

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| NOTICE OF BIG RIVERS ELECTRIC CORPORATION OF) | |
| CHANGE IN RATES, AND JOINT APPLICATION OF) | |
| JACKSON PURCHASE ENERGY CORPORATION,) | CASE NO. |
| KENERGY CORP. AND MEADE COUNTY RURAL) | 2007-00126 |
| ELECTRIC COOPERATIVE CORPORATION TO CHANGE) | |
| RATES TO REFLECT CHANGE IN WHOLESALE RATES) | |

INITIAL DATA REQUEST OF COMMISSION STAFF
TO BIG RIVERS ELECTRIC CORPORATION, JACKSON
PURCHASE ENERGY CORPORATION, KENERGY
CORP. AND MEADE COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION

Big Rivers Electric Corporation (“Big Rivers”), Jackson Purchase Energy Corporation (“Jackson Purchase”), Kenergy Corp. (“Kenergy”), and Meade County Rural Electric Cooperative Corporation (“Meade County”) (hereinafter referred to collectively as the “Applicants”) are requested, pursuant to 807 KAR 5:001, to file with the Commission the original and 5 copies of the following information, with a copy to all parties of record. The information requested herein is due no later than May 14, 2007. Each copy of the data requested should be placed in a bound volume with each item tabbed. Responses to requests for information shall be appropriately indexed, for example, Item 1(a), Sheet 2 of 6, and shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be under oath or, for representatives of a public or private corporation, a partnership, an association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the

response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Each Applicant shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which said Applicant fails to furnish all or part of the requested information, the Applicant shall provide a written explanation of the specific grounds for its failure to furnish.

Careful attention shall 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. Refer to the Petition of Big Rivers for Confidential Treatment ("Petition") filed March 26, 2007.

a. The Petition states that the terms and conditions for the purchase of renewable resource energy were initially established in a letter dated August 22, 2005 between Weyerhaeuser Industries ("Weyerhaeuser") and Big Rivers. Has Big Rivers made any purchases of renewable resource energy to date? If so, provide the number of kWh purchased, the price paid per kWh, and the reason for the purchases.

b. The Petition states that the agreement for the purchase of the renewable resource energy between Big Rivers and Weyerhaeuser was assigned to Domtar Paper Company, LLC ("Domtar") on March 5, 2007. Will the renewable resource energy purchased by Big Rivers be purchased from Domtar rather than Weyerhaeuser?

2. Refer to the March 26, 2007 Application. Big Rivers states that it believes the amount of renewable resource energy being purchased under the contract with Weyerhaeuser is more than adequate to meet the anticipated requirements of the member cooperatives. If the amount of renewable energy available from Weyerhaeuser is found to be inadequate to meet the demand for renewable energy, has Big Rivers identified a back-up source? Explain.

3. Paragraph No. 10 of the application states that, "Big Rivers' pricing of renewable resource energy under the Wholesale Rider allows a reasonable recovery of expenses associated with this initial offering of energy from a non-fossil fuel source."

a. Excluding the cost of the power, identify by type and total amount the additional expenses Big Rivers anticipates it will incur as a result of offering renewable resource energy.

b. Provide the per kWh amount of each expense identified in 3(a) above.

c. State whether all expenses associated with the offering of the renewable resource energy, including the cost of fuel, are to be fully recovered from voluntary participants. If not, explain how the total amount will be recovered.

4. Paragraph No. 11 of the application states that, "[i]f a Member Cooperative's retail contract for renewable resource energy service to a retail member-consumer terminates in less than a year after it is made, the Member Cooperative may terminate its obligation to Big Rivers for the wholesale supply of renewable resource energy to support that retail contract." Given this option, why do the three distribution cooperatives propose that customers be required to enter into one-year contracts?

5. Refer to Exhibit G of the Application. Jackson Purchase proposes tariff language stating that the amount of kWh contracted for will be the minimum amount of kWh for which the customer will be billed. It also states that for shorter billing periods, such as for termination of service or a final bill of service, the full contracted amount of kWh will be billed.

a. Why is this language not included in the proposed tariff pages for Kenergy and Meade County ?

b. Why is this language not included in the customer contract?


6. In Exhibit K of the application, Kenergy provides sample bills that include billing for the renewable resource energy.

a. Explain why the charge is referred to as a “Renewable Energy Adjustment” rather than a “Renewable Energy Charge.”

b. Explain why Jackson Purchase and Meade County did not include sample bills showing billing for the renewable resource energy. Provide sample bills showing the billing for the renewable resource energy. If the charge for the renewable resource energy is not a separate line item on the Jackson Purchase and Meade County bills, explain why not.

7. Meade County states, on page 10, paragraph No. 31 of the application, that, “[t]he rider is applicable to all rate schedules with the exception of lighting schedules” and provides, in Exhibit Q, a list of the rates affected by the renewable resource energy rider. However, Meade County’s proposed tariff pages filed in Exhibit O indicate that, in addition to those listed in Exhibit Q, the rider is applicable to Rate Schedules 5 and 6, which are lighting schedules, and to Schedule 13, which is the rate

for Large Industrial Customers Served Under Special Contract For All Load Subject To the Big Rivers Large Industrial Expansion Rate. Provide the Meade County rate schedules to which the rider is applicable.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, KY 40602

DATED May 4, 2007

cc: All Parties