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June 26, 2009

RECEIVED

VIA OVERNIGHT COURIER AND EMAIL

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

JUN 29 2009

PUBLIC SERVICE
COMMISSION

RE: The Application of Big Rivers Electric Corporation for: (i) Approval of Wholesale Tariff Additions for Big Rivers Electric Corporation, (ii) Approval of Transactions, (iii) Approval to Issue Evidences of Indebtedness, and (iv) Approval of Amendments to Contracts; and of E.ON U.S. LLC, Western Kentucky Energy Corp., and LG&E Energy Marketing, Inc. for Approval of Transactions
Case No. 2007-00455

Dear Mr. DeRouen:

Enclosed please find and accept for filing the original and ten copies of the June 26, 2009 Joint Report on Status of Closing the Unwind Transaction in the above-referenced matter. Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the enclosed additional copies and return them to me in the enclosed self-addressed stamped envelope.

Should you have any questions please contact me at your convenience.

Yours very truly,

Kendrick R. Riggs

KRR:ec
Enclosures
cc: Parties of Record

400001 358719/583791.1

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BIG RIVERS)
ELECTRIC CORPORATION FOR)
(I) APPROVAL OF WHOLESALE TARIFF)
ADDITIONS FOR BIG RIVERS ELECTRIC)
CORPORATION; (II) APPROVAL OF)
TRANSACTIONS; (III) APPROVAL TO ISSUE)
EVIDENCES OF INDEBTEDNESS; AND) **CASE NO. 2007-00455**
(IV) APPROVAL OF AMENDMENTS TO)
CONTRACTS; AND OF E.ON U.S., LLC,)
WESTERN KENTUCKY ENERGY CORP.,)
AND LG&E ENERGY MARKETING,)
INC. FOR APPROVAL OF TRANSACTIONS)

JUNE 26, 2009 JOINT REPORT ON STATUS
OF CLOSING THE UNWIND TRANSACTION

The applicants (“Applicants”) Big Rivers Electric Corporation (“Big Rivers”), E.ON U.S. LLC (“E.ON US”), Western Kentucky Energy Corp. (“WKEC”) and LG&E Energy Marketing, Inc. (“LEM,” and collectively with E.ON US and WKEC, the “E.ON Parties”) make this status report filing, through counsel, to comply with the ordering paragraph number three of the March 6, 2009 Order of Public Service Commission (“Commission”) in this matter.

The information contained in this Report reflects the more significant developments in the closing activities from the June 4, 2009 Report on Status of Closing the Unwind Transaction through June 26, 2009.

Outstanding Issues related to Closing

At the June 3, 2009 Informal Conference, the parties, attending in person or by phone, agreed to attend an informal conference on June 16, 2009 at 9:00 a.m. ESDT for the purpose of discussing the outstanding issues related to the closing. At the June 16, 2009 Informal Conference, the parties and Southwire Company met without the participation of the

Commission Staff or the Attorney General and negotiated the resolution of the outstanding issues related to closing. The results of the negotiations were presented in separate meetings with the Commission Staff, Attorney General, Southwire Company and all the parties to the case. At the June 16, 2009 Informal Conference in this proceeding, E.ON U.S. LLC presented the terms to its agreement with Century Aluminum Company. At the conclusion of the presentation, Commission Staff requested E.ON U.S. LLC to provide an illustrative example of the billing calculations for this agreement. E.ON U.S. LLC filed this information with the Commission on June 19, 2009.

As a result of the negotiations during the June 16, 2009 Informal Conference, the parties and Southwire Company informed the Commission Staff and the Attorney General that they had reached an agreement in principle on all the outstanding issues necessary for the closing of the Unwind Transaction, including the agreement of Century Aluminum to proceed with the transaction, the consent of Southwire Company to the transaction and the resolution of the outstanding issue between Big Rivers Electric Corporation, and the City of Henderson, Kentucky and the City of Henderson Utility Commission d/b/a Henderson Municipal Power & Light.

Since the June 16, 2009 Informal Conference, the parties have worked diligently to complete the final documents reflecting the resolution of the outstanding issues. On June 24th and 25th, 2009 Big Rivers filed documents with the Commission in this proceeding. On June 25, 2009, Kenergy Corporation filed the agreements related to the retail service of Southwire Company with the Commission. E.ON U.S. LLC is planning to file the documents related to the agreement with Century Aluminum, the consent of Southwire Company and other documents with the Commission by email and overnight courier on June 26, 2009.

Through the exchange of emails between E.ON U.S. LLC and Commission Staff and the parties to the case, an informal conference is to be scheduled for Thursday, July 2, 2009 at 1:00 p.m. for the purpose of reviewing the documents and the illustrative billing calculation, receiving an update on the status of the credit ratings of Big Rivers and answering any questions.

Investment Grade Credit Ratings

During the week of June 22, 2009, Big Rivers and E.ON U.S. LLC met with Moody's Investor Services, Standard and Poor's and Fitch Ratings to review the status of the Unwind transaction and specifically the agreement between E.ON U.S. LLC and Century Aluminum. Big Rivers anticipates favorable investment grade reviews will be issued by these credit rating agencies.

Rural Utility Service

Big Rivers has continuously kept the United States Department of Agriculture Rural Utility Service ("RUS") informed of the status the negotiations of the Unwind transaction and the Commission's review in this proceeding and provided with information and documents associated with the transaction. RUS is presently reviewing the transaction and is aware of Big Rivers' interest in closing the transaction on July 8, 2009.

Closing Date

E.ON U.S. LLC and Big Rivers continue to use July 8, 2009 as the target date for the closing of the Unwind Transaction.

Should the Commission have any questions at any time about the contents of this report or the status of the transaction, please contact us at your first convenience.

Dated: June 26, 2009

James M. Miller (with permission)
James M. Miller AKR

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CORP. AND LG&E ENERGY
MARKETING INC.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing June 26, 2009 Joint Report on Status of Closing the Unwind Transaction was served via U.S. mail, first-class, postage prepaid, this 26th day of June 2009, upon the following persons:

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