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RECEIVED

APR 04 2011

PUBLIC SERVICE
COMMISSION

Via Overnight Mail

April 1, 2011

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: Case No. 2011-00036

Dear Mr. Derouen:

Please find enclosed the original and twelve (12) copies of FIRST SET OF DATA REQUESTS OF KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC. TO BIG RIVERS ELECTRIC CORPORATION filed in the above-referenced matter. By copy of this letter, all parties listed on the Certificate of Service have been served.

Please place this document of file.

Very Truly Yours,

Michael L. Kurtz, Esq.
BOEHM, KURTZ & LOWRY

MLKkew
Attachment
cc: Certificate of Service
David C. Brown, Esq.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by electronic mail (when available) or by mailing a true and correct copy by regular ordinary U.S. mail, unless other noted, this 1st day of April, 2011 to the following

Michael L. Kurtz, Esq.

Mark A Bailey
President CEO
Big Rivers Electric Corporation
201 Third Street
Henderson, KY 42419-0024

Douglas L Beresford
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Columbia Square
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Washington, DC 20004

Mr. Dennis Howard
Assistant Attorney General
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Albert Yockey
Vice President Government Relations
Big Rivers Electric Corporation
201 Third Street
Henderson, KY 42419-0024

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter Of: The Application Of Big Rivers Electric Corporation :
For A General Adjustment In Rates : Case No. 2011-00036

KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.'s

FIRST SET OF DATA REQUESTS TO

BIG RIVERS ELECTRIC CORPORATION

Dated: April 1, 2011

DEFINITIONS

1. "Document(s)" is used in its customary broad sense and includes electronic mail and all written, typed, printed, electronic, computerized, recorded or graphic statements, memoranda, reports, communications or other matter, however produced or reproduced, and whether or not now in existence, or in your possession.

2. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion whether preliminary or final, and whether or not referred to in Big Rivers' direct testimony.

3. If any document requested herein was at one time in existence, but has been lost, discarded or destroyed, identify such document as completely as possible, including the type of document, its date, the date or approximate date it was lost, discarded or destroyed, the identity of the person (s) who last had possession of the document and the identity of all persons having knowledge of the contents thereof.

4. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.

5. A request to identify a natural person means to state his or her full name and residence address, his or her present last known position and business affiliation at the time in question.

6. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), number of code number thereof or other means of identifying it, and its present location and custodian. If any such document was, but is no longer in the Company's possession or subject to its control, state what disposition was made of it.

7. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.

8. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

9. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.

10. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.

11. "You" or "your" means the person whose filed testimony is the subject of these interrogatories and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony.

12. "BREC" means Big Rivers Electric Corporation and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.

13. Definitions:

    "MISO" – means the Midwest ISO and/or any of their officers, directors, employees or agents who may have knowledge of the particular matter addressed.

    "ACES" - means

"CRA" – means Charles River Associates and/or any of their officers, directors, employees or agents who may have knowledge of the particular matter addressed.

"FERC" – means the Federal Energy Regulatory Commission.

"MCRSG" – means the Midwest Contingent Reserve Sharing Group

"KPSC" – means the Kentucky Public Service Commission and/or any Commissioners, officials, staff representatives, or other State of Kentucky departments and organizations that act as agents who may have knowledge of the particular matter addressed.

"MTEP" - means the Midwest Transmission Expansion Plan.

"Relevant Period" – means January 1, 2009 through July 31, 2009.

INSTRUCTIONS

1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.

2. These interrogatories are continuing in nature, and information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to Kentucky Industrial Utility Customers. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent after the answers hereto are served.

3. Unless otherwise expressly provided, each interrogatory should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.

4. The answers provided should first restate the question asked and also identify the person(s) supplying the information.

5. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.

6. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.

7. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.

8. Responses to requests for revenue, expense and rate base data should provide data on the basis of Total Company as well as Intrastate data, unless otherwise requested.

FIRST SET OF DATA REQUESTS OF
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS. INC.
TO BIG RIVERS ELECTRIC CORPORATION
Case No. 2011-00036

Q1-1. Please provide all data, documents, memoranda and other source material that were provided to Burns & McDonnell for the preparation of its depreciation study. The format should be the same as that used to convey the data and information to the Burns &McDonnell.

Q1-2. Please provide all documents evidencing communications with Burns & McDonald relative to the new depreciation study.

Q1-3. Please provide on diskette or CD all tabulations included in the Burns & McDonnell depreciation study and all data necessary to recreate in their entirety all analyses and calculations performed for the preparation of the study. Please provide this and all electronic data in Excel (or .txt format if appropriate), with all formulae intact. Please provide any record layouts necessary to interpret the data. Please include in the response electronic spreadsheet copies of all of the schedules included in the depreciation study, with all formulae intact.

Q1-4. If not already provided in response to previous requests, please provide annual additions, retirements, adjustments, transfers and end of year balances for each plant account from the inception of the account. Provide in electronic form (Excel or .txt). Please provide any record layouts necessary to interpret the data.

Q1-5. Please provide the following annual amounts for all plant accounts for the last 20 years (up to, and including, 2010). If the requested data is not available for the last 20 years, please provide the data for as many years as are available. Please provide data in both hard copy and electronic format (Excel or .txt).

a. Beginning and ending reserve balances,

b. Annual depreciation expense,

c. Annual retirements,

d. Annual cost of removal,

e. Annual salvage receipts.

Q1-6. Please identify the assumed terminal net salvage cost for each production unit and plant. Provide the basis for these costs, including all studies, workpapers, analyses and other documentation underlying these estimates.

Q1-7. Please identify the date of installation and the currently forecast year of retirement of each:

a. Production unit and plant,

b. Transmission substation,

c. Structure in Account 290.

Provide all underlying documentation.

Q1-8. If not already provided, please provide a narrative description and all workpapers, studies, data and other documentation supporting the life spans used for the production, transmission and structures accounts.

Q1-9. Please provide the cost of removal regulatory liability carried on the Company's financial accounting books for each month during the test year. Provide all studies, workpapers, analyses and other documentation underlying these amounts.

Q1-10. Please provide any forecasts of environmental remediation costs. Describe fully the nature of each project. Identify the site, the amount of the cost, the timing of the expenditure, and the reason(s) for the expenditure.

Q1-11. Please identify and describe the level of detail, e.g. by account, functional category, at which the Company computes the depreciation expense for purposes of financial reporting, Commission reporting, and ratemaking in this case. Explain fully any differences among these three depreciation calculations.

Q1-12. Please identify the assumed interim retirement rates and the underlying parameters (life, survivor curve, net salvage) used in calculating the production, transmission and structures depreciation rates. Provide all data, study, workpapers and other documentation underlying these rates.

Q1-13. Please identify and describe each production unit that has been retired in the last 15 years. For each unit, provide:

a. The dates of placement and retirement,

b. The amount of plant retired by account,

c. The current status of the plant, equipment and site,

d. The proceeds from salvaged plant, equipment and materials, and

c. The costs of removing or dismantling the unit.

Q1-14. Please identify and describe fully any administrative, accounting, computational or conceptual objections that your company has to the treatment of non-legal plant retirement cost obligations in similar manner as legal asset retirement obligations are treated under Statement of Financial Accounting Standards No. 143.

Q1-15. Please provide all notes, memoranda, and other explanatory material resulting from the site visits conducted by Burns & McDonnell.

Q1-16. Please describe the detail, e.g. by account, by unit, etc. in which the Company maintains its book depreciation reserves for production and transmission plant.

Q1-17. Please provide the Continuing Property Records in electronic form in Excel (or text if appropriate) on a CD. Please provide the key(s) to the location codes in the Continuing Property Record ("CPR") that would permit the entries to be traced to the respective production units and transmission substations.

Q1-18. If not already provided, please provide the workpapers supporting the calculation of the average life spans of the production and transmission accounts. Please state the rationale for weighting the remaining lives of the production plants by MW capacity. Explain fully any weighting used for the transmission accounts.

Q1-19. Please refer to page 1-4 of the depreciation study. Reconcile the statement in the second full paragraph:

> *"...net salvage values were developed exclusive of any rough engineering estimates of future terminal removal costs of major plant facilities."*

with the statement in the next paragraph:

> *"... and the estimates of terminal net salvage values were then factored into the depreciation rate analysis..."*

Q1-20. Please provide all notes, memoranda and other documents resulting from the interviews by Burns & McDonnell with key personnel in Big Rivers. Include any presentations made by those personnel.

Q1-21. The depreciation study forecasts all of Big Rivers' production facilities to retire during a ten-year period from 2041 to 2051. Please provide a discussion of how Big Rivers proposes to deal with the loss of its entire generating fleet during this period.

Q1-22. Did Burns & McDonnell assume different remaining lives for the units within multi-unit plants? If so, provide the remaining lives, along with an explanation for each. Provide any supporting calculations or workpapers.

Q1-23. Please refer to Table II-2 on page II-3 of the report. Explain the differences between the columns titled "Typical Lifetime Availability" and "5-Year Average % on Line." In view of the fact that the lifetime availability is less than the recent on-line average, is it reasonable to assume that the past 5-year average is a valid forecast of future availability? Explain your answer fully.

Q1-24. From what starting date are the remaining lives calculated?

Q1-25. If not already provided, please provide all information used by Burns & McDonnell concerning "national industry standards" in determining the useful life of major electric substation equipment as stated on page II-23 of the depreciation study. Explain fully how those standards were incorporated into the calculation of the depreciation rates for the station equipment account.

Q1-26. Please identify all transmission substations that have been retired. For each substation, please identify:

a. The date of installation,

b. The date of retirement,

c. The reason for retirement,

d. The amount of the retirement,

e. Any salvage proceeds, and

f. Any removal costs.

Q1-27. Refer to page III-3 of the depreciation study. Did Burns & McDonnell "study interim retirements mathematically using the system of Iowa curves, the Gompertz-Makeham formula, or derived interim retirement rate curves?" Explain your response fully.

Q1-28. If not already provided, please provide the three reports referred to on pages III-4 and III-5 of the depreciation study.

Q1-29. Please provide a copy of the depreciation study upon which the existing depreciation rates are based.

Q1-30. Please explain fully why the whole life, rather than the remaining life method of depreciation was used for the general plant accounts.

Q1-31. Does Big Rivers intend to continue capitalizing removal costs? If so, please explain how those capitalized costs are recorded in the Continuing Property Records. Provide specific examples of this process. If not, explain how removal costs will be recorded in the future.

Q1-32. Please refer to the February 28, 2011 letter from Burns & McDonnell to Jim Elliot of the Rural Electric Service. Provide the table on page 2 of that letter, along with all data, memoranda, calculations and workpapers underlying that table.

Q1-33. Please refer to the February 28, 2011 letter from Burns & McDonnell to Jim Elliot of the Rural Electric Service. Please provide the revised Comprehensive Depreciation Study referred to on page 4 of that letter when it is available. Identify how the revised report differs from the original report.

Q1-34. Refer to Mr. Kelly's testimony. Please identify the depreciation studies you have participated in over the past five years and if those studies were presented in testimony, please identify the Regulatory Commission and docket number. In your answer, please indicate the depreciation studies you have participated in since your employment with Burns & McDonald in 1998?

Q1-35. Refer to Mr. Kelly's testimony. Please provide your employment history prior to 1998, including term, positions held and basic responsibilities.

Q1-36. Please provide a copy of all emails, documents or memos prepared, sent, issued or received during the last two years by Mr. Blackburn or Mr. Hite regarding depreciation rates or depreciations expenses.

Q1-37. Please provide a copy of the Company's revenue requirement model and all linked spreadsheets and adjustments used in support of the filing with all formulas intact. Provide a copy of all workpapers in support of the Company's filing that are not otherwise included in these spreadsheets.

Q1-38. Please provide a copy of all documents, emails, and/or presentations during the last two years that were exchanged between the Company and:

a. RUS,

b. Each of its lending institutions,

c. Each of the credit rating agencies.

Q1-39. Please provide a copy of all presentations during the last two years made by the Company to the KPSC and/or Staff regarding the potential financial impact of existing or proposed environmental regulations.

Q1-40. Please provide a copy of all presentations during the last two years made by the Company and/or its outside advisors to the Big Rivers Board of Directors regarding the potential financial impact of existing or proposed environmental regulations.

Q1-41. Please identify all industrial customers with a load of 5 mw or greater that have contacted BREC within the last two years about locating a facility in the service territories of one of BREC's three member cooperatives. Provide a copy of all correspondence, documents, or emails to or from BREC and such potential customers.

Q1-42. Please provide a copy of all documents, memos, correspondence or emails between Mr. Bailey, Mr. Blackburn or Mr. Hite and/or any of the General Managers of any of the three member cooperatives regarding or related to this rate case.

Q1-43. Please provide a copy of the Company's most recent multi-year financial forecast model in electronic format with formulas intact. Provide all assumptions and a copy of all source documents relied on to populate the model with assumptions and data.

Q1-44. Please provide a copy of the Company's most recent financial statement budgets for 2011, 2012, and 2013, including expense and construction budgets by month and by year in electronic format with formulas intact. Provide all assumptions and a copy of all source documents relied on to populate the model with assumptions and data.

Q1-45. Please provide a copy of the Company's most recent expense budgets for 2011, 2012, and 2013 with O&M and A&G expense budget amounts provided by RUS O&M and A&G expense accounts.

Q1-46. Please provide the Company's most recent construction expenditure budgets for 2011, 2012, and 2013 and multi-year forecast by project in electronic format with formulas intact. Provide a description of each project and a copy of the construction justification/authorization.

Q1-47. Please provide the Company's most recent capitalization budgets for 2011, 2012, and 2013 and multi-year forecast by debt issue and component of members' equity in electronic format with formulas intact. Provide all assumptions and a copy of all source documents relied on to populate the model with assumptions and data.

Q1-48. Please provide a copy of the Company's most recent capital rotation or capital credits distribution policy.

Q1-49. Please provide a copy of the Company's most recent capital rotation or capital credits distribution implementation plan.

Q1-50. Please provide a copy of all minutes from the Company's Board of Directors meetings since January 2009 through the most recent month available. This is a continuing request and the response should be supplemented as each additional month is available.

Q1-51. Refer to paragraph 9(j) of the Company's Application in this proceeding wherein it requests "authorization to implement the Midwest ISO's Attachment O transmission formula rate . . . and to update the inputs used in that transmission formula on an annual basis." Also, refer to Mr. Seelye's Direct Testimony at 40-44 wherein he describes the Company's request.

a. Please describe the Company's proposal in greater detail.

b. Please explain how Big Rivers intends to "use" the MISO Attachment O. In particular, is Big Rivers proposing to use the Attachment O revenue requirements to develop a KPSC approved transmission rate rider? If so, (i) please describe how such a tracker would work in conjunction with Attachment O and an explanation of how the Attachment O revenue requirement will be translated into retail rates and (ii) please provide a copy of the proposed retail transmission rate rider, formula or other tariff.

c. Please describe the costs from MISO that would be included in such a tracker, if any, the source of data that would be used for each such cost, and on which lines of the Attachment O or the proposed retail transmission rate rider each such cost would be included.

d. Does the Company propose that MTEP costs be included in the MISO rate rider? If so, identify the lines on Attachment O or the proposed retail transmission rate rider on which each such cost would be included.

Q1-52. On page 7 of Mr. Seelye's testimony, at lines 19 to 22, he states that Big Rivers is requesting authorization to implement MISO Attachment O transmission formula rate.

a. Please explain specifically how the costs of the MISO Attachment O transmission formula rate will be charged to Big Rivers Rural, Large Industrial and Smelter customers.

b. Please provide the specific proposed rate design and tariff that Big Rivers proposes to implement to recover MISO transmission costs from the Rural, Large Industrial and Smelter customers.

Q1-53. Please provide the most current projection available to Big Rivers of the dollar amount of MISO MTEP costs that will be charged to Big Rivers for each of the next 5 years. In addition, identify the accounts in which these charges will be booked.

Q1-54. Refer to the Balance Sheet in the Company's October 2010 Form 12.

a. Please confirm that the amount shown on line 59 as accumulated deferred income taxes is on the wrong line and instead should be shown on line 58 consistent with the prior months' presentation.

b. Refer to line 33. Please explain why there are no amounts shown for patronage capital.

c. Please provide the information for line 33(a),(b), (c), and (d).

d. Please provide the amount of patronage capital included in each other line on this balance sheet.

Q1-55. Please provide an accounting of the Company's patronage capital by month since January 1, 2006 through the most recent month for which actual information is available. Provide the beginning balance, changes, and ending balance each month attributable to each Smelter and to all other members. Provide the margins and identify and quantify the effect on margins of all major events, such as the Unwind Transaction, that impacted the patronage capital each month and provide the workpapers that detail how the Company allocated each month's patronage capital to its members and other customers, including each of the smelters. If it is not evident from the workpapers, then please provide a description of how the Company allocated each month's patronage capital to its members and other customers, including each of the smelters. This is a continuing request and the response should be supplemented as actual information for each month is available.

Q1-56. Provide all workpapers detailing Big Rivers' calculations of patronage capital, including all memoranda, letters or other communications between or among Big Rivers' employees, Big Rivers' Board of Directors, and/or Big Rivers' external auditors or consultants, regarding all patronage capital allocated with respect to Big Rivers' net margins during 2006 through 2010. If patronage capital allocations with respect to 2010 have not yet been undertaken, please state the date on which such patronage capital allocations will be made, and provide a copy of the information requested herein immediately following such patronage capital allocations for 2010.

Q1-57. Provide a copy of the relevant section of any or all documents that govern the methodology that Big Rivers used to allocate patronage capital for the years 2006 through 2010, and provide an explanation of how Big Rivers' patronage capital allocations during these years are consistent with the applicable provisions of such governing documents. In addition, please provide the reasons for and an explanation of any change in the methodology used by Big Rivers to allocate patronage capital.

Q1-58. Please provide a quantification of the amount of patronage capital available for distribution, subject to the limitations set forth in the Mortgage Indenture, at the end of each month starting with October 2010 and continuing through the most recent month for which actual information is available. Provide all assumptions, data, and computations, including electronic spreadsheets with formulas intact. The computations should include the limitations set forth in the Mortgage Indenture. This is a continuing request and the response should be supplemented as actual information for each month is available.

Q1-59. Please provide electronic spreadsheet versions of each of Mr. Seelye's exhibits, with formulas intact
Please provide electronic spreadsheet versions, with formulas intact, of all supporting workpapers developed by, or relied on, by Mr. Seelye in preparing his testimony and each of his exhibits. If a supporting workpaper is only available in hardcopy format, please provide in a .pdf version. Please include each of the monthly coincident peaks of the Rural, Large Industrial and Smelter rate classes (as adjusted per Mr. Seelye's testimony on page 15 at lines 4 through 13), used by Mr. Seelye to develop the 12 CP demand allocation factors.

Q1-60. Please provide monthly Big Rivers' system peaks for the test year and each of the past 5 years (also on a monthly basis).

Q1-61. Please provide the most recent peak demand and energy forecast for Big Rivers. To the extent available, please also provide projections of monthly system peaks.

Q1-62. Please provide Big Rivers' latest Integrated Resource Plan (IRP) and Big Rivers' most recent generation and transmission resource plan (to the extent that any such plans are more recent that the current IRP).

Q1-63. Please provide the current balance (as of February 2011 or March 2011, if available) in the Economic Reserve Fund and the Rural Economic Reserve ("RER") fund. This should be considered a continuing request and updates should be provided monthly as actual information for each succeeding month is available.

Q1-64. Please provide the Company's projections of the balances in the Economic Reserve Fund and the Rural Economic Reserve Fund for each month during the remainder of 2011 (after the most recent month for which actual information was provided in response to the preceding question), and for each month during 2012 and subsequent years. Provide all assumptions, data, and computations, including all electronic spreadsheets with formulas intact.

Q1-65. Please provide Big Rivers' most recently available projection of MISO on-peak and off-peak market prices, by month. To the extent that any such forecasts are available for a MISO hub or node that is not in the Big Rivers service area (for example, the Cinergy Hub), please also provide an estimate (if required) of the "basis adjustment" that Big Rivers would apply to such a projection to compute a Big Rivers MISO market price (i.e., the adjustment required to reflect the average historic relationship between pricing points, such as a market hub for which forward price projections are available and the Big Rivers load).

Q1-66. Please provide the following:

a. Name of delivery point

b. Monthly CP mW demand during the test year 12 months ending October 31, 2010

c. Voltage at which the delivery point is metered for billing purposes.

d. Voltage loss factor (for mWh energy) applicable to the delivery point (i.e., the cumulative transmission losses at the delivery point meter, expressed in percentage terms)

Q1-67. Please provide, by month, the maximum kW demand for the Rural and Large Industrial rate classes (i.e., class maximum diversified demand). With regard to the Large Industrial class, please provide the class maximum kW demand reflecting the same adjustment for the cogeneration customer discussed by Mr. Seelye on page 15 at lines 4 through 13.

Q1-68. Refer to Exhibit Blackburn-4, which shows the Big Rivers' actual historical rural wholesale rate from 1994 through 2010. For the period 1994-2010, please provide the rates in terms of $/mWh for the following:

a. Wholesale rates for other rural cooperatives

b. Residential rates for each of Big Rivers' members

c. Residential rates for each IOU in Kentucky

d. Residential rates for customers in other states

Q1-69. Refer to pages 28-30 of Mr. Blackburn's testimony wherein he discusses the steps Big Rivers has taken to deal with the loss of one or both smelters. Please provide any studies, memos, or presentations that Big Rivers has prepared or reviewed that describe the actions the Big Rivers would take in such an event and the impact that such an event would have on the rates of the rural and industrial customers.

Q1-70. Refer to page 8, lines 11-13 of Mr. Blackburn's testimony wherein he states that "based upon the information we have about the period immediately following the date on which the new rates are anticipated to go into effect, we can reasonably expect the proposed rates to produce at least a 1.10 MFIR for 2011. Please provide a copy of the study that supports that conclusion.

Q1-71. Please provide a copy of the Big Rivers' Annual Reports (glossy) for the years 1961 through 1975.

Q1-72. Refer to Page 15, Line 8 and Page 11, Lines 25-26 of Mr. Bailey's testimony. Please describe Big Rivers' cost areas that may be managed to meet its financial metrics other than plant maintenance.

Q1-73. Please refer to the PowerPoint presentation entitled "Impact of New Environmental Regulations on Big Rivers" presented to the Commission on October 28, 2010 regarding future environmental costs. Is this the most recent projection of future environmental costs? If not, please provide an update to this material.

Q1-74. Refer to Page 10, Line 21 of Mr. Bailey's testimony. Please explain the phrase "subject to appropriate regulatory approvals."

Q1-75. Refer to Page 12, Line 14 of your Mr. Bailey's testimony. Please explain the term "default." Are you contending that earning at a MFIR less than 1.10 would by itself constitute an Event of Default of any of Big Rivers' credit agreements? Please explain your response.

Q1-76. Please provide all documents relating to discussions to be held with the Smelters as contemplated by Section 3.5 of the Coordination Agreement.

Q1-77. Refer to Page 16, Line 14 of Mr. Bailey's testimony. Has Big Rivers "exhausted its options" only with respect to its generation unit maintenance or with respect to all of its operating expenses? Please explain your response.

Q1-78. Refer to Page 17, Lines 22-24 of Mr. Bailey's testimony. Please explain this statement in light of the commitment Big Rivers made in Section 3.13 of the Coordination Agreement.

Q1-79. Refer to Page 6, Line 16 of Mr. Blackburn's testimony. Please explain the phrase "subject to appropriate regulatory approval."

Q1-80. Refer to Page 8, Line 15-16 of Mr. Blackburn's testimony. Please provide work papers for calculations of the MFIR for 2010 and for the first quarter of 2011.

Q1-81. Is the $35 million Transition Reserve required by any credit agreement other than CoBank?

Q1-82. Please provide the daily balances outstanding during the last two years under the Company's revolving credit agreements.

Q1-83. Refer to Page 8, Line 16-22 of Mr. Blackburn's testimony. Other than deferring generation unit and transmission maintenance, please provide a schedule and description of the Company's cost-cutting actions and the effects on test year expense in Administrative and General Discretionary Expense. Provide a copy of your computations, including all assumptions, data, workpapers, and electronic spreadsheets with formulas intact.

Q1-84. Please provide a schedule by month showing the following:

a. Amounts expended to Reliant for energy purchased for back-up services to Domtar;

b. Amounts received from Alcan under the Non-FAC PPA for energy purchased from Reliant for Domtar;

c. Amounts received from Century under the Non-FAC PPA for energy purchased from Reliant for Domtar;

d. Amounts received from Domtar for providing back-up energy to its co-generation facility.

Q1-85. Does Big Rivers believe that its non-FAC PPA filings since July 16, 2009 and its invoices to the smelters during that period are in compliance with both the letter and spirit of (a) Appendix A to the Smelter Contracts, and (b) the intent of the parties in the negotiations resulting in the smelter contracts? Please explain your response. In your answer, please state Big Rivers' rationale for charging multiple parties for the cost of purchasing energy to satisfy its contract with Domtar.

Q1-86. Please provide all studies, workpapers and/or all other documents that Big Rivers (or its consultants) has performed that quantifies the financial impact on Big Rivers and its Members of a closure of either or both Smelters.

Q1-87. Please refer to the draft Amendment No. 1 attached to this Request for Information. Does Amendment No. 1 accurately reflect the agreement set forth in the Stipulation and Agreement among Big Rivers, MISO, the Attorney General and KIUC and approved by the Commission in Case No. 2010-00043. Does Big Rivers intend to seek approval of Amendment No. 1. in this proceeding? If not, why not?

Q1-88. Refer to Page 25, Line 12 of Mr. Blackburn's testimony. Is Big Rivers proposing to change the terms of Appendix A to the Smelter Contracts? How does it intend to modify Appendix A without smelter consent?

Q1-89. Refer to Page 26, Lines 15-18 of Mr. Blackburn's testimony. Please provide the work papers underlying the calculations of the reduction in the smelter cost of power over the period stated.

Q1-90. Please provide a copy of all prior testimonies and articles published by Mr. Spen over the last five years

Q1-91. Please provide the date when Mr. Spen was first contacted by Big Rivers about testifying in this proceeding. Since that date, have you communicated with personnel at S&P, Fitch or Moody's about Big Rivers? If so, please produce all documents and/or summaries of conversations relating to those contacts.

Q1-92. Please provide all research reports on Big Rivers from S&P, Fitch and Moody's that have not already been provided in conjunction with the Company's filing or its responses to the Staff First Set of Data Requests.

Q1-93. Please provide Mr. Spen's opinion as to the credit rating of Big Rivers assuming the following assumptions: (i) assume one of the smelter gave notice of termination and (ii) assume one or both smelters terminated operations. In either case, would you expect Big Rivers' credit rating to drop below BBB-1. Provide all support developed and/or relied on for your response.

Q1-94. Refer to Page 7, Lines 9-13 of Mr. Spen's testimony. Please provide the documentation from the rating agencies or otherwise demonstrating that they have begun to incorporate more possible credit risks scenarios.

Q1-95. Refer to Page 8, Lines 1-3 of Mr. Spen's testimony. Are the "base case" and "alternate case" scenarios referred to required by the rating agency of Big Rivers or are they developed by the rating agencies? Please produce any documents in your possession evidencing such scenarios.

Q1-96. Refer to Page 8, Lines 13-21 of Mr. Spen's testimony. Please provide your opinion of Big Rivers' status or ranking with respect to each of the key credit drivers described.

Q1-97. Please provide a copy of the 2010 Outlooks published by each of the three rating agencies described on pages 6-7 of your testimony.

Q1-98. Refer to Page 12, Lines 22-26 of Mr. Spen's testimony. Since Big Rivers has a fuel clause, environmental surcharge and a purchase power clause, what is it that makes the regulatory risk negative? Please explain your response.

Q1-99. Refer to Page 13, Lines 8-16 of Mr. Spen's testimony: Would you agree that a decision by either or both smelters to terminate could increase the risk to Big Rivers' ability to market excess power? In your opinion, what would be a minimum average market price in order for this risk to be eliminated? Please provide a copy of all analyses performed.

Q1-100. Refer to Page 13, Line 17 of Mr. Spen's testimony. Please describe your understanding of the risk to Big Rivers posed by the HMPL litigation? In your answer, please include your understanding of the financial protection to Big Rivers from E.ON U.S.

Q1-101. Refer to Page 13, Line 25 of Mr. Spen's testimony. Are you aware of any Big Rivers' business decisions that you would characterize as other than "good?" If so, please identify and describe those decisions.

Q1-102. Refer to Exhibit 1 of Mr. Berry's testimony. Please describe the causes of the high EFORs in 2002 and 2003.

Q1-103. Is it correct that there are no planned outages for HMPL unit 1 or Reed in 2011 or 2012?

Q1-104. Refer to Page 5, Line 18-17 of Mr. Crockett's testimony. Since MISO has taken over the transmission responsibilities as described, has this resulted in a reduction or increase in Big Rivers' work force? Please describe any such reduction or increase and the reasons for the changes.

Q1-105. Refer to Page 8, Lines 20-22 of Mr. Crockett's testimony. Please provide in layman's terms an update since the Commission Order in Case No. 2010-0045 of MISO's transmission expansion plans to bring renewable energy eastward.

Q1-106. Please provide a summary of MTEP costs that have been billed to Big Rivers by month since it joined MISO by RUS expense account. Does Big Rivers project any MTEP billing to MTEP for 2011-2012? If so, please describe and quantify by year and by RUS expense account.

Q1-107. Refer to Page 12, Line 8 of Mr. Yockey's testimony: Provide the October 14, 2009 letter to the Commission and all documents comprising the Risk Management Plan and Program.

Q1-108. Please describe whether the Enterprise Risk Management Policy has requirements relating to the financial metrics of equity ratio, debt coverage and days of cash on hand.

Q1-109. Refer to Page 14, Line 8 of Mr. Yockey's testimony. Please describe how "economic development and other business opportunities" pose a risk to Big Rivers?

Q1-110. Please provide a copy of the Company's 2010 Annual Report.

Q1-111. Refer to Page 9, Line 9 of Mr. Hite's testimony. Why is Big Rivers budgeting 800,000 fewer megawatt hours in 2011 than in 2010?

Q1-112. Please provide the off-system mWh sales and prices peak and off-peak for each day and month (with daily prices weighted on daily mWh for each month) for the period January 1, 2011 through March 31, 2011.

Q1-113. Refer to Page 14, Line 6 of Mr. Hite's testimony. If Big Rivers has excluded back-up power services for Domtar Paper Company, LLC from Account 555, why has Big Rivers billed the smelters for these services since July 9, 2006 and not corrected the billing error by refunding those amounts?

Q1-114. Refer to Page 5, Line 19 of Mr. Hite's testimony. Do you agree that the smelters have withdrawn their complaint concerning the methodology Big Rivers has used to calculate the Non-FAC PPA?

Q1-115. What is the legal basis for Big Rivers' proposal to modify Appendix A to the Smelter Wholesale and Retail Contracts without the smelters' consent?

Q1-116. What is the total labor force of Big Rivers as of October 31, 2010 and as of March 31, 2011 broken down by department and in total for the Company between non-bargaining unit employees and bargaining unit employees? What will the total figure be when all approved vacancies are filled?

Q1-117. Please state the additional compensation (salary adjustment, bonus and retirement benefit) awarded to non-bargaining unit employees in 2008 and 2009 by department.

Q1-118. Refer to Page 7, Lines 4-5 of Mr. Seelye's testimony. Please provide the source of your conclusion as the purpose of the TIER Adjustment other than the testimony of Mr. Bailey.

Q1-119. Please provide the five most recent Annual Fiscal Review reports prepared by the CFO for the Big Rivers Board pursuant to Paragraph 5 of the Big Rivers Financial Policy, policy number 104, provided in response to Staff Item 1-2.

Q1-120. If different from the information requested in the prior question, please provide the five most recent annual fiscal reviews presented to the Big Rivers Board as identified in response to Staff Item 1-6.

Q1-121. Please refer to your response to Staff Item 1-26.

a. Please provide any "other compensation" for each executive officer for the test year and three preceding calendar years, as originally requested.

b. Please provide the salaries and other compensation for the test year and three preceding calendar years for the seven direct reports to the President and CEO.

Q1-122. Please refer to your response to Staff Item 1-27.

a. Please provide a detailed explanation why Administrative and General salaries and wages increased by 16.19% from 2007 to 2008, 34.34% from 2008 to 2009, and 18.52% from 2009 to the test year ended October 2010. Provide a schedule quantifying the effects of each reason cited in your explanation and provide all assumptions, data, computations, and electronic workpapers with formulas intact.

b. Please provide a detailed explanation why non-union employee salaries and wages increased by 12.8% from 2005 to 2006, 15.41% from 2006 to 2007, and 12.61% from 2007 to 2008. Provide a schedule quantifying the effects of each reason cited in your explanation and provide all assumptions, data, computations, and electronic workpapers with formulas intact.

c. Please provide a detailed explanation why non-union employee salaries and wages increased by 46.7% from 2005 to 2008. Provide a schedule quantifying the effects of each reason cited in your explanation and provide all assumptions, data, computations, and electronic workpapers with formulas intact.

d. Please provide the total number of non-union employees for each year 2005 through 2008.

Q1-123. Please refer to your response to Staff Item 1-30. Employee benefits other are identified as costing $3,326,067 during the test year. Please provide a schedule disaggregating this amount into the individual benefit programs.

Q1-124. Please refer to your response to Staff Item 1-30. Immediately after the Unwind closing in July 2009 Big Rivers had 239 salaried full-time employees. Six months later in January 2010 the number of salaried full-time employees increase by 10% to 263. Please explain the reasons for this employment increase.

Q1-125. Please provide operating characteristics and parameters for each of the generating units owned, operated, and/or controlled/dispatched by Big Rivers under contractual agreements where Big Rivers has rights to the capacity or energy from those generating units. For purposes for this data request item, operating characteristics of individual generator units shall include the following:

- unit capacity available for dispatch (stated in MW), for summer and summer and winter timeframes, where capacity is measured as gross output net of plant use and stated at the generator bus bar.

- Ramp rates, stated in MW/minute or other interval.

- Heat rates stated as BTU per kWh, measured net at the generator bus bar, and defined at the minimum and maximum levels of output capability of the units.

- Minimum and maximum levels of capability.

Operating characteristics of individual generator units are to be provided annually for each year 2006 through 2013. Values reported for 2011 – 2013 should be those values used by Big Rivers for operational- and long-term planning.

Q1-126. For the five most recent calendar years (2006 – 2010), please provide, in electronic, chronological format, hourly quantities of energy supplied (stated as MW of load for each hour) by each of Big Rivers generator units.

Q1-127. For the five most recent calendar years (2006 – 2010), please provide, in electronic, chronological format, hourly quantities of energy purchased (stated as MW of load for each hour) by Big Rivers.

Q1-128. Stated on a calendar year basis, please provide the cost of fuels (stated in dollars) burned in each of Big Rivers' generating units for years 2006 through 2010.

Q1-129. Please provide the cost of fuels burned (i.e., fuel budget) for each of Big Rivers generating units, as projected for years 2011 – 2013.

Q1-130. For the five most recent calendar years (2006 – 2010), please provide, in electronic, chronological format, hourly quantities of energy consumed (stated as MW of load for each hour) by each of Big Rivers three major customer classes – Rural Delivery Point Service, Large Industrial Customer Delivery Point Service and Smelters.

Q1-131. Please provide, in electronic spreadsheet format (EXCEL), monthly statements of energy and load balance of Big Rivers, for 2006 through 2010.

Q1-132. Please provide monthly billing and settlement invoices (in complete form) received by Big Rivers from the Midwest Independent Transmission System Operator (Midwest ISO) for each month since Big Rivers became a transmission owner member of Midwest ISO.

Q1-133. Please provide the financial and operating reports provided by Big Rivers to the Rural Utility Services of the U.S. government, for the years 2006 through 2010.

Q1-134. Please provide the most recent long-term resource plan of Big Rivers covering generation and transmission services, as provided to the Kentucky Public Service Commission.

Q1-135. Please provide monthly billed revenue (stated in dollars) to the major customer classes identified in Q.1-4, for the years 2006 – 2010.

Q1-136. For each of Big Rivers' member cooperatives: Kenergy Corporation, Jackson Purchase Energy Corporation, and Meade County RECC, please provide the following data. (To the extent this information is not available separately for each cooperative, please provide the information for all three cooperatives in the aggregate.)

a. Energy usage for a typical residential customer stated in kWh per month, for the most recent 12 months.

b. Average monthly billing demand for a typical small commercial customer.

c. Average monthly energy consumption for a typical small commercial customer.

d. Average monthly billing demand for a typical industrial customer (excluding aluminum smelters).

e. Average monthly energy consumption for a typical industrial customer (excluding aluminum smelters).

Q1-137. Please refer to Big Rivers' electric tariff. For each of the adjustment clauses and riders specified on Sheet No. 24 of the tariff, please provide:

a. Last 12 months of actual charges and credits included in Big Rivers' invoices to its member cooperatives

b. Last 12 months of actual charges and credits included in Big Rivers' invoices to each of its large industrial customers under the Big Rivers Large Industrial Customer Rate.

Respectfully submitted,

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CO-COUNSEL FOR ALCAN PRIMARY PRODUCTS CORPORATION

April 1, 2011

AMENDMENT NO. 1

(ATTACHMENT FOR Q1-87)

AMENDMENT NO. 1 TO WHOLESALE ELECTRIC SERVICE AGREEMENT (ALCAN)

This AMENDMENT NO. 1 TO WHOLESALE ELECTRIC SERVICE AGREEMENT (ALCAN) (this "Amendment") is dated as of ____, 2010, and made by and between BIG RIVERS ELECTRIC CORPORATION, a Kentucky rural electric cooperative corporation ("Big Rivers"), and KENERGY CORP., a Kentucky rural electric cooperative corporation ("Kenergy").

RECITALS

A. Big Rivers is a generation and transmission cooperative and Kenergy is a member of Big Rivers.

B. Kenergy currently supplies and delivers to Alcan Primary Products Corporation, a Texas corporation ("Alcan"), the owner and operator of an aluminum reduction plant in Sebree, Kentucky, electric energy and related services pursuant to an Agreement for Electric Service, dated as of July 1, 2009 (the "Retail Agreement").

C. Kenergy purchases electric energy and related services for resale to Alcan under the Alcan Agreement from Big Rivers pursuant to a Wholesale Electric Service Agreement (Alcan) dated as of July 1, 2009 (the "Wholesale Agreement").

D. Kenergy, Big Rivers and Alcan have agreed to amend the Retail Agreement and the Wholesale Agreement to resolve an issue raised by Big Rivers' proposed membership in and integration into Midwest Independent Transmission System Operator, Inc.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the Parties, intending to be legally bound, hereby covenant and agree as follows:

1.0 Section 4.7.5 of the Wholesale Agreement is hereby amended to add a new subsection (q), to read in its entirety as follows:

> (q) It shall be assumed that: Except to the extent recovered in the rates of Big Rivers, no costs under the Midwest ISO Transmission Expansion Plan, which are currently charged under Midwest Independent Transmission System Operator, Inc. tariff Schedule 26 (or in the future, under any other Midwest ISO tariff schedule that recovers Midwest ISO Transmission Expansion Plan costs, have been allocated or charged to Big Rivers.

2.0 This Amendment shall become effective upon the last to occur of (i) approval or acceptance of this Amendment and the corresponding amendment to the

Retail Agreement by the Public Service Commission of Kentucky, and (ii) approval, if required, of this Amendment and the corresponding amendment to the Retail Agreement by the Rural Utilities Service and (iii) the effective date of the final order of the Public Service Commission of Kentucky in the next general base rate case filed by Big Rivers (Case No. 2011-00036).

3.0 All other terms and conditions of the Wholesale Agreement shall remain in full force and effect.

The parties are signing this Amendment as of the date stated in the introductory clause.

BIG RIVERS ELECTRIC CORPORATION

By:______________________________

Name:

Title:

KENERGY CORP.

By:______________________________

Name:

Title: