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Commissioner

April 9, 2009

## PARTIES OF RECORD

Re: Case No. 2009-00040  
Application of Big Rivers Electric Corporation for a General  
Adjustment in Rates

On March 30, 2009, Commission Staff received the attached e-mail from Frank N. King, Jr., counsel for Kenergy Corp., clarifying Kenergy's billing processes as a result of any potential increase in the wholesale power rates of its wholesale supplier, Big Rivers Electric Corporation. Due to the substantive nature of this e-mail, it will be placed in the official case file.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen  
Executive Director

If

cc: Parties of Record

**Nguyen, Quang D (PSC)**

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**From:** Frank King [fking@dkgnlaw.com]  
**Sent:** Monday, March 30, 2009 10:30 AM  
**To:** Nguyen, Quang D (PSC)  
**Cc:** Michael Kurtz; Howard, Dennis (KYOAG); Jim Miller; Sandy Novick; Burns Mercer; Kelly Nuckols; Melissa Yates  
**Subject:** Case No. 2009-00040

Quang:

This is a follow-up to the testimony of Sandy Novick given rather extemporaneously at last Thursday's hearing in Case No. 2009-00040. We want to make certain that Commission Staff and the intervenors understand that the implementation of the wholesale and retail rates will be coordinated and there will be no windfall to the distribution cooperatives if and when the wholesale increase becomes effective.

On the effective date both the increased wholesale rates and the retail flow through rates commence simultaneously. As explained by Mr. Novick the distribution cooperatives prorate their customer bills as of the effective date. The billing for the wholesale service comes at the first of the month (it is for the previous month's service) and is due and payable on the first working day after the 24th. However, due to cyclical billings of the distribution cooperatives, some retail customers will have bills payable before the first working day after the 24th, and some afterward. Thus, the benefit of the earlier collections will be offset by the lateness of the latter ones. Regardless of the timetable for the billings, both the wholesale increase and the retail flow through commence simultaneously and run concurrently.

If additional information is needed, please let me know.

FRANK N. KING, JR.  
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