

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS)	
ELECTRIC CORPORATION,)	
LG&E ENERGY MARKETING INC.,)	
WESTERN KENTUCKY)	CASE NO. 2002-00195
CORPORATION, WKE STATION)	
TWO INC., AND WKE)	
CORPORATION FOR APPROVAL)	
OF AMENDMENTS TO)	
TRANSACTION DOCUMENTS)	

COMMISSION STAFF S FIRST DATA REQUEST
TO BIG RIVERS ELECTRIC CORPORATION

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that Big Rivers Electric Corporation (Big Rivers) file the original and 5 copies of the following information with the Commission on or before June 28, 2002, with a copy to all parties of record. Each copy of the information 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 its legibility. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. The amendment documents indicate that Big Rivers will hold title to the Coleman scrubber. Describe how Big Rivers will record the scrubber on its books. Include in this description how annual depreciation expense will be recorded and when the entry for the initial investment will be made.

2. Concerning the Coleman scrubber:

a. Is it reasonable to assume that the scrubber will have an actual service life of 20 years? Explain the response.

b. If it is unlikely that the scrubber would last 20 years, describe how this fact could impact Big Rivers, assuming the lease runs its full term.

3. Describe in detail any other modifications that will be necessary at the Coleman station related to the installation of the scrubber. Include in this description which parties will be responsible for the financing of any modifications.

4. Assume for purposes of this question that the lease with the LG&E Parties runs its full term.

a. At the end of the lease, when the Coleman scrubber is turned over to Big Rivers, what is the expected financial impact on Big Rivers for the operation and other maintenance of the scrubber?

b. Will the age of the scrubber make it impractical to operate? Explain the response.

c. Will Big Rivers be faced with significant costs to renovate the scrubber for continued service? Explain the response.

d. If the scrubber is not operational, will Big Rivers be faced with significant costs to modify the Coleman station so it can return to burning compliance coal? Explain the response.

5. Concerning the wastes and by-products produced by the scrubber:

a. Is there a ready market for the scrubber by-products? Explain the response.

b. Will Western Kentucky Energy Corp. (WKE), and eventually Big Rivers, incur additional operating costs relating to the disposal of scrubber wastes and by-products that cannot be sold? Explain the response.

6. Big Rivers submitted the proposed amendments to the Third Amended and Restated Subordination, Nondisturbance, Attornment and Intercreditor Agreement (Third Nondisturbance Agreement) to the appropriate parties on June 4, 2002, seeking their review and approval by July 1, 2002. Big Rivers has also asked the Commission to approve the various document amendments by July 10, 2002.

a. Has Big Rivers received any responses from the other parties to the Third Nondisturbance Agreement? Describe the responses received to date.

b. Does Big Rivers expect the parties to the Third Nondisturbance Agreement will grant their approvals by the July 1, 2002 deadline?

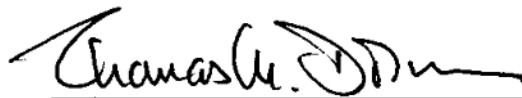
c. What are the consequences to Big Rivers and the LG&E Parties if the parties to the Third Nondisturbance Agreement do not approve the changes by July 1, 2002?

d. Explain how Big Rivers determined it needed the Commission's approval on the various document amendments by July 10, 2002.

e. What are the consequences to Big Rivers and the LG&E Parties if the Commission does not approve the various document amendments by July 10, 2002?

f. What is the latest date that the parties to the Third Nondisturbance Agreement and the Commission can approve the various documents and still fit the timeframe faced by WKE?

g. Does WKE intend to proceed with the scrubber project even if Big Rivers has not received Commission approval by July 10, 2002?



Thomas M. Dorman
Executive Director
Public Service Commission
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DATED: June 21, 2002

cc: Parties of Record