



Rural Development

Electric Programs
Rural Utilities Service

June 28, 2022

1400 Independence Ave SW
Room 4133 – STOP 1560
Washington, DC 20250

Voice: 202.720.9545

Mr. Robert Berry
Manager
Big Rivers Electric Corporation
P.O. Box 24
Henderson, Kentucky 42419-0024

Dear Mr. Berry,

In response to a letter from Mr. Paul Smith, dated April 18, 2022, we have reviewed the information submitted regarding Big Rivers Electric Corporation's (Big Rivers) expense deferral plan pertaining to compliance with the U.S. Environmental Protection Agency's (EPA) Disposal of Coal Combustion Residuals from Electric Utilities rule ("CCR Final Rule"). Big Rivers plans to establish a regulatory asset of approximately \$5.85 million relating to the disposal. The Kentucky Public Service Commission (KPSC) requires Big Rivers be granted approval from the Rural Utilities Service (RUS) before applying to the KPSC for establishment of the regulatory accounts.

Conditional approval is hereby granted for Big Rivers to establish the regulatory asset pertaining to the eventual closure of Phase II of the landfill located at its Wilson generation facility, but only for the reason of allowing Big Rivers to start the application process with the KPSC. If the KPSC does not approve the establishment of the regulatory asset, then it nullifies this RUS conditional approval, and the expenses must be recognized immediately.

Also, Big Rivers is required to return to RUS at a future date with an updated expense deferral plan with the final dollar amount, amortization period, proposed journal entries and board resolution which includes language indicating that Big Rivers plans to recover these costs through future rates.

Contact the Technical Accounting Review Branch at (202) 720-8775 if you have any questions or if we can be of any further assistance.

Sincerely,

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VICTOR VU
Date: 2022.06.28 17:11:45
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VICTOR T. VU
Deputy Assistant Administrator
Office of Portfolio Management and Risk Assessment