Forecasted Test Year 2/1/2014 - 1/31/2015
Revenue Summary**

	Total Test Year Revenue (000s)
Rural	234,469
Large Industrial	75,772
Smelter	0
Total \$	310,241

Big Rivers Elec Corporation
Case No. 2013-00199
Billing Determinants and Revenue
Forecast Period 12ME - January 31, 2015

Billing Analysis Forecasted Test Year
Forecasted Billing Determinants and Revenue 2/1/2014 - 1/31/2015

<u>Smelter Rate</u>	<u>Billing Units</u>		<u>Rate</u>	<u>Revenue \$</u>
Base Fixed Energy (kWh)	0	\$	-	-
Base Variable Energy	0	\$	-	-
Back-Up Energy	0	\$	-	-
Surplus Energy	0	\$	-	-
Supplemental Energy	0	\$	-	-
TIER Adjustment	0	\$	-	-
Non-FAC PPA	0	\$	-	-
FAC	0	\$	-	-
Environmental Surcharge	0	\$	-	-
Surcharge	0	\$	-	-
Adjustment			-	-
Rate (\$/kWh)		\$	-	-

Big Rivers Elec Corporation
Case No. 2013-00199
Billing Determinants and Revenue
Forecast Period 12ME - January 31, 2015

Billing Analysis Forecasted Test Year
Forecasted Billing Determinants and Revenue 2/1/2014 - 1/31/2015

<u>Rural Rate</u>	<u>Billing Units</u>	<u>Rate</u>	<u>Billing \$</u>	<u>Revenue \$</u>
Demand (kW)	5,128,900	\$ 24.74	126,899,244	126,899,244
Energy (kWh)	2,308,552,000	\$ 0.035000	80,799,320	80,799,320
Base Rate (\$/kWh)	2,308,552,000	\$ 0.089969	207,698,564	207,698,564
Non-Smelter Non-FAC PPA	2,308,552,000	\$ (0.000358)	(826,876)	(826,876)
FAC	2,308,552,000	\$ 0.005951	13,737,782	13,737,782
Environmental Surcharge	2,308,552,000	\$ 0.006137	14,168,287	14,168,287
Surcredit	2,308,552,000	\$ (0.000134)	(308,324)	(308,324)
Economic Reserve	2,308,552,000	\$ (0.037701)	(87,034,391)	
Rate (\$/kWh)		\$ 0.063866	147,435,042	234,469,433

Big Rivers Electric Corporation
Case No. 2013-00199
Billing Determinants and Revenue
Forecast Period 12ME - January 31, 2015

Billing Analysis Forecasted Test Year
Forecasted Billing Determinants and Revenue 2/1/2014 - 1/31/2015

Large Industrial Rate	Billing Units	Rate	Billing \$	Revenue \$
Demand (kW)	1,746,400	\$ 17.98	31,398,526	31,398,526
Energy (kWh)	983,179,000	\$ 0.035000	34,411,265	34,411,265
Base Rate (\$/kWh)	983,179,000	\$ 0.066936	65,809,791	65,809,791
Non-Smelter Non-FAC PPA	983,179,000	\$ (0.000363)	(356,508)	(356,508)
FAC	983,179,000	\$ 0.005944	5,843,877	5,843,877
Environmental Surcharge	983,179,000	\$ 0.004688	4,608,733	4,608,733
Surcredit	983,179,000	\$ (0.000136)	(134,005)	(134,005)
Economic Reserve	983,179,000	\$ (0.014305)	(14,064,745)	(14,064,745)
Rate (\$/kWh)		\$ 0.062763	61,707,142	75,771,888



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01/31/2015; Base Period 12ME 09/30/2013)

1
2
3
4
5
6
7
8
9
10
11
12
13
14

Tab No. 57
Filing Requirement
807 KAR 5:001 Section 16(13)(n)
Sponsoring Witness: John Wolfram

Description of Filing Requirement:

A typical bill comparison under present and proposed rates for all customer classes.

Response:

A typical bill comparison under present and proposed rates for all customer classes is included as an attachment to Filing Requirement 807 KAR 5:001 Sec. 16(1)(b)(6) at Tab No. 6. Typical bill comparisons are also described in the Direct Testimony of Mr. John Wolfram at Tab No. 70.



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01/31/2015; Base Period 12ME 09/30/2013)

1 **Tab No. 58**
2 **Filing Requirement**
3 **807 KAR 5:001 Section 16(15)**
4 **Sponsoring Witness: DeAnna M. Speed**
5

6 **Description of Filing Requirement:**

7 *A request for waiver of provisions of these filing requirements shall*
8 *establish the specific reasons for the request. The commission shall*
9 *grant the request for waiver upon good cause shown by the utility.*
10 *In determining if good cause has been shown, the commission shall*
11 *consider:*

12 *(a) If other information that the utility would provide if the*
13 *waiver is granted is sufficient to allow the commission to effectively*
14 *and efficiently review the rate application;*

15 *(b) If the information that is the subject of the waiver request is*
16 *normally maintained by the utility or reasonably available to it from*
17 *the information that it maintains; and*

18 *(c) The expense to the utility in providing the information that is*
19 *the subject of the waiver request.*

20 **Response:**

21 Big Rivers is not requesting any waivers at this time.
22



Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01/31/2015; Base Period 12ME 09/30/2013)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

Tab No. 59
Kentucky IRP Standard
Ordering Paragraph No. 2,
Commission's Order dated July 24, 2012, in Case No. 2008-00408
Sponsoring Witness: Lindsay N. Barron

Description of Order Requirement:

The Kentucky IRP Standard which states:

Each electric utility shall integrate energy efficiency resources into its plans and shall adopt policies establishing cost-effective energy efficiency resources with equal priority as other resource options.

In each integrated resource plan, certificate case, and rate case, the subject electric utility shall fully explain its consideration of cost-effective energy efficiency resources as defined in the Commission's IRP regulation (807 KAR 5:058).

Response:

Please see the Direct Testimony of Ms. Lindsay N. Barron at Tab No. 67 for a discussion of Big Rivers' cost-effective energy efficiency resources, and their impact on Big Rivers' rate request.