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February 6, 2009

Via Federal Express

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard, P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

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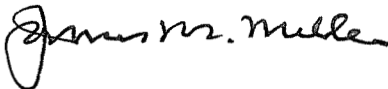
PUBLIC SERVICE
COMMISSION

Re: In the Matter of: Request of Big Rivers Electric Corporation
for Disclaimer of Jurisdiction, PSC Case No. 2009-00018

Dear Mr. Derouen:

Enclosed are an original and three copies of the response of Big Rivers Electric Corporation to the Commission Staff's Data Requests of February 6, 2009, in the above referenced matter, along with a copy of the verification page signed by Mark Hite. The original of the verification will be mailed to you on Monday, February 9, 2009.

Sincerely yours,



James M. Miller

JMM/ej
Enclosures

cc: Mark A. Bailey
David Spainhoward
Mark Hite

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BIG RIVERS ELECTRIC CORPORATION'S
RESPONSE TO THE COMMISSION STAFF'S DATA REQUEST
CASE NO. 2009-00018
February 6, 2009

1 **Item 1)** Will Big Rivers be executing any documents in connection with the extension of
2 its line of credit agreement with the National Rural Utilities Cooperative Finance
3 Corporation (“CFC”) other than the Line of Credit Application and Agreement and the
4 Line of Credit Reserve Authorization, which are attached as Exhibits A and B,
5 respectively, to the filing on January 12, 2009 requesting a disclaimer of jurisdiction? If
6 yes, describe in detail each document that Big Rivers will enter into and provide a copy
7 of each.

8
9 **Response)** Please note that the documents Big Rivers is proposing to issue relate to
10 its CFC letter of credit arrangements, not its CFC line of credit, as suggested in this data
11 request. The distinction does get confusing, and is further explained in response to Item
12 3, below. The only credit transaction documents Big Rivers will execute are the Letter of
13 Credit Application and Agreement (Master Facility), and the Line of Credit Reserve
14 Authorization, which, as noted in this data request, are appended to the January 12, 2009
15 filing as Attachments A and B, respectively. Big Rivers is also required to provide
16 certain closing documents to CFC, such as a certified copy of the resolution of the Big
17 Rivers board of directors approving execution of the foregoing documents, and a
18 certificate of incumbency.

19
20 **Witness)** Mark Hite

BIG RIVERS ELECTRIC CORPORATION'S
RESPONSE TO THE COMMISSION STAFF'S DATA REQUEST
CASE NO. 2009-00018
February 6, 2009

1 **Item 2)** State separately the anticipated amounts of the annual facility fee and the issuance
2 fee to be paid to CFC for extending the line of credit, assuming the extension is done by
3 February 28, 2009.

4
5 **Response)** Please note that the Annual Facility Fee and the Issuance Fee are paid for
6 the letter of credit agreement and to issue letters of credit under it, and are not paid with
7 respect to the Big Rivers CFC line of credit agreement as suggested in this data request.
8 The distinction does get confusing, and is further explained in response to Item 3, below.
9 As stated in the January 12, 2009 filing cover letter at page 5, the amount of the Annual
10 Facility Fee and the Issuance Fee will not be finally determined until the documents
11 referred to in Item 1, above, are signed by Big Rivers and CFC and become effective by
12 their terms. The amounts of those fees will be determined at that time in accordance with
13 CFC credit policies and practices. If the effective dates of those documents were today,
14 the amounts of the Annual Facility Fee and the Issuance Fee would be unchanged from
15 the fees as of December 29, 2008, which were given in the January 12, 2009 filing,
16 namely: Annual Facility Fee, \$15,000 (based upon 10 basis points times the amount of
17 the available credit) and an annual Issuance Fee, 10 basis points times the amount of any
18 letter of credit issued. Although these rates are subject to change, Big Rivers has no
19 information indicating that these fees are likely to change before February 28, 2009.

20
21 **Witness)** Mark Hite

BIG RIVERS ELECTRIC CORPORATION'S
RESPONSE TO THE COMMISSION STAFF'S DATA REQUEST
CASE NO. 2009-00018
February 6, 2009

1 **Item 3)** Big Rivers' 2003 revolving credit agreement with CFC was for a term of 10
2 years. Explain why that 10-year agreement is not still in place.

3

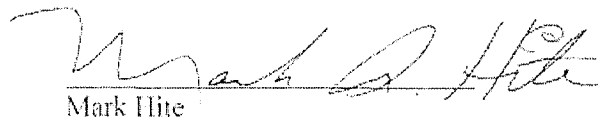
4 **Response)** Big Rivers' 2003 Revolving Credit Agreement with CFC is still in place,
5 and as noted in this data request, will remain in effect (unless terminated) for ten years. It
6 is a line of credit in favor of Big Rivers, and is the credit facility that is secured under the
7 mortgage generally referred to as the Big Rivers RUS Mortgage. The 2009 Letter of
8 Credit Agreement, which Big Rivers proposes to issue, allows Big Rivers to require CFC
9 to issue a letter of credit to an entity that, for example, requires security for performance
10 of Big Rivers' obligations under a wholesale power market purchase. If that entity ever
11 calls on the letter of credit, the Line of Credit Reserve Authorization (which Big Rivers
12 also proposes to issue concurrently with the 2009 Letter of Credit Agreement) authorizes
13 CFC to pay the letter of credit with funds drawn on the 2003 Revolving Credit
14 Agreement line of credit. The only borrowing that will occur under these arrangements is
15 under the 2003 Revolving Credit Agreement, which the Commission approved in 2003.
16 The 2009 Letter of Credit Agreement simply provides a commercially-recognized vehicle
17 with which Big Rivers can utilize the credit available to it under the 2003 Revolving
18 Credit Agreement to secure its obligations in wholesale power market transactions.

19

20 **Witness)** Mark Hite

VERIFICATION

I verify, state, and affirm that the data request responses filed with this verification are true and correct to the best of my knowledge and belief formed after a reasonable inquiry.



Mark Hite

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Mark Hite on this the 6th day of February, 2009.


Notary Public, Ky. State at Large
My Commission Expires 1-12-13