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## NEWS RELEASE

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### **PSC Selects Consultant to Review Big Rivers Electric Corp. *Concentric Energy Advisors will review utility's plans to mitigate revenue decline***

**FRANKFORT, Ky. (Nov. 10, 2014)** – The Kentucky Public Service Commission (PSC) has selected the consulting firm that will conduct a review of efforts by Big Rivers Electric Corp. to mitigate the effects of the departure of the utility's two largest customers.

Concentric Energy Advisors ([www.ceadvisors.com](http://www.ceadvisors.com)) of Marlborough, Mass., will begin work later this month. The review, known as a focused management audit, is scheduled for completion next spring.

In the last 15 months, aluminum smelters in Hawesville and Sebree have stopped purchasing power from Big Rivers. The two smelters at one time accounted for about two-thirds of Big Rivers' load and revenue.

The PSC has over the last year twice approved rate increases that allowed Big Rivers to maintain financial stability following the loss of the smelters. The PSC ordered the focused management audit when it approved the most recent rate increase in April.

Under the audit process set forth in state law, the PSC selected the independent consultant. Big Rivers will pay for the audit, which will cost no more than \$336,700.

In ordering the audit, the PSC said the major focus "will be on the steps that Big Rivers has undertaken or should undertake to mitigate any further financial impact" from the loss of the smelters, as well as "the strategic planning, management and decision-making of Big Rivers relating to its mitigation efforts."

The audit will examine numerous potential mitigation measures, including the possible sale of power plants that are no longer needed and the potential for using surplus generating capacity to profitably sell power to users outside the Big Rivers system.

Concentric Energy Advisors is expected to gather information from Big Rivers and from many of the parties that participated in the recent rate cases.

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Big Rivers is owned by the three distribution cooperatives to which it provides power. Together, the three cooperatives serve about 112,000 customers in 26 counties in western Kentucky. The customers include about 20 large industrial facilities.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 85 employees.

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