

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BIG RIVERS)	
ELECTRIC CORPORATION FOR A)	CASE NO.
CERTIFICATE OF PUBLIC CONVENIENCE)	2007-00177
AND NECESSITY TO CONSTRUCT A 161)	
kV TRANSMISSION LINE IN OHIO)	
COUNTY, KENTUCKY)	

COMMISSION STAFF'S FIRST DATA REQUEST
TO BIG RIVERS ELECTRIC CORPORATION

Big Rivers Electric Corporation ("Big Rivers"), pursuant to 807 KAR 5:001, is to file with the Commission the original and 7 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before August 21, 2007. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or 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.

Big Rivers shall make timely amendment to any prior responses 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 requests to which Big Rivers fails or refuses to furnish all or part of the requested information, Big Rivers shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. 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. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1 Refer to page 2, paragraph 4 of Big Rivers' application.

a. What length of time does Big Rivers estimate will be required to construct the proposed 13-mile transmission line, including final engineering work, the acquisition of easements, obtaining environmental approvals, etc.?

b. What length of time does Big Rivers estimate will be required for the actual physical construction of the proposed 13-mile transmission line?

2 Refer to page 3, paragraph 7 of Big Rivers' application.

a. What is the current target date for Big Rivers to apply for Commission approval of the "Unwind Transaction"?

b. Provide a detailed description of the relationship between the Unwind Transaction and the Certificate of Public Convenience and Necessity ("CPCN") requested by Big Rivers for the proposed 13-mile transmission line.

c. If not included in the previous response, explain why Big Rivers is pursuing the Unwind Transaction, and describe the benefits that will accrue to Big

Rivers, its members, and/or the retail customers served by its members as a result of completing the Unwind Transaction.

3. Paragraph 7 on page 4 of the application states that the combined loads of the two aluminum smelters are approximately 850 MW.

a. What percentage of Big Rivers' total system demand does the 850 MW represent? How much of the 850 MW load is used by each of the two smelters?

b. Is Big Rivers aware of whether other Kentucky jurisdictional electric utilities serve individual loads comparable in size to the smelter loads or have one or two customers that represent a comparable percentage of the utilities' total system demand? If yes, identify the utilities and the customer(s).

4. Paragraph 7 on page 4 of the application states that, under their new service contracts, the aluminum smelters "will be able to terminate their contemplated new service contracts on relatively short notice."

a. What amount of notice does Big Rivers anticipate will be included in the smelters' new service contracts?

b. What does Big Rivers anticipate will be the term (length) of the smelters' new service contracts?

c. Describe how the amount of notice anticipated for the new service contracts compares to the amount of notice included in the smelters' post-1998 service contracts with E.ON U.S. LLC and to the amount of notice contained in the smelters' pre-1998 contracts with Big Rivers.

5. The request for the proposed transmission line appears to be almost totally dependent on Big Rivers' need to export power in the event it loses the smelter loads.

a. Identify and describe any other reasons for Big Rivers' plans to construct the proposed transmission line.

b. Describe the likelihood that either of the smelter loads might be lost under the terms of their new service contracts.

c. Provide outage data from 1977 to the present for both smelter loads, including the length of each outage period.

6. Page 3 of Big Rivers' Bulk Transmission System Assessment ("assessment") contains a list of six bullet points showing the required improvements to Big Rivers' system, based on the assessment.

a. Provide a detailed explanation demonstrating the dates by which each of these additional improvements must be completed before the proposed 161 kV transmission line is constructed.

b. Provide a detailed explanation of the reason(s) for each required improvement.

c. Provide the estimated cost of each improvement.

d. For each improvement other than the construction of the proposed 161 kV transmission line, would each of those improvements be made but for the proposed construction of the 161 kV transmission line?

7. Provide actual coincident peak demands versus projected coincident peak demands for Big Rivers' system, including the Alcan and Century Aluminum smelter

loads, for the years 1998 to 2007, with the annual load growth percentage identified.

8. Provide coincident peak demand load forecasts for Big Rivers' system, including the Alcan and Century Aluminum smelter loads, for the years 2007 to 2015, with the annual load growth percentage identified.

9. Have the creditors of Big Rivers, including RUS, conditioned their approval of the financing for the Unwind Transaction specifically on the Commission's approval of the CPCN for the 161 kV transmission line?

a. If so, what specific statements have Big Rivers' creditors made to Big Rivers with regard to conditioning their approval of the financing for the Unwind Transaction on the Commission's approval of the CPCN for the 161 kV line?

b. Provide copies of any written statements, if any, that the creditors have made to Big Rivers regarding such conditional approval.

10. Could Big Rivers build the 161 kV transmission line without including the construction cost for the line in its base rates? Explain the answer in detail.

11. If the Commission were to deny the present application for the 161 kV transmission line, would Big Rivers be unable to go through with the contemplated Unwind Transaction?

a. If Big Rivers is unable to go through with the Unwind Transaction, would the smelters be likely to cancel their service contracts with Big Rivers after 2011? If so, how soon after 2011?

b. If the smelters were to cancel their service contracts with Big Rivers after 2011 due to the Unwind Transaction not being completed, how would Big Rivers' non-smelter customers be affected?

c. If the smelters were to cancel their service contracts with Big Rivers after 2011 due to the Unwind Transaction not being completed, how would Big Rivers' financial condition be affected?



Beth O'Donnell
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DATED: August 10, 2007

cc: Parties of Record