

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BIG RIVERS ELECTRIC CORPORATION S)	CASE NO.
NOTICE OF INTENT TO REDUCE REVENUE)	2003-00102

ORDER

On August 30, 2000, in Case No. 2000-00382,¹ the Commission authorized Big Rivers Electric Corporation (Big Rivers) to reduce its revenues by \$3.68 million per year through a Member Discount Adjustment Rider for a period of two years ending August 31, 2002. On July 24, 2002, in Case No. 2002-00100,² the Commission authorized the extension of the revenue reduction for one year. On March 18, 2003, Big Rivers filed its Notice of Intent to Reduce Revenue (Notice), pursuant to KRS 278.455, proposing that the revenue reduction approved in Case No. 2000-00382 and extended in Case No. 2002-00100 be extended for one year, through August 31, 2004.

Big Rivers states that the facts supporting this request are the same as those that supported the previous revenue reduction, and requests that the record in Case No. 2000-00382 be incorporated by reference into this record. Big Rivers states that the purpose of the reduction is to continue to pass on to its members the benefits it receives from a sale and leaseback transaction with three of its generating units. Big Rivers has proposed that the reduction be limited to an additional one-year period because its long-

¹ Case No. 2000-00382, Big Rivers Electric Corporation s Notice of Intent to Reduce Revenue.

² Case No. 2002-00100, Big Rivers Electric Corporation s Notice of Intent to Reduce Revenue.

term financial requirements are difficult to project and because it cannot borrow funds to meet capital requirements.

Having considered the application and being otherwise sufficiently advised, the Commission finds that the discount adjustment as proposed by Big Rivers meets the requirements of KRS 278.455 and should be authorized. The discount adjustment has been allocated among and within the consumer classes on a proportional basis and will not result in a change in the rate design currently in effect for Big Rivers members.

IT IS THEREFORE ORDERED that:

1. The record in Case No. 2000-00382 is incorporated herein by reference.
2. The proposed discount adjustment and rider are hereby authorized and shall be effective on September 1, 2003.
3. Within 10 days from the date of this Order, Big Rivers shall file its revised tariff showing the date of issue and that it was issued by authority of this Order.

Done at Frankfort, Kentucky, this 14th day of August, 2003.

By the Commission

ATTEST:


Executive Director

Case No. 2003-00102