

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF BIG RIVERS) CASE NO. 90-360-C
ELECTRIC CORPORATION FROM NOVEMBER 1,)
1991 THROUGH APRIL 30, 1992)

O R D E R

IT IS ORDERED that Big Rivers Electric Corporation ("Big Rivers") shall file the original and 6 copies of the following information with the Commission, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. The information requested herein is due no later than 10 days after the date of this Order.

1. Refer to coal contact No. 905 with E & M Coal, Inc.
 - a. Explain why this contract was terminated.
 - b. State the date that Big Rivers initiated arbitration proceedings.
 - c. Identify the arbitrator.
 - d. State when the arbitrator's decision is expected.
2.
 - a. Explain, in detail, the process used to obtain coal contract No. 905.
 - b. State the criteria used in the selection of this contract.
 - c. Identify the persons involved in the negotiation of this contract.
 - d. Identify the persons who recommended selection of this contract to Big Rivers' Board of Directors.
3. Provide all documents, including internal memorandum, correspondence, and internal studies, in which coal contract No. 905 or the proposals from E & M Coal, Inc., which led to that contract, are discussed.
4.
 - a. Identify all employees or members of the Board of Directors of Big Rivers or their family members who have accepted anything of value from E & M Coal, Inc., within the last five years.
 - b. For each person identified in 4(a) state:
 - (1) his position with Big Rivers.
 - (2) the item received and its fair market value.
 - (3) the date which the item was received.
 - (4) the reason for payment.

c. For each person identified in 4(a) who is a family member, state:

(1) name of the family member who is employed by Big Rivers.

(2) the employee's position with Big Rivers.

d. For each person listed in 4(a), state the role which he or his family member played in the solicitation and negotiation of E & M Coal Contract No. 905.

5. a. Identify all bids or offers to supply coal which were rejected in favor of E & M Coal Contract No. 905 and the reason for rejection.

b. For all bids or offers which were found to be comparable to E & M Coal Contract No. 905 but which were rejected in that contract's favor, provide the following:

(1) price.

(2) quality specifications.

(3) producer and/or broker.

(4) selection criteria.

6. Describe and thoroughly explain any variances in Big Rivers' fuel procurement policies and the actual fuel procurement activities which have occurred during the period of review. In the event no variances are reported, provide a statement of the president or the chairman of the Board of Directors, or the highest ranking officer reporting to the president which has control over fuel procurement affirming that the fuel procurement policies have been adhered to throughout this period.

7. Provide a flow-chart which reflects the internal process, including all employees and officials of Big Rivers or acting in Big Rivers' behalf who are involved in any way in the approval process of fuel and trucking procurement for Big Rivers. Include a thorough explanation of the process outlined in the flow-chart.

8. Provide a detailed analysis of all payments made to any consultants or other professionals for services relating to coal procurement or trucking services for Big Rivers over the period of review that are included in Account 151.

Done at Frankfort, Kentucky, this 25th day of September, 1992.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director