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April 16, 2009

RECEIVED

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**PUBLIC SERVICE
COMMISSION**

Mr. Jeff DeRouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Re: *In the Matter of the Applications of Big Rivers Electric Corporation, E.ON U.S., LLC, Western Kentucky Energy Corp. and LG&E Energy Marketing, Inc., P.S.C. Case No. 2007-00455*

Dear Mr. DeRouen:

This letter responds to two of the three requests made of Big Rivers Electric Corporation (“Big Rivers”) at the informal conference in this matter on April 8, 2009. The response to the third request is covered in a separate, joint letter from Paul Thompson and me to you.

The first request was that Big Rivers furnish a copy of the three Transaction Termination Agreement schedules Big Rivers identified at the informal conference as requiring updating if the Unwind Transaction closing occurs after the end of April 2009. Those three schedules, copies of which are attached, are: (i) Schedule 8.2 (Third Amendment to Transaction Termination Agreement filed October 9, 2008, Exhibit 80, page 55); (ii) Schedule 8.3 (First Amendment to Transaction Termination Agreement filed December 28, 2007, Exhibit 3, page 621); and (iii) Schedule 12.2(a)(vi) (Third Amendment to Transaction Termination Agreement filed October 9, 2008, Exhibit 80, page 56).

The second request was that Big Rivers identify any requirement in the RUS loan documents that Big Rivers obtain two investment grade credit ratings. Big Rivers makes an affirmative covenant in Section 4.23 of the proposed RUS Loan Agreement to maintain an “Investment Grade” “Credit Rating” from at least two “Rating Agencies.” The terms “Investment Grade,” “Credit Rating” and “Rating Agencies” are defined as follows at pages 2 and 4 of the RUS Loan Agreement (filed as Exhibit 72 to Big Rivers’ Third Amendment and Supplement to Application on April 23, 2008):

- “Investment Grade” means a Credit Rating of BBB- (or its then current equivalent) or higher, if issued by S&P; Baa3 (or its then current equivalent) or higher, if issued by Moody’s; and any comparable investment grade rating if issued by any other Rating Agency.
- “Credit Rating” shall mean a rating assigned by a Rating Agency (i) to any long-term indebtedness (that is not subject to Credit Enhancement) (including, without limitation,

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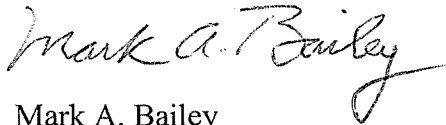
indebtedness issued by any governmental authority with respect to which the Borrower is an obligor) and secured directly or indirectly under the Indenture or (ii) if a Rating Agency has not assigned a rating to indebtedness of the type described in clause (i) hereof, a “shadow rating” of the Borrower’s senior, secured long-term indebtedness (that is not subject to Credit Enhancement).

- “Rating Agency” shall mean S&P, Moody’s, Fitch or, provided that it is acceptable to the RUS, any other nationally recognized statistical rating organization (within the meaning of the rules of the United States Securities and Exchange Commission).

Please advise if the Commission Staff wants any further information on these issues.

Sincerely,

BIG RIVERS ELECTRIC CORPORATION



Mark A. Bailey
President and CEO

Attachments

Schedule 8.2

LEASED GENERATOR SO₂ ALLOWANCES

<u>Closing Year Month</u>	<u>SO₂ Allowances</u>
January, 2008	5,069
February	4,632
March	1,349
April	2,741
May	2,747
June	2,811
July	4,839
August	4,940
September	2,594
October	3,047
November	2,957
December	3,067
January, 2009	4,198
February	3,649
March	2,658
April	2,326

The allowance amounts set forth above do not include SO₂ Allowances allotted to Station Two.

Schedule 8.3

LEASED GENERATOR NO_x ALLOWANCES

<u>Closing Year Month</u>	<u>NO_x Allowances Based On Agreed Forecasted Emissions</u>
May, 2008	681
June	792
July	921
August	913
September	681

The allowance amounts set forth above do not include NO_x Allowances allotted to Station Two.

Schedule 12.2(a)(vi)

NON-INCREMENTAL CAPITAL EXPENDITURES

<u>Closing Year Month</u>	<u>Non-Incremental Capital Expenditures (\$)</u>
January, 2007	49,000
February	972,500
March	4,015,100
April	2,335,000
May	6,038,000
June	2,606,300
July	1,560,300
August	2,414,500
September	1,047,500
October	2,865,500
November	1,152,500
December	121,500
January, 2008	156,000
February	475,667
March	6,334,500
April	3,519,167
May	5,240,500
June	2,045,667
July	3,593,000
August	1,943,117
September	1,942,300
October	2,024,267
November	281,500
December	67,665
January, 2009	923,500
February	4,123,030
March	5,411,435
April	4,443,035