SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC

ATTORNEYS AT LAW

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Frank Stainback

James M. Miller

Michael A. Fiorella

Allen W. Holbrook

R Michael Sullivan

Bryan R. Reynolds

Tyson A. Kamuf

Mark W. Starnes

C. Ellsworth Mountjoy

Susan Montalvo-Gesser

Mary L. Moorhouse

April 15, 2011

RECEIVED

APR 1 5 2011

PUBLIC SERVICE COMMISSION

Mr. Jeff Derouen Executive Director Public Service Commission

211 Sower Boulevard, P.O. Box 615 Frankfort, Kentucky 40602-0615

Re: Application of Big Rivers Electric Corporation

for a General Adjustment in Rates, P.S.C. Case No. 2011-00036

Dear Mr. Derouen:

Enclosed are an original and ten copies of the responses of Big Rivers Electric Corporation ("Big Rivers") to the Public Service Commission Staff Second Information Requests, and the first general round of information requests from the Attorney General and KIUC. I certify that copies of this letter and these responses have been served on each party of record.

Also enclosed are an original and ten copies of a petition for confidential treatment of certain information contained in Big Rivers' responses to Item 16 of the Commission's Staff's Second Information Request; Items 19 and 35 of the Attorney General's Initial Data Requests; and Items 43-46, 65, 112, 121, 129, and 132 of KIUC's First Set of Data Requests. One sealed copy of those responses with the confidential information highlighted is attached. A copy of those responses with the confidential material redacted is filed with each set of Big Rivers' data request responses. I further certify that a copy of the petition for confidential treatment has been served on each party of record.

Sincerely yours,

James M. Miller

Counsel for Big Rivers Electric Corporation

Junes M. Muller

Telephone (270) 926-4000 Telecopier (270) 683-6694

100 St. Ann Building
PO Box 727
Owensboro, Kentucky
42302-0727

SERVICE LIST BIG RIVERS ELECTRIC CORPORATION PSC CASE NO. 2011-00036

Dennis G. Howard, II, Esq. Lawrence W. Cook, Esq. Assistant Attorneys General 1024 Capital Center Drive Suite 200 Frankfort, KY 40601-8204

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INC.

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COUNSEL FOR ALCAN PRIMARY PRODUCTS CORPORATION

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Henderson, KY 42420
COUNSEL FOR KENERGY CORP.

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COUNSEL FOR JACKSON PURCHASE ENERGY CORPORATION

Sanford Novick
President and CEO
Kenergy Corp.
3111 Fairview Drive
P.O. Box 1389
Owensboro, Kentucky 42302-1389

G. Kelly Nuckols President and CEO Jackson Purchase Energy Corporation 2900 Irvin Cobb Drive P.O. Box 4030 Paducah, KY 42002-4030

Burns E. Mercer President/CEO Meade County R.E.C.C. 1351 Highway 79 P.O. Box 489 Brandenburg, KY 40108-0489

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

VERIFICATION

I,	Mark	A. Baile	ey, verify,	state,	and aff	irm that	I prepa	red or	supervise	d the
		•	-				•		ta response	
true and reasonabl			best of n	ıy knov	vledge,	informat	ion, and	belief	formed at	iter a

easonable inquiry.			
		mark 6.	Tailey
		Mark A. Bailey	
COMMONWEALTH OF KENTUCKY COUNTY OF HENDERSON)		

SUBSCRIBED AND SWORN TO before me by Mark A. Bailey on this the 12th day of April, 2011.

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

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

VERIFICATION

	I,	Albert	M.	Yockey,	verify,	state,	and	affirm	that I	prepared	or	supervised	the
prepara	atio	n of my	y data	a respons	es filed	with tl	his V	erification	on, and	that those	data	a responses	are
true an	ıd a	ccurate	to th	e best of	my knov	wledge	, info	rmation	, and be	elief forme	d aft	er a reasona	able
inquiry	7.												

		albest M. 2	Jockey
		Albert M. Yockey	' ()
COMMONWEALTH OF KENTUCKY COUNTY OF HENDERSON)		

SUBSCRIBED AND SWORN TO before me by Albert M. Yockey on this the 13th day of April, 2011.

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

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

VERIFICATION

I, C. William Blackburn, verify, state, and affirm that I prepared or supervised the
preparation of my data responses filed with this Verification, and that those data responses
are true and accurate to the best of my knowledge, information, and belief formed after a
reasonable inquiry.

ousonation inquiry.	
	C. William Blackburn
COMMONWEALTH OF KENTUCKY COUNTY OF HENDERSON))
, SUBSCRIBED AND SWORN TO	before me by C. William Blackburn on this

SUBSCRIBED AND SWORN TO before me by C. William Blackburn on this the day of April, 2011.

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

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

VERIFICATION

	I, Ro	obert W	Berry,	verify	, state	e, and affi	rm tł	nat I	prep	pared	or sup	pervised the	ne pro	epara	tion
of my	data	respons	es file	d with	this	Verificati	on, a	nd	that	those	data	responses	are	true	and
accurat	te to t	the best	of my k	nowle	dge, i	nformatio	n, an	d be	elief	forme	d afte	r a reason	able i	inquii	ry.

		Robert W. Berry	
		Robert W. Berry	
COMMONWEALTH OF KENTUCKY)		

SUBSCRIBED AND SWORN TO before me by Robert W. Berry on this the 13th day of April, 2011.

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

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

VERIFICATION

	I,	David	G.	Crockett,	verify,	state,	and	affirm	that	I pre	epared	or	superv	ised	the
prepara	tio	n of m	y da	ta respons	es filed	with th	nis V	erification	on, an	d tha	t those	e dat	a respo	onses	are
true and	d a	ccurate	to th	ne best of	my knov	wledge	, info	rmation	, and b	elief	forme	ed af	ter a re	asona	ıble
inquiry.															

		David G. Crockett	ll
COMMONWEALTH OF KENTUCKY)		

SUBSCRIBED AND SWORN TO before me by David G. Crockett on this the day of April, 2011.

Notary Public, Ky. State at Large My Commission Expires 8-9-14

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

VERIFICATION

	I, Ja	mes V.	Haner,	verify,	state	, and	affirm	that	I pre	pared o	or sup	ervised	the pi	epara	ation
of my	data	respons	ses file	d with	this	Verif	ication,	, and	that	those	data	response	s are	true	and
accura	te to t	the best	of my l	knowle	dge, i	nforn	nation,	and b	elief	forme	d afte	r a reaso	nable	inqu	iry.

		James V. Haner	_
COMMONWEALTH OF KENTUCKY COUNTY OF HENDERSON)		

SUBSCRIBED AND SWORN TO before me by James V. Haner on this the 13th day of April, 2011.

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

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

VERIFICATION

I, Mark A. Hite, verify, state, and affirm that I prepared or supervised the preparation of my data responses filed with this Verification, and that those data responses are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Mark a Hete
Mark A. Hite

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Mark A. Hite on this the 13th day of April, 2011.

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

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES **CASE NO. 2011-00036**

VERIFICATION

I, Ted J. Kelly, verify, state, and affirm that I prepared or supervised the preparation of
my data responses filed with this Verification, and that those data responses are true and accurate
to the best of my knowledge, information, and belief formed after a reasonable inquiry.

STATE OF MISSOURI COUNTY OF JACKSON

SUBSCRIBED AND SWORN TO before me by Ted J. Kelly on this the <a>2 day of April, 2011.

PAULA M. ANNAN My Commission Expires January 19, 2015 **Jackson County** Commission #11992872

Paula M Comman

Notary Public

My Commission Expires 1/19/15

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

VERIFICATION

I, William Steven Seelye, verify, state, and affirm that I prepared or supervised preparation of my data responses filed with this Verification, and that those data responses true and accurate to the best of my knowledge, information, and belief formed after a reasonal inquiry. William Steven Seelye	are
COMMONWEALTH OF KENTUCKY) COUNTY OF HENDERSON)	
SUBSCRIBED AND SWORN TO before me by William Steven Seelye on this the 12 day of April, 2011. Paula Mtchell Notary Public, Ky. State at Large My Commission Expires 1-12-13	3th

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

VERIFICATION

I, John Wolfram, verify, state, and affirm that I prepared or supervised the preparation o
my data responses filed with this Verification, and that those data responses are true and accurat
to the best of my knowledge, information, and belief formed after a reasonable inquiry.

			In Wolfen
		John Wolfram	V
COMMONWEALTH OF KENTUCKY COUNTY OF HENDERSON)		

SUBSCRIBED AND SWORN TO before me by John Wolfram on this the 23th day of April, 2011.

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

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

VERIFICATION

I, John W. Hutts, verify, state, and affirm that I prepared or supervised the preparation of
my data responses filed with this Verification, and that those data responses are true and accurat
to the best of my knowledge, information, and belief formed after a reasonable inquiry.

John W. Hutts

STATE OF GEORGIA (COUNTY OF COBB (COUNTY OF COUNTY OF COUNTY OF COUNTY (COUNTY OF COUNTY (COUNTY OF COUNTY (COUNTY OF COUNTY (COUNTY (COUNTY OF COUNTY (COUNTY (COUNTY

SUBSCRIBED AND SWORN TO before me by John W. Hutts on this the April, 2011.

CULTE Commission Expires 2/

GEORGIA FEB. 17, 2014 OBB COUNTING

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

VERIFICATION

I, Alan Spen, verify, state, and affirm that I prepared or supervised the preparation of my
data responses filed with this Verification, and that those data responses are true and accurate to
the best of my knowledge, information, and belief formed after a reasonable inquiry.

ne best of my knowledge, information,	and benen	fromled after a reasonable inquity.
		Alan Spen
STATE OF NEW YORK COUNTY OF SUFFOLK)	
SUBSCRIBED AND SWORN 7	TO before	me by Alan Spen on this the \(\frac{1}{\int} \day of April,
		My Public,
		My Commission Expires

AMY WILLEN SPIROS
Notary Public, State of New York
No. 01SP4940854
Qualified in Suffolk County
Commission Expires Aug. 15, 2006

26/2

ORIGINAL



Your Touchstone Energy® Cooperative

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES) Case No. 2011-00036
--	--------------------------

Response to the Office of the Attorney General's Initial Request for Information dated
April 1, 2011

FILED:

April 15, 2011

ORIGINAL

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 1)	Please provide copies of June year-to-date financial, operating and/or
2	statistical re	ports for 2006, 2007, 2008 and 2009 (when available).
3		
4	Response)	Please see the response to the Attorney General's First Request for Information
5	– Item 9.	
6		
7		
8	Witness)	Mark A. Hite
9		
10		
11		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 2)	Please provide copies of all presentations the Company made to rating
2	agencies and	l/or investment firms between January 1, 2009 and the present.
3		
4	Response)	Please see the documents on the attached CD.
5		
6	Witness)	C. William Blackburn
7		
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

Item 3) Please provide copies of all studies the Company, its consultants	s or
investment firms which the Company hired performed to assess: (a) Big Rivers	s' financial
performance, (b) the performance of Big Rivers relative to other utilities, or (c,) the adequacy
of Big River's TIER, DSC and margins.	
Response) a. Mr. Alan Spen addresses the adequacy of Big Rivers' prin	cipal financial
measures and its financial performance in his direct testimony, Exhibit 50 at pag	es 9-10. Also,
his Exhibit Spen-2 shows how Big Rivers' credit ratings issued by Fitch, Standar	rd & Poor's,
and Moody's compare to the ratings issued by those agencies to other comparable	e G & T
cooperatives.	
b. The G & T Accounting & Finance Association publishes an annua	al directory
which contains key performance measures for the preceding year. The latest dire	ectory was
published in June 2010 and contains data for 2009. Portions of that directory that	t contain
information responsive to this request are attached hereto.	
c. Big Rivers' management routinely assesses and evaluates the com	npany's
financial performance. As examples, the response to Item 31 of this Request for	Information
includes the annual 4-year Budget and Financial Plan process undertaken by Big	Rivers. Item
32 of this Request for Information includes the monthly Financial Report, actual	vs. budget,
that management prepares and evaluates, and presents to the board of directors.	Item 43 of the
KIUC's First Data Request includes the Financial Forecast routinely prepared by	management.
A monthly Re-Forecast (fixed departmental expenses, by department, and capital	l expenditures,
	ase No. 2011-0
	investment firms which the Company hired performed to assess: (a) Big Rivers performance, (b) the performance of Big Rivers relative to other utilities, or (c) of Big River's TIER, DSC and margins. Response) a. Mr. Alan Spen addresses the adequacy of Big Rivers' prin measures and its financial performance in his direct testimony, Exhibit 50 at paghis Exhibit Spen-2 shows how Big Rivers' credit ratings issued by Fitch, Standar and Moody's compare to the ratings issued by those agencies to other comparable cooperatives. b. The G & T Accounting & Finance Association publishes an annual which contains key performance measures for the preceding year. The latest directly published in June 2010 and contains data for 2009. Portions of that directory that information responsive to this request are attached hereto. c. Big Rivers' management routinely assesses and evaluates the comfinancial performance. As examples, the response to Item 31 of this Request for includes the annual 4-year Budget and Financial Plan process undertaken by Big 32 of this Request for Information includes the monthly Financial Report, actual that management prepares and evaluates, and presents to the board of directors. KIUC's First Data Request includes the Financial Forecast routinely prepared by A monthly Re-Forecast (fixed departmental expenses, by department, and capital

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	by project) is p	prepared ([YTD actual + balance of year forecast] vs. Budget) by management
2	and evaluated	by the Internal Risk Management Committee (IRMC). Another example
3	internally mon	itoring and evaluating Big Rivers' cost is a monthly YTD Labor/Labor
4	Overhead Rep	ort, which is reviewed by IRMC. All of these activities, and more, while not
5	necessarily ide	entified as studies, are in place to enable management and board of directors to
6	timely assess I	Big Rivers' financial performance, enabling the ability to take corrective actions
7	aimed at ensur	ing Big Rivers accomplishes its mission of safely delivering low cost, reliable
8	wholesale pow	ver and the cost-effective services desired by our Members, remains solvent,
9	meets its MFII	R, TIER and DSC covenants, and maintains at least two investment grade
10	ratings.	
11		
12		
13	Witness)	C. William Blackburn and Mark A. Hite
14		
15		
16		
17		
18		
19		
20		
21		

6			
	2009	TIER	
1	9.35		Big R.ivers
:	9 84		Upper Missouri
3	3 30		Tex-La
7	5.31		North west lows
5	4.21		Central Power - ND
÷	3 6 9		Wolvenne
7	3 50		Central Electric - MO
8	3 29		Golden Spread
q	2.90		Sam Rayburn
10	2.39		M & A Electric
11	2.85		East River
12	2.71		Northeast Missouri
13	2.51		Power Resources
14	2.39		Prairie Power
15	2.33		Konsas Electric
!6	1.26		Central lowa
17			% W Electric
18	3.00		Rayourn Electric Coonerative
;9	2.00		Brazos
20	1.99		Sunflower
21	. 94		Sht-Me Power
22	191		XAMO
23	: 88		Anzona
23 24	1.75		Allegireny
25	1.73		South Mississippi
36	1.70		Com Bell
27	1 50		Nonheast Texas
28	1.48		Associated
29	1.46		Wabash Valley
30	1 45		San Miguel
31	1 40		Seminoje
52	1 40		Western Farmers
	1.39		South Texas
34	1.37		Alaska Electric
35	1.37		Minnicota
36	1.36		PowerSouth
37	1.30		Central Electric - SC
38	1.30		Hoosier
39 39	1.30		Darviand
40	1 28		Chugaen
41	: 28		East Kennicky
42	1.20		Old Dorminion
13			
	117		Southern Illinois
44 45	1 17		North Carolina
46	1.10		Square Burte
*	1.05		New Horizon
47	1.01		Arkansas
78	0 öö		Southwest Transmission
19	0.77		Buckeye
50	0.72		Deseret

138

	2009 DSC Ratio	
i	<i>a</i> 31	Coper Missouri
3	3.70	Tex-La
3	2.81	Central Power - ND
1	2.76	Gotteien Spread
5	2,44	Big Rivers
ń	2.43	Northwest Iowa
-	2.36	Chugach
Ŕ		Central Electric - MO
9	-2!	Allegheny
10	2.13	Wolvenne
31	2.10	Sarra Ravourn
12	2.00	Old Dominion
13	1.00	Rayoum Electric Cooperativ
)4	1.85	South Texas
15	1.67	M & A Electric
16	: 66	Anzona
17	. 52	KAMO
33	57	Southern Illinois
į a	1,52 1,52	Wabasa Valley
20	. 52	Vortheast Missouri
21	1.40	Central lows
	47	San Miguel
 	•	
33	: 46	Associated East River
04 25	1.45	N W. Electric
	: 40 ; 40	Hooster
26		Com Beit
27	: 38	
28	: 36	North Caronna
29	.34	Prairie Power
30	31	Minnicota
31	: 30	Tri-State
32	1.29	Seminale
53	1.25	Vortheast Texas
34	: 25	PowerSouth
35	: 25	Sho-Me Power
36	. 24	Great River
37	1 32	Kansus Electric
38	: 22	Western Farmers
39	. 21	South Mississippi
40	1.15	Souare Butte
7 }	: 14	Darviand
42	1.14	Fower Resources
43	1.11	East Kentucky
14	80.1	Sunflower
45	: 08	Southwest Transmission
46	1.06	Central Electric - SC
47	1.04	Arkansas
48	1.00	Alaska Ejectric
49	: 00	New Honzon
50	0.83	Buckeye

Note: Member Information Excluded if No Data Available or Calegory N/A

Case No. 2011-00036
Attachment for Item AG 1-3
Witness: C. William Blackburn
Page 2 of 5

2009	Margins	for	Interest
			· · · · · · · · · · · · · · · · · · ·
1	1 73		Basin
2	1.36		PowerSouth
3	1.22		Old Dominion
4	1.12		Oriethorpe
5	9 87		Big Rivers
6	1 19		Great River
7	1.27		Chugach
g	1.39		South Texas
ò	בב. ו		Georgia
10	1.12		Cemrai Electric - SC

Note: Member information Excluded if No Data Available or Category N/A

1.46

!:



1	1	2009 Equity/Asset	Ratio
2 65.19 Unper Missourn 3 60 78 PNGC Power 4 33 50 Central Biestrie - MO 5 50 71 Golden Spread 5 70 71 Golden Spread 7 46.38 Wolverine 8 46.22 Sam Rayburn 10 40.25 M. & A. Electric 11 59-20 Morthwest Missourn 10 40.25 M. & A. Electric 11 59-20 Morthwest Jowa 12 38.00 N. W. Electric 14 16.90 Mortheast Texas 15 36.83 Central Power - MD 15 36.83 Central Power - MD 16 12.99 East River 17 27.65 Chucach 18 26.50 KAMO 19 26.20 Artzona 19 26.20 Artzona 20 25.25 New Hortzon 21 27.20 Bie Rivers 22 24.93 Alaska Electric 23 27.20 Bastin 24 21.20 Tri-State 25 20.60 Bastin 26 20.27 Rayburn Electric Concerative 27 20.66 Tex-Li 28 19.31 Central lowa 29 18.96 Buckeye 20 18.87 Deserte 21 18.19 Pratrice Power 22 7.64 Com Bell 23 16.53 Minniform 24 17.54 Com Bell 25 27.50 Associated 26 456 Western Farmers 27 44.53 Bracos 28 13.25 Allectinery 29 13.44 Minniform 29 14.54 South Missassamin 29 15.44 South Missassamin 29 15.44 South Missassamin 29 15.45 South Missassamin 29 15.46 Mestern Farmers 20 17.94 Corn Bell 21 17.94 Corn Bell 22 17.94 Corn Bell 23 16.53 Minniform 24 17.54 South Missassamin 25 15.01 Associated 26 Mestern Farmers 27 14.53 Bracos 28 Allectinery 29 15.44 San Missassamin 29 15.45 South Missassamin 20 16.279 Hooster 21 17.94 Corn Bell 21 17.94 Corn Bell 22 17.94 Corn Bell 23 17.24 Central Electric Coccertic Sc 25 17.29 Central Electric Coccertic Sc 26 Coccertic Sc 27 Top Southwest Transmission 28 27 Nebrassa 29 Southwest Transmission 20 20 27 Nebrassa 20 27 Nebrassa 20 27 Nebrassa 21 27 Nebrassa 22 27 Nebrassa 23 27 Nebrassa 24 27 Nebrassa 25 27 Nebrassa 26 Coccertic Butter 27 18 Power Resources	1	85.51	Rusinmore
1		63.19	Upper Missouri
1		60.78	PNGC Power
10		33.90	Central Electric - MO
10	<u> </u>	30 71	Golden Spread
7		47.16	Siro-Me Power
9 43 87 Northeast Missouri	7	46-38	Wolverine
10	3	46.22	Sam Rayburn
11 59.20 Northwest towa Arkansas 13 38.00 N W Electric 14 16.90 Northeast Texas 15 36.83 Central Power - ND East River 17 27.65 Chucach KAMO 19 26.20 Arizona 26.20 Arizona 27.20 Bit Rivers	9	43.87	Northeast Missouri
12	10	40.23	M & A Electric
13 38.00 N W Electric 14 16.90 Northeast Texas 15 36.83 Central Power - ND 16 32.89 East River 17 27.65 Chucach 18 26.50 Artzona 19 26.20 Artzona 20 25.35 New Horizon 21 25.20 Big Rivers 22 24.93 Alaska Electric 23 22.36 Old Dominion 24 31.20 Tri-State 25 20.60 Basin 26 20.27 Rayburn Electric Concernive 27 20.06 Tex-Lic 28 19.31 Central lowa 29 18.96 Buckeve 30 36.37 Deserte 31 18.19 Prairie Power 32 17.64 Corn Bell 33 16.33 Minnkon 34 15.54 South Mississioni 35 15.01 Associated 36 14.56 Western Farmers 37 14.53 Brazos 38 13.85 Allegment 40 12.79 Hoosier 41 12.34 San Minuel 42 12.19 Kansas Electric 43 11.92 Dairyland 44 11.92 Dairyland 45 11.94 PowerSouth 46 10.98 Great River 47 0.78 Georgia 48 3.96 Seminole 49 3.33 Oziethorpe 50 8.51 Southern Illinots 51 2.19 Central Electric SC 52 7.39 Southwest Transmission 53 5.70 North Carolina 56 2.70 North Carolina 57 -5.18 Power Resources	! 1	39.30	Northwest Iowa
16 90 Northeast Texas 15 36,83 Central Power - ND 16 12,89 East River 17 27,65 Churach KAMO 19 26,20 Arizona 26,20 Arizona 27,20 Big Rivers 21,20 Big Rivers 21,20 Big Rivers 22,38 Old Dominon 24 21,20 Tri-State 25 20,60 Basin 26 20,27 Rayburn Electric Chonderative 25 20,60 Basin Central lowa Buckeve 29 18,96 Buckeve 29 18,96 Buckeve 29 18,96 Buckeve 29 18,96 Buckeve 20 27,00	12	38.26	Arkansas
15 36.83 Central Power - ND	13	38.00	N W Electric
16 32.89 East River 17 27.65 Chucach 18 26.50 KAMO 19 26.20 Arizona 20 25.35 New Horizon 21 25.20 Big Rivers 22 24.93 Alaska Electric 23 22.36 Old Dominion 24 21.20 Tri-State 25 20.60 Basin 26 20.27 Rayburn Electric Cooperative 27 20.66 Tex-La 28 19.31 Central lowa 29 18.96 Biditive 20 20 27 Corn Beil 30 6.37 Deserte 30 6.37 Deserte 30 6.33 Minrikon 31 5.19 Pratric Power 27 27 26 26 27 27 27 28 28 29 28 29 29 29 29	14	36.90	Northeast Texas
17	15	36.23	Central Power - ND
18	ló	32.89	East River
19	17	27.65	Chugach
25 25 25 25 25 25 25 25	18	26.50	камо
21	19	2620	
22	20		
22 38	23		
24	22	24.93	Alaska Electric
25	23	22.38	
26	24	21.20	
20 20 20 20 20 20 20 20			
19.31 Central lowa			
18.96 Buckeve			
16.87 Deserte	28	19.31	
18.19	29	18.96	
17 164 Corn Bell			
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57 -5 18 Power Resources			

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Case No. 2011-00036 Attachment for Item AG 1-3 Witness: C. William Blackburn Page 4 of 5

	2009 Equity to	Capitalization
ì	100.00	PNGC Power
2	<i>5</i> 7. 00	Nonthwest lows
3	56.21	Sam Ravnurn
4	54.59	Arkansas
5	54.33	Nortneast Missouri
5	38.37	Alaska Electric
-	33.72	Chugach
3	32.40	Old Dominion
9	30.20	Basin
10	23.94	Central Iowa
11	23.66	Tex-La
!2	23 39	Northeast Texas
13	22.90	Tri-State
14	22.52	Deserer
:5	17 35	Brazos
16	16.96	Westorn Farmers
:7	15.04	San Miguel
!8	13.87	Hoosier
10	12.60	Great River
20	[2,44	South Texas
21	11.42	Georgia
22	10.95	Semunole
23	10.80	Ogjetnorne
24	9.15	Southern Illinois
25	7.98	East Kentucky
26	9.31	Big Rivers
27	0.24	Buckeve
28	0.19	Associated

Note: Member information Excluded if No Data Available or Category N/A

Big Rivers should read "31.26" instead of the 0.31 as reported.

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 4)	Please provide a copy of the Board of Directors minutes for the years 2007 to
2	<i>2010</i> .	
3		
4	Response)	Big Rivers objects to this request on the ground that the request for Big Rivers'
5	Board of Dir	ectors meeting minutes for the years 2007 to 2010 is overly-broad, requesting an
6	entire classif	cation of documents that unquestionably contains vast amounts of information
7	that is not su	bstantially or materially relevant to the issues in this proceeding. Where a request
8	has been mad	le for evidence of specific action by Big Rivers' board of directors, Big Rivers has
9	provided that	information.
10		
11		
12	Witnesses)	Mark A. Bailey and Counsel
13		
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 5)	Please explain in detail any major changes in accounting treatment for O&M
2	expenses, rei	tirements, replacements and removal costs instituted by the Company since the
3	conclusion o	f Case No. 2007-00455 ("the Unwind Case").
4		
5	Response)	Big Rivers has not instituted any such changes post-Unwind.
6	There were t	wo relevant changes that occurred simultaneous with the Unwind Transaction
7	closing. Firs	t, and as stated on page III-5 of the final Report on the Comprehensive
8	Depreciation	Study (the "Study") prepared by Burns & McDonnell, dated January 6, 2011,
9	"From mid 1	998 until July of 2009 (lease period) removal costs associated with plant additions
10	were capitali	zed by Western Kentucky Energy (WKE) and then reported as capital additions to
11	Big Rivers.	Big Rivers had no control over this methodology. Going forward, Big Rivers will
12	record remov	val costs according to RUS guidelines as they did previously from 1965 to mid
13	1998." The	Study describes how, for purposes of determining the proposed depreciation rates,
14	Burns & Mcl	Donnell estimated and reclassified such removal costs based on 33 years of
15	historical Big	g Rivers' retirement history. Second, in accordance with section 3.15 of the
16	Coordination	Agreements with the Smelters, dated as of July 1, 2009, Big Rivers has agreed
17	that, "To the	extent consistent with Accounting Principles, Applicable Law and guidance of
18	applicable G	overnmental Authorities or RUS, Big Rivers shall capitalize expenditures for the
19	replacement	of the items related to Big Rivers' generation facilities identified in the list of the
20	retirement ur	nits set forth in the Schedule 3.15."
21		
22		
23	Witness)	Mark A. Hite
24		
25		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 6)	Please provide a copy of each out-of-period accounting adjustment (i.e.,
2	journal entr	y) recorded during the test year, up through the present date, along with an
3	explanation	of each adjustment.
4		
5	Response)	Big Rivers has no out-of-period (prior period) adjustments for the test year, or
6	thereafter thi	rough March 2011.
7		
8		
9	Witness)	Mark A. Hite
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 7)	Please provide an analysis (description, dates and amounts) of any gains or	
2	losses on utility property sold from 2007 to date.		
3			
4	Response)	Big Rivers sold no utility property from 2007 to date.	
5			
6			
7	Witness)	Mark A. Hite	
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 8)	Provide the Company's Annual Reports filed with the Kentucky PSC from		
2	2006 through 2010. If the 2010 report is not yet available, will the company agree to timely			
3	supplement	supplement its response hereto by providing a copy of the report when it is ready for filing?		
4				
5	Response)	The CD accompanying these responses contains the Kentucky Public Service		
6	Commission	n Financial and Statistical Report (Annual Report) for Big Rivers for each of the		
7	calendar yea	ars 2006 through 2009. The Annual Report for Big Rivers for 2010 will be		
8	provided up	on its completion.		
9				
10				
11	Witness)	Mark A. Hite		
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 9)	Provide the monthly financial and operating reports for every month from
2	January 200	77 to the present.
3		
4	Response)	The attached CD contains Big Rivers' Monthly Operating Report for each
5	month Janua	ry 2006 through December 2010.
6		
7		
8	Witness)	Mark A. Hite
9		
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 10)	Please supply a copy of Big Rivers' latest Ten-Year Load Forecast.
2		
3	Response)	Big Rivers' most recent complete ten-year load forecast document can be found
4	in Appendix	A of its 2010 Integrated Resource Plan ("IRP"), as filed on November 15, 2010 in
5	KPSC Case	No. 2010-00443. An electronic copy of Big Rivers' 2010 IRP is provided in Big
6	Rivers' respo	onse to KIUC 1-134. However, in the course of preparing the IRP, peak demand
7	and energy	forecasts were updated. The updated peak demand and energy forecasts are
8	contained in	the IRP, but are mixed in with confidential data that was redacted from the public
9	version of the	he IRP. Therefore, the updated forecast is being supplied in the spreadsheet
10	"LF2010.xls	x" included in Big Rivers' response to KIUC 1-61.
11		
12		
13	Witness)	C. William Blackburn
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 11)	Please list all year end closing and adjusting accounting entries, both internal	
2	and those made by your external auditors for 2006 through 2010.		
3			
4	Response)	No financial statement audit adjustments were made (or proposed) by Big	
5	Rivers' external auditors for the calendar years 2006 through 2010.		
6			
7			
8	Witness)	Mark A. Hite	
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 12)	List each change in accounting principles made by the Company from 2005 to	
2	date. For each such change, state the revenue and/or expense or capital impact in this		
3	filing.		
4			
5	Response)	None.	
6			
7			
8	Witness)	Mark A. Hite	
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	1tem 13)	Please ust all proceaures the Company Jollows to ensure that there was a	
2	proper assignment of costs to the test period and that the test period only includes charges		
3	incurred during the test period.		
4			
5	Response)	While no formal procedures exist, Big Rivers' accounting staff compiled the	
6	financial stat	ements for the test period (12 months ended October 31, 2010), and reviewed	
7	them for non-recurring items, for items to be excluded from revenue requirements pursuant to		
8	regulation and statute, and any other appropriate adjustments to normalize the test year, with		
9	emphasis on the statement of operations. A review meeting was then held with Big Rivers'		
10	senior management, Big Rivers' general counsel and Big Rivers' rate case consultants to		
11	review and brainstorm all appropriate pro forma adjustments. The results of those efforts are		
12	the 23 pro forma adjustments proposed in this proceeding.		
13		Big Rivers maintains its books on the basis of the RUS Uniform System of	
14	Accounts and GAAP. The preparation of financial statements in conformity therewith require		
15	management to make certain estimates and assumptions that affect the reported amount of		
16	assets, liabilities, revenues and expenses.		
17			
18			
19	Witness)	Mark A. Hite	
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 14)	Provide a copy of the Company's two most recent management letters and	
2	recommendations received from the Company's independent auditors.		
3			
4	Response)	The two most recent management letters (2009 from Deloitte & Touche and	
5	2010 from KPMG) sent to Big Rivers' board of directors by Big Rivers' external auditors are		
6	attached. No recommendations were noted therein by the external auditors.		
7			
8			
9	Witness)	Mark A. Hite	
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Management Letter

December 31, 2010



KPMG LLP 1601 Market Street Philadelphia, PA 19103-2499

March 25, 2011

The Board of Directors of Big Rivers Electric Corporation:

We have audited the financial statements of Big Rivers Electric Corporation ("Big Rivers") as of and for the year ended December 31, 2010, and have issued our report thereon dated March 25, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and §7 CFR 1773, *Policy on Audits of Rural Utilities Services (RUS) Borrowers*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit, we considered Big Rivers' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Big Rivers' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Big Rivers' internal controls over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the second paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

§7 CFR 1773.33 requires comments on specific aspects of the internal control over financial reporting compliance with specific RUS loan and security instrument provisions, and other additional matters. We have grouped our comments accordingly. In addition to obtaining reasonable assurance about whether the financial statements are free from material misstatements, at your request, we performed tests of specific aspects of the internal control over financial reporting, of compliance with specific RUS loan and security instrument provisions, and of additional matters. The specific aspects of internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and additional matters tested include, among other things, the accounting procedures and records, materials control, compliance with specific RUS loan and security provisions set forth in §7 CFR 1773.33(e)(1), related-party transactions, depreciation rates, a schedule of deferred debits and credits, and a schedule of investments, upon which we express an opinion. In addition, our audit of the financial statements also included the procedures specified in §7 CFR 1773.38 – 1773.45. Our objective was not to provide an opinion on these specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, or additional matters, and accordingly, we express no opinion thereon.



No reports (other than our independent auditors' report and our independent auditors' report on internal control over financial reporting and on compliance and other matters, both dated March 25, 2011) have been furnished to management. Our comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters as required by §7 CFR 1773.33 are presented below.

Comments on Certain Specific Aspects of the Internal Control over Financial Reporting

We noted no matters regarding Big Rivers' internal control over financial reporting and its operation that we consider to be a material weakness as previously defined with respect to:

- The accounting procedures and records;
- The process for accumulating and recording labor, material, and overhead costs and the distribution of these costs to construction, retirement, and maintenance and other expense accounts; and
- The materials control.

Comments on Compliance with Specific RUS Loan and Security Investment Provisions

At your request, we have performed certain procedures with respect to compliance with certain provisions of laws, regulations, contracts, and grant agreements. The procedures we performed are summarized as follows:

- Procedures performed with respect to the requirement for a borrower to obtain written approval of the mortgagee to enter into any contract for the operation or maintenance of property, or for the use of mortgaged property by others, for the year ended December 31, 2010:
 - 1. Big Rivers did not enter into any new contracts during the year for the operation or maintenance of its property, or for the use of its property by others, as defined in §7 CFR 1773.33(e)(1)(i).
 - 2. Reviewed board of directors' minutes to ascertain whether board-approved written contracts were entered into during the respective year for the operation or maintenance of its property, or for the use of its property by others, as defined in §7 CFR 1773.33(e)(1)(i). No board-approved contracts were noted during our review.
 - 3. No written contracts were entered into during the year requiring RUS approval.
- Procedure performed with respect to the requirement to submit RUS Form 12 to the RUS:
 - 1. Agreed amounts reported in Form 12 to Big Rivers' records.

The results of our tests indicate that, with respect to the items tested, Big Rivers complied, in all material respects, with the specific RUS loan and security instrument provisions referred to below. The specific provisions tested, as well as any exceptions noted, include the requirements that:

• The borrower did not enter into any contract for the operation or maintenance of property, or for the use of mortgaged property by others. As no written contracts specified by §7 CFR 1773.33(e)(1)(i) have been entered into during the year, Big Rivers has not obtained written approval of the RUS to enter into any contract for the operation or maintenance of property, or for the use of mortgaged property by others.



• The borrower has submitted its Form 12 to the RUS and the Form 12, Financial and Statistical Report, as of December 31, 2010, represented by the borrower as the report submitted to RUS, is in agreement with Big Rivers' audited records in all material respects and it appears reasonable based upon the audit procedures performed.

Comments on Other Additional Matters

In connection with our audit of the financial statements of Big Rivers, nothing came to our attention that caused us to believe that Big Rivers failed to comply with respect to:

- The reconciliation of continuing property records to the controlling general ledger plant accounts addressed at §7 CFR 1773.3(c)(1);
- The clearing of the construction accounts and the accrual of depreciation on completed construction addressed at §7 CFR 1773.33(c)(2);
- The retirement of plant addressed at §7 CFR 1773.33(c)(3) and (4);
- Approval of the sale, lease, or transfer of capital assets and disposition of proceeds for the sale or lease
 of plant, material or scrap addressed at §7 CFR 1 773.33(c)(5);
- The disclosure of material related-party transactions in accordance with Statement of Financial Accounting Standards No. 57, *Related-Party Transactions (ASC 850)*, for the year ended December 31, 2010, in the financial statements referenced in the first paragraph of this report addressed at §7 CFR 1773.33(f);
- The depreciation rates addressed at §7 CFR 1773.3(g);
- The detailed schedule of deferred debits and deferred credits; and
- The detailed schedule of investments.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed schedule of deferred debits and deferred credits required by §7 CFR 1773.33(h), and the detailed schedule of investments required by §7 CFR 1773.33(i) attached hereto are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the responsibility of Big Rivers' management. This information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the board of directors, management, and the RUS and supplemental lenders, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



DETAILED SCHEDULE OF DEFERRED DEBITS AND CREDITS AS OF DECEMBER 31, 2010

DEFERRED DEBITS: Prelim survey & investigation and other deferred charges	\$ 1,163,679
RUS Form 12A, Section B, Line 29	1,163,679
Financing Fees	2,687,686
DEFERRED CHARGES AND OTHER	\$ 3,851,365
DEFERRED CREDITS: Regulatory liabilities - Member Rate Mitigation	\$ 185,893,130
RUS Form 12A, Section B, Line 58	185,893,130
Provision for pension and postretirement benefits	18,924,929
Other liabilities	736,939
TOTAL DEFERRED CREDITS AND OTHER	\$ 205,554,998

NOTE: Big Rivers has not received written approval from RUS to record the items on the above schedule. Management does not believe written approval from RUS is required for these items.

DETAILED SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2010

Investments in associated organizations	\$	4,280,308	
Investment in economic development projects	***************************************	10,000	
RUS Form 12A, Section B, Lines 7-11	_ \$	4,290,308	

Deloitte

Deloitte & Touche LLP 111 S. Wacker Drive Chicago, IL 60606-4301

Tel: +1 312 486 1000 Fax: +1 312 486 1486 www.deloitte.com

INDEPENDENT AUDITORS' MANAGEMENT LETTER REPORT

To the Board of Directors of Big Rivers Electric Corporation:

We have audited the financial statements of Big Rivers Electric Corporation ("Big Rivers") for the year ended December 31, 2009, and have issued our report thereon dated March 26, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service (RUS) Borrowers*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of Big Rivers for the year ended December 31, 2009, we considered its internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Management is responsible for establishing and maintaining internal control over financial reporting. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Because of inherent limitations in any internal control, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting that we consider to be material weaknesses.

7 CFR Part 1773.33 requires comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters. We have grouped our comments accordingly. In addition to obtaining reasonable assurance about whether the financial statements are free from material misstatements, at your request, we performed tests of specific aspects of the internal control over financial reporting, of compliance with specific RUS loan and security

instrument provisions, and of additional matters. The specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters tested include, among other things, the accounting procedures and records, materials control, compliance with specific RUS loan and security instrument provisions set forth in 7 CFR Part 1773.33 (e)(1), related-party transactions, and depreciation rates. In addition, our audit of the financial statements also included the procedures specified in 7 CFR Part 1773.38-.45. Our objective was not to provide an opinion on these specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, or additional matters and accordingly, we express no opinion thereon. The additional matters tested also include a schedule of investments in subsidiary and affiliated companies and a schedule of deferred debits and credits, which are attached to this report, upon which we express an opinion.

No reports (other than our independent auditors' report on the financial statements and our independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit performed in accordance with *Government Auditing Standards*, all dated March 26, 2010) have been furnished to management.

Our comments on specific aspects of internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters as required by 7 CFR Part 1773.33 are presented below.

Comments on Certain Specific Aspects of the Internal Control over Financial Reporting

We noted no matters regarding Big Rivers' internal control over financial reporting that we consider to be a material weakness as previously defined with respect to:

- The accounting procedures and records
- The process for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts
- The materials control.

Comments on Compliance with Specific RUS Loan and Security Instrument Provisions

Compliance with laws, regulations, contracts, and grant agreements is the responsibility of Big Rivers' management. At your request, we have performed the procedures enumerated below with respect to compliance with certain provisions of laws, regulations, contracts, and grant agreements. The procedures we performed are summarized as follows:

- Procedures performed with respect to the requirement for a borrower to obtain written approval of the mortgagee to enter into any contract for the operation or maintenance of its property, or for the use of its mortgaged property by others for the year ended December 31, 2009:
 - Obtained and read a borrower-prepared schedule of new written contracts entered into during the year for the operation or maintenance of its property, or for the use of its property by others, as defined in 7 CFR Part 1773.33 (e)(1)(i).

- Read Board of Directors' minutes to ascertain whether board-approved written contracts are included in the borrower-prepared schedule.
- Noted the existence of written RUS approval of each contract listed by the borrower.
- Procedure performed with respect to the requirement to submit RUS Form 12 to the RUS:
 - Agreed amounts reported in Form 12 to Big Rivers' accounting records.

The results of our tests indicate that, with respect to the items tested, Big Rivers complied, in all material respects, with the specific RUS loan and security instrument provisions referred to below. The specific provisions tested include the requirement that:

- The borrower has obtained written approval of the RUS to enter into any contracts for the operation or maintenance of its property, or for the use of mortgaged property by others as defined in 7 CFR Part 1773.33 (e)(1)(i); and
- The borrower has submitted Form 12 to the RUS and the Form 12, Financial and Statistical Report, as of December 31, 2009, represented by the Borrower as having been submitted to RUS, is in agreement with the Big Rivers' audited records in all material respects.

Comments on Other Additional Matters

In connection with our audit of the financial statements of Big Rivers, nothing came to our attention that caused us to believe that Big Rivers failed to comply with respect to:

- The reconciliation of continuing property records to the controlling general ledger plant accounts addressed at 7 CFR Part 1773.33 (c)(1);
- The clearing of construction accounts and the accrual of depreciation on completed construction addressed at 7 CFR Part 1773.33 (c)(2);
- The retirement of plant addressed at 7 CFR Part 1773.33 (c)(3) and (4);
- Approval of the sale, lease or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap addressed at 7 CFR Part 1773.33 (c)(5);
- The disclosure of material related-party transactions, in accordance with ASC 850 Related Party Disclosures, for the year ended December 31, 2009, in the financial statements referenced in the first paragraph of this report, addressed at 7 CFR Part 1773.33 (f);
- The depreciation rates addressed at 7 CFR Part 1773.33 (g);
- The schedule of deferred debits and deferred credits; and
- The detailed schedule of investments.

Our audit was made for the purpose of forming an opin ion on the basic financial statements taken as a whole. The detailed schedule of deferred debits and deferred credits required by 7 CFR Part 1773.33 (h) and the detailed schedule of investments required by 7 CFR Part 1773.33 (i) attached hereto are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the responsibility of Big Rivers' management. This information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Directors, management, the Rural Utilities Service, and supplemental lenders and is not intended to be and should not be used by anyone other than these specific parties.

March 26, 2010

Delotte & Toude up

DETAILED SCHEDULE OF DEFERRED DEBITS AND DEFERRED CREDITS AS OF DECEMBER 31, 2009

DEFERRED DEBITS: Prelim survey & investigation and other deferred charges	\$ 6,672,014
RUS Form 12A, Section B, Line 29	6,672,014
Financing fees	2,712,296
DEFERRED CHARGES AND OTHER	\$ 9,384,310
DEFERRED CREDITS: Regulatory liabilities - Member rate mitigation	\$207,347,581
RUS Form 12A, Section B, Line 58	207,347,581
Provision for pension and postretirement benefits Other liabilities	16,663,515 548,036
TOTAL DEFERRED CREDITS AND OTHER	\$224,559,132

NOTE: Big Rivers has not received written approval from the RUS to record the items on the above schedule. Management does not believe written approval from the RUS is required for these items.

DETAILED SCHEDULE OF INVESTMENTS AS OF DECEMBER 31, 2009

INVESTMENTS IN ASSOCIATED ORGANIZATIONS	\$4,261,480
INVESTMENTS IN ECONOMIC DEVELOPMENT PROJECTS	10,000
RUS FORM 12A, SECTION B, LINES 7-11	\$4,271,480

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 15)	List each internal audit completed, scheduled, or in progress at the Company	
2	from 2007 to	date. For each, list the subject of audit, date of audit, date of report and title of	
3	report.		
4			
5	Response)	Big Rivers ceased having an employee-staffed internal audit function in 1998	
6	in connection	with the effective date of the LG&E Lease. Beginning in 2002, Big Rivers	
7	began engagi	ing Neel, Crafton & Phillips (certified public accountants and business	
8	consultants)	to perform focused (internal) audits. During the concentrated efforts to	
9	consummate	the Unwind Transaction, focused audit engagements were temporarily suspended	
10	Following the	e Unwind closing on July 16, 2009, Neel, Crafton & Phillips was engaged, in	
11	2010, to perform the focused audit function, beginning with the fuels procurement and fuels		
12	accounting p	ractices and processes. A copy of that focused audit report, and the associated	
13	proposal, of	Neel, Crafton & Phillips is on the CD accompanying these responses.	
14			
15			
16	Witness)	Mark A. Hite	
17			
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19			
20			

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 16)	Provide a copy of the Company's most recent management and operations
2	audit.	
3		
4	Response)	Big Rivers has not had a management and operations audit for over 20 years.
5		
6		
7	Witness)	Mark A. Hite
8		
9		
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11		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 17)	List each proposed pro forma entry which was considered in this filing but not
2	made and sto	tte the reason(s) why the entry was not made.
3		
4	Response)	Please see Big Rivers' response to Item PSC 1-55 of the Commission Staff's
5	Initial Reque	st for Information dated March 18, 2011 ("Staff's Initial Data Requests").
6		
7		
8	Witnesses)	Mark A. Hite and Counsel

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 18) State whether the revenue requirement includes any MISO-related or FERC
2	costs. If so, explain in complete detail and provide figures, as needed.
	cosis. If so, explain in complete usua and provide figures, as needed.
3	D
4	Response) The revenue requirement includes two pro forma adjustments for Midwest ISO-
5	related costs. The first is reflected in Reference Schedule 2.14 of Exhibit Wolfram-2. This
6	adjustment reflects the on-going level of administrative costs related to Big Rivers'
7	membership in the Midwest ISO. The second is reflected in Reference Schedule 2.21 of
8	Exhibit Wolfram-2. This adjustment reflects the amortization of costs incurred during the test
9	year associated with the Application of Big Rivers Electric Corporation for Approval to
10	Transfer Functional Control of its Transmission System to Midwest Independent Transmission
11	System Operator, Inc., in Case No. 2010-00043 and FERC Docket Nos. ER11-15-000 and
12	ER11-16-000.
13	Because Big Rivers did participate in Midwest ISO markets prior to becoming a
14	transmission-owning member of the Midwest ISO in December 2010, the revenue requirement
15	includes other Midwest ISO-related costs booked in the test year. These are associated with
16	wholesale energy market activities that are incremental to and/or separate from the
17	administrative costs reflected in Reference Schedule 2.14.
18	With the possible exception of any FERC-related costs that the Midwest ISO passes
19	through via the administrative charges described above, the revenue requirement does not
20	include any FERC costs.
21	
22	
23	Witness) C. William Blackburn

Case No. 2011-00036 Response to Item AG 1-18 Witness: C. William Blackburn Page 1 of 1

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

l	Item 19)	Ca	onfidential information supplied in response to PSC 1-26 indicates CEO Mark
2	Bailey recei	ived a	63.5% salary increase during the test year. Moreover, his test year salary of
3	\$511,997 is	appre	oximately 355% greater than the \$144,315 he earned in 2007.
4			
5		a.	Provide a complete defense of such a massive increase in an era when many
6			of BREC's customers are struggling to survive. Provide all documentation
7			and studies justifying this increase;
8		b.	Provide all rationale for why this information should remain confidential;
9		с.	Provide a copy of the resolution of the Company's Board of Directors
10			authorizing the CEO's salary increments for each of the past five (5) years;
11			and
12		d.	How does the company believe its ratepayers would react if it knew the CEO
13			had received such a massive salary increase?
14			
15	Response)	a.	First, the question misstates or mischaracterizes certain facts. The
16			difference between Mr. Bailey's test year salary of \$512,000 and his salary in
17			2007 (\$257,000) represents an increase of 99%, not 355% as stated in the
18			question. The percentage used in the question compares Mr. Bailey's salary
19			during the test year with his partial year earnings in 2007, not his salary in
20			2007. Second, Mr. Bailey's salary increase to \$512,000 occurred on August
21			1, 2009, not during the test year as stated in the question.
22			Mr. Bailey's test year salary was established by action of the Big Rivers
23			board of directors on August 16, 2009, one month after the closing of the
24			Unwind Transaction, based in part upon the range of salaries of comparable
25			positions and other considerations reported to the board of directors by the
26			NRECA Consulting Group in a study commissioned by the board of directors.

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

That study is attached to Big Rivers' response to Commission Staff's First Information Requests, Item 35, file 35-5 on the CD attached to those responses. For its study, the NRECA Consulting Group reviewed CEO salary survey results of several nationally-known firms from utility systems of similar revenue and characteristics as Big Rivers, including those listed in NRECA's G&T Cooperative Compensation Survey, which is also provided in Big Rivers' response to PSC 1-35, in file 35-4.

The board of directors considered the size, scope and complexity of Big Rivers after the company regained operating control and responsibility for Big Rivers' generating plants, and the board's view of both Mr. Bailey's personal performance and the company's performance under his leadership. Other considerations included a desire to offer a competitive compensation package to encourage Mr. Bailey to remain employed with Big Rivers. The Board was concerned about the possibility of Mr. Bailey being lured away from the company because of an awareness that a number of other large G&T and distribution cooperative CEOs are approaching retirement age. The Board also knew that on at least one previous occasion, another company had seriously attempted to entice Mr. Bailey to leave the western Kentucky area.

As shown on page 1 of the confidential attachment to Big Rivers' response to PSC 1-26, Mr. Bailey's salary increases coincide directly with increases in his responsibility. Mr. Bailey joined Big Rivers on June 1, 2007, as Big Rivers' Executive Vice President and Chief Operating Officer. He did not become Big Rivers' CEO until October 17, 2008. When Mr. Bailey first became CEO of Big Rivers in 2008, the company was much smaller in size and scope and its operations were much more narrowly focused than was the case following the Unwind Transaction, which closed in July of 2009. After

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

the Unwind closing, the company's expenditures went from \$142 million in 1 2008 to \$533 million in 2009 – a 275% increase. Overnight, Mr. Bailey went 2 from supervising 116 employees to managing 580 employees – a 400% 3 4 increase. The level of complexity of the company's operations along with the risks 5 associated with operating it were much smaller as well. For example, prior to 6 the Unwind Transaction closing, the company did not operate its generating 7 units or purchase fuel and other required materials and supplies associated 8 9 with operating and maintaining the power plants. The relationship with the 10 City of Henderson regarding Station Two was handled almost exclusively by WKE. In addition, Big Rivers' power supply contract with LEM prior to the 11 Unwind closing enabled it to receive a fixed level of capacity in excess of Big 12 Rivers' internal needs and at a relatively low and predictable price. Prior to 13 the Unwind closing, Big Rivers was not obligated to supply power to the 14 aluminum smelters. For the foregoing reasons, Mr. Bailey's test year 15 compensation is reasonable based upon his responsibilities and the market 16 17 compensation paid to persons in positions comparable to his position. b. Confidential treatment of this information was requested in keeping with Big 18 19 Rivers' philosophy of respecting the privacy of its employees' compensation. 20 The salary information requested involves more individuals than just the CEO. Given this situation, company management does not believe that 21 members of the general public, including persons who are not Big Rivers' 22 member cooperatives, need access to the information. It is customary for 23 24 American corporations to treat individual salary information as personal and

confidential, and Big Rivers is no exception. Employers generally go to great

lengths to maintain the confidentiality of salary information for all their

25

26

Case No. 2011-00036 Response to Item AG 1-19 Witness: Mark A. Bailey Page 3 of 4

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1			employees. Since Big Rivers is not an investor-owned, publicly-traded
2			company or a governmental entity funded by taxpayer dollars, salary
3			information for the individuals requested in the PSC's initial data request
4			(PSC $1-25$) has not previously been made public as a matter of course
5			through other avenues such as SEC reports, FERC Form 1s, etc.
6		c.	The requested information is included in the attachment.
7		d.	Big Rivers believes its distribution cooperative Members expect Big Rivers to
8			be well managed in order for the company to meet both the distribution
9			cooperatives' and their retail members' service expectations related to safe,
10			reliable and low-priced electricity. Big Rivers' board of directors and
11			management believe that to meet those expectations it is necessary to employ
12			competent, capable staff, including the CEO, and to compensate Big Rivers'
13			employees at competitive pay levels. Big Rivers would hope that its
14			ratepayers would be satisfied if those expectations are met, and if the rate of
15			compensation of Big Rivers' executives is reasonable by industry standards.
16			If Big Rivers' CEO were not compensated at the current, competitive,
17			industry-standard level, the CEO would be undercompensated. Ratepayers
18			could be expected to react negatively if their service expectations are met and
19			if they lose the CEO's services because he is undercompensated.
20			
21			
22	Witness)	Ma	ark A. Bailey
23		C.	William Blackburn
24			

EXCERPT FROM THE MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF BIG RIVERS ELECTRIC CORPORATION HELD IN HENDERSON, KENTUCKY, ON DECEMBER 17, 2004

After an explanation by James Haner, Director Elder moved, seconded by Director Sills, that management's recommendation of a 2.7 percent adjustment in Big Rivers' salary structure for 2005 be approved. The motion was unanimously adopted.

I, Paula Mitchell, Executive Secretary of the Board of Directors of Big Rivers Electric Corporation, hereby certify that the above is a true and correct excerpt from the minutes of the Regular Meeting of the Board of Directors of said Corporation held on 12-17-04.

Submitted under Petition for Confidential Treatment

Paula Witchell
Case No. 2011-00036
Witness: Mark A. Bailey
Attachment for Item AG-19c
Page 1 of 6

EXCERPT FROM THE MINUTES OF EXECUTIVE SESSION OF THE BOARD OF DIRECTORS OF BIG RIVERS ELECTRIC CORPORATION HELD IN HENDERSON, KENTUCKY, ON AUGUST 19, 2005

Director Elder moved, seconded by Director Sills, that the salary of the president and CEO be increased by the sum of \$2,000.00 per month, effective September 1, 2005. The motion was unanimously adopted.

I, Paula Mitchell, Executive Secretary of the Board of Directors of Big Rivers Electric Corporation, hereby certify that the above is a true and correct excerpt from the minutes of Executive Session of the Board of Directors of said Corporation held on 8-19-05.

Submitted under Petition for Confidential Treatment

Paula Metas Assert School 100036
Witness: Mark A. Bailey
Attachment for Item AG-19c
Page 2 of 6

EXCERPT FROM THE MINUTES OF EXECUTIVE SESSION OF THE BOARD OF DIRECTORS OF BIG RIVERS ELECTRIC CORPORATION HELD IN HENDERSON, KENTUCKY, ON AUGUST 18, 2006

Director Sills moved, seconded by Director Elder, that the annual salary of the president be increased to \$325,000, effective as of January 1, 2006, and that the president's salary be reviewed in January of each year beginning with January 2007. The motion was unanimously adopted.

I, Paula Mitchell, Executive Secretary of the Board of Directors of Big Rivers Electric Corporation, hereby certify that the above is a true and correct excerpt from the minutes of Executive Session of the Board of Directors of said Corporation held on 8-18-

Submitted under Petition for Confidential Treatment

Case No. 2011-00036
Witness: Mark A. Bailey
Attachment for Item AG-19c
Page 3 of 6

EXCERPT FROM THE MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF BIG RIVERS ELECTRIC CORPORATION HELD IN HENDERSON, KENTUCKY, ON DECEMBER 21, 2007

After an explanation by Mr. Haner, Director Elder moved, seconded by Director Butler, that a non-bargaining unit salary structure adjustment of 3.2 percent effective January 1, 2008, be approved. The motion was unanimously adopted.

I, Paula Mitchell, Executive Secretary of the Board of Directors of Big Rivers Electric Corporation, hereby certify that the above is a true and correct excerpt from the minutes of the Regular Meeting of the Board of Directors of said Corporation held on 12-21-07.

Paula Mitchell

j

EXCERPT FROM THE MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF BIG RIVERS ELECTRIC CORPORATION HELD IN HENDERSON, KENTUCKY, ON OCTOBER 17, 2008

Director Bearden moved, seconded by Director Elder, that Mark A. Bailey be elected president/CEO effective October 17, 2008, and that Michael H. Core, who has vacated the position of president/CEO effective October 17, 2008, be appointed special corporate advisor, which shall be a full-time position at his current compensation level, with such duties and responsibilities as the board of directors shall designate from time to time, until his retirement effective at the end of the day on April 3, 2009. The motion was unanimously adopted.

I, Paula Mitchell, Executive Secretary of the Board of Directors of Big Rivers Electric Corporation, hereby certify that the above is a true and correct excerpt from the minutes of the Regular Meeting of the Board of Directors of said Corporation held on 10-17-08.

Paula Mitchell



TO:

James Haner

FROM:

Bill Denton

DATE:

August 24, 2009

SUBJECT: Mark Bailey Salary

On August 21, 2009, the Board of Directors approved increasing Mark Bailey's annual salary to \$512,000, effective August 1, 2009. Mark will not participate in any employee incentive plans or general salary increases but will continue to receive an auto allowance of \$18,000 that will continue to be paid as it is presently.

Mark may wish to alter the way he receives his compensation in the future which is acceptable as long as his total compensation cost to Big Rivers is not increased without Board approval.

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 20)	State whether the Company's revenue requirements include any MISO or
2	FERC-relate	ed costs, fees, penalties, credits, or set-offs. If yes, identify exactly where in the
3	filing they co	an be found.
4		
5	Response)	Please see Big Rivers' response to AG 1-18.
6		
7		
8	Witness)	C. William Blackburn
9		
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 21)	Please provide an explanation of all items included in the following accounts
2	(by subacco	unt if any) and provide the appropriate jurisdictional amounts for the years
3	ended 2006	through 2010:
4		
5		a. Other Accounts Receivable;
6		b. Accrued Utility Revenues;
7		c. Miscellaneous Deferred Debits;
8		d. Miscellaneous Current and Accrued Liabilities; and
9		e. Other Deferred Credits.
10		
11	Response)	Please see the attached schedule.
12		
13		
14	Witness)	Mark A. Hite
15		

16

Page 1 of 1

Explanation of Items within Various and Sundry Accounts

A/C#	A/C Title	Account Description	2010	2009
AG 1 21(a)	Other Accounts Receivable		2010	2003
	Accounts Receivable Accounts Receivable Accounts Receivable-Employees-Other			
		Employee travel advances; Director travel reimbursed to Company	752.35	447.01
14313200	Accounts Receivable-Employees Computer Assistance	Employee computer purchase assistance; reimbursed to Company		
14318000	Accounts Receivable-Other Oracle	through payroll deduction	20,695.68	10,643.25
		Receivable from Synthetic Materials for purchase of gypsum	6,942.00	6,942.00
14318200	Accounts Receivable-Emp Computer Assist Prog-Oracle	Employee computer purchase assistance; reimbursed to Company		
		through payroll deduction Amounts due the Company primarily for reimbursable transmission	0.00	14,195.21
14320000	Other Accounts Receivable-Miscellaneous	contract work		
4 40 40000	4	Receivable from WKE per Transformer Operation & Maintenance	276,334.18	3,760,481.97
14342000	Accounts Receivable-WKE/Transmission	Agreement		_
14350000	Accounts Receivable-HMP&L Station Two	Amounts due from/(to) HMP&L related to operation of Station Two	0.00	0.00
1.1200000		Receivable from HMP&L related to City of Henderson's share of Station	(549,476.03)	1,204.01
14360000	Accounts Receivable-HMP&L-Station Two Other	Two insurance, CWIP and SCR settlement	783,363.28	0.00
14370000	Accounts Description I C & E I	Receivable from LG&E related to Station Two G&A Agreement;	703,303.20	0.00
14370000	Accounts Receivable-L G & E Lease	Transformer O&M Agreement	0.00	60.044.0
14371000	Accounts Receivable-WKE Medical Prem	Receivable from WKE for health plan premiums for transferred	0.00	68,814.0
	Accounts Receivable-VVRE Medical Prem	employees per LG&E Lease Agreements	0.00	0.00
14372000	Accounts Receivable-E.On-US - Unwind	Amounts receivable from E.On-US per Unwind Agreements	0.00	1,073,778.59
14372500	Accounts Receivable-E.On-US - Unwind-Additional	Amounts receivable from E.On-US per Unwind Agreements	0.00	0.00
14373000	Accounts Receivable-E.On-US-HMP&L Litigation	Amounts receivable from E.On-US per HMP&L Litigation Agreement	239,666,38	44,965.10
14374000	Accounts Receivable-HMP&L LEM Reimbursement	Amounts receivable from HMP&L for purchased power & ARS	0.00	196,435.65
14374500	Accounts Receivable-Miscellaneous LEM	Receivable for purchased power and ARS	0.00	103.688.04
14380000	Accounts Receivable-WKE Property Taxes on Leased Assets			100,000.0-
		Receivable from WKE related to property taxes paid on leased assets	0.00	0.00
	Total Other Accounts Receivable		778,277.84	5,281,594.89
i				
10.4.044.				
AG 1-21(b)	Accrued Utility Revenues			
173.200	Accrued Utility Revenue-Other	2006 includes electric service rendered but not billed to Alcoa. 2009		
		includes Smelter Non-FAC PPA and total FAC	0.00	902 244 27
	Total Accrued Utility Revenues		0.00	892,314.27 892,314.27
			0.00	032,314.21
AG 1.21(c)	Miscellaneous Deferred Debits			
AG 1-21(C)				
18610000	Deferred Debit-CoBank Line of Credit Deferred Debit-NRUCFC Line of Credit	Prepaid Letter of Credit fees; amortized over 36 months	128,584.30	211,917.58

Case No. 2011-00036 Witness: Mark A. Hite Attachment for Item AG 1-21

Page 1 of 12

Big Rivers Electric Corporation Case No. 2011-00036 Explanation of Items within Various and Sundry Accounts

A/C#	A/C Title	Account Description		
AG 1-21/5\	Other Accounts B	, account Description	2008	2007
14313000	Other Accounts Receivable		İ	
,	Accounts Receivable-Employees-Other	Employee travel advances; Director travel reimbursed to Company		
14313200	Accounts Receivable-Employees Computer Assistance	Employee computer purchase assistance; reimbursed to Company	978.16	458.
		Turiough payroll deduction		
	Accounts Receivable-Other Oracle	Receivable from Synthetic Materials for purchase of gypcym	12,590.90	12,882.
14318200	Accounts Receivable-Emp Computer Assist Prog-Oracle	Employee computer purchase assistance; reimbursed to Company	0.00	0.0
		fullough payroli deduction	0.00	
14320000	Other Accounts Receivable-Miscellaneous	Amounts due the Company primarily for reimbursable transmission	0.00	0.
		Contract Work	36,774.70	20.550
14342000	Accounts Receivable-WKE/Transmission	Receivable from WKE per Transformer Operation & Maintenance	30,774.70	23,559.
	Accounts Receivable-HMP&L Station Two	Agreement	(5,032.42)	4 0 5 4
		Amounts due from/(to) HMP&L related to operation of Station Two	0.00	1,354.
14360000	Accounts Receivable-HMP&L-Station Two Other	Receivable from HMP&L related to City of Henderson's share of Station	0.00	0.
		_ I wo insurance, CVVIP and SCR settlement	0.00	_
14370000	Accounts Receivable-L G & E Lease	Receivable from LG&E related to Station Two G&A Agreement:	0.00	0.
		I ransformer O&M Agreement	40 500 40	
14371000	Accounts Receivable-WKE Medical Prem	Receivable from WKE for health plan premiums for transferred	46,589.13	440,651.
	Accounts Receivable-E.On-US - Unwind	lemployees per LG&E Lease Agreements	3,953,31	
	Accounts Receivable-E.On-US - Unwind-Additional	Amounts receivable from E.On-US per Unwind Agreements	·	7,347.4
14373000	Accounts Receivable-E.On-US-HMP&L Litigation	Amounts receivable from E.On-US per Unwind Agreements	0.00	2,773,055.6
14374000	Accounts Receivable LIMPS LIFTAR Litigation	Amounts receivable from E.On-US per HMP&L Litigation Agreement	1,271,019.86	0.0
	Accounts Receivable-HMP&L LEM Reimbursement Accounts Receivable-Miscellaneous LEM	Amounts receivable from HMP&L for nurchased nower & ADC	0.00	0.0
		Receivable for purchased power and ARS	0.00	0.0
14380000	Accounts Receivable-WKE Property Taxes on Leased Assets		0.00	0.0
	Total Other Accounts Receivable	Receivable from WKE related to property taxes paid on leased assets	450 450 00	
	rotal Other Accounts Receivable		456,158.00	459,257.0
			1,823,031.64	3,718,566.2
AG 1-21(b)	Accrued Utility Revenues			
· · · · · · · · · · · · · · · · · · ·	Accided Odilly Revenues		ļ	
73.200	Accrued Utility Revenue-Other	2006 includes electric service rendered but not billed to Alcoa. 2009		
		includes Smelter Non-FAC PPA and total FAC		
	Total Accrued Utility Revenues	The state of the s	0.00	0.0
			0.00	0,0
G 1-21(c)	Miscellaneous Deferred Debits			
8610000	Deferred Debit-CoBank Line of Credit	Prenaid Letter of Credit form		
8615000	Deferred Debit-NRUCFC Line of Credit	Prepaid Letter of Credit fees; amortized over 36 months Prepaid Letter of Credit fees; amortized over 60 months	0.00	0.00
		If repaid Letter of Credit fees; amortized over 60 months	0.00	0.00

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Explanation of Items within Various and Sundry Accounts

1	A/C #	A/C Title	Account Description	2006
3	AG 1-21(a)	Other Accounts Receivable		2000
4	14313000	Accounts Receivable-Employees-Other		
			Employee travel advances; Director travel reimbursed to Company	904.65
5	14313200	Accounts Receivable-Employees Computer Assistance	Employee computer purchase assistance; reimbursed to Company	
6	14318000	Accounts Receivable-Other Oracle	through payroll deduction	9,931.69
Ī			Receivable from Synthetic Materials for purchase of gypsum	0.00
7	14318200	Accounts Receivable-Emp Computer Assist Prog-Oracle	Employee computer purchase assistance; reimbursed to Company	
·	-		through payroll deduction	0.00
8	14320000	Other Accounts Receivable-Miscellaneous	Amounts due the Company primarily for reimbursable transmission	
			contract work	38,141.85
q	14342000	Accounts Receivable-WKE/Transmission	Receivable from WKE per Transformer Operation & Maintenance	
10	14350000	Accounts Receivable-HMP&L Station Two	Agreement	356,043.59
			Amounts due from/(to) HMP&L related to operation of Station Two	0.00
11	14360000	Accounts Receivable-HMP&L-Station Two Other	Receivable from HMP&L related to City of Henderson's share of Station	
'''			Two insurance, CWIP and SCR settlement	0.00
12	14370000	Accounts Receivable-L G & E Lease	Receivable from LG&E related to Station Two G&A Agreement;	
12			Transformer O&M Agreement	148,273.54
13	14371000	Accounts Receivable-WKE Medical Prem	Receivable from WKE for health plan premiums for transferred	
	14372000	<u></u>	employees per LG&E Lease Agreements	28,709.96
		Accounts Receivable-E.On-US - Unwind	Amounts receivable from E.On-US per Unwind Agreements	807,267.42
		Accounts Receivable-E.On-US - Unwind-Additional	Amounts receivable from E.On-US per Unwind Agreements	0.00
		Accounts Receivable-E.On-US-HMP&L Litigation	Amounts receivable from E.On-US per HMP&L Litigation Agreement	0.00
		Accounts Receivable-HMP&L LEM Reimbursement	Amounts receivable from HMP&L for purchased power & ARS	0.00
10	14374300	Accounts Receivable-Miscellaneous LEM	Receivable for purchased power and ARS	0.00
19	14380000	Accounts Receivable-WKE Property Taxes on Leased Assets	Receivable from WKE related to property taxes paid on leased assets	
20		Total Other Accounts Receivable		470,015.33
21				1,859,288.03
22				
23	AG 1-21(b)	Accrued Utility Revenues		
- 1			2000	
24	173.200	Accrued Utility Revenue-Other	2006 includes electric service rendered but not billed to Alcoa. 2009	
25		Total Accrued Utility Revenues	includes Smelter Non-FAC PPA and total FAC	49,324.48
26		Total Accided Othity Revenues		49,324.48
27				
	AG 1-24/61	Miscellaneous Deferred Debits		
20	18610000	Deferred Debit College Line (Co.)		
30	18615000	Deferred Debit-CoBank Line of Credit	Prepaid Letter of Credit fees; amortized over 36 months	0.00
20 L	10010000	Deferred Debit-NRUCFC Line of Credit	Prepaid Letter of Credit fees; amortized over 60 months	0.00

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Explanation of Items within Various and Sundry Accounts

1	A/C#	A/C Title			
2			Account Description	2010	2009
			Reflects adjustment to purchased power from SEPA based on actual		
	18620000	Deferred Debit-SEPA Energy Usage	energy usage. (difference in actual usage vs monthly amount billed per		
31			contract)		
32	18630000	Deferred Debit-Postretirement Benefits	Initial adoption of FAS 158 - Postretirement medical insurance benefits	0.00	0.00
			Non-refundable marketing payment paid to LEM as per Lease	0.00	0.00
	10050000	Defended by the second	Agreement, amortized on straight-line basis over the lease term;		
	18650000	Deferred Debit-Marketing Pmt/Settlement Note	Settlement Note entered into with LEM as per Lease Agreement		
33			amortized on straight-line basis over the lease term, related payable		
33			was recorded as long-term debt	0.00	0.00
34	18670000	Deferred Debit-Hanson Site Lease	Prepaid rent for Disaster Recovery Building in Hanson, KY. Amortized		0.00
~ 1			as rental expense over 40 years.	190,502.50	196,025.62
35	18685000	Deferred Debit-Ice Storm Repair	Deferral of costs to repair ice storm damage pending reimbursement by		
36		Total Miscellaneous Deferred Debits	FEMA and/or insurance and final disposition of costs	73,644.85	1,216,249,43
37		Debits and the second s		481,306.98	1,737,767.92
38					
	AG 1-21(d)	Miscellaneous Current and Accrued Liabilities			
40	24220000	Accrued Payroll			
		Accrued Payroll-Oracle	Accrued liability for salaries and wages for which the appropriate	(1,584,624.64)	(239,643.37)
L	24220090	Accrued Payroll Clearing Account	expense or other accounts have been charged	0.00	(4,137,963.59)
- 1	24231000	Accrued Vacations		(20.00)	0.00
		Accrued Vacations-Oracle	Liability for accrued wages for employees' vacations	(4,096,058.68)	(1,069,250.46)
	24231090	Accrued Vacations-Clearing	and the desired magas for employees vacations	0.00	(2,771,471.08)
	24232000	Accrued Holidays	12-1-10-1	4.83	0.00
	24232090	Accrued Holidays-Clearing	Liability for accrued wages for employees' holidays	(469,009.57)	0.00
	24233200	Accrued Other Off-Duty	Liability for accrued wages for employees' other off duty pay (i.e.,	3.26	0.00
-	24233290 24233400	Accrued Other Off-Duty-Clearing	ffuneral leave, jury duty, etc.)	(4,956.79) 0.16	0.00
		Accrued Incentive-Oracle Accrued Sick	Liability for accrued wages for employees' incentive bonus	0.00	0.00 (73,039,71)
		Accrued Sick Accrued Sick-Clearing	Liability for accrued wages for employees' sick leave	(36,787.28)	0.00
53	24234000	Accrued Personal Days		2.90	0.00
54		Accrued Insurance	Liability for accrued wages for employees' personal days	(81,604.29)	0.00
		Accrued Supplemental Life Insurance	Liability for Workmen's Compensation Insurance	(304,543.00)	(4,543.00)
		Accrued Supplemental Life Insurance-Oracle	Life Insurance collected by the Company through payroll deductions or	63,772.63	17,487.91
T,			otherwise, pending transmittal to proper payee	(56,651.30)	0.00
		Accrued Cancer Plan	Cancer insurance collected by the Company through payroll deductions		
		Accrued Cafeteria Plan	or otherwise, pending transmittal to proper payee	(1,037.08)	(631.26)
59[2		Accrued Cafeteria Plan-Oracle	Cafeteria Plan deposits collected by the Company through payroll	(50,229.56)	(15,570.50)
			deductions or otherwise, pending transmittal to proper payee	(8,007.81)	(3,993.00)

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A/C#	A/C Title	Account Description	2008	0007
			2008	2007
18620000	Deferred Debit CEDA E	Reflects adjustment to purchased power from SEPA based on actual		
10020000	Deferred Debit-SEPA Energy Usage	energy usage. (difference in actual usage vs monthly amount billed per		
18630000	Deferred Debit Date ii	(contract)	0.00	
10030000	Deferred Debit-Postretirement Benefits	Initial adoption of FAS 158 - Postretirement medical insurance benefits	0.00	4 000 00
		Non-refundable marketing payment paid to LFM as per Lease	0.00	1,930,22
8650000	Deferred Debit Made C. D. 110	Agreement, amortized on straight-line basis over the lease term	İ	
0000000	Deferred Debit-Marketing Pmt/Settlement Note	Settlement Note entered into with LEM as per Lease Agreement		
		amortized on straight-line basis over the lease term, related payable		
		Was recorded as long-term debt	15 055 026 60	40.000.00
8670000	Deferred Debit-Hanson Site Lease	Prepaid rent for Disaster Recovery Building in Hanson, KY. Amortized	15,065,026.60	16,069,36
		as rental expense over 40 years.	201 540 74	007.07
8685000	Deferred Debit-Ice Storm Repair	Deferral of costs to repair ice storm damage pending reimbursement by	201,548.74	207,07
		FEMA and/or insurance and final disposition of costs	0.00	
	Total Miscellaneous Deferred Debits		15,266,575.34	40.000.00
			13,200,373.34	18,206,66
(G 1-21(d)	Miscellaneous Current and Accrued Liabilities			
4220000			(202 000 07)	
4228000		Accrued liability for salaries and wages for which the appropriate	(392,963.37)	(504,33
4220090	Accrued Payroll Clearing Account	expense or other accounts have been charged	0.00	
4231000	Accrued Vacations		0.00	
4231800		Liability for accrued wages for employees' vacations	(1,079,494.72)	(817,85
4231090	Accrued Vacations-Clearing	, and an analysis for employees vacalions	0.00	
4232000	Accrued Holidays		0.00	
4232090	Accrued Holidays-Clearing	Liability for accrued wages for employees' holidays	0.00	
4233200	Accrued Other Off-Duty	Liability for accrued wages for employees' other off duty pay (i.e.,	0.00	
4233290	Accrued Other Off-Duty-Clearing	funeral leave, jury duty, etc.)	0.00	(
1233400	Accrued Incentive-Oracle	Liability for accrued wages for employees' incentive bonus	0.00	
1233600 1233690	Accrued Sick		0.00	(
	Accrued Sick-Clearing	Liability for accrued wages for employees' sick leave	0.00	(
	Accrued Personal Days	Liability for accrued wages for employees' personal days	0.00	(
1240000 1241000	Accrued Insurance	Liability for Workmen's Compensation Insurance	0.00	(
1241000 1241800	Accrued Supplemental Life Insurance	Life Insurance collected by the Company through payroll deductions or	(19,251.00)	(11,564
	Accrued Supplemental Life Insurance-Oracle	otherwise, pending transmittal to proper pavee	(3,129.02)	(729
1242000	Accrued Cancer Plan	Cancer insurance collected by the Company through payroll deductions	0.00	
		or otherwise, pending transmittal to proper payee	(, :	
251000	Accrued Cafeteria Plan	Cafeteria Plan deposits collected by the Company through payroll	(704.22)	(586
4251800	Accrued Cafeteria Plan-Oracle	deductions or otherwise, pending transmittal to proper payee	(13,191.56)	(14,152
		talismital to proper payee	0.00	0

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			and buildly Accounts	
1	A/C#	A/C Title	Account Description	
4			Account Description	2006
1	1000000		Reflects adjustment to purchased power from SEPA based on actual	
	18620000	Deferred Debit-SEPA Energy Usage	energy usage (difference in actual usage was as at the	
1			energy usage. (difference in actual usage vs monthly amount billed per contract)	
4	18630000	Deferred Debit-Postretirement Benefits	Initial adoption of FAS 158 - Postretirement medical insurance benefits	104,967.
			Non-refundable marketing payment paid to LEM as per Lease	0.
L	10050000		Agreement, amortized on straight-line basis over the lease term:	
1	18650000	Deferred Debit-Marketing Pmt/Settlement Note	Settlement Note entered into with LEM as per Lease Agreement,	
			amortized on straight-line basis evenths be and the straight-line basis evenths be and the straight-line basis evenths be and the straight-line basis evenths be and the straight-line basis evenths be and the straight-line basis evenths be and the straight-line basis evenths be an eventh because a straight-line basis evenths be a straight-line basis evenths eventh be a straight-line basis evenths be a straight-line basis evenths eventh be a straight-line basis eventh be	
L	·		amortized on straight-line basis over the lease term, related payable was recorded as long-term debt	
l1	8670000	Deferred Debit-Hanson Site Lease	Prenaid rent for Dispator Become Duilding	17,073,696.
Ľ		Delicited Debit-Hallsoft Site Lease	Prepaid rent for Disaster Recovery Building in Hanson, KY. Amortized as rental expense over 40 years.	
1	8685000	Deferred Debit-Ice Storm Repair	Deferral of costs to read in the state of th	212,594.
L		1	Deferral of costs to repair ice storm damage pending reimbursement by	
L		Total Miscellaneous Deferred Debits	FEMA and/or insurance and final disposition of costs	0.
}				17,391,259.
A	G 1-21(d)	Miscellaneous Current and Accrued Liabilities		
14	4220000	Accrued Payroll		
	4228000	Accrued Payroll-Oracle	Accrued liability for salaries and wages for which the appropriate	(370,565.0
	4220090	Accrued Payroll Clearing Account	expense or other accounts have been charged	0.0
	4231000	Accrued Vacations	- The state of the	0.0
	4231800	Accrued Vacations-Oracle	Linkilla	(697,691.
2	4231090	Accrued Vacations-Clearing	Liability for accrued wages for employees' vacations	0.0
24	4232000	Accrued Holidays		0.0
	4232090	Accrued Holidays-Clearing	Liability for accrued wages for employees' holidays	0.0
	4233200	Accrued Other Off-Duty		0.0
_	4233290	Accrued Other Off-Duty-Clearing	Liability for accrued wages for employees' other off duty pay (i.e., funeral leave, jury duty, etc.)	0.0
	4233400	Accrued Incentive-Oracle	Liability for account (0.0
24		Accrued Sick	Liability for accrued wages for employees' incentive bonus	0.0
	1233690	Accrued Sick-Clearing	Liability for accrued wages for employees' sick leave	0.0
	1234000	Accrued Personal Days		0.0
	1240000	Accrued Insurance	Liability for accrued wages for employees' personal days	0.0
	241000	Accrued Supplemental Life Insurance	Liability for workmen's Compensation (nouseness	(1,030.0
24	241800	Accrued Supplemental Life Insurance-Oracle	Life Insurance collected by the Company through payroll deductions or	(586.0
24				0.0
		Accrued Cancer Plan	Cancer insurance collected by the Company through payroll deductions	0.0
	251000	Accrued Cafeteria Plan	To otherwise, periding transmittal to proper payee	(586.8
24	251800	Accrued Cafeteria Plan-Oracle	Careteria Plan deposits collected by the Company through payrell	(10,634.8
			deductions or otherwise, pending transmittal to proper payee	0.00

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Explanation of Items within Various and Sundry Accounts

1	A/C#	A/C Title	Account Description		
2			Account Description	2010	2009
60	24252000	Accrued Credit Union	Credit union deposits collected by the Company through payroll deductions or otherwise, pending transmittal to proper payee	0.00	(9,085.42)
61	24253000	Accrued United Way	United Way contributions collected by the Company through payroll deductions or otherwise, pending transmittal to proper payee	(20,098.82)	
62	24255000	Accrued SURE & ACRE	SURE & ACRE contributions collected by the Company through payroll deductions or otherwise, pending transmittal to proper payee	(522.37)	(9,366.20) (551.92)
63	24261000	Accrued Employee Contri-Savings	Savings plan contributions collected by the Company through payroll deductions or otherwise, pending transmittal to the proper payee		
64	24262000	Accrued Employee Contri-401(k) Plan	401(k) plan contributions collected by the Company through payroll deductions or otherwise, pending transmittal to the proper payee	(218.29)	(66.28) (13,315.03)
65	24263000	Accrued Employee-401(k) Plan Loan	401(k) plan loan repayments collected by the Company through payroll deductions or otherwise, pending transmittal to the proper payee	(5,831.89)	(2,869.48)
66	24270000	Accrued Union Dues	Union dues collected by the Company through payroll deductions or otherwise, pending transmittal to the proper payee	(789.96)	(939.76)
	24280000	Accrued Misc Liability-Employees	Other miscellaneous employee costs collected by the Company through	17,462.38	1,300.85
	24280800 24295000	Accrued Misc Liability-Employees-Oracle	payroll deductions or otherwise, pending transmittal to the proper payee	0.00	(938.60)
70	24298800	Accrued Liability-Emission Fees Accrued Liability-Other-Oracle	Accrued liability for emissions fees	(730,419.19) 0.00	0.00 (653,828.78)
71 72	24299000	Accrued Liability-Other	Accrued liability for Smelter Non-FAC PPA	(1,903,584.65)	(673.04)
12L		Total Miscellaneous Current and Accrued Liabilities		(9,401,938.01)	(8,988,951.72)

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1 A/C	# A/C Title	Account Description		
2		Account Description	2008	2007
60 242520	00 Accrued Credit Union	Credit union deposits collected by the Company through payroll		
		deductions or otherwise, pending transmittal to proper payee	(10,076.36)	(9,539.39)
61 242530	00 Accrued United Way	United Way contributions collected by the Company through payroll	(10,070.00)	(3,333.33)
		deductions or otherwise, pending transmittal to proper payee	(7,889.46)	(6,621.67)
62 242550	00 Accrued SURE & ACRE	SURE & ACRE contributions collected by the Company through payroll		
		deductions or otherwise, pending transmittal to proper payee	(571.42)	(513.53)
242610	OO Accrued Employee Contri-Savings	Savings plan contributions collected by the Course of		
63		Savings plan contributions collected by the Company through payroll deductions or otherwise, pending transmittal to the proper payee	(101.01)	
64 242620	OO Accrued Employee Contri-401(k) Plan	401(k) plan contributions collected by the Company through payroll	(101.31)	(184.04)
64	7 tooraca Employee Contin-401(K) Flair	deductions or otherwise, pending transmittal to the proper payee	(14,488.03)	(24 500 45)
242620	20		(14,400.03)	(21,580.15)
242630 65	OO Accrued Employee-401(k) Plan Loan	401(k) plan loan repayments collected by the Company through payroll		
·		deductions or otherwise, pending transmittal to the proper payee	(3,161.10)	(5,259.34)
66 242700	OO Accrued Union Dues	Union dues collected by the Company through payroll deductions or		
		otherwise, pending transmittal to the proper payee	(1,008.86)	(835.00)
67 242800	The state of the s	Other miscellaneous employee costs collected by the Company through	(687.34)	210.55
68 242808		payroll deductions or otherwise, pending transmittal to the proper payee	0.00	
69 242950	The state of the s		0.00	0.00
70 2429880	The state of the s	Accrued liability for emissions fees	0.00	0.00 0.00
71 2429900		Accrued liability for Smelter Non-FAC PPA	(891.06)	(76,387.96)
·-L	Total Miscellaneous Current and Accrued Liabilities		(1,547,608.83)	(1,469,930.51)

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1	A/C #	A/C Title	Account Description	2006
4				2000
60	24252000	Accrued Credit Union	Credit union deposits collected by the Company through payroll deductions or otherwise, pending transmittal to proper payee	
61	24253000	Accrued United Way	United Way contributions collected by the Company through payroll	(9,533.49)
62	24255000	Accrued SURE & ACRE	deductions or otherwise, pending transmittal to proper payee SURE & ACRE contributions collected by the Company through payroll	(4,920.73)
	24261000	Accrued Employee Contri-Savings	deductions or otherwise, pending transmittal to proper payee	(221.29)
63	24201000	Accided Employee Contin-Savings	Savings plan contributions collected by the Company through payroll deductions or otherwise, pending transmittal to the proper payee	(57.84)
64	24262000	Accrued Employee Contri-401(k) Plan	401(k) plan contributions collected by the Company through payroll deductions or otherwise, pending transmittal to the proper payee	
65	24263000	Accrued Employee-401(k) Plan Loan	401(k) plan loan repayments collected by the Company through payroll deductions or otherwise, pending transmittal to the proper payee	(18,516.41)
66	24270000	Accrued Union Dues	Union dues collected by the Company through payroll deductions or otherwise, pending transmittal to the proper payee	(4,454.94)
67	24280000	Accrued Misc Liability-Employees	I series in the proper payee	(1,343.20)
68	24280800	Accrued Misc Liability-Employees-Oracle	Other miscellaneous employee costs collected by the Company through payroll deductions or otherwise, pending transmittal to the proper payee	(5.00)
ł	24295000	Accrued Liability-Emission Fees		0.00
		Accrued Liability-Other-Oracle	Accrued liability for emissions fees	0.00
	24299000	Accrued Liability-Other	Accrued liability for Smelter Non-FAC PPA	0.00
72		Total Miscellaneous Current and Accrued Liabilities	I STROKE HOLLI AC FFA	0.00
				(1,120,146.86)

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1	A/C#	A/C Title	Account Description	2010	
2			- South Sout	2010	2009
73 74					
	AG 1-21(e)	Other Deferred Credits			
76	25304500	Deferred Credit-Sale/Leaseback Gain	Deferral of gain realized on the Sale-Leaseback of two of the		
77	25320001	Deferred Credit-Lease Income-Nontransmission	Company's utility plants; amortized over the term of the agreement	0.00	0.00
- 1		Deferred Credit-Lease Income-Transmission	Deferral of LG&E Lease Income;amortized on a straight-line basis	0.00	0.00
		Doloned Greate-Lease Income-Transmission	through 2010	0.00	0.00
	25325000 Deferred Credit-Ca	Deferred Credit-Capital Asset Residual Value	Amounts representing the net book value of WKEC's share of the non-		
79		The state of the s	incremental asset that Big Rivers was required to pay to WKEC upon termination of the LG&E Lease Agreement	2.27	
			Amounts representing the net book value of WKEC's share of the	0.00	0.00
1	25325100	Deferred Credit-Incremental Residual Value	incremental asset that Big Rivers was required to pay to WKEC upon		
80			termination of the LG&E Lease Agreement	0.00	0.00
04	25335000	Deferred Credit-Century Excess Reactive Power	Deferral of amount received for Century excess reactive power	0.00	0.00
٠			agreement; amortized over 120 months	0.00	0.00
82	25336000	Deferred Credit-Alcan Excess Reactive Power	Deferral of amount received for Alcan excess reactive power		
83		Total Other Deferred Credits	agreement; amortized over 113 months	0.00	0.00
		Total Other Deferred Orealts		0.00	0.00

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1	A/C#	A/C Title	Account Description	2008	2007
2			7 locount Description	2006	2007
73					
74					
75	AG 1-21(e)	Other Deferred Credits			
	25304500	Deferred Credit-Sale/Leaseback Gain	Deferral of gain realized on the Sale-Leaseback of two of the		VII
-			Company's utility plants; amortized over the term of the agreement	0.00	(53,480,072.62)
		Deferred Credit-Lease Income-Nontransmission	Deferral of LG&E Lease Income;amortized on a straight-line basis	(11,371,302.23)	(15,962,262.84)
78	25320002	Deferred Credit-Lease Income-Transmission	through 2010	416,771.99	425,170.68
			Amounts representing the net book value of WKEC's share of the non-		
	25325000		incremental asset that Big Rivers was required to pay to WKEC upon		
79			termination of the LG&E Lease Agreement	(55,185,004,00)	(50,282,714.00)
			Amounts representing the net book value of WKEC's share of the		
- 1	25325100	Deferred Credit-Incremental Residual Value	incremental asset that Big Rivers was required to pay to WKEC upon		
80			termination of the LG&E Lease Agreement	(89,959,757.03)	(91,087,295.92)
	25335000	Deferred Credit-Century Excess Reactive Power Deferral of amount received for Century excess reactive power	Deferral of amount received for Century excess reactive power		
81		Dolonted Great Contary Exocos readily 1 ower	agreement; amortized over 120 months	(96,600.00)	(144,900.00)
- 2	25336000	Deferred Credit-Alcan Excess Reactive Power	Deferral of amount received for Alcan excess reactive power		
<u> </u>			agreement; amortized over 113 months	(104,607.16)	(139,476.28)
83		Total Other Deferred Credits		(156,300,498.43)	(210,671,550.98)

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1	A/C#	A/C Title	Account Description	
-2			Account Description	2006
73				
74	AC 4 044->	0.0		
		Other Deferred Credits		
76	25304500	Deferred Credit-Sale/Leaseback Gain	Deferral of gain realized on the Sale-Leaseback of two of the	
		Deferred Credit-Lease Income-Nontransmission	[Company's utility plants; amortized over the term of the agreement	(56,380,471.81)
		Deferred Credit-Lease Income-Nontransmission Deferred Credit-Lease Income-Transmission	Deterral of LG&E Lease Income; amortized on a straight-line basis	(17,735,486.07)
	LUCZUCOZ	beliefied credit-Lease income-Transmission	through 2010	419,239.39
	25325000	Deferred Credit-Capital Asset Residual Value	Amounts representing the net book value of WKEC's share of the non-	
79			Incremental asset that Big Rivers was required to pay to WKFC upon	
ŀ			termination of the LG&E Lease Agreement	(45,285,280.00)
	25325100	Deferred Credit-Incremental Residual Value	Amounts representing the net book value of WKEC's share of the	
80		The state of the s	incremental asset that Big Rivers was required to pay to WKEC upon	
-	25335000	Deferred Credit Contunt France France	termination of the LG&E Lease Agreement Deferral of amount received for Century excess reactive power	(95,458,373.78)
⊢		Deferred Credit-Century Excess Reactive Power	agreement; amortized over 120 months	
	25336000	Deferred Credit-Alcan Excess Reactive Power	Deferral of amount received for Alcan excess reactive power	(193,200.00)
			agreement; amortized over 113 months	(174 245 40)
83		Total Other Deferred Credits	The state of the s	(174,345.40)
				(214,807,917.67)

Case No. 2011-00036 Witness: Mark A. Hite Attachment for Item AG 1-21

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 22)	Please provide a comparison by month, or if not available, by quarter, of	
2	budgeted ve	ersus actual retirements for each month, from 2006 to date. Please explain any	
3	significant variations.		
4			
5	Response)	Big Rivers' capital budgeting process does not incorporate retirements.	
6	Therefore, a	comparison of actual to budgeted retirements is unavailable.	
7			
8			
9	Witness)	Mark A. Hite	
10			
11			
12			
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 23)	Customer Advances.
2		
3		a. What is the ratemaking treatment for customer advances proposed by the
4		Company in its filing? Where is such proposal found in the filing?
5		b. Provide the monthly level of customer advances for the period December
6		2007 thru December 2009.
7		c. Provide the monthly interest expense paid by the Company on customer
8		advances for the same period.
9		
10	Response)	Big Rivers has no Customer Advances for Construction, account 252.
11		
12		
13	Witness)	Mark A. Hite
14		
15		
16		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 24)	Customer Deposits.
2		
3		a. What is the ratemaking treatment for customer deposits proposed by the
4		Company? Where is such proposal found in the filing?
5		b. Provide the monthly level of customer deposits for the period December
6		2007 thru December 2010.
7		c. Provide the monthly interest expense paid by the Company on customer
8		deposits for the same period.
9		
10	Response)	
11		a. Interest accrued on deposits is included in Account 431.3 Interest Expense-
12		Other. Interest earned by Big Rivers, while the funds are held, is included
13		in Account 419.0 Interest & Dividend Income. The \$772 of interest
14		expenses recorded for the test year is generally offset by a similar amount of
15		interest income. The net effect, whether positive or negative, is in the
16		revenue requirement.
17		b. Please see attached schedule.
18		c. Please see attached schedule.
19		
20		
21	Witness)	Mark A. Hite
22		
23		
24		
25		

Big Rivers Electric Corporation Case No. 2011-00036 Customer Deposits

1		<u>Mo</u>	nthly Balance
2 3			
<i>3</i>	Dec-07	\$	434,135.12
5	Jan-08	\$ \$	434,133.12
6	Feb-08	\$ \$	436,325.96
7	Mar-08	\$	437,281.56
8	Apr-08	\$	437,942.11
9	May-08	\$	438,556.42
10	Jun-08	\$	439,150.92
11	Jul-08	\$	439,438.82
12	Aug-08	\$	440,053.13
13	Sep-08	\$	440,647.63
14	Oct-08	\$	441,261.94
15	Nov-08	\$	441,592.22
16	Dec-08	\$	441,933.51
17	Jan-09	\$	442,070.40
18	Feb-09	\$	442,194.04
19	Mar-09	\$	442,330.93
20	Apr-09	\$	442,463.40
21	May-09	\$	442,600.29
22	Jun-09	\$	442,732.76
23	Jul-09	\$	-
24	Aug-09	\$	-
25	Sep-09	\$	-
26	Oct-09	\$	-
27	Nov-09	\$	-
28	Dec-09	\$	-
29	Jan-10	\$	-
30	Feb-10	\$	-
31	Mar-10	\$	800,103.06
32	Apr-10	. \$	2,300,135.91
33	May-10	\$	300,176.86
34	Jun-10	\$	1,000,217.98
35	Jul-10	\$	700,381.56
36	Aug-10	\$	600,516.70
37	Sep-10	\$	700,634.90
38	Oct-10	\$	400,744.29
39	Nov-10	\$	400,839.35
40	Dec-10	\$	400,902.18

Case No. 2011-00036 Witness: Mark A. Hite Attachment for Item AG 1-24b Page 1 of 1

Big Rivers Electric Corporation Case No. 2011-00036 Interest Expense Accrued

1 2 3 4			nterest xpensed
5	Dec 07	ø	1 2/0 00
6	Dec-07 Jan-08	\$ \$	1,368.88
7	Feb-08	\$ \$	1,296.89 893.95
8	Mar-08	\$ \$	955.60
9	Apr-08	\$ \$	660.55
10	Apr-08 May-08	\$ \$	614.31
11	Jun-08	\$ \$	594.50
12	Jul-08	\$	287.90
13	Aug-08	\$	614.31
14	Sep-08	\$	594.50
15	Oct-08	\$	614.31
16	Nov-08	\$	330.28
17	Dec-08	\$	341.29
18	Jan-09	\$	136.89
19	Feb-09	\$	123.64
20	Mar-09	\$	136.89
21	Apr-09	\$	132.47
22	May-09	\$	136.89
23	Jun-09	\$	132.47
24	Jul-09	\$	66.24
25	Aug-09	\$	-
26	Sep-09	\$	-
27	Oct-09	\$	-
28	Nov-09	\$	-
29	Dec-09	\$	-
30	Jan-10	\$	-
31	Feb-10	\$	-
32	Mar-10	\$	103.06
33	Apr-10	\$	32.85
34	May-10	\$	49.74
35	Jun-10	\$	59.79
36	Jul-10	\$	163.58
37	Aug-10	\$	135.14
38	Sep-10	\$	118.20
39	Oct-10	\$	109.39
40	Nov-10	\$	95.06
41	Dec-10	\$	62.83

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 25)	Customer Deposits.
2		
3		a. What is the contractual interest rate on customer deposits?
4		b. Identify the tariff or statute that establishes the interest rate.
5		c. Does the Company accrue interest on inactive customer deposits?
6		d. How often is interest on customer deposits paid?
7		e. Is interest on customer deposits paid by check, in the form of a bill credit,
8		or credited as an addition to the customer deposit balance?
9		f. What is the Company's policy on customer deposits for collection, refund,
10		and use as an offset against an uncollectible balance?
11		g. Provide a copy of the Company's policy(ies) relating to customer deposits.
12		
13	Response)	
14		a. The interest rate on margin call deposits, in connection with Big Rivers' off-
15		system sales, depends on the EEI agreement between Big Rivers and the
16		particular party being margined. Generally, it is the overnight federal funds
17		floating rate. The interest rate on transmission reservation deposits was
18		determined in accordance with Big Rivers' OATT prior to joining the
19		Midwest ISO. The OATT required the federal funds discount rate.
20		b. See the response to a. above.
21		c. Big Rivers calculates interest on all customer deposits, and has no inactive
22		accounts. Big Rivers is a wholesale generation and transmission
23		cooperative and therefore has with very few customers and even fewer
24		deposits.
25		d. Generally, interest is paid when the deposit is returned.
26		e. The interest and deposit are usually paid by wire transfer.

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1		f. Use of the deposit would generally be dependent on the EEI agreement, or
2		Big Rivers' OATT prior to joining MISO.
3		g. Big Rivers has no company policy relating to customer deposits.
4		
5		
6	Witness)	Mark A. Hite
7		
8		
a		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 26)	For the test period and the preceding two 12-month periods, has the Company
2	sold any pro	perty which had formerly been included in Plant Held for Future Use or devoted
3	to utility serv	vice? If so, for each sale:
4		
5		1. Describe the property sold;
6		2. State whether, when and in what manner it had been included in rate
7		base;
8		3. Show the details of how the gain or loss was calculated;
9		4. Indicate when the sale occurred;
10		5. Explain how and whether the Company is amortizing such gain or loss,
11		and if so, show how such amortization was computed.
12		
13	Response)	No.
14		
15		
16	Witness)	Mark A. Hite
17		
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19		
20		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 27)	The following questions are related to the Company's policies regarding
2	accounting	for CWIP, plant in service and depreciation:
3		
4		a. For each item of CWIP which the Company has transferred into utility
5		plant in service for purposes of this filing, has a full 12 months of
6		depreciation expense been included in the cost of service?
7		b. For each item of CWIP which the company has transferred into utility
8		plant in service for the purposes of this filing, has an amount representing
9		a full 12 months of depreciation expense been added to the total
10		accumulated depreciation by which rate base is reduced?
11		
12	Response)	
13		a. Yes.
14		b. No.
15		
16		
17	Witness)	Mark A. Hite
18		
19		
20		
21		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 28)	For plant construction projects representing plant additions costing more
2	than \$1 mill	ion added during 2006 - to date, please state the following:
3		
4		a. Description of project.
5		b. Any economic feasibility studies done regarding the project.
6		c. Any related cost savings achieved as a result of adding the addition.
7		d. Whether the project was for replacement, for new growth, environmental,
8		or other.
9		e. Description of why the project was necessary.
10		
11	Response)	Transmission construction projects with total transmission plant additions of \$1
12	million or me	ore during the years 2006 – to date are as follows:
13		
14		<u>Year: 2006</u>
15		None
16		
17		<u>Year: 2007</u>
18		Project: Work Order 879
19		a. Cumberland 69kV Line
20		b. There was no feasible alternative for meeting Big Rivers' contractual
21		obligation to serve and for meeting its reliability requirements.
22		c. The construction was not performed to achieve cost savings, but to meet our
23		contractual obligation to serve and to meet our reliability requirements.
24		d. Load growth
25		e. Provide 69kV transmission service to new Jackson Purchase delivery point
26		substation.

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	
2	<u>Year: 2008</u>
3	Project: Work Order 885
4	a. Reid to Daviess County 161kV Line Re-conductor
5	b. The only feasible alternative to satisfy the single contingency reliability
6	requirement would have been to build a duplicate line which would have
7	cost multiple times the cost of this project.
8	c. The construction was not performed to achieve cost savings but to meet Big
9	Rivers' reliability requirements.
10	d. Maintain transmission system reliability
11	e. Increase line rating to meet maximum power flows under single contingency
12	conditions.
13	
14	Project: Work Order 893
15	a. Skillman Tap to Meade County 161kV Line
16	b. Big Rivers performed an economic analysis for this project as part of its
17	application for a Certificate of Public Convenience and Necessity (Case No.
18	2004-00365). This application was reviewed by The Liberty Consulting
19	Group on behalf of the Commission and subsequently approved by the
20	Commission on February 28, 2005.
21	c. The construction was not performed to achieve cost savings but to meet Big
22	Rivers' reliability requirements.
23	d. Maintain transmission system reliability
24	e. Provide a second 161kV line source to the Meade County substation.
25	
26	

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Project: Work Order 903
2	a. Daviess EHV Station and 345kV Line Connections
3	b. The construction plan and cost was developed under the provisions of Big
4	Rivers' Open Access Transmission Tariff.
5	c. The construction was not performed to achieve cost savings but to meet Big
6	Rivers' obligations under its Open Access Transmission Tariff.
7	d. Increase system export capability
8	e. New construction required to meet increased export capability per
9	Transmission Service Request under Big Rivers' Open Access Transmission
10	Tariff
11	
12	<u>Year: 2009</u>
13	Project: Work Order 917
14	a. McCracken Co. to Olivet Church Road tap 69kV Line
15	b. There was no feasible alternative for satisfying the single contingency
16	reliability requirement in this case.
17	c. The construction was not performed to achieve cost savings but to meet Big
18	Rivers' reliability requirements.
19	d. Maintain transmission system reliability
20	e. Provide additional 69kV line from transmission substation to the existing
21	area network line facilities.
22	
23	

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Project: Work Order 908
2	a. Microwave System Expansion- East and West Loop
3	b. This project was developed and agreed to by Big Rivers and its three
4	member distribution cooperatives as a shared service communications
5	system improvement.
6	c. The communications system expansion developed under this project
7	benefited the entire Big Rivers system including the efficiencies of its
8	member cooperatives, but these efficiencies cannot be quantified.
9	d. Increase communications capabilities in Jackson Purchase and Meade Co.
10	service areas.
11	e. Improve communication system reliability in far eastern and western
12	portions of the Big Rivers' service area and provide similar communication
13	system access to all three Member cooperatives.
14	
15	<u>Year: 2010</u>
16	Project: Work Order 864
17	a. McDaniels to Falls of Rough 69kV Line
18	b. There was no feasible alternative for satisfying the single contingency
19	reliability requirement in this case.
20	c. The construction was not performed to achieve cost savings but to meet Big
21	Rivers' reliability requirements.
22	d. Maintain transmission system reliability
23	e. Provide second 69kV line (source) to the Falls of Rough substation of
24	Meade Co. R.E.C.C. and provide additional network facility for improved
25	reliability to other substations.
26	

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	P	roject: Work Order 946
2	a.	Oil Spill Prevention, Control & Countermeasures Upgrades
3	b.	There was no feasible alternative for satisfying the EPA regulation in this
4		case.
5	c.	The project was performed to comply with EPA regulations, not to achieve
6		cost savings.
7	d.	Environmental
8	e.	Compliance with new EPA regulation.
9		
10	P	roject: Work Order 952
11	a.	Digital Microwave Addition between Headquarters and Power Plants
12	b.	Black & Veatch performed a study to determine least cost method of
13		providing the required communications capability and recommended this
14		construction alternative.
15	c.	This project was required to replace operations performed by E.ON prior to
16		the Unwind Closing.
17	d.	Replacement of the short term leased usage of the E.ON fiber network
18		communication system existing at the time of the Unwind Closing.
19	e.	The term of usage of the E.ON fiber network facilities was a maximum of
20		eighteen months following the Unwind Closing.
21		
22	With respo	ect to generation construction projects, Big Rivers only has data since the
23	closing of the Un	wind Transaction. When the Unwind Transaction closed on July 16, 2009,
24	Big Rivers resum	ed operational control of the generating units the E.ON Entities had operated
25	since 1998. The	capital projects completed for the period 2006 through July 16, 2009 were
26	those of Western	Kentucky Energy, not Big Rivers, and Big Rivers does not have the data

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	required to develop the information requested for that period. Generation plant construction	
2	projects representing plant additions costing more than \$1 million added during the period	
3	July17, 2009 to date are as follows:	
4		
5	<u>Year: 2009</u>	
6	Project WK09W071U	
7	a. Rewind Wilson Generator Exciter	
8	b. See Item 28 Project WK09W071U attachment	
9	c. Not determined	
10	d. Replacement	
11	e. Maintain unit reliability	
12		
13	Project WK09IW01U	
14	a. Replace two layers of catalyst in Wilson's SCR	
15	b. See Item 28 Project WK09IW01U attachment	
16	c. Not determined	
17	d. Environmental	
18	e. Maintain NOx removal efficiency of the SCR	
19		
20	Project WKEWLFGD	
21	a. Refurbish Wilson FGD	
22	b. See Item 28 Project WKEWLFGD attachment	
23	c. Not determined	
24	d. Environmental	
25	e. Maintain SO2 removal efficiency of the FGD	
26		
27		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 29) Explain in detail the Company's procedure for accruing AFUDC and provide
2	examples of AFUDC accrued from 2006 to date. Discuss specifically how the Company
3	computes the AFUDC rate, and computes AFUDC monthly. Show examples of each
4	calculation. Also provide references to PSC Orders which authorize or approve the
5	calculation methods used by the Company.
6	
7	Response) Big Rivers does not record an allowance for funds other than borrowed funds
8	used during construction, account 419.1, but it does record interest charged to construction
9	based on the "net cost of borrowed funds" used for construction purposes, account 427.3, in
10	accordance with its Capitalized Interest Policy. As stated therein, the policy applies to all
11	construction projects estimated to cost at least \$250,000. The capitalization of interest starts
12	when the first dollar is expended and construction has begun. The capitalization rate is equal
13	to the effective interest rate on the RUS Series A Note, 5.84% as of February 28, 2011. The
14	basis for this capitalization rate is due to the RUS Series A Note allowing for prepayments and
15	"claw-backs" at any time, for any amount, so long as the Allowed Balance is not exceeded.
16	The amount of interest to be capitalized is determined by applying an interest rate (the
17	capitalization rate) to the amount of to-date accumulated expenditures for qualifying
18	construction projects. Accumulated expenditures are calculated using the following equation:
19	Work order balance - (retainage + payables + capitalized interest) + current month cash
20	expenditures. The capitalization of interest ends when the qualifying project is substantially
21	complete and ready for its intended use.
22	A copy of Big Rivers' Capitalization of Interest Policy was previously provided
23	in Big Rivers' response to Item PSC 1-6 of the Staff's Initial Data Requests in this proceeding.
24	An example of the capitalized interest calculation is shown in the response to Item 23 of the
25	Commission Staff's Second Information Request.

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1		Big Rivers has not located a Commission Order approving its Capitalization of	
2	Interest Policy, which has been in effect since 1993.		
3			
4	Witness)	Mark A. Hite	
5			
6			
7			
8			
9			

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 30)	Identify how much of the Company's materials and supplies balance at from
2	2007 to date	is related to construction activities.
3		
4	Response)	None of Big Rivers' materials and supplies balance from 2007 to date is related
5	to construction activities.	
6		
7		
8	Witnesses)	Robert W. Berry and David G. Crockett
9		
10		
11		
12		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 31)	Please provide a copy of the Company's five-year (or shorter if 5 years is not
2	prepared) op	perating, maintenance, and capital budgets prepared for each year from 2007 to
3	the most recent available.	
4		
5	Response)	A copy of the following items are on the enclosed CD, in sequential order:
6		
7		2007 Budget
8		2008 Budget
9		2009 pre-Unwind Budget (through July 16, 2009)
10		2009 post-Unwind Budget (post-July 16, 2009)
11		2010 Budget
12		2011 through 2013 Financial Plan
13		2011 Budget
14		2012 through 2014 Financial Plan
15		
16		
17	Witness)	Mark A. Hite
18		
19		
20		
21		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 32)	For the budgets supplied in response to the preceding question, please provide		
2	a description of all variations from actual expense levels which are due to known and			
3	certain char	ges, providing supporting documentation. Indicate all variations from actual		
4	levels which	levels which result from the application of inflation or escalation factors. In those instances		
5	where inflat	where inflation or escalation factors were utilized, explain the derivation of the factors used		
6	in each case	. If a single factor was used, a summary description will suffice.		
7				
8	Response)	Big Rivers objects to the request to the extent that it seeks information		
9	concerning v	variations between actual and budgeted expense amounts for periods prior to the		
10	closing of th	e Unwind Transaction, on the ground that information concerning Big Rivers' pre-		
11	Unwind operations is neither substantially nor materially relevant to the issues presented in Big			
12	Rivers' 2011	Rate Case. Without waiving this objection, please see the Financial Reports for		
13	the years 200	77 to 2010 which are provided on the CD accompanying these responses.		
14				
15				
16	Witnesses)	Mark A. Hite, Robert W. Berry, David G. Crockett, and Counsel		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 33)	Please indicate, if known and quantifiable, any anticipated changes in
2	jurisdictiona	l allocation factors and the impacts thereof on the test period in this case.
3		
4	Response)	Big Rivers does not provide requirement service in multiple jurisdictions.
5	Consequently	y, it is not necessary to perform a jurisdictional allocation study for Big Rivers.
6		
7		
8	Witness)	William Steven Seelye
9		
10		
11		
12		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 34)	Indicate t	the number of, and expe	nses related to, temporary or seasonal
2	employees in	icluded in ji	urisdictional expenses fr	om 2007 to the present.
3				
4	Response)	The numb	per of, and expenses relat	ed to, temporary employees for 2007 to the
5		present ar	e as follows:	
6				
7		Year	# Employees	Expense
8		2007	3	44,553
9		2008	5	102,992
10		2009	5	93,929
11		2010	0	0
12		2011	0	0
13				
14				
15	Witnesses)	James V.	Haner and Mark A. Hite	
16				

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 35)	Please provide a schedule showing the percentage of increase in salaries and
2	wages for bo	oth union and non-union employees for the test period and the three preceding
3	12-month pe	eriods. Break out non-union employees between CEO, executives making more
4	than \$150,0	00 and management making less than \$150,000.
5		
6	Response)	The attached schedule, filed pursuant to a Petition for Confidential Treatment,
7	shows the pe	ercentage increase in salaries and wages (base rate) for both union and non-union
8	employees fo	or the test year and the three preceding calendar years. The non-union percentage
9	is broken ou	t between CEO, management making more than \$150,000, management making
10	less than \$15	50,000, and all other.
11		
12	Witness)	James V. Haner
13		

PERCENTAGE INCF	REASE IN SALARIE	S AND WAGE	S (BASE RAT	E)
	2007	2008	2009	Test
				Year
NON-UNION				
CEO	3.40%	3.20%	69.58%	0.00%
Management > \$150,000	16.26%	3.20%	12.45%	0.91%
Management < \$150,000	6.62%	6.38%	4.68%	2.71%
All Other	5.49%	5.80%	5.40%	2.09%
TOTAL	6.51%	5.40%	8.94%	2.05%
UNION (Contract Increase)				
Transmission Division	3.20%	4.50%	3.50%	3.50%
Generation Division	n/a	n/a	3.20%	3.20%

The calculation for a year does not include the sallary or wages of an employee who commenced or terminated employment, or changed employment classifications.

Case No. 2011-00036 Witness: James V. Haner Attachment to Item AG 1-35

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 36)	Please provide jurisdictional totals and amounts by payee, and an explanation
2	of the service	es provided, for all amounts charged to outside services during the years 2007
3	through 201	10.
4		
5	Response)	The enclosed CD contains a schedule showing the total professional services,
6	by payee, fo	r the years 2007 through 2010. Note that the Midwest ISO case (Case No. 2010-
7	00043) and t	this rate case have been included.
8		
9		
10	Witness)	Mark A. Hite
11		
12		
13		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 37)	Please provide copies of any studies or analyses prepared by or for the
2	Company re	egarding the level of the Company's wages compared to the wages paid by other
3	utilities, ser	vice companies, or any other entity.
4		
5	Response)	Attached to the response to Item 35 of Commission Staff's initial request for
6	information,	Item PSC 1-35, is a copy of Watson Wyatt's report on market comparison results
7	of a benchm	arking study completed by them in April 2008.
8		
9	Witness)	James V. Haner
10		
11		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 38)	Please provide the F	ICA wage	base dollars inc	luded in total s	wages paid for
2	the years 200	77 to 2010.				
3						
4	Response)	The FICA wage base	e dollars in	cluded in total v	vages for the ye	ears 2007 to 2010
5	is shown belo	w:				
6		Wages	and Benefi	its Subject to F	<u>ICA</u>	
7		((in thousand	ds of dollars)		
8			<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
9	Gross wages		8,539	9,604	26,389	46,710
10	Taxable Group T	Term Life Ins. Premium	32	49	100	189
11	Taxable Per Dier	m	1	1	2	3
12	Personal Use of Company Vehicle		29	37	46	68
13	Commute Fee fo	or Use of Company Vehicle	6	6	7	5
14	Travel Accident Insurance Premium		1	1	1	1
15	Safety Awards				1	12
16	Employer Cont t	o Non-Qualified				
17	Deferred Comp			48	32	57
18						
19	The following is	excluded from FICA Tax:				
20	Employee Cafete	eria Plan Contribution	205	224	492	1,046
21						
22	Also, please so	ee the revised response	e to Item 29	of the Commis	sion Staff's Ini	tial Request for
23	Information fo	or the test year FICA w	vage base d	ollars.		
24						
25						
26	Witness)	Mark A. Hite				

Case No. 2011-00036 Response to Item AG 1-38 Witness: Mark A. Hite

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 39)	Please provide the FICA wage base for the test period and explain its
2	derivation.	
3		
4	Response)	Please refer to the response to Item 29 of the Commission Staff's Initial Request
5	for Informati	ion dated February 18, 2011, for the FICA wage base and its derivation for the test
6	period.	
7		
8		
9	Witness)	Mark A. Hite
10		
11		
12		
13		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 40) Please provide the percent of wages, employee benefits, overheads by type,
2	employment taxes and other expenses charged to O&M on the basis of labor dollars (by the
3	various labor categories, if possible) for the years 2007 to 2010. Please indicate the causes
4	of any differences between the percentages if over 3 percent from year to year.
5	
6	Response) The percent of wages charged to O&M for the years 2007 through 2009 and the
7	test year ending October 31, 2010 is provided in the response to revised Item 27 of the
8	Commission Staff's First Information Request, line 12 of Format 27. Pursuant thereto, the
9	percent of wages charged to expense was: 2007 - 96.91%; 2008 - 98.02%; 2009 - 98.83%;
10	test year - 98.49%. Such information is not provided for calendar year 2010. Test year
11	employee benefits and employment taxes were provided in response to revised Item 30 of the
12	Commission Staff's First Information Request. Pursuant thereto, the percent of benefits
13	charged to expense was 98.88%. Note that based on functional accounting, the benefit percent
14	charged to expense is consistent with the percent wages charged to expense. Refer to the
15	response provided for Item 122 of the KIUC's First Data Request for an explanation of
16	changes in non-union wages for the years 2007 through 2010. As the Unwind Transaction
17	closed at midnight on July 16, 2009, pre-Unwind periods are generally meaningless and
18	irrelevant to the post-Unwind mode of operations for Big Rivers. Therefore, information on
19	employee benefits and employment taxes is not being provided for pre-Unwind periods.
20	Further, due to the E.ON IT Support Services Agreement terminating January 15, 2011, Big
21	Rivers no longer has access to the PeopleSoft and Oracle 11i information. Accordingly, the
22	information on employee benefits and employment taxes for 2009 is not available.
23	
24	
25	Witnesses) James V. Haner and Mark A. Hite

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 41)	State whether the filing includes any provision for corporate performance
2	awards. If s	so, list the dollar amount for each program. Identify into which accounts and in
3	what amoun	nts it has been accrued.
4		
5	Response)	As noted on lines 11 and 12 of Exhibit 55 of the Application, in the testimony
6	of Mark A. I	Hite, the pro forma revenue requirement for labor/labor overhead expenses,
7	Schedule 2.0	07, does not include any corporate performance awards (i.e. incentive pay award).
8		
9		
10	Witness)	Mark A. Hite
11		
12		
13		
14		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 42)	Does overtime include normal pay plus premium or just premium? Identify
2	the level of p	premium pay for the years 2007 to 2010.
3		
4	Response)	Overtime includes normal pay plus premium. The level of premium pay for the
5	years 2007 t	o 2010 is as follows:
6		
7	Barg	aining unit: All bargaining unit employees are paid overtime at their normal pay
8	plus	premium. The level of overtime premium paid is governed by the rules of the
9	barga	aining unit contract based on the particular circumstance in which overtime work is
10	requi	red, and ranges from 50% -100% premium.
11		
12	Non-	bargaining: The job classification of non-bargaining employees determines how
13	they	are compensated for overtime.
14		
15	Non-exempt	employees are paid at an hourly rate and are eligible for overtime at their normal
16	pay plus pres	nium. The level of overtime premium paid is based on the particular circumstance
17	in which ove	rtime work is required, and ranges from 50% - 100% premium.
18	Certa	in exempt employees are compensated for overtime at their normal pay rate with
19	no premium,	provided the overtime is scheduled and approved.
20		
21		
22	Witnesses)	James V. Haner and Mark A. Hite
23		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 43)	Please provide a copy of any Company labor productivity analyses which
2	have been pe	erformed during the past three years.
3		
4	Response)	None have been performed during the past three years.
5		
6		
7	Witness)	James V. Haner
8		
9		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 44)	Please provide a copy of the Company's most recent pension plan and post-
2	retirement l	penefits actuarial studies.
3		
4	Response)	Copies of Mercer's January 20, 2011 valuation reports entitled "Actuarial
5	Valuation R	eport FAS 87 Expense for Fiscal Year Ending December 31, 2010," for the
6	salaried and	bargaining employees' retirement plans, are attached to the response to Item 36b
7	of Commiss	ion Staff's initial request for information, Item PSC 1-36b. The post-retirement
8	benefit valua	ation results for the year ending December 31, 2010, are presented in a Mercer
9	January 20,	2011 letter and exhibits thereto, a copy of which is attached to the response to Item
10	37d of Com	mission Staff's initial request for information, Item PSC 1-37d.
11		
12	Witness)	James V. Haner
13		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 45)	With regard to pension expense:
2		
3		a. Please provide the most recent actuarial study.
4		b. Please identify the amount of pension expense included for the years 2007
5		to 2010. Please provide workpapers showing the derivation of these
6		amounts.
7		c. Please state whether the pension expense provided in part b, includes
8		interest charges or earnings based on the time of payment. If yes, please
9		identify the amount and provide workpapers or supporting documentation.
10		d. Please state the frequency with which pension contributions are made and
11		the relationship of the payment date(s) to the period for which the
12		contribution is being made. If the pension contributions are paid to the
13		parent or service company, please identify both Company payment date(s)
14		and the date(s) on which the contribution is actually made by the affiliate.
15		e. Please identify where pension expense has been included in the last
16		working capital study and how the pension contribution date was
17		recognized in determining the lag days for that category.
18		f. Please describe and quantify the effects FASB 87, 88 and 158 had on the
19		pension plans for the Company for the years 2007 to 2010.
20		
21	Response)	a. Please see response to preceding item 44.
22		b. Please see response to Item 36d. of Commission Staff's Initial Request for
23	Information,	Item PSC 1-36d.
24		c. Net periodic pension cost is determined by the actuary. It is determined in
25	accordance v	with FAS 87 (now ASC 715) and as such includes components for service cost,
26	interest cost.	expected return on assets, and amortization items. Interest and/or earnings are

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	reflected in the service cost, interest cost, and expected return on assets components of the
2	pension expense. Service cost includes interest to the end of the fiscal year for which expense
3	is being calculated. Interest cost reflects the interest on the beginning of year projected benefit
4	obligation adjusted by benefits expected to be paid during the year. The expected return on
5	assets reflects the assumed investment return on the market value of plan assets as of the
6	beginning of the year less expected benefit payments plus expected contributions, if any.
7	Given that Big Rivers typically makes contributions at the end of the plan year, expected
8	contributions were not reflected in the determination of the expected return on assets in the
9	calculations for the period 2007 to 2010.
10	d. Big Rivers typically makes pension plan contributions in December of the
11	plan year for which they are being made. The contributions are made directly to the Trustee.
12	e. Big Rivers has not made a working capital study.
13	f. As stated in item c above, FAS 87 is the accounting standard in accordance
14	with which pension expense is determined. The pension expense amount is therefore the
15	quantification of the effect of FAS 87. FAS 88 is the accounting standard prescribing
16	determination of the amount to be recognized when a settlement of defined benefit pension
17	obligations has occurred. Settlement was deemed to have occurred in 2009 with regard to both
18	the bargaining and non-bargaining defined benefit plans of Big Rivers, when cumulative
19	payments made exceeded the total of service cost plus interest for each of the plans. The effect
20	was a one time charge to pension expense of \$316,219 for the bargaining plan, and \$1,374,097
21	for the non-bargaining plan. FAS 158 is the accounting standard directing recognition on the
22	balance sheet of the funded status of the plans. It does not affect the statement of operations.
23	The response to item 40 of Commission Staff's initial request for information, Item PSC 1-40
24	contains additional information with regard to FAS 158.
25	
26	Witness) James V. Haner

C

Case No. 2011-00036 Response to Item AG 1-45 Witness: James V. Haner

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 46)	What rate of interest is the Company currently earning on its pension plan
2	fund balance?	?
3		
4	Response)	As of February 28, 2011, the 12-month return is 17.5%.
5		
6		
7	Witness)	James V. Haner
8		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 47)	Has the Company considered reducing the amount of post retirement health
2	care, dental	and life insurance coverage? If yes, provide details of any proposed reductions.
3	If no, provid	le an explanation of why not.
4		
5	Response)	Big Rivers does not provide post-retirement life insurance coverage. Dental
6	coverage off	Fered is that available under COBRA. Big Rivers does provide post-retirement
7	medical cov	erage and is considering its options for reducing the cost of that benefit, which
8	include marl	ceting the coverage, self-insurance, and changes in eligibility, plan design, and
9	participant c	ontribution to the cost.
10		
11	Witness)	James V. Haner
12		

Case No. 2011-00036 Response to Item AG 1-47 Witness: James V. Haner

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 48)	Provide a complete copy of any and all actuarial reports prepared by or for
2	the Compan	y during the past three years concerning the cost of post retirement benefits
3	other than p	ensions.
4		
5	Response)	The non-pension post-retirement benefit valuation results for the year ending
6	December 3	1, 2010, are presented in a January 20, 2011 letter and exhibits thereto prepared by
7	Mercer. A c	opy of that letter and exhibits is attached to the response to Item 37d of
8	Commission	Staff's initial request for information, Item PSC 1-37d. Valuation results for the
9	years ended	December 31, 2008, and December 31, 2009, are presented in Mercer letters and
10	exhibits date	d January 16, 2009, and January 27, 2010, respectively, copies of which are
11	attached here	eto.
12		
13	Witness)	James V. Haner
14		
15		

Page 1 of 1

MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

January 16, 2009

Mr. James Haner Manager of Human Resources Big Rivers Electric Corporation P.O. Box 24 Henderson, KY 42420

Subject:

Nonpension Postretirement Benefit Valuation Results for the Fiscal Year Ending December 31, 2008

Dear Mr. Haner:

The purpose of this letter report is to provide you with the key cost calculations resulting from our valuation of the liabilities associated with the postretirement medical program sponsored by Big Rivers. These liabilities have been valued in accordance with our interpretation of Statements of Financial Accounting Standards Nos. 106, 132R and 158.

Attached are four exhibits which summarize our results.

- Exhibit 1: "Valuation Results" (presents the key cost calculations for the current plan)
- Exhibit 2: "FAS 158 Disclosure for the Fiscal Year Ending December 31, 2008 (provides the required FAS 158 disclosure for the 2008 fiscal year)
- Exhibit 3: "Actuarial Basis" (documents the major actuarial assumptions utilized to develop the valuation results)
- Exhibit 4: "Summary of Plan Provisions" (summarizes the provisions of the current retired medical benefit plans)
- Exhibit 5: "Medical Claims Cost Derivation" (documents the calculation of claims cost)

MARSH MERCER KROLL
GUYCARPENTER OLIVER WYMAN
Page 2
January 16, 2009
Mr. James Haner
Big Rivers Electric Corporation

The annual expense (or net periodic postretirement benefit cost), which is the annual charge to earnings associated with adoption of the FAS 106 accounting standard, is \$268,968 for the 2008 fiscal year, based on the plan of benefits outlined in Exhibit 4.

The enclosed information is based on census data and health insurance rates provided by Big Rivers for the 2008 and 2009 fiscal years. Other relevant assumptions are outlined on the attached exhibits.

We have prepared an actuarial valuation of the Big Rivers' postretirement benefit plan as of January 1, 2008, for the fiscal year ending December 31, 2008 to enable the plan sponsor to satisfy the accounting requirements under Statements of Financial Accounting Standards Nos. 106 and 158. The results of the valuation set forth in this report reflect the provisions of the plan as outlined in the attached Exhibit 4 and effective January 1, 2008.

All costs, liabilities and other factors under the plan were determined in accordance with generally accepted actuarial principles and procedures. The calculations reported herein are consistent with our understanding of the provisions of FAS Nos. 106, 132R and 158. The actuarial assumptions were selected by the company with the concurrence of its auditors. We believe the actuarial assumptions to be reasonable.

Actuarial computations under Statements of Financial Accounting Standards are for purposes of fulfilling employer accounting requirements. Computations for other purposes may differ significantly from the results shown in this report.

For the 2008 expense calculation we have included a disability incidence assumption (previously there was none). In addition the trend assumption was updated to reflect an updated methodology for establishing future medical trends. No other assumptions changed from the 2007 year end disclosure assumptions. For the 2008 year end disclosure the mortality table was adjusted to the mortality table required by the Pension Protection Act to be used for Retirement Plan funding purposes as of January 1, 2009 and the discount rate increased to 6.32%, based on applying the Mercer Yield Curve to projected APBO cash flows under the current plan provisions. All other assumptions and plan provisions are shown on Exhibits 3 and 4 of this report.

We have **not** included an adjustment for the impact of any federal subsidy under the Medicare Prescription Drug, Improvement and Modernization Act of 2003, as your plan started offering Medicare Part D plans beginning in 2006 and is not eligible for this subsidy.

MARSH MERCER KROLL
MMC GUY CARPENTER OLIVER WYMAN
Page 3
January 16, 2009
Mr. James Haner
Big Rivers Electric Corporation

We are available to answer any questions on this material, or to provide explanations or further details as may be appropriate. If you have any questions or need additional information, please call Dwayne Jarboe at (502) 561-4720. Collectively, the undersigned credentialed actuaries meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report. As referenced below, long-term assumptions include those assumptions not related to health care claims costs.

Sincerely,

D G-00.3		January 16, 2009
Alan J. Craig, F.S.A., M.A.A.A.	Date	
Short term assumptions reviewed by:		January 16, 2009
Charles W. Edwards III, F.S.A., M.A.A.A.	Date	January 10, 2007
Long-term assumptions reviewed by:		
	P.	January 16, 2009
Staci James, F.S.A., E.A., M.A.A.A.	Date	
Copy: Dwayne Jarboe		
Enclosure		

The information contained in this document (including any attachments) is not intended by Mercer to be used, and it cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code that may be imposed on the taxpayer.

Valuation Results for the Fiscal Year Ending December 31, 2008

	Г	Salaried	E	Bargaining		Total
Expected Postretirement Benefit Obligation						
(EPBO) at the beginning of period	\$	3,781,456	\$	247,192	\$	4,028,648
Accumulated Postretirement Benefit Obligation					····	
(APBO) at the beginning of period						
Inactive	\$	966,288	\$	-	\$	966,288
Active Fully Eligible	\$	946,981	\$	•	\$	946,981
Active Not Fully Eligible	\$	858,941	\$	141,299	\$	1,000,240
Total	\$	2,772,210	\$	141,299	\$	2,913,509
FAS 106 Expense						
Service Cost	\$	119,661	\$	9,892	\$	129,553
Interest Cost	\$	158,423	\$	8,266	\$	166,689
Amortization Amounts						
Amortization of Transition Obligation*	\$	29,191	\$	1,488	\$	30,679
Prior Service Cost	\$	791	\$	860	\$	1,651
(Gain)/Loss	\$	(56,407)	\$	(3,197)	\$	(59,604)
Total Expense	\$	251,659	\$	17,309	\$	268,968
Projected Cash Flow for 2008	\$	128,244	\$	•	\$	128,244
Amortization of (Gain)/Loss						
1. APBO as of January 1, 2008	\$	2,772,210	\$	141,299	\$	2.913.509
2. Unrecognized Transition Obligation*	\$	145,960	\$	7,440	\$	153,400
3. Unrecognized Prior Service Cost	\$	4,347	\$	4,726	\$	9,073
4. (Accrued)/Prepaid Postretirement Benefit Cost*	S	(3,688,814)	\$	(188,018)	\$	(3,876,832)
5. Unrecognized (Gain)/Loss (1)-(2)-(3)+(4)	\$	(1,066,911)	\$	(58,885)	\$	(1,125,796)
6. 10% of (1)	\$	277,221	\$	14,130	\$	291,351
7. Unrecognized (Gain)/Loss Subject to Amortization	\$	(789,690)	\$	(44,755)	\$	(834,445)
8. Average Future Service of Active Participants		14		14		14
9. Amortization of (Gain)/Loss (7)/(8)	\$	(56,407)	\$	(3,197)	\$	(59,604)
Participant Data						
Active Fully Eligible		29		•		29
Active Not Fully Eligible		57		26		83
Retirees Receiving Benefits		34		1		35
Spouses Receiving Benefits		14		1		15
Disabled**		7		2		9
Spouses of Disabled**		2		-		2
Total		143		30		173

Breakout of Transition Obligation and (Accrued) between Salaried and Bargaining is based on APBO. The (Accrued) was provided in a letter from Ms. Cindy Duckworth dated October 28, 2008.

Blg Rivers Electric Corporation

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Expense under FAS 108 excludes cost for disabled employees. These liabilities are covered under FAS112. Mercer

FAS 158 Disclosure for the Fiscal Year Ending December 31, 2008

Change in benefit obligation		2008		2007
Benefit obligation at beginning of year	\$	2,861,761	\$	2,711,850
Service cost		129,553		84,430
Interest cost		166,689		153,269
Participant contributions*		60,956		45,172
Plan amendments		•		•
Curtailments		•		•
Settlements		•		•
Special termination benefits		•		-
Benefits paid*		(178,698)		(170,057
Actuarial (gain) or loss		(92,142)		37,097
Benefit Obligation at end of year	\$	2,948,119	\$	2,861,761
Change in plan assets				
Fair value of plan assets at beginning of year	\$	•	\$	•
Actual return on assets		•		•
Employer contributions		117,742		124,885
Participant contributions*		60,956		45,172
Benefits paid *		(178,698)		(170,057
Settlements	_	•		•
Fair value of plan assets at end of year	. \$	•	\$	•
Funded status				
Funded status	\$	(2,948,119)	\$	(2,861,761
Employer contributions between measurement date and fiscal year end		•		•
Net amount recognized in statement of financial position (after FAS 158)	\$	(2,948,119)	S	(2,861,761
Amounts recognized in the statement of financial position consist of:				
Noncurrent assets	5	-	\$	-
Current liabilities		(155,776)		(138,404
Noncurrent liabilities		(2,792,343)		(2,723,357
Net amount recognized in statement of financial position (after FAS 158)	\$	(2,948,119)	\$	(2,861,761
Amounts not yet reflected in net periodic benefit cost and included in accumulate	ed othe	r comprehens	ve	ncome
Transition obligation asset (obligation)	\$	(122,721)	\$	(153,400
Prior service credit (cost)		(7,422)		(9,073
Accumulated gain (loss)		1,199,581		1,177,545
Accumulated other comprehensive income (AOCI)		1,069,438		1,015,072
Cumulative employer contributions in excess of net periodic benefit cost		(4,017,557)		(3,876,833
Net amount recognized in statement of financial position (after FAS 158)	\$	(2,948,119)	\$	(2,861,761
Components of net periodic postretirement benefit cost				
Service cost	\$	129,553	\$	84,430
Interest cost		166,689		153,269
Expected return on plan assets		•		•
Amortization of transition obligation		30,679		30,679
Amortization of prior service cost		1,651		1,651
Recognized actuarial (gain) or loss		(59,603)		(70,325
Net periodic postretirement benefit cost	\$	268,969	\$	199,704
stimated amounts that will be amortized from accumulated other comprehensive	e incom	e over the nex	d fil	scal year
	\$		\$	30,679
Amortization of transition obligation (asset)	-	1,651	\$	1,651
	\$	1,001	_	(63,669)
Amortization of transition obligation (asset)	\$	(64,626)	\$	100,000
Amortization of transition obligation (asset) Amortization of prior service cost (credit) Amortization of net (gain) loss			5	100,000
Amortization of transition obligation (asset) Amortization of prior service cost (credit) Amortization of net (gain) loss			5	
Amortization of transition obligation (asset) Amortization of prior service cost (credit) Amortization of net (gain) loss Velghted-average assumptions as of December 31		(64,626)	<u> </u>	5.85% N/A
Amortization of transition obligation (asset) Amortization of prior service cost (credit) Amortization of net (gain) loss Velghted-average assumptions as of December 31 Discount rate		(64,626) S	5	5.85% N/A
Amortization of transition obligation (asset) Amortization of prior service cost (credit) Amortization of net (gain) loss Velghted-average assumptions as of December 31 Discount rate Expected long-term rate of return on plan assets Rate of compensation increase		(64.626) 5 6.32% N/A	<u> </u>	5.85% N/A
Amortization of transition obligation (asset) Amortization of prior service cost (credit) Amortization of net (gain) loss Velghted-average assumptions as of December 31 Discount rate Expected long-term rate of return on plan assets Rate of compensation increase leafth care cost trend rate assumption as of December 31		(64,626) 5 6.32% N/A N/A		5.85% N/A N/A
Amortization of transition obligation (asset) Amortization of prior service cost (credit) Amortization of net (gain) loss Velghted-average assumptions as of December 31 Discount rate Expected long-term rate of return on plan assets Rate of compensation increase lealth care cost trend rate assumption as of December 31 Initial trend rate		(64,626) 5 6.32% N/A N/A 7.9%	5	5.85% N/A N/A 8.0%
Amortization of transition obligation (asset) Amortization of prior service cost (credit) Amortization of net (gain) loss Velghted-average assumptions as of December 31 Discount rate Expected long-term rate of return on plan assets Rate of compensation increase lealth care cost trend rate assumption as of December 31		(64,626) 5 6.32% N/A N/A	<u> </u>	5.85%

Mercer Big Rivers Electric Corporation

FAS 158 Disclosure for the Fiscal Year Ending December 31, 2008

Sensitivity to trend rate assumptions		2008		2007
A one-percentage-point change in assumed health care cost trend rates wou	ld have			
the following effects:				
One-Percentage-Point Decrease				
Effect on total service and interest cost components	\$	(37,028)	\$	(27,977
Effect on year end benefit obligation		(290,374)		(267,914
One-Percentage-Point increase				
Effect on total service and interest cost components	\$	44,338	5	33,816
magging and the second of the				040 070
Effect on year end benefit obligation		336,928		312,979
he following benefit payments, net of retiree contributions and which refle	ect expected	336,928		312,979
,	ect expected	336,928		312,979
he following benefit payments, net of retiree contributions and which refle sture service, as appropriate, are expected to be paid:	ect expected			312,979
he following benefit payments, net of retiree contributions and which refle uture service, as appropriate, are expected to be paid: 2009	ect expected \$ \$ \$ \$	155,776		312,979
he following benefit payments, net of retiree contributions and which refle uture service, as appropriate, are expected to be paid: 2009 2010	ect expected \$ \$ \$ \$ \$ \$	155.776 177,749		312,979
he following benefit payments, net of retiree contributions and which refle uture service, as appropriate, are expected to be paid: 2009 2010 2011	\$ \$ \$	185,776 177,749 197,443		312,979

Actuarial Basis

A. Method for Determining Market-Related Value of Assets

The plan has no assets.

B. Funding Policy

The benefits of the postretirement medical plan are funded on a pay-as-you-go basis. The company funds on a cash basis as benefits are paid. There are no assets that have been segregated and restricted to provide for postretirement benefits.

C. Summary of Actuarial Assumptions

The following assumptions were used in valuing the liabilities and benefits under the Plan.

Discount Rate	January 1, 2008 ~ 5 December 31, 2008 – 6					
Mortality • Healthy	January 1, 2008 – 20 nonannuitant mortality to December 31, 2008 – 2 nonannuitant mortality to	ables. 009 PPA separate				
• Disabled	Tables specified in Revenue Ruling 96-7 for disabilities occurring before 1995					
Withdrawal	Turnover is based on t shown below:	he T-1 table. Rates	s at sample ages are			
	Age	Male	Female			
	25 30	4.895% 3.702%	4.895% 3.702%			
	40	1.128%	1.128%			
	45	0.265%	0.265%			
	50	0.000%	0.000%			
	No withdrawal is assure retirement.	ned after attainmer	nt of eligibility for			
Disability incidence	Based on rates from the the Conference of Conference of Conference. Disabled employ medical benefits and notice included in this report.	sulting Actuaries. rees are not eligible	See table of sample of for postretirement			
Retirement Rates	Age	Salaried	Bargaining			
•	55–59	3%	3%			
	6061	5%	5%			
	62	25%	25%			
	63–64	15%	15%			
	65+	100%	100%			
Marital Status	 Percentage Married at Retirement 					
	 Age Difference of Spouses 	Males are assumed to be three years older than female spouses.				

C. Summary of Actuarial Assumptions (continued)

Assumptions Unique to SFAS 106 Valuations

2008 Annual Age 65 Per-Capita Claims Cost			Salaried		Bargaining		
To Gupita Granilo Goot	Pre-Medicare	\$	10,686	\$	10,686		
		Ψ	10,000	Ψ	,0,000		
	Post-Medicare		0.00	•			
	Medical	\$	939	\$	N/A		
	• Part D¹	\$	1,156 \$ N/A				
	The above claims costs in	nclud	ə administrativ	<i>е ехре</i>	nses.		
Health Care Cost Trend Rates	The trend rates below reper capita employer claim		resent the assumed rates of increase in payments:				
	Years		Medical An	nual Rat	es of Increase		
	2008			8.0	·		
	2009			7.9			
	2010			7.7	• •		
	2011			7.6			
	2012			7.4			
	2013 2014			7,3° 7,2°			
	2014			7.0°	•		
	2015			6.9			
	2017		6.8%				
	2018			6.6	1		
	2019			6.4	. 1		
	2020			6.29	%		
	2021			6.0	%		
	2022			5. 8 °			
	2023			5.6°			
	2024			5.4			
	2025			5.29	· · · · · · · · · · · · · · · · · · ·		
	2026			5.0°	N. Carlotte and Carlotte and Carlotte and Carlotte and Carlotte and Carlotte and Carlotte and Carlotte and Car		
	2027			4.89	The state of the s		
Retiree Contribution	2028+ Retirees pay certain perce	entane	es of the prem	4.5°			
Increases	covered under the plan. The based on the premium rate trend rates as incurred claim formation on required comparison of the premium rate and the premium rate are the premium rate.	he po e is a ims.	rtion of the re ssumed to inc See Exhibit 4	quired or rease a	contribution at the same		

¹ This is the projected Part D plan costs for future Medicare-eligible retirees. For current Medicare-eligible retirees we value the retiree's elected option.

C. Summary of Actuarial Assumptions (continued)

Assumptions Unique to SFAS 106 Valuations (continued)

Aging Rates at Sample Ages	Attained Age	Factor				
	55	3.5%				
	65	2.5%				
	70	2.0%				
	75	1.5%				
	80 +	0.0%				
Plan Participation and Persistency	95% of future retirees are assumed to elect coverage. 75% of male and 35% of female retirees electing coverage who have spouses are assumed to elect spousal coverage. In addition we have also assumed, for retirees who retired after January 1, 1994 with required contributions, that retirees and spouses over age 65 will drop coverage at a rate of 5% per year due to the level of required contribution.					
Attribution Period	The attribution period is the period of an employee's service to which the expected postretirement benefit obligation for that employee is assigned.					
	The beginning of the attribution period is the date of hire, whe the beginning of the credited service period. The end of the attribution period is the full eligibility date, which for the mediplan occurs at age 55 for salaried employees or age 62 for bargaining employees.					

Summary of Plan Provisions

	Bargaining	Salaried
Plan Type	PPO	PPO
Deductible	\$250 per person, \$500	\$250 per person, \$500
	family in-network and two	family in-network and two
	times that out-of-network	times that out-of-network
Co-Insurance	90% in-network, 70% out-of-	90% in-network, 70% out-of-
	network for most benefits.	network for most benefits.
	Office visits (after co-	Office visits (after co-
	payment), wellness, and	payment), wellness, and
	immunizations are covered	immunizations are covered
	at 100% in-network	at 100% in-network
Out-of-Pocket Limit	\$1,000 per person, \$2,000	\$1,000 per person, \$2,000
	family in-network, excluding	family in-network, excluding
	deductible and co-payments;	deductible and co-payments;
	two times that out-of-network	two times that out-of-network
Office Visit Copayment	\$25	\$25
Prescription Drugs	Generic - \$10 copayment for	Generic - \$10 copayment for
	30 day supply from	30 day supply from
	pharmacy or 90 day supply	pharmacy or 90 day supply
	from mail order service	from mail order service
	Brand - \$15 for 30 day	Brand - \$15 for 30 day
	supply, \$20 for 90 day from	supply, \$20 for 90 day from
	mail order plus cost	mail order plus cost
	difference of brand over	difference of brand over
	generic	generic
Lifetime Maximum	Unlimited	Unlimited
Retiree/Spouse Contribution		
age 55-62	Not eligible	75% of active premium
age 62-65	15% of active premium ²	15% of active premium
age 65 + ³	Not eligible	75% less \$25 (\$9 medical
		and \$16 drug) per month ⁴
Survivor Eligibility	Coverage ceases upon	Coverage continued for up
	death of retiree – eligible for	to 36 months after retiree's
	COBRA continuation	death at expense of survivor
Medicare Coordination	N/A	Carve-out
Eligibility for Benefits	Age 62	Age 55

All benefits are offered through an arrangement with the NRECA. Effective January 1, 2006 the NRECA became a Medicare Part D Prescription Drug Plan (PDP) and has unbundled the medical and prescription drug coverage for retirees over age 65. The NRECA offers these retirees a choice of five drug plan options along with the Medicare Carveout program.

Contributions are based on the attained age of the retiree or spouse.

Spouses under age 62 pay 75% of active premium for dependent coverage.

Retiree must be enrolled in Medicare Part B to be eligible for Medicare Curve-out plan.

Salaried employees and their spouses who retired prior to January 1, 1994 receive the Medicare-Carve out plan with no retiree contribution required for their lifetime.

Medical Claims Cost Derivation

Pre-65 (before Medicare)

Medical claim costs for 2008 were derived from projections based on insured rates for January 1, 2009 through December 31, 2009 for active and retired employees. These rates include expenses of the plan such as administrative costs. Pre-65 retiree rates were then developed by adjusting these active rates to expected levels for a pre-65 retiree group using actuarial aging factors.

Post-65 (after Medicare)

Big Rivers currently provides Medicare supplement coverage on a carve-out basis, with Medicare Part D plans offered for prescription drug coverage beginning in 2006. Similar to the Pre-65 claims costs the post-65 claims costs were based on insured rates for January 1, 2009 through December 31, 2009 for retirees and dependents who are Medicare eligible. The average claims costs for the Medicare supplement were then adjusted using our aging factors to reflect the impact of aging on this group. Part D costs for Medicare eligible retirees are based on the plan the retiree has elected and are not shown below. Assumed Part D plan costs for current active employees and retirees under age 65 are based on a weighted average of the costs for the plans elected by current Medicare eligible retirees with required contributions. An aging adjustment was not applied to the Medicare Part D plans.

The preceding methodology produces the following sample 2008 annual claims costs used for this valuation:

	Sa	laried	Bargaining
Age	Medical	Part D Plan	Medical
55	\$7,576	Not Applicable	\$7,576
60	\$8,997	Not Applicable	\$8,997
64	\$10,325	Not Applicable	\$10,325
65	\$ 939	\$1,156	Not Eligible
70	\$ 1,062	\$1,156	Not Eligible
75	\$1,173	\$1,156	Not Eligible
80+	\$1,264	\$1,156	Not Eligible



462 South Fourth Street, Suite 1100 Louisville, KY 40202 502 581 4500 Fax 502 581 4700 www.mercer.com

January 27, 2010

Mr. James Haner Manager of Human Resources Big Rivers Electric Corporation P.O. Box 24 Henderson, KY 42420

Subject:

Nonpension Postretirement Benefit Valuation Results for the Fiscal Year Ending December 31, 2009

Dear Mr. Haner.

The purpose of this letter report is to provide you with the key cost calculations resulting from our valuation of the liabilities associated with the postretirement medical program sponsored by Big Rivers. These liabilities have been valued in accordance with our interpretation of Statements of Financial Accounting Standards Nos. 106, 132R and 158.

Attached are five exhibits which summarize our results.

- Exhibit 1: "Valuation Results" (presents the key cost calculations for the current plan)
- Exhibit 2: "FAS 158 Disclosure for the Fiscal Year Ending December 31, 2009 (provides the required FAS 158 disclosure for the 2009 fiscal year)
- Exhibit 3: "Actuarial Basis" (documents the major actuarial assumptions utilized to develop the valuation results)
- Exhibit 4: "Summary of Plan Provisions" (summarizes the provisions of the current retiree medical benefit plans)
- Exhibit 5: "Medical Claims Cost Derivation" (documents the calculation of claims cost)

The annual expense (or net periodic postretirement benefit cost), which is the annual charge to earnings associated with adoption of the FAS 106 accounting standard, is \$1,373,446 for the 2009 fiscal year, based on the plan of benefits outlined in Exhibit 4. This assumes that the full APBO of \$8,768,136 for the WKE unwind will be recognized on July 17, 2009 (the agreement date).

Consulting, Outsourcing, investments,

Page 2 January 27, 2010 Mr. James Haner Big Rivers Electric Corporation

The enclosed information is based on census data and health insurance rates provided by Big Rivers for the 2009 and 2010 fiscal years. Other relevant assumptions are outlined on the attached exhibits.

We have prepared an actuarial valuation of the Big Rivers' postretirement benefit plan as of January 1, 2009, for the fiscal year ending December 31, 2009 to enable the plan sponsor to satisfy the accounting requirements under Statements of Financial Accounting Standards Nos. 106 and 158. The results of the valuation set forth in this report reflect the provisions of the plan as outlined in the attached Exhibit 4 effective January 1, 2009 and the WKE unwind dated July 17, 2009. These results include plan amendments to the Big Rivers postretirement medical plan effective for retirements on or after January 1, 2009 presented in Exhibit 4.

For the 2009 expense calculation no assumptions were changed from the 2008 year end disclosure assumptions. For the 2009 year end disclosure the mortality table was adjusted to the mortality table required by the Pension Protection Act to be used for Retirement Plan funding purposes as of January 1, 2010 and the discount rate decreased to 5.78%, based on applying the Mercer Yield Curve to projected APBO cash flows under the current plan provisions. All other assumptions and plan provisions are shown in Exhibits 3 and 4 of this report.

Certification

We have prepared an actuarial valuation of the Big Rivers Electric Corporation Postretirement Benefit Plan for the fiscal year ending December 31, 2009. The results of the valuation are set forth in this report, which reflects the provisions of the plan as amended and effective January 1, 2009 and updated for the WKE unwind effective July 17, 2009. Through the unwind, past service back to the original date of hire was included for WKE Union employees and for the accrual of the union employee benefits under their account based plan. Service for WKE salaried employees (and for benefit accrual) starts at the unwind date.

All costs, liabilities and other factors under the plan were determined in accordance with generally accepted actuarial principles and procedures. The calculations reported herein are consistent with our understanding of the provisions of FAS Nos. 106 and 132. See page 6 for additional information on the accounting treatment. The actuarial assumptions were selected by the company with the concurrence of its auditors.

Actuarial computations under Statements of Financial Accounting Standards are for purposes of fulfilling employer accounting requirements. Computations for other purposes may differ significantly from the results shown in this report. This valuation report may not be relied upon for any purpose other than what is described in this report or by any party other than Big Rivers and its auditors. Mercer is not responsible for the consequences of any other use. A valuation

Page 3
January 27, 2010
Mr. James Haner
Big Rivers Electric Corporation

report is a snapshot of a plan's estimated financial condition at a particular point in time; it does not predict a plan's future financial condition or its ability to pay benefits in the future.

Over time, a plan's total cost will depend on a number of factors, including the amount of benefits it pays, the number of people paid benefits and the amount earned on any assets invested to pay the benefits. These amounts and others are uncertain and unknowable at the valuation date, but are predicted to fall within a reasonable range of possibilities.

To prepare this report, actuarial assumptions, as described in Exhibit 3, are used to select a single scenario from the range of possibilities. The results of that single scenario are included in this report. However, the future is uncertain and the plan's actual experience will differ from those assumptions; these differences may be significant or material. In addition, different assumptions or scenarios may also be within the reasonable range and results based on those assumptions would be different. Actuarial assumptions may also be changed from one valuation to the next because of mandated requirements, plan experience, changes in expectations about the future and other factors.

Because actual plan experience will differ from the assumptions, decisions about benefit changes, investment policy, funding amounts, benefit security and/or benefit related issues should be made only after careful consideration of alternative future financial conditions and scenarios, and not solely on the basis of a valuation report or reports.

Data

To prepare this report, Mercer has used and relied on financial data submitted by the trustee without further audit. We have also used and relied upon participant data supplied by the plan sponsor; this data would customarily not be verified by a plan's actuary. We have reviewed the participant data for internal consistency and reasonableness and have no reason to doubt its substantial accuracy. Finally, we have also used and relied upon the plan documents supplied by the plan sponsor. The plan sponsor is solely responsible for the validity and completeness of this information.

Accounting results

The valuation of the plan was performed in accordance with generally accepted actuarial principles and procedures. The accounting calculations reported herein are based on the methods and assumptions described in Exhibit 3 of this report. The actuarial assumptions were selected by the company. Based on the information provided to us, we believe that the actuarial assumptions are reasonable for the purposes described in this report.

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January 27, 2010
Mr. James Haner
Big Rivers Electric Corporation

Professional qualifications

We are available to answer any questions on the material contained in the report, or to provide explanations or further details as may be appropriate. Collectively, the undersigned credentialed actuaries meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report. We are not aware of any relationship, including investments or other services that could create a conflict of interest, that would impair our objectivity. As referenced below, long-term assumptions include those assumptions not related to health care claims costs.

Sincerely,	
Chora	1-27-10
Charles W. Edwards III, F.S.A., M.A.A.A.	Date
Short-term assumptions reviewed by:	
DGCC	1-27-2010
Alan J. Craig, F.S.A., M.A.A.A.	Date
Long-term assumptions reviewed by:	
Hacijunes	January 27, 2010
Staci James, F.S.A., E.A., M.A.A.A.	Date
Copy: Dwayne Jarboe	

The information contained in this document (including any attachments) is not intended by Mercer to be used, and it cannot be used, for the purpose of avoiding penalties under the internal Revenue Code that may be imposed on the taxpayer.

Enclosure

Valuation Results for the Fiscal Year Ending December 31, 2009 Partial Year 1/1/ - 7/16

	Big Rivers	WKE	Big Rivers	WKE		
	Salarled	8alarled	Bargatning	Union		Total
Expected Postretirement Benefit Obligation						
(EPBO) at the beginning of period	\$ 3,995,216	N/A	\$ 754,167	N/A	\$	4,749,383
Accumulated Postretirement Benefit Obligat	lon			 		
(APBO) at the beginning of period						
Inactive	\$ 1,019,121		\$ 58,085		\$	1,077,206
Active Fully Eligible	\$ 1,138,635		\$ 38,719		\$	1,177,354
Active Not Fully Eligible	\$ 945,290		\$ 384,744		\$	1,310,034
Total	\$ 3,103,046		\$ 461,548		\$	3,564,594
FAS 106 Expense						-
Service Cost	\$ 63,378		\$ 14,062		S	77,440
Interest Cost	\$ 104,767		\$ 15,595		\$	120,362
Amortization Amounts			•,		•	,00,000
Amortization of Transition Obligation*	\$ 14,466		\$ 2,152		\$	16,618
Prior Service Cost	\$ 428		\$ 9,081		\$	9,509
(Gain)/Loss	\$ (11,480)		\$ (5,891)		\$	(17,171)
Total Expense	\$ 171,559		\$ 35,199		<u> </u>	206,758
Total Expense	4 11 1,003		\$ 05,135			200,130
Projected Cash Flow for 1/1/2009 - 7/16/2009	\$ 85,328		\$ 11,997		\$	97,325
Amortization of (Gain)/Loss						<u> </u>
APBO as of January 1, 2009	\$ 3,103,046		\$ 461,548		\$	3,584,594
Unrecognized Transition Obligation*	\$ 106,831		\$ 15,890		\$	122,721
Unrecognized Prior Service Cost	\$ 3,556		\$ 178,819		\$	182,375
4. (Accrued)/Prepaid Postretirement Benefit	•					,
Cost*	\$ (3,508,502)		\$ (521,558)		•	(4,028,060)
5. Unrecognized (Gain)/Loss (1)-(2)-(3)+(4)	\$ (513,843)		\$ (254,719)		S	(768,562)
6. 10% of (1)	• • •		• • •		\$	356,459
7. Unrecognized (Gain)/Loss Subject to					•	
Amortization					\$	(412,103)
B. Average Future Service of Active						
Participants 9. Amortization of (Gain)/Loss (7)/(8) -						13
allocated based on Item 5. unrecognized						
(Gain)/Loss	\$ (21,194)		\$ (10,508)		\$	(31,700)
10. Portion included for partial year from			• • •			
1/1/2009 - 7/16/2009 (6.5/12) x (9)	\$ (11,480)		\$ (5,691)	,	\$	(17,171)
Participant Data						
Active Fully Eligible	32		1			33
Active Not Fully Eligible	56		25			81
Retirees Receiving Benefits	33		1			34
Spouses Receiving Benefits	14		1			15
Disabled**	•					•
Spouses of Disabled**	-		-			•
Total	135		28			163

Breakout of Transition Obligation and (Accrued) between Big Rivers Salaried and Bargaining is based on APBO. The (Accrued) was based on the 2008 year end disclosure.

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Big Rivers Electric Corporation

^{**} Expense under FAS 108 excludes cost for disabled employees. These liabilities are covered under FAS112.

Valuation Results for the Fiscal Year Ending December 31, 2009 Partial Year 7/17 - 12/31

	1	ig Rivers		WKE		lig Rivers		WKE Union		Total
Francis d Occination and Sounds Obligation	ــــــــــــــــــــــــــــــــــــــ	Salaried		Salaried		argaining		Ollion		10181
Expected Postretirement Benefit Obligation		4 044 050		6,211,695		805,389	•	8,721,051	e	19,949,185
(EPBO) at the beginning of period	_*	4,211,050	_*	0,211,083		600,509		0,721,001		15,546,105
Accumulated Postretirement Benefit Obligati	on									
(APBO) at the beginning of period										
Inactive	\$	998,476	\$	98,100	\$		\$	•	\$	1,146,266
Active Fully Eligible	\$	1,191,190	\$	2,654,595	\$	39,029	\$	135,082	\$	4,019,876
Active Not Fully Eligible	\$	1,098,460	_\$		\$	408,886	. \$	5,880,379	<u>\$</u>	7, 38 7,725
Total		3,288,126	\$	2,752,695	\$	497,605	\$	8,015,441	\$	12,553,867
FAS 106 Expense										
Service Cost	\$	58,218	\$	601,776	\$	12,849	\$	128,173	\$	801,016
Interest Cost	\$	89,431	\$	75,393	\$	13,545	\$	165,194	\$	343,563
Amortization Amounts	•		·	•	-	·			\$	
Amortization of Transition Obligation*	\$	12,213	\$		\$	1,848	\$		\$	14,061
Prior Service Cost	\$	364	S	_	Š	7.684	\$	•	\$	8,048
(Gain)/Loss	Š	•	\$	•	Š	• • • •	\$	•	\$	•
Total Expense	\$	160,226	\$	677,169	<u> </u>		<u> </u>	293,387	<u> </u>	1,166,688
Town Expense		100,000		0.11,100	<u>`</u>		<u></u>	200,001	<u>_</u>	111001000
Projected Cash Flow for 7/17/2009-12/31/2009	\$	72,200	Ş	22,288	\$	10,151	\$	16,799	\$	121,438
Amortization of (Gain)/Loss	,					·····				
1. APBO as of July 17, 2009	\$	3,288,126	\$	2,752,695	\$	497,605	\$	6,015,441	\$	12,553,867
2. Unrecognized Transition Obligation*	\$	92,157	\$		\$	13,946	\$		\$	106,103
3. Unrecognized Prior Service Cost	\$	3,128	\$		\$	169,738	\$		\$	172,866
4. (Accrued)/Prepaid Postretirement Benefit										
Cost*	\$ (3,593,653)	\$ ((2,752,695)	\$	(543,842)	\$ (6,015,441)	\$ (12,905,631)
5. Unrecognized (Gain)/Loss (1)-(2)-(3)+(4)	\$	(400,812)	\$		\$	(229,921)	S		S	(630,733)
6. 10% of (1)	·	•	-			,,	•		\$	1,255,387
7. Unrecognized (Gain)/Loss Subject to									•	.,,
Amortization									\$	•
8. Average Future Service of Active										_
Participants										13
Amortization of (Galn)/Loss (7)/(8) - allocated based on item 5. unrecognized										
(Gain)/Loss	\$	•	\$	-	S		S		\$	
10. Portion included for partial year from	•				Ť		Ť		•	
7/17/2009 - 12/31/2009 (5.5/12) x (9)	\$	-	\$	· ·	\$		\$	-	\$	
Participant Data	******									
Active Fully Eligible		32		49		1		4		86
Active Not Fully Eligible		56		102		25		313		498
Relirees Receiving Benefits		33		7		1				41
Spouses Receiving Benefits						i				18
		14						•		
		14 -		3		. '		•		."
Disabled** Spouses of Disabled**		-				• •		•		

Breakout of Transition Obligation and (Accrued) between Big Rivers Salaried and Bargaining is based on APBO. This exhibit assumes that the full APBO for the WKE Salaried and Union groups is recognized July 16, 2009.

** Expense under FAS 106 excludes cost for disabled employees. These liabilities are covered under FAS112.

Mercer 2 Big Rivers Electric Corporation

The (Accrued) was based on the 2008 year end disclosure projected to July 17, 2009 based on expected benefit payments.

Valuation Results for the Fiscal Year Ending December 31, 2009 - Full Year

	Big Rivers	WKE	Big Rivers	WKE	Tatal
	Salarled	Salarled	Bargaining	Union	Total
Expected Postretirement Benefit Obligation					
(EPBO) at the beginning of period	N/A	N/A	N/A	N/A	N/A

Accumulated Postretirement Benefit Obligation										
(APBO) at the beginning of period	N/A	N/A	N/A	N/A	N/A					
Inactive										
Active Fully Eligible										
Active Not Fully Eligible										
Total										

AS 106 Expense					
Service Cost	\$ 121,598	\$ 601,776	\$ 26,911	\$ 128,173	\$ 878,456
Interest Cost	\$ 194,198	\$ 75,393	\$ 29,140	\$ 165,194	\$ 463,925
Amortization Amounts					\$ -
Amortization of Transition Obligation*	\$ 26,679	\$ •	\$ 4,000	\$	\$ 30,679
Prior Service Cost	\$ 792	\$ •	\$ 16,765	\$	\$ 17,557
(Gain)/Loss	\$ (11,480)	\$ •	\$ (5,691)	\$ •	\$ (17,171
otal Expense	\$ 331,785	\$ 677,169	\$ 71,125	\$ 293,367	\$ 1,373,446

Projected Cash Flow for 1/1/2009 -	12/31/2009	S	157,528	S	22,288	2	22.148	\$ 16,799	\$	218 763
11 10100100 00011 1 1011 101 1111 10100	100112000		101,020	•	,	•		 .01.00	•	~ 10,100

-	Amortization of (Ga	in)/Loss	N/A	N/A	N/A	N/A	N/A

- 1. APBO as of January 1, 2009
- 2. Unrecognized Transition Obligation
- 3. Unrecognized Prior Service Cost
- (Accrued)/Prepaid Postretirement Benefit Cost*
- 5. Unrecognized (Gain)/Loss (1)-(2)-(3)+(4)
- 6. 10% of (1)
- 7. Unrecognized (Gain)/Loss Subject to Amortization
- 8. Average Future Service of Active Participants
- Amortization of (Gain)/Loss (7)/(8) allocated based on item 5, unrecognized (Gain)/Loss
- Portion included for year from 1/1/2009 -12/31/2009 (5.5/12) x (9)

Participant Oata					
Active Fully Eligible	32	49	1	4	86
Active Not Fully Eligible	56	102	25	313	498
Retirees Receiving Benefits	33	7	1	•	41
Spouses Receiving Benefits	14	3	1	*	18
Disabled**	•	-	•	•	
Spouses of Disabled**	•	•	•	•	•
Total	135	161	28	317	641

Breakout of Transition Obligation and (Accrued) between Blg Rivers Salaried and Bargaining is based on APBO. This exhibit assumes that the full APBO for the WKE Salaried and Union groups is recognized July 16, 2009.

Mercer 3 Big Rivers Electric Corporation

^{**} Expense under FAS 108 excludes cost for disabled employees. These liabilities are covered under FAS112.

FAS 158 Disclosure for the Fiscal Year Ending December 31, 2009

Change in benefit obligation		2009		2008
Benefit obligation at beginning of year	\$	2,948,119	\$	2,881,70
Service cost		878,456		129,5
Interest cost		483,925		166,68
Participant contributions*		48,289		60,9
Plan amendments		174.953		•
Acquitions/divestitures		8,768,136		
Curtailments				
Settlements		•		-
Special termination benefits				
Benefits paid*		(203,587)		(178,69
Actuarial (gain) or loss		785,998		(92,14
Benefit Obligation at end of year	3	13,864,289	5	2,948,1
Change in plan assets		10,004,200	-	2,040,1
Fair value of plan assets at beginning of year	- 5	•	\$	
Actual return on assets	•		•	_
Employer contributions		155,298		117,7
· ·		48,289		80.9
Participant contributions*				
Benefits paid *		(203,587)		(178,6
Settlements		· · ·		
Fair value of plan assets at end of year	\$		\$	-
unded status				
Funded status	\$	(13,864,269)	\$	(2,948,1
Employer contributions between measurement date and fiscal year end		•		•
Net amount recognized in statement of financial position (after FAS 158)	<u> </u>	(13,864,289)	5	(2,948,1
mounts recognized in the statement of financial position consist of:				
Noncurrent assets	\$	•	\$	•
Current liabilities		(423,721)		(155,7
Noncurrent (liabilities		(13,440,588)		(2,792,3
Net amount recognized in statement of financial position (after FAS 158)	\$	(13,884,289)	\$	(2,948,1
mounts not yet reflected in net periodic benefit cost and included in accumulate				
Transition obligation asset (obligation)	Š	(92,042)		(122,7
Prior service credit (cost)	•	(164,819)	•	(7,4
Accumulated gain (loss)		406,916		1,210,0
Accumulated other comprehensive income (AOCI)		150,055		1,079.9
Cumulative employer contributions in excess of net periodic benefit cost		(14,014,344)		(4,028,0
Net amount recognized in statement of financial position (after FAS 158)	5	(13,884,289)	e	(2,948,1
omponents of net periodic postrotirement benefit cost		113,004,208)	<u>-</u>	(2,040,1
Service cost	5	878,458	•	129,5
	ð	-	Ð	-
Interest cost		463,925		166,6
Expected return on plan assets		•		
Amortization of transition obligation		30,679		30,8
Amortization of prior service cost		17,557		1,6
Recognized actuarial (gain) or loss		(17,171)		(59,6
Net periodic postretirement benefit cost		1,373,446	\$	268,9
ther charges recognized in other comprehensive income			_	
Prior service cost arising during period	\$	174,953	\$	•
Net loss/(gain) arising during period	•	785,998		(92,1
Amortization of prior service (cost) credit		(17,557)		(1,6
Amortization of transitional (obligation) or asset		(30,679)		(30,6
Amortization of gain/(loss)		17,171		59,6
Total recognized in other comprehensive income	\$		\$	(84,8
timated amounts that will be amortized from accumulated other comprehensive				
Amortization of transition obligation (asset)	\$		\$	30,6
The state of the s	Š		Š	
Amortization of prior service cost (credit)	\$		_	1,6:
Amortization of net (gain) loss		•	\$	(85,3
eighted-everage assumptions as of December 31		P 705		
Discount rate		5.78%		6.3
Expected long-term rate of return on plan assets		N/A		Ņ
Rate of compensation increase		NA		١
saith care cost trend rate assumption as of December 31				
Initial trend rate		7.7%		7.9
Ultimate trend rate		4.5%		4.
Year ultimate trend is reached		2028		202
			A. pre-	
Participant contributions and benefits paid include an amount Western Kentucky Energy Corp. (WKEC) is for certain retrees in 2009. These bonefits are included in the calculation of obligations and the projection				,
			-	

FAS 158 Disclosure for the Fiscal Year Ending December 31, 2009

Sensitivity to trend rate assumptions	2009	2008
A one-percentage-point change in assumed health care cost trend rates would have		
the following effects:		
One-Percentage-Point Decrease		
Effect on total service and interest cost components	\$ (137,590) \$	(37,028)
Effect on year end benefit obligation	(988,891)	(290,374
One-Percentage-Point Increase	,	,
Effect on total service and Interest cost components	\$ 161,970 \$	44,338
Effect on year end benefit obligation	1.134.386	336,928
The following benefit payments, net of retiree contributions and which reflect expect future service, as appropriate, are expected to be paid:	ed	
The following benefit payments, net of retiree contributions and which reflect expect future service, as appropriate, are expected to be paid: 2010	ed \$ 423,721	
future service, as appropriate, are expected to be paid:		
future service, as appropriate, are expected to be paid: 2010	\$ 423,721	
future service, as appropriate, are expected to be paid: 2010 2011	\$ 423,721 \$ 599,462	
future service, as appropriate, are expected to be paid: 2010 2011 2012	\$ 423,721 \$ 599,462 \$ 826,872	

Actuarial Basis

A. Method for Determining Market-Related Value of Assets

The plan has no assets.

B. Funding Policy

The benefits of the postretirement medical plan are funded on a pay-as-you-go basis. The company funds on a cash basis as benefits are paid. There are no assets that have been segregated and restricted to provide for postretirement benefits.

C. Accounting Method

As directed by Big Rivers and their auditors this valuation assumes through the unwind agreement with EON that Big Rivers will grant past service (to the original hire with WKE) to the Union employees for the purpose of calculating retirement account balances and accrual of postretirement benefit obligations under this plan. WKE salaried employees will **not be** granted past service and their service for accrual of obligations will start with the unwind date of July 17, 2009.

D. Summary of Actuarial Assumptions

The following assumptions were used in valuing the liabilities and benefits under the Plan.

r	1 0000	0.000/			
Discount Rate	, , , , , , , , , , , , , , , , , , ,	6.32% per annum6.00% per annum for re-measuremer			
	, , , , , , , , , , , , , , , , , , , ,	at unwind			
	- December 31, 2009				
Mortality					
• Healthy	January 1, 2009	 2009 PPA separate static annuitant and nonannuitant mortality tables. 			
	December 31, 2009		te static annuitant and		
• Disabled	Tables specified in Revolution 1995	enue Ruling 96-7 for	disabilities occurring		
Withdrawal	Turnover is based on to shown below:	he T-1 table. Rates	at sample ages are		
	Age	Male	Female		
	25	4.895%	4.895%		
	30	3.702%	3.702%		
	40	1.128%	1.128%		
	45	0.265%	0.265%		
	50	0.000% 0.000%			
	No withdrawal is assume retirement.	umed after attainment of eligibility for			
Disability incidence	Based on rates from th	e 1985 Pension Dis	ability Study from		
•	the Conference of Con	sulting Actuaries. S	ee table of sample		
		oyees are not eligible for postretirement			
	medical benefits and no liability for disabled employees is included in this report.				
Retirement Rates	Age	Salarled	Bargaining		
	55-59	3%	3%		
	60–61	5%	5%		
	62	25%	25%		
	63-64	15%	15%		
	65+	100%	100%		
Marital Status	Percentage Married	Females	80%		
	at Retirement	Males	80%		
		Males80% Males are assumed to be three years			
	Age Difference of				

D. Summary of Actuarial Assumptions (continued)

Assumptions Unique to SFAS 106 Valuations

2009 Annual Age 65		Salaried and Bargaining			
Per-Capita Claims Cost		•	44 770		
	Pre-Medicare	\$ 11,773			
	Post-Medicare				
	Medical	\$	1,170		
	 Part D – Rx 1 	\$	318		
	• Part D – Rx2	\$	453		
	 Part D – Rx3 	\$	1,684		
	• Part D Rx4	\$	2,395		
	• Part D – Rx5	\$	998		
	Part D future retirees	\$	1,228		
	The above claims costs in	clude ad			
Health Care Cost Trend	The trend rates below repr	esent th	e assumed rates of increase in		
Rates	per capita employer claim				
	Years		Medical Annual Rates of Increase		
	2009		7.9%		
	2010		7.7%		
	2011		7.6%		
	2012	7.4%			
}	2013	7.3%			
	2014	7.2%			
	2015	7.0%			
	2016		6.9%		
	2017		6.8%		
	2018		6.6%		
	2019		6.4%		
	2020		6.2%		
	2021		6.0%		
	2022		5.8%		
	2023		5.6%		
	2024		5.4%		
	2025		5.2%		
	2026		5.0%		
	2027		4.8%		
	2028+		4.5%		

¹ This is the projected Part D plan costs for future Medicare-eligible retirees. For current Medicare-eligible retirees we value the retiree's elected option as noted Rx1 through Rx5.

D. Summary of Actuarial Assumptions (continued)

Assumptions Unique to SFAS 106 Valuations (continued)

Retiree Contribution (Annual 2009)		Under age 62	Age 62 - 64	Medical Age 65+	
	Retiree:	\$5,025	\$1,005	\$1,079	
	Spouse:	\$4,700	\$940	\$1,079	
	Retirees over age 65 also pay 75% of the cost of the elected Rx coverage plan.				
		retirees and depender age 65 and the er age 65.			
Retiree Contribution Increases	Retirees pay certain percentages of the premium to remain covered under the plan. The portion of the required contribution based on the premium rate is assumed to increase at the same trend rates as incurred claims. See Exhibit 4 for more information on required contributions.				
		ation we have assu contribution from th		ion retirees pay the Account.	
Retiree Medical Account Balance Interest Credit (WKE Union Only)	For future ye annum.	ars after retiremen	t this valuation ass	sumes 4.25% per	
Aging Rates at Sample Ages	Attaine	d Age	Factor		
_	55	5	3.5%		
	65	5	2.5%		
	70)	2.0%		
	75	5	1.5%		
	80	+	0.0%_		
Plan Participation and Persistency	future retir 35% of fer	Rivers Salaried and Bargaining and WKE Salaried - 95% of re retirees are assumed to elect coverage. 75% of male and of female retirees electing coverage who have spouses are umed to elect spousal coverage.			
	January 1, spouses o	we have also assu 1994 with required ver age 65 will drop level of required co	contributions, that coverage at a rai	it retirees and	
	 WKE Union with a Retiree Medical Account – 100% of future retirees are assumed to elect coverage. 75% of male and 35% of female retirees electing coverage who have spouses are assumed to elect spousal coverage. 				

D. Summary of Actuarial Assumptions (continued)

Assumptions Unique to SFAS 106 Valuations (continued)

Attribution Period	The attribution period is the period of an employee's service to which the expected postretirement benefit obligation for that employee is assigned.
	The beginning of the attribution period is the original date of hire for all groups except the WKE Salaried employees. WKE Salaried employees attribution period begins at the later of hire date or the unwind date of 7/17/2009. This is also considered the beginning of the credited service period. The end of the attribution period is the full eligibility date, which for the medical plan occurs at age 55 for salaried employees, age 62 for Big Rivers Bargaining employees and age 62 and 30 years of service for WKE Union employees.
Assumption Changes From the Prior Valuation	 A Retiree Medical Account Balance Interest Credit (WKE Union Only) was added for this valuation. The discount rate was updated for the remeasurement and year end disclosure (6.00% and 5.78% respectively) The healthy mortality table was updated to 2010 PPA separate static annuitant and nonannuitant mortality tables for the year end disclosure.

Summary of Plan Provisions

	Bargaining	Salaried		
Plan Type	PPO			
Deductible	\$250 per person, \$500 family in-network and two times that out-of-network			
Co-Insurance	90% in-network, 70% out-of-network for most benefits. Office visits (after co-payment), wellness, and immunizations are covered at 100% innetwork			
Out-of-Pocket Limit	\$1,000 per person, \$2,000 family in- co-payments; two times that out-of-r	network, excluding deductible and network		
Office Visit Copayment	\$25			
Prescription Drugs	Generic - \$10 copayment for 30 day supply from pharmacy or 90 day supply from mall order service Brand - \$15 for 30 day supply, \$20 for 90 day from mail order plus cost difference of brand over generic			
Lifetime Maximum	Unlimited			
Retiree/Spouse Contribution1	Big Rivers -	Big Rivers and WKE-		
age 55-62	Not eligible	75% of active premium		
age 62-65	15% of active premium ²	15% of active premium		
age 65 + ³	75%	75% 4		
	WKE – Contributions are paid from the Retiree Medical Account at the NRECA quoted rates for pre and post Medicare retirees. The account at retirement equals \$1,200 (\$1,250 if retired on or after 1/1/2012) per year of service max of 30 years. After retirement the account is credited with interest based on the 10-year Treasury rate subject to a minimum of 4% and maximum of 7%.			
Survivor Eligibility	Big Rivers - Coverage ceases upon death of retiree eligible for COBRA continuation WKE - Any remaining account goes to the surviving spouse to continue coverage	Coverage continued for up to 36 months after retiree's death at expense of survivor		
Medicare Coordination	Carve-out	Carve-out		
Eligibility for Benefits	Big Rivers - Age 62 WKE - Age 62 with 10 yrs of svc	Age 55		
Plan Amendment	 Post 65 coverage was extended to Big Rivers Union employees retiring on or after January 1, 2009. The \$25 reduction in required contribution for post 65 retirees was eliminated for employees retiring on or after January 1, 2009. 			

All benefits are offered through an arrangement with the NRECA. Effective January 1, 2006 the NRECA became a Medicare Part D Prescription Drug Plan (PDP) and has unbundled the medical and prescription drug coverage for retirees over age 65. The NRECA offers these retirees a choice of five drug plan options along with the Medicare Carve-out program.

¹ Contributions are based on the attained age of the retiree or spouse.

² Spouses under age 62 pay 75% of active premium for dependent coverage.

Retiree must be enrolled in Medicare Part B to be eligible for Medicare Carve-out plan.

Salaried employees and their spouses who retired prior to January 1, 1994 receive the Medicare-Carve out plan with no retiree contribution required for their lifetime.

Medical Claims Cost Derivation

Pre-65 (before Medicare)

Medical claim costs for 2009 were derived from projections based on insured rates for January 1, 2010 through December 31, 2010 for active and retired employees. These rates include expenses of the plan such as administrative costs. Pre-65 retiree rates were then developed by adjusting these active rates to expected levels for a pre-65 retiree group using actuarial aging factors.

Post-65 (after Medicare)

Big Rivers currently provides Medicare supplement coverage on a carve-out basis, with Medicare Part D plans offered for prescription drug coverage beginning in 2006. Similar to the Pre-65 claims costs the post-65 claims costs were based on insured rates for January 1, 2010 through December 31, 2010 for retirees and dependents who are Medicare eligible. The average claims costs for the Medicare supplement were then adjusted using our aging factors to reflect the impact of aging on this group. Part D costs for Medicare eligible retirees are based on the plan the retiree has elected and are not shown below. Assumed Part D plan costs for current active employees and retirees under age 65 are based on a weighted average of the costs for the plans elected by current Medicare eligible retirees with required contributions. An aging adjustment was not applied to the Medicare Part D plans.

The preceding methodology produces the following sample 2009 annual claims costs used for this valuation:

	Satarled :	and Bargaining
Age	Medical	Part D Plan
55	\$8,346	Not Applicable
60	\$9,913	Not Applicable
64	\$11,375	Not Applicable
65	\$ 1,170	\$1,228
70	\$ 1,324	\$1,228
75	\$1,462	\$1,228
80+	\$1,574	\$1,228

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 49)	Post Retirement benefits other than pensions (OPEB's).
2		
3		a. Please provide complete workpapers showing the derivation of OPEB
4		expense for the years 2007 to 2010.
5		b. Please show all assumptions and the basis of all calculations.
6		
7	Response)	Big Rivers calculates its FAS 112 post-employment benefits liability (its
8	liability to p	rovide medical care to employees who terminated employment due to disability,
9	and those wh	no terminated employment and elected continuation of coverage under COBRA)
10	using the lat	est known costs from the carrier, NRECA, and the discount rate and health care
11	cost trend ra	tes provided by Mercer in its actuarial report on post-retirement benefits (see
12	response to p	preceding Item 48). Copies of Big Rivers' worksheets showing its FAS 112
13	liability as o	f December 31, for the years 2007 to 2010, are attached hereto. The assumptions
14	and basis of	the calculations are shown in the column headings of the worksheets.
15		
16	Witness)	James V. Haner
17		
18		

Big Rivers Electric Corporation Case No. 2011-00036

OPEB for the Year Ended 12/31/2007

NAME	MONTHS	NET MONTHLY PREMIUM	NET COST W/O GROWTH	W/O GROWTH PRESENT VALUE (5.85%/YR)	NET COST INFLATED (from 8% to 5.5%/YR)	INFLATED COST PRESENT VALUE (5.85%/YR)
B-LTD/COB	RA					
949	124	98.15	12,170.60	6,763.54	16,549.76	9197.16
777	48	413.38	19,842.24	15,806.19	22,155.36	17648.81
2055	107	98.15	10,502.05	6,325.77	13,676.90	8238.09
2544	95	98.15	9,324.25	5,944.89	11,781.73	7511.71
2249	264	98.15	25,911.60	7,418.14	50,555.88	14473.47
2458	19	474.89	9,022.91	8,246.19	9,288.84	8489.23
952	6	890.75	5,344.50	5,194.71	5,345.70	5195.88
	49	799.62	39,181.38	31,064.15	43,899.35	34804.7
			131,299.53	86,763.58	173,253.52	105,559.05
S-LTD					*	
492	131	98.15	12,857.65	6,912.24	17,785.54	9,561.46
441	74	33.74	2,496.76	1,758.39	2,991.52	2,106.84
			15,354.41	8,670.63	20,777.06	11,668.30
***************************************			146,653.94	95,434.21	194,030.58	117,227.35

Case No. 2011-00036 Witness: James V. Haner Attachment to Item AG 1-49

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OPEB for the Year Ended 12/31/2008

NAME	MONTHS	NET MONTHLY PREMIUM	NET COST W/O GROWTH	W/O GROWTH PRESENT VALUE (6.32%/YR)	NET COST INFLATED (from 7.9% to 4.5%/YR)	INFLATED COST PRESENT VALUE (6.32%/YR)
B-LTD/COB	RA					
949	112	102.19	11445.28	6,459.83	15,781.08	8,907.00
777	36	425.36	15312.96	12,741.31	16,543.44	13,765.15
2055	95	102.19	9708.05	5,976.26	12,674.09	7,802.15
2544	83	102.19	8481.77	5,551.35	10,658.22	6,975.85
2249	252	102.19	25751.88	7,110.41	53,805.48	14,856.35
2458	7	488.59	3,420.13	3,300.03	3,420.13	3,300.03
952	38	823.05	31275.90	25,758.95	34,069.12	28,059.46
			105395.97	66,898.14	146,951.56	83,665.99
S-LTD						
492	0	0.00	0.00	0.00	0.00	0.00
441	62	35.35	2191.70	1,596.87	2,576.76	1,877.42
			2191.70	1,596.87	2,576.76	1,877.42
			107,587.67	68,495.01	149,528.32	85,543.41

Case No. 2011-00036 Witness: James V. Haner Attachment for Item AG 1-49

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OPEB for the Year Ended 12-31-2009

NAME	MONTHS	NET MONTHLY PREMIUM	NET COST W/O GROWTH	W/O GROWTH PRESENT VALUE (5.78%/YR)	NET COST INFLATED (from 7.7% to 4.5%/YR)	INFLATED COST PRESENT VALUE (5.78%/YR)
B-LTD/COB	I					
949	100	111.18	11118.00	6,960.89	14,675.04	9,187.92
777	24	512.07	12289.68	10,983.32	12,762.84	
2055	83	111.18	9227.94		11,542.42	7,825.37
2544	71	111.18	7893.78	5,661.04	9,509.96	
2249	240	111.18	26683.20		53,010.72	17,230.28
			67212.60	38,534.43	101,500.98	52,469.84
S-LTD						
441	50	41.34	2067.00	1,635.53	2,332.80	1,845.84
			2067.00	1,635.53	2,332.80	The state of the s
			69,279.60	40,169.96	103,833.78	54,315.68
447						
THE RESERVE AND ADDRESS ASSESSMENT ASSESSMEN						

Case No. 2011-00036 Witness: James V. haner Attachment for Item AG 1-49

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OPEB for the Year Ended 12-31/2010

MONTHS	NET MONTHLY PREMIUM	NET COST W/O GROWTH	W/O GROWTH PRESENT VALUE (4.96%/YR)	NET COST INFLATED (from 7.7% to 4.5%/YR)	INFLATED COST PRESENT VALUE (4.96%/YR)
RA					
88	127.93	11257.84	7,893.71	14,253,52	9,994.20
12	660.14	7921.68			7,547.33
71	127.93	9083.03			8,190.30
59	127.93	7547.87	5,949.17		6,884.98
228	127.93	29168.04	11,626.65		
14	660.14	9241.96		9,342.30	
59	127.93	7547.87	5,949.17	8,735.15	
56	1278.14	71575.84	57,102.43	82,175.92	
		153344.13	111,623.77	197,281.77	135,897.91
38	52.77	2005.26	1,720.26	2,177.22	1,867.78
42	605.84	25445.28	21,479.48		
123	43.77	5383.71		7,579.89	
		32834.25		37,758.57	30,120.02
		186,178.38	138,101.35	235,040.34	166,017.93
	88 12 71 59 228 14 59 56	MONTHS PREMIUM RA 88 127.93 12 660.14 71 127.93 59 127.93 127.93 228 127.93 14 660.14 59 127.93 127.93 56 1278.14 38 52.77 42 605.84	MONTHS PREMIUM GROWTH RA 88 127.93 11257.84 12 660.14 7921.68 71 127.93 9083.03 59 127.93 7547.87 228 127.93 29168.04 14 660.14 9241.96 59 127.93 7547.87 56 1278.14 71575.84 153344.13 153344.13 38 52.77 2005.26 42 605.84 25445.28 123 43.77 5383.71 32834.25	MONTHS NET MONTHLY PREMIUM NET COST W/O GROWTH PRESENT VALUE (4.96%/YR) RA 88 127.93 11257.84 7,893.71 12 660.14 7921.68 7,547.33 71 127.93 9083.03 6,820.86 59 127.93 7547.87 5,949.17 228 127.93 29168.04 11,626.65 14 660.14 9241.96 8,734.45 59 127.93 7547.87 5,949.17 56 1278.14 71575.84 57,102.43 153344.13 111,623.77 38 52.77 2005.26 1,720.26 42 605.84 25445.28 21,479.48 123 43.77 5383.71 3,277.84 123 43.77 5383.71 3,277.84	MONTHS NET MONTHLY PREMIUM NET COST W/O GROWTH PRESENT VALUE (4.96%/YR) INFLATED (from 7.7% to 4.5%/YR) RA 88 127.93 11257.84 7,893.71 14,253.52 12 660.14 7921.68 7,547.33 7,921.68 71 127.93 9083.03 6,820.86 10,906.65 59 127.93 7547.87 5,949.17 8,735.15 228 127.93 29168.04 11,626.65 55,211.40 14 660.14 9241.96 8,734.45 9,342.30 59 127.93 7547.87 5,949.17 8,735.15 56 1278.14 71575.84 57,102.43 82,175.92 153344.13 111,623.77 197,281.77 38 52.77 2005.26 1,720.26 2,177.22 42 605.84 25445.28 21,479.48 28,001.46 123 43.77 5383.71 3,277.84 7,579.89 32834.25 26,477.58 37,758.57

Case No. 2011-00036 Witness: James V. Haner Attachment for Item AG 1-49

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

l	Item 50) List expense amounts for workers compensation insurance and claims for
2	each year 2007 to 2010. Indicate in which expense accounts these items are recorded.
3	
4	Response) The workers compensation insurance write-off (whether expensed or
5	capitalized) for the years 2007 through 2009 was, respectively, \$62,160, \$66,555, and
6	\$507,165. As the Unwind Transaction closed at midnight on July 16, 2009, pre-Unwind
7	periods are generally meaningless and irrelevant to the post-Unwind mode of operations for
8	Big Rivers. Therefore, the workers compensation account distribution is not being provided
9	for pre-Unwind periods. Further, due to the E.ON IT Support Services Agreement terminating
10	January 15, 2011, Big Rivers no longer has access to the Oracle 11i information. Accordingly,
11	the workers compensation account distribution for 2009 is not available.
12	However, please find attached a schedule of the 2010 workers compensation
13	expense account distribution. Note that this information is available for 2010 as YTD October
14	2010 information was extracted prior to termination of the E.ON IT Support Services
15	Agreement, and Big Rivers transitioned to Oracle R12 November 1, 2010.
16	
17	
18	Witness) Mark A. Hite
19	
20	

2010 Workers Compensation Expense by Account Number

Account	Description	Amount		
426	OTHER DEDUCTIONS	3.61		
500	OPER SUPERVISION & ENGINEERING	70,456.09		
501	FUEL AND FUEL HANDLING	59,014.37		
502	STEAM EXPENSES	159,639.82		
505	ELECTRIC EXPENSES	71,005.05		
506	MISC STEAM POWER EXPENSE	16,452.89		
510	MAINT SUPERVISION & ENGINEERING	59,716.68		
511	MAINTENANCE STRUCTURES	15,333.51		
512	MAINTENANCE BOILER PLANT	141,716.95		
513	MAINTENANCE ELECTRIC PLANT	21,910.05		
514	MAINTENANCE MISC STEAM PLANT	5,292.34		
548	GENERATION EXPENSES-GAS TURBINE	12.37		
553	MAINT GENERATING & ELEC PLT-GAS	1,380.90		
555	PURCHASED POWER	134,450.91		
560	OPER SUPERVISION & ENG-LINES	11,094.50		
561	LOAD DISPATCHING	16,625.49		
562	STATION EXPENSES	14,862.21		
563	OVERHEAD LINE EXPENSES	4,657.17		
566	MISC TRANSMISSION EXP-LINES AND STATIONS	4,704.55		
568	MAINT SUPERVISION & ENG-LINES AND STATIONS	8,059.85		
569	MAINT STRUCTURES	6.88		
570	MAINT STATION EQUIPMENT	33,891.52		
571	MAINT OVERHEAD LINES	25,470.36		
573	MAINT MISC TRANSMISSION PLT-LINES AND STATIONS	1,342.68		
908	CUSTOMER ASSISTANCE EXPENSES	6,173.09		
920	ADMINISTRATIVE AND GENERAL SALARIES	207,106.00		
921	OFFICE SUPPLIES AND EXPENSES	312.22		
923	OUTSIDE SERVICES EMPLOYED	42.90		
925	INJURIES & DAMAGES	267.39		
926	EMPLOYEE PENSIONS & BENEFITS	734.51		
935	MAINTENANCE OF GENERAL PLANT	1,857.88		
Total Wor	Total Workers Compensation Expensed 1,093,594.7			

Case No. 2011-00036 Witness: Mark A. Hite Attachment for Item AG 1-50

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 51)	Please state whether any amounts have been booked during the test period by
2	the Compan	y for the liability created pursuant to any employment severance compensation
3	agreements.	
4		
5	Response)	There are no such agreements.
6		
7		
8	Witness)	James V. Haner
9		
10		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 52)	Please list all steps the Company has taken to reduce the cost of medical
2	insurance.	
3		
4		a. Does the Company's insurance coverage require a coordination of
5		benefits and, if so, how does it function?
6		b. Does the Company plan require a co-pay percentage by the employee? If
7		so, what is the percentage and has it increased over the past three years?
8		State the various levels over the past three years.
9		
10	Response)	Steps taken by the Company to reduce the cost of medical insurance have
11	included incr	easing the deductible and out-of-pocket amounts; changing co-share percentages,
12	e.g., changing	g coverage for a service from 100% to 80%; applying deductibles for services
13	previously no	t subject to one; changing integration with Medicare from a coordination of
14	benefits basis	to a carve-out basis; moving from an indemnity plan to a preferred provider
15	organization	plan; and increasing the percentage of employees' contributions to the premium
16	cost. The Co	mpany is currently considering its options for reducing cost, including marketing
17	of the coverage	ge, self-insurance, and changes in eligibility, plan design, and participant
18	contribution t	o the cost.
19		a. The Company's insurance coverage does provide for coordination of
20	benefits. Tha	t provision is explained beginning on page 58 of the medical plan description
21	which was pr	ovided in response to item 33 of Staff's initial request.
22		b. The Company does require participants to contribute to the premium cost.
23	The percentag	ge provided in the transmission division contract, and that contributed by all non-
24	bargaining un	it employees, is 8%. That percentage has not changed over the past three years.
25	The labor con	tract with the generation division bargaining unit, which was effective 7/17/09,
26		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	provides for	an employee contribution of 10% of the cost.
2		
3		
4	Witness)	James V. Haner
5		
6		
7		
8		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 53)	Provide the following information for the total company operations. If any
2	amounts we	re allocated, show a calculation of the factor used to allocate each amount.
3		
4		a. An analysis of Miscellaneous General expenses for the test period.
5		Include a complete breakdown of this account, including industry
6		association dues, stockholder and debt service expenses, institutional
7		advertising, conservation advertising, rate department load studies,
8		director's fees and expenses, dues and subscriptions, and miscellaneous
9		expenses. Provide detailed workpapers supporting this analysis. At a
10		minimum, the workpapers should show the account number, date, vendor,
11		reference (i.e., voucher no., etc.), dollar amount, and brief description of
12		each expenditure of \$500 or more.
13		b. An analysis of Other Income Deductions for the test period. Include a
14		complete breakdown of this account including donations, civic activities,
15		political activities and other, and provide detailed workpapers supporting
16		this analysis. At a minimum, the workpapers should show the account
17		number, date, vendor, reference (i.e., voucher no., etc.), dollar amount,
18		and brief description of each expenditure of \$500 or more.
19		
20	Response)	
21		
22		a. The enclosed CD contains an analysis of Account No. 930,
23		Miscellaneous General Expenses, and those expenditures posted to Account
24		No. 921, Operating Supplies and Expenses. The workpapers supporting the
25		analysis are also included on the CD. (Note that the Account 921, Office
26		Supplies and Expenses, amount arises from the post-Unwind use of two

Case No. 2011-00036 Response to Item AG 1-53 Witness: Mark A. Hite

Page 1 of 2

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1			information technology systems (Oracle 11i and AS400), and a difference in
2			certain account coding being employed for each system, while Big Rivers
3			was transitioning to Oracle R12.)
4		b.	Please see the attached schedules for an analysis of Account No. 426,
5			Other Income and Deductions, and those expenditures posted to Account
6			No. 921, Operating Supplies and Expenses. The workpapers supporting the
7			analysis are also attached. (Note that the Account 921, Office Supplies and
8			Expenses, amount arises from the post-Unwind use of two information
9			technology systems (Oracle 11i and AS400), and a difference in certain
10			account coding being employed for each system, while Big Rivers was
11			transitioning to Oracle R12.)
12			
13			
14	Witness)	M	ark A. Hite
15			
16			

Big Rivers Electric Corporation

Case No. 2011-00036

Account 426 - Other Income Deductions For the Twelve Months Ended October 31, 2010

Line No.	Item (a)	Amount
Bine 140.	(a)	(b)
1	Donations	33,369
2	Civic Activities	0
3	Political Activities	13.094
4	Other	570
5	Total	47.033

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-53b

Page 1 of 9

Big Rivers Electric Corporation

Case No. 2011-00036

Account 921 - Office Supplies and Expenses For the Twelve Months Ended October 31, 2010

			Amount
Line No.	Item	(a)	(b)
1	Donations		48,773
2	Civic Activities		0
3	Political Activities		0
4	Other		0
5	Total		48,773

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-53b

Page 2 of 9

Advertising-Goodwill-Donations (Oracle 11i) Actual November 2009 - October 2010

Page: 1 of 32

LGE ENERGY LLC Account Analysis Report Report Date: 29-NOV-2010 14:55 Line Item

Period: JAN-2010 To OCT-2010

Currency: USD

Balance Type: Actual

Payables	Purchase I	600.00		March Of Dimes-Sponsorship-\$500
				Junior Achievement-Corporate Gift for Hancock County Campaign-\$100
Payables	Purchase I	1,900.00		KAEC-Sponsorship-Lineman's Rodeo-\$400, Meade Co RECC-Relay for Life-Sponsorship-\$1,500
Payables	Purchase I	300.00		Sebree Chamber of Commerce-Sponsorship-Firecracker Run-\$300
Payables	Purchase I	8,333.33		KAEC-BREC portion of joint Sponsorship
Payables	Purchase I	580.00		Sponsorship Hend Chamber of Commerce-\$500
				Hend Chamber of Comm Dinner tickets-\$80
Payables	Purchase I	600.00		Owensboro Chamber of Commerce-Golf Classic Registration
Payables	Purchase I	190.00		Owensboro Chamber of Commerce-skirts, mulligans, string
Payables	Purchase I	775.00		Children's Advocacy-sponsorship of golf scramble-\$500, Emergency Shelter for Women & Children-Sponsor golf scramble-\$250
				Dukes Volunteer Fire Dept-donation-\$25
Payables	Purchase I	656.60		business cards,newsletters
Payables	Purchase I	1,000.00		KAED/KET Sponsorship "Baseball etc
Spreadshee	Adjustment	600.00		Owensboro Chamber of Commerce-Golf Classic Registration
Spreadshee	Adjustment	600.00		Owensboro Chamber of Commerce-Golf Classic Registration
Spreadshee	Adjustment	600.00		Owensboro Chamber of Commerce-Golf Classic Registration
Spreadshee	Adjustment	600.00		Owensboro Chamber of Commerce-Golf Classic Registration
Spreadshee	Adjustment	600.00		Owensboro Chamber of Commerce-Golf Classic Registration
Spreadshee	Adjustment		600.00	Owensboro Chamber of Commerce-Golf Classic Registration
Spreadshee	Adjustment			
Spreadshee	Adjustment		600.00	
Spreadshee	Adjustment			
Payables	Purchase I	61.21		pcard-gas
Payables	Purchase I	40,000.00		United Way Donation
Payables	Purchase I	250.00		St Anthony's Hospice-Pat McCormick Race to Remember
Payables	Purchase I	20.00		Lewisport Volunteers-Donation
Payables	Purchase I	2,000.00		Junior Achievement-1000 & Henderson Area Arts Alliance-1000
Payables	Purchase I	600.00		Business Education Partnership-Contribution
Payables	Purchase I		600.00	Business Education Partnership-Contribution
Payables	Purchase I	600.00		Business Education Partnership-Contribution
Payables	Purchase I		36.00	Business Education Partnership-Contribution-Sales Tax
Payables	Purchase I	36.00		Business Education Partnership-Contribution-Sales Tax

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-53b

Page 3 of 9

Advertising-Goodwill-Donations (Oracle 11i)

Actual November 2009 - October 2010

Payables	Purchase I	500.00		American Cancer Society-JE Accrual
Payables	Purchase I	500.00		College Foundation-Contribution to the Colonels to College program
Payables	Purchase I	5,000.00		Habitat for Humanity-Second installment for 48th house-build
Payables	Purchase I	105.00		American Red Cross-contribution to Heroes Campaign for polo shirts
Payables	Purchase I	500.00		American Red Cross-contribution to Heroes Campaign
Payables	Purchase I	3,010.00		Kenergy-Sponsorship 8 person table "GALA 2010"-\$500, ABBA Promotions-Logo Tees-\$1,329
				American Cancer Society-Employee Donations-590.50, Tennessee Kidney Foundation-Donation-590.50
Payables	Purchase I	1,562.00		Kentucky Drag Boat-sponsorship-\$500, ABBA Promotions-Dundraiser-Hero's Campaign-\$1,062
Payables	Purchase I	1,000.00		Kentucky Community College System-KCTCS President's Gala-Marty Littrel-\$1000
Payables	Purchase I		1,062.00	ABBA Promotions-Dundraiser-Hero's Campaign-\$1,062-cancelled
Payables	Purchase I	1,000.00		Paducah Chamber of Commerce-Membership Dues
Payables	Purchase I	250.00		Northwest Kentucky Forward-Rally for Education
Payables	Purchase I	1,446.90		Gene's Restaurant-United Way Breakfast
Payables	Purchase I	1,000.00		Meade Co RECC-sponsorship-Christmas by the River
Spreadshee	Adjustment	500.00		American Cancer Society-Relay for Life Supporter
Spreadshee	Adjustment	626.87		AP Accrual-10/10-Directions Promotions-HQ Safety Award-\$526.87, Marsha's Place-Golf Hole Sponsor-\$100
Spreadshee	Adjustment		500.00	_American Cancer Society-JE Accrual
	73,904.91	78,502.91	4,598.00	
			Account	
Promotional A	Advertising	21,134.20	921183	
Donations		48,772.90	921183	S/B 426
		69,907.10		
Not removed		3,997.81		
Not lemoved		3,997.81		
		73,904.91		
		73,904.91		
		73,904.91		
		-		
			Account-426	
		Booked	100.00	
		04/10		Junior Achievement-Corporate Gift for Hancock County Campaign-\$100 Inv # 4/2/10
		07/10		Dukes Volunteer Fire Dept-donation-\$25 Inv # 10559
		01/10	40,000.00	United Way Donation United Way of Henderson Co Inv # 10074 \$28,000, United Way of Ohio Valley Inv # 10073 \$12,000

20.00 Lewisport Volunteers-Donation Inv # 10248

1,446.90 Genes Restaurant-United Way Breakfast Inv # 079852

500.00 American Cancer Society-JE Accrual - Pd invoice not accrual-Inv # 10343

1,181.00 American Cancer Society-Employee Donations-590.50 Inv # 10626, Tennessee Kidney Foundation-Donation-590.50 Inv # 10625

5,000.00 Habitat for Humanity-Second installment for 48th house-build Inv # 10477

500.00 American Red Cross-contribution to Heroes Campaign Inv # 010508

500.00 American Cancer Society-Relay for Life Supporter JE Accrual

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-53b

03/10

05/10

06/10

07/10

08/10

10/10

04/10

Page 4 of 9

Advertising-Goodwill-Donations (Oracle 11i)

Actual November 2009 - October 2010

(500.00) American Cancer Society-JE Accrual

05/10 (500.00) American Cancer Society-JE Accrual 48,772.90

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-53b

Page 5 of 9

Big Rivers Electric Corporation Case No. 2011-00036 Proforma Adjustment

1 Promotional/Institutional Advertising, Political/Lobbying, Donations and Economic Development

2	Proforma Year	0				
3	Historical Year	507,216				
4	Proforma Adjustment	(507,216)				
5	Accounts: 426.110 - Donations 426.300 - Penalties			(33,369) (570)	x	
	426.410 - Civic, Political and Related Activities 913.110 - Advertising Expenses 921.102 - Office Supplies and Expenses 921.183 - Office Supplies and Expenses 930.110 - General Advertising Expenses 930.112 - General Advertising Expenses 930.210 - Miscellaneous General Expenses	_	Φ.	(13,094) (205,312) (40,554) (69,907) (60,910) (71,500) (12,000)	x x x x x x	(47,033)
			\$	(507,216)		

Description: To remove all promotional/institutional advertising expenses, political/lobbying 6 expenses, donations, penalties and economic development expenses from the test year.

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-53b

Page 6 of 9

Big Rivers Electric Corporation Case No. 2011-00036 Donations

Month				
Booked	Vendor	V#	Account	Amount
11/09	KY Governors Scholarship	548226	426110	2,000.00
	Sherman Goodpaster	548240	426110	100.00
12/09	Henderson Regional Hospital Foundation	548750	426110	1,000.00
	College Foundation Inc.	548754	426110	2,500.00
	WBKR Christmas Wish	549061	426110	500.00
	Habitat for Humanity	549065	426110	5,000.00
	Owensboro Musuem of Fine Art	549169	426110	100.00
	Business Education Partnership	549184	426110	500.00
02/10	Mike Burgett-Lion's Club	550016	426110	190.00
	McBrayer, McGinnis, Leslie & Kirkland	550157	426110	1,118.56
04/10	NRECA-Philippines	550785	426110	20,000.00
06/10	Labor	Labor Dist.	426100	110.15
10/10	MI D WILL CIT	552510	40.6110	250.00
10/10	Mike Burgett-Lion's Club	553712	426110	250.00
				33,368.71
				33,300.71
	Acct code error-to be corrected 12/10	2010 G/L	426110	1,118,56
	A LOCK COURS OF THE TO SEE CONTROLLED 12/10	2010 0/1	720110	1,110.50

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-53b

Page 7 of 9

Big Rivers Electric Corporation Case No. 2011-00036 Lobbying Expenses

Month				
Booked	Vendor	V #	Account	Amount
1109	McBrayer, McGinnis, Leslie & Kirkland	548471	426410	1,118.56
12/09	McBrayer, McGinnis, Leslie & Kirkland	548996	426410	1,100.00
02/10	McBrayer, McGinnis, Leslie & Kirkland	549848	426410	1,136.01
03/10	McBrayer, McGinnis, Leslie & Kirkland	550441	426410	1,100.00
04/10	McBrayer, McGinnis, Leslie & Kirkland	550992	426410	1,200.59
06/10	McBrayer, McGinnis, Leslie & Kirkland	551613	426410	1,160.77
	McBrayer, McGinnis, Leslie & Kirkland	552047	426410	1,100.00
07/10	McBrayer, McGinnis, Leslie & Kirkland	552542	426410	1,133.75
08/10	KAEC	552823	426410	720.00
	McBrayer, McGinnis, Leslie & Kirkland	552926	426410	1,107.15
09/10	McBrayer, McGinnis, Leslie & Kirkland	553454	426410	1,116.88
10/10	McBrayer, McGinnis, Leslie & Kirkland	554108	426410	1,100.00
			:	13,093.71

The McBrayer, McGinnis, Leslie & Kirkland are allocated 50% to 426 and 50% to 923. The KAEC invoice is allocated 15% to 426 and 85% to 921.

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-53b

Page 8 of 9

Big Rivers Electric Corporation Case No. 2011-00036 Penalties

	Month				
_	Booked	Vendor	V# or JE #	Account	Amount
	12/09	US Treasury	548770	426.300	141.20
	08/10		JE 08-10.0	426.300	429.00
					570.20

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-53b

Page 9 of 9

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 54)	Provide a detailed analysis of expenses incurred during the test period for
2	professional	services, including legal, engineering, accounting and other, and provide all
3	workpapers s	supporting the analysis. At a minimum, the workpapers should show the payee,
4	dollar amou	nt, reference (i.e., voucher no., etc.), account charged, hourly rates and time
5	charged to th	ne company according to each invoice, and a description of the services
6	provided.	
7		
8	Response)	The enclosed CD contains a schedule detailing the \$2,712,026 of professional
9	services. Big	g Rivers notes that this amount excludes expenses for the Midwest ISO case (Case
10	No. 2010-00	043), the annual PSC Assessment, this rate case, and certain other non-
11	professional	outside services charged to Account 923. Note that this question is nearly
12	identical to It	tem 43 of the Commission Staff's Initial Request.
13		
14		
15	Witness)	Mark A. Hite
16		
17		
18		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 55) Provide a detailed analysis of contributions for charitable and political
2	purposes (in cash or services), if any, recorded in accounts other than Other Income
3	Deductions. Show the amount of the expenditure, the recipient of the contribution, and the
4	specific account charged. If amounts are allocated, show a calculation of the factor used to
5	allocate each amount. Detailed analysis is not required for amounts less than \$100, provided
6	the items are grouped by classes.
7	
8	Response) Donations for charitable, social, or community welfare purposes are to be
9	recorded in account 426.1. Note that the Account 921, Office Supplies and Expenses, amount
10	arises from the post-Unwind use of two information technology systems (Oracle 11i and
11	AS400), and a difference in certain account coding being employed for each system, while Big
12	Rivers was transitioning to Oracle R12. During the test year, the 12 month period ended
13	October 31, 2010, donations of \$32,140 were recorded to account 426.1 and donations of
14	\$48,773 were recorded to account 921. A pro forma adjustment, Schedule 2.23, was made to
15	remove the entire \$80,913 from the revenue requirement. Please see the schedule attached in
16	the response to Item 53.b. of the Attorney General's First Data Request for the detailed
17	analysis of the \$48,773 of donations recorded to account 921. Also see the response to item 50
18	of the Commission Staff's Initial Request for Information regarding the $\$80,\!913$ of donations.
19	
20	
21	Witness) Mark A. Hite
22	
23	
24	
25	

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 56)	Describe Big Rivers' lobbying activities and provide a schedule showing the
2	name, salary	, affiliation, all company-paid or reimbursed expenses or allowances, and the
3	account cha	rged for each individual whose principal function is lobbying on the local, state,
4	or national l	evel. If any amounts are allocated, show a calculation of the factor used to
5	allocate each	n amount.
6		
7	Response)	This question is identical to item 51 of the Commission Staff's Initial Request
8	for Informati	on. Please see that response.
9		
10		
11	Witnesses)	Albert M. Yockey and Mark A. Hite

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 57)	List each athletic and employee association to which the Company
2	contributes, t	the associated amounts for the test period and preceding year and the accounts
3	charged. Sta	te how the Company has treated these expenses in the test period.
4		
5	Response)	None.
6		
7		
8	Witness)	James V. Haner
9		

Page 1 of 1

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 58)	List the dollar value of discounts for service and merchandise the Company				
2	provides to employees.					
3						
4		a. Provide these amounts for the test period;				
5		b. Show in what accounts and amounts such expense was recorded; and				
6		c. What employees are eligible to receive such discounts?				
7						
8	Response)	Big Rivers provides no discounts for service or merchandise to its employees.				
9						
10						
11	Witness)	James V. Haner				
12						
13						
1/1						

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 59) List all Company owned automobiles, other than service vehicles, and state
2	the Company's policy for charging employees for the personal use of these automobiles and
3	the Company policy of reporting the personal usage of these automobiles for Federal income
4	tax purposes.
5	
6	Response) Attached are two lists of Company-owned vehicles that may be used for
7	personal use as well as business use by the employees to whom they are assigned.
8	
9	The first list includes vehicles assigned to employees whose use of the vehicles for personal
10	purposes is prohibited other than for commuting or de minimis personal use. Big Rivers uses
11	the IRS commuting valuation method for valuing the personal use of those vehicles. The
12	personal use values are included in income and reported on the employees' W-2s.
13	
14	The second list includes vehicles assigned to employees whose personal use of the vehicle may
15	be for use other than commuting. Big Rivers uses the IRS lease valuation method for valuing
16	the personal use of those vehicles. The personal use values are included in income and
17	reported on the employees' W-2s.
18	
19	
20	
21	Witness) James V. Haner
22	

,	Assigned \	/ehicles - C	ommute Only Personal Use
Vehicle No.	Year	Make	Módel/Type
280	2003	Chevrolet	1/2 Ton Extended Cab Pick Up Truck
291	2004	Chevrolet	Blazer
303	2005	Chevrolet	3/4 Ton Crew Cab Pick Up Truck
304	2005	Chevrolet	Impala
305	2006	Chevrolet	1/2 Ton Extended Cab Pick Up Truck
314	2007	Chevrolet	1/2 Ton Extended Cab Pick Up Truck
315	2007	Chevrolet	1/2 Ton Extended Cab Pick Up Truck
326	2008	Chevrolet	Colorado
332	2009	Chevrolet	1/2 Ton Extended Cab Pick Up Truck
341	1999	Ford	Explorer
423	2009	Chevrolet	1/2 Ton Extended Cab Pick Up Truck

Assi	gned Vehic	les - Perso	nal Use Other Than Commuting
Vehicle No.	Year	Make	Model/Type
286	2004	Chevrolet	3/4 Ton Crew Cab Pick Up Truck
301	2005	Chevrolet	Impala
307	2006	Chevrolet	Impala
309	2006	Chevrolet	Impala
311	2006	Chevrolet	Impala
320	2008	Chevrolet	Impala
321	2008	Chevrolet	Impala
322	2008	Chevrolet	Impala
325	2008	Chevrolet	Impala
336	2006	Ford	F250 Supercrew Pick Up Truck
422	2009	Chevrolet	1/2 Ton Crew Cab Pick Up Truck
426	2010	Chevrolet	1/2 Ton Crew Cab Pick Up Truck
430	2010	Chevrolet	1/2 Ton Crew Cab Pick Up Truck
431	2010	Chevrolet	1/2 Ton Crew Cab Pick Up Truck

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 60)	Does the Company maintain any recreational sites for the use of the public
2	and/or Com	pany employees? If so, please:
3		
4		a. Identify each site and the type of recreational facility.
5		b. State whether each site is for public use or exclusively for employee use.
6		c. For each site identified in (a) above, state the amount of expense incurred
7		during the test period to maintain it.
8		
9	Response)	Big Rivers does not maintain any recreational sites for the use of the public
10		and/or Company employees.
11		
12		
13	Witness)	James V. Haner
14		
15		
16		
17		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 61)	For the test period list all payments made for employee gifts, employee
2	awards, emp	ployee luncheons and dinners, employee picnics and all other similar type items.
3	For each, li	st the dollar amount paid, the payee, the account charged and state the purpose.
4	Provide cop	ies of invoices which exceed \$2500.00.
5		
6	Response)	See attachments and enclosed CD.
7		
8		
9	Witnesses)	James V. Haner and Robert W. Berry

Date	Payee	Purpose		Account
		1 4. 5000	Amount	Charged
Nov-09	Sam's Club	Safety Incentive (1 year no recordable injury) - Green/Reid/SII Lab Dept	1,843.17	921
Dec-09	Sam's Club	Safety Incentive (1 year no recordable injury) - Wilson Operations Dept	2,205.00	921
Dec-09	Sam's Club (Attach 1)	Safety Incentive (1 year no recordable injury) - Wilson Operations Dept	8,000.00	921
Jan-10	Sam's Club	Safety Incentive (no recordable) - Central Machine Shop	988.00	921
Jan-10	Sam's Club (Attach 2)	Safety Incentive (Individual) - Green Station	5,644.55	921
Jan-10	Sam's Club (Attach 3)	Safety Incentive (Individual) - Reid/Station Two	4,396.06	921
Jan-10	Leisure Hut	T-shirt - Safety Vision Meeting - Sebree Station		
Feb-10	Sam's Club (Attach 4)	Safety Incentive (1 year no recordable injury) - Wilson Station	1,763.50	506
Feb-10	Color Connections	Three years with no recordable injury T-shirts - Wilson Station	5,744.00	921
Mar-10	Sam's Club (Attach 5)	Individual & Department Safety Incentive 2010 - Coleman Station	1,534.35 8,552.00	506
Apr-10	Sam's Club (Attach 6)	Safety Incentive (Oper & Maint Dept 1 year no recordable) - Green Station		921
Apr-10	Sam's Club (Attach 7)	Safety Incentive (Oper & Maint Dept 1 year no recordable) - Reid/Sta Two	9,100.00	921
Jun-10	Sam's Club (Attach 8)	Annual Safety Incentive for 2010 - Henderson office	6,375.00	921
Jun-10 S	Sam's Club (Attach 9)	Safety Incentive (2 years with no recordable injury) - Coleman Station	3,053.00 9,185.00	921 921

Case No. 2011-00036

Witnesses: James V. Haner and Robert W. Berry

Attachment to Item AG 1-61

Page 1 of 8

	Safety Awards & Gifts					
Date	Payee	Purpose	Amount	Account Charged		
Jun-10	Sam's Club	Safety Incentive (1 year with no recordable injury) - Coleman Station	600.00	921		
Jun-10	Sam's Club	Safety Incentive - Wilson Lab and Fuels Dept	1,484.91	921		
Jul-10	Allison & Associates (See Attachment)	Jackets - Two years with no recordable injury - Coleman Station	14,157.00	506		
Sep-10	Directions Promotions	Award - Three years with no lost time - Headquarters	526.87	921		

Case No. 2011-00036

Witnesses: James V. Haner and Robert W. Berry

Attachment to Item AG 1-61

Page 2 of 8

		Safety Luncheons & Dinners		
Date	Payee	Purpose	Amount	Account Charged
Dec-09	Schnitzelbank Catering	Joint Safety Committee Meeting & Lunch	829.90	506
Dec-09	Old Hickory BBQ	Safety Meal	127.26	506
Mar-10	D & M Family Foods	One year without a lost time injury - Sebree Station	1,831.44	921
Mar-10	D & M Family Foods	Governor's Award Dinner - No Lost Time Injury - Sebree	1,600.00	921
Apr-10	J & B Catering Service	Joint Safety Committee Meeting & Lunch	699.60	921
May-10	Schnitzelbank Catering	Governor's Safety Award Lunch	2,263.28	506
Jun-10	Bill & Daves	Safety Meal	350.00	506
Jul-10	Schnitzelbank Catering	Safety Dinner	2,145.71	506
Jul-10	Bill & Daves	Safety Meal	565.49	506
Jul-10	Patio Steakhouse, Subway, Panera, Walmart	Safety Meeting & Lunch	523.21	506
Aug-10	Patio Steakhouse, Subway, Panera, Walmart	Safety Meeting & Lunch	228.03	506
Aug-10	Schnitzelbank Catering	Safety Meeting & Lunch	2,415.21	506
Aug-10	Patio Steakhouse	Safety Committee Lunch	667.09	506
Aug-10	Patio Steakhouse	Safety Meeting & Lunch	279.00	506

Case No. 2011-00036

Witnesses: James V. Haner and Robert W. Berry

Attachment to Item AG 1-61

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		Safety Luncheons & Dinners		
Date	Payee	Purpose	Amount	Account Charged
Aug-10	Panera Bread	Safety Committee Lunch	34.80	506

Case No. 2011-00036

Witnesses: James V. Haner and Robert W. Berry

Attachment to Item AG 1-61

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	Staff Meeting Luncheons					
Date	Payee	Purpose	Amount	Account Charged		
Dec-09	Applebees	Personnel Meeting - Coleman Station	65.85	506		
Dec-09	Bill & Daves	Staff Meeting - Coleman Station	486.77	506		
Jan-10	Bill & Daves	Staff Meeting - Coleman Station	415.20	506		
Feb-10	Panera Bread	Staff Meeting - Wilson Station	255.17	506		
Feb-10	Schnitzelbank Catering	Production Staff Meeting - Wilson Station	723.40	506		
Feb-10	J & B Catering Service	Board of Director's Meeting at Sebree Station	240.00	506		
Feb-10	Bill & Daves	Staff Meeting - Coleman Station	299.54	506		
Mar-10	Chicago Pizza	Staff Meeting - Coleman Station	125.37	506		
Mar-10	Bill & Daves	Manager's Meeting & Lunch - Coleman Station	471.27	506		
Apr-10	The Country Cupboard	Monthly Manager's meeting -Sebree Station	427.80	506/555.150		
Apr-10	Patio Steakhouse	Manager's Meeting & Lunch - Coleman Station	67.08	506		
Apr-10	Applebees	Manager's Meeting & Lunch - Coleman Station	53.45	506		
Apr-10	Shogun of Japan	Manager's Meeting & Lunch - Coleman Station	165.63	506		
Apr-10	North South Truck Stop	Manager's Meeting & Lunch - Coleman Station	45.89	506		

Case No. 2011-00036

Witnesses: James V. Haner and Robert W. Berry

Attachment to Item AG 1-61

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		Staff Meeting Luncheons		
Date	Payee	Purpose	Amount	Account Charged
Apr-10	Chìcago Pizza	Staff Meeting - Coleman Station	90.47	506
May-10	Moonlite BBQ	Production Staff Meeting - Wilson Station	1,325.00	506
May-10	Ole South Barbeque	Capital Budget Meeting - Headquarters & Plants	265.00	506/555.150
Jun-10	Walmart	Staff Meeting - Coleman Station	85.43	506
Jun-10	Patio Steakhouse, Subway, Panera, Walmart	Manager's Meeting & Lunch - Coleman Station	512.24	506
Jul-10	Moonlite BBQ	Production Staff Meeting - Wilson Station	1,144.00	506
Aug-10	Subway	Plant Manager Meeting - Sebree Station	66.29	506
Aug-10	J & B Catering Service	Monthly Manager Meeting - Sebree Station	371.00	506
Sep-10	Panera Bread	Staff Meeting - Wilson Station	198.74	506
Sep-10	Moonlite BBQ	Production Staff Meeting - Wilson Station	1,244.00	506
Oct-10	Panera Bread	Outage Meeting - Wilson Station	351.66	506
Oct-10	Bill & Daves	Staff Meeting - Coleman Station	410.78	506

Case No. 2011-00036

Witnesses: James V. Haner and Robert W. Berry

Attachment to Item AG 1-61

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	Employee Holiday Luncheons						
Date	Payee	Purpose	Amount	Account Charged			
Nov-09	Bauerhaus	Holiday Lunch at Headquarters- 2009	1,580.44	926/930			
Dec-09	Cracker Barrel/Dollar General	Holiday Lunch at ET&S - 2009	505.74	566			
Dec-09	Schnitzelbank Catering	Holiday Lunch at Wilson Station - 2009	2,147.74	506			
Dec-09	J & B Catering Service	Holiday Lunch at Sebree Station - 2009	1,431.00	506/555.150			

Case No. 2011-00036

Witnesses: James V. Haner and Robert W. Berry

Attachment to Item AG 1-61

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	Service Awards							
Date	Payee	Purpose	Amount	Account Charged				
	Certif-A-Gift							
Dec-09	(See Attachment)	Employee Service Awards for 2009	34,096.70	926				

Case No. 2011-00036

Witnesses: James V. Haner and Robert W. Berry

Attachment to Item AG 1-61

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 62)	Identify all expenses incurred during the test period for athletic events,					
2	tickets, sky b	boxes and all sporting activities.					
3							
4		a. Specifically identify the activity, dollar amount and account charged.					
5		b. Provide copies of paid vouchers and invoices supporting these					
6		expenditures.					
7							
8	Response)	There were none.					
9							
10							
11	Witness)	James V. Haner					
12							
13							
14							

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 63)	With regard to research and development (R&D) expenditures, please
2	provide:	
3		
4		a. A monthly breakdown of the R&D expenses by project included for the
5		years 2007 to 2010.
6		b. A comparison of actual vs. budgeted expenditures for 2007 to 2010.
7		c. A detailed explanation of the causes of any increase in expenditure levels
8		from 2005 to 2006; 2006 to 2007; 2007 to 2008; 2008 to 2009; and 2009 to
9		2010. State why any and all such increases were necessary and
10		reasonable.
11		d. A summary description of each of the R&D projects identified and the
12		benefit to be derived by ratepayers.
13		e. Please provide the costs by project for each year of 2007 to 2010.
14		
15	Response)	Big Rivers does not conduct research and development. However, the
16	Company is	affiliated with three organizations that do perform research and development, as
17	discussed in	response to Item 46 of the Commission Staff's First Information Request. Please
18	refer to that	Item 46. Accordingly, Big Rivers does not budget R&D expenses by project, and
19	compare actu	ual vs. budget R&D by project, nor does it have such R&D project detail for those
20	third-parties.	
21		
22		
23	Witness)	Mark A. Hite
24		
25		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 64)	With regard to R&D projects, do the Company's regulated operations realize
2	any royalties	s, profits from commercialization, or other forms or reimbursement or funding?
3	If yes, please	e identify the amounts of all such items in the years 2007 to 2010.
4		
5	Response)	No. For detailed information regarding the research and development activities
6	and organiza	tions with which Big Rivers is affiliated, please see the response to Item 46 of the
7	Commission	Staff's Initial Request for Information.
8		
9		
10	Witness)	Mark A. Hite
11		
12		
13		
14		
15		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 65)	With regard to all capital and expense accounts included in the filing, please
2	provide:	
3		
4		a. A monthly breakdown of the expense by capital project and/or expense
5		account included in the years 2007 to 2010.
6		b. A comparison of actual vs. budgeted expenditures in the years 2007 to
7		2010.
8		c. A detailed explanation of the causes of any increase in expense levels
9		from 2005 to 2006; 2006 to 2007; 2007 to 2008; 2008 to 2009; and 2009 to
10		2010 and why any and all such increases were necessary and reasonable.
11		d. A summary description of each of the capital projects identified and the
12		benefit to be derived by ratepayers.
13		e. Please provide the costs by project for the years 2007 to 2010.
14		
15	Response)	
16		a. Please see the CD accompanying these responses for the schedule showing
17		the monthly breakdown of expense by account for the years 2007 to 2010.
18		Also, see the CD accompanying these responses for the schedule showing
19		the monthly breakdown of capital expenditures by project for the years 2007
20		to 2010.
21		b. Please see the CD accompanying these responses for the schedule showing a
22		year-end comparison of actual vs. budget expense by account for the years
23		2007 to 2010. Regarding the 2007 to 2010 comparison of actual vs. budget
24		capital expenditures by project, 2007 is outside of Big Rivers' record
25		retention policy for actual vs. budget reporting and is, therefore, not

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1		available. Information for 2008, although pre-Unwind, is provided on the
2		CD accompanying these responses. Information for 2009 is provided in two
3		schedules, one for Production (in schedule) and one for Transmission and
4		A&G (on jump drive). Information for 2010, the first full post-Unwind
5		calendar year for Big Rivers, is provided in one schedule.
6		c. Big Rivers objects to the request to the extent that it seeks information
7		concerning increases in expense levels for periods prior to the closing of the
8		Unwind Transaction, on the ground that information concerning Big Rivers'
9		pre-Unwind operations is neither substantially nor materially relevant to the
10		issue presented in Big Rivers' 2011 Rate Case. Without waiving this
11		objection, Big Rivers states that capital budgets/project expenditures cannot
12		be compared from year to year since the number and scope of the projects
13		changes from year to year.
14		d. A summary description of each capital project for the years 2007 to 2010
15		including a brief explanation of the benefit to be derived by ratepayers from
16		each project is included in the attached Exhibit to this response.
17		e. Please see schedule provided in Big Rivers' response to Item AG 1-65a
18		above for the capital and construction costs by project for the years 2007 to
19		2010.
20		
21		
22	Witnesses)	Mark A. Hite - Subparts a., b., and e.
23		Robert W. Berry, David G. Crockett, and Counsel - Subpart c.
24		Robert W. Berry and David G. Crockett - Subpart d.

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 66)	Please provide a detailed analysis of all charges booked during the test period					
2	for advertisin	ng expenditures. Include a complete breakdown, including but not limited to					
3	these categor	ries: (a) sales or promotional; (b) institutional; (c) conservation related; (d) rate					
4	case; and (e) other. The analysis should specify the account charged, the purpose of the						
5	expenditure	and the expected benefit to be derived.					
6							
7	Response)	Please see the attached schedule. (Note that the Account 921, Office Supplies					
8	and Expense	s, amount arises from the post-Unwind use of two information technology systems					
9	(Oracle 11i a	and AS400), and a difference in certain account coding being employed for each					
10	system, whil	e Big Rivers was transitioning to Oracle R12.)					
11							
12							
13	Witness)	Mark A. Hite					
14							
15							
16							
17							
18							

Big Rivers Electric Corporation

Case No. 2011-00036

Account 913 - Advertising Expenses For the Twelve Months Ended October 31, 2010

Line No.	Item (a)	Sales or Promotional Advertising (b)	Institutional Advertising (c)	Conservation Advertising (d)	Rate Case (e)	Other (f)	Total (g)
110.			0	2,790	0	0	6,288
1	Newspaper	3,498	0	1,013	0	160,462	192,217
2	Magazines and Others	20,742	10,000	1,013	0	0	0
	Television	0	0	0	0	0	6,807
		6,807	0	0	0	0	0
4	Radio	0	0	0	U	0	0
5	Direct Mail	0	0	0	0	0	205,312
6	Sales Aids	21.047	10,000	3,803	0	160,462	
7	Total Amount Assigned to Kentucky Retail	31,047 31,047	10,000		0	160,462	205,312

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-66

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Big Rivers Electric Corporation

Case No. 2011-00036

Account 921 - Operating Supplies and Expenses For the Twelve Months Ended October 31, 2010

Line	Item (c)	Sales or Promotional Advertising (b)	Institutional Advertising (c)	Conservation Advertising (d)	Rate Case (e)	Other (f)	Total (g)
No.	(a)				0	0	0
	The second secon	0	0	0	V	0	3,000
1	Newspaper	0	3,000	0	0	0	0
2	Magazines and Others	0	0	0	U	V	0
3	Television	0	0	0	0	0	0
1	Radio	U	0	0	0	0	
	Direct Mail	U	0	0	0	0	U
		0	0	0	0	0	3,000
6	Sales Aids	0	3,000		0	0	3,000
7	Total	0	3,000	0	V		
8	Amount Assigned to Kentucky Retail						

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-66

Page 2 of 6

				Advertising Expense Deta	LAK	
Month		Voucher/	A a a	Description	Method	Туре
Booked	Vendor	Invoice #	Amount	Newspaper	Newspaper	Promotional
11/09	Evansville Courier	548297	424.44	Scholarships	Magazines & Other	Institutional Advertising
11/09	Kenergy Corp	548235	10,000.00	IRC Golf Outing supplies	Magazines & Other	Promotional
11/09	Kenergy Corp	548236	6,552.53	Pens	Magazines & Other	Promotional
11/09	Meade Co RECC	548468	92.22	Christmas By The River-Sponsorship	Magazines & Other	Promotional
11/09	Meade Co RECC	548704	1,500.00	Newspapers in Education	Newspaper	Promotional
12/09	JPEC	549295	500.00	Special Olympics	Magazines & Other	Promotional
12/09	JPEC	549295	200.00	Family Society Golf Scramble	Magazines & Other	Promotional
12/09	JPEC	549295	100.00	Paducah Summer Festival	Magazines & Other	Promotional
12/09	JPEC	549295	1,000.00	Chamber Annual Dinner Travel Bags	Magazines & Other	Promotional
12/09	JPEC	549295	1,484.00	Safety Ad in Reidland Day Program	Magazines & Other	Promotional
12/09	JPEC	549295	75.00	Carson Center Class Act Series	Magazines & Other	Promotional
12/09	JPEC	549295	6,562.50	Christmas By The River-Radio	Radio	Promotional
12/09	Meade Co RECC	548849	25.00	Magazines & Other	Magazines & Other	Economic Development
12/09	Meade Co RECC	548772	50,171.61	Magazines & Other	Magazines & Other	Economic Development
03/10	Jackson Purchase EC	550435	11,800.00	Radio	Radio	Promotional
03/10	Meade Co RECC	550261	822.50	Radio	Radio	Promotional
04/10	Meade Co RECC	550852	749.00		Newspaper	Promotional
04/10	Meade Co RECC	550853	215.00	Newspaper Radio	Radio	Promotional
04/10	Meade Co RECC	550862	192.50	Media Works-Radio	Radio	Promotional
04/10		550863	2,364.27	Media Works-Nauro Media Works-Newspaper	Newspaper	Promotional
04/10		550863	1,424.99	Relay for Life-Sponsorship	Magazines & Other	Institutional Advertising
04/10		7073	1,500.00 12.58	Media Works-computer prod. for ad	Magazines & Other	Promotional
05/10	- '	551210	37.50	Media Works-computer prod. for ad	Magazines & Other	Promotional
05/10		551293 551293	2,144.23	Media Works-Radio	Radio	Promotional
05/10	_	551293	933.22	Media Works-Newspaper	Newspaper	Promotional
05/10		551331	312.00		Radio	Promotional
05/10		551332	198.00	Radio	Radio	Promotional
05/10		552034	975.00	Sponsorship Promoting Energy Effic.	Magazines & Other	Conservation
06/10		552556	3,125.47	•	Magazines & Other	Promotional
07/10	-	552556	37.50	1	Magazines & Other	Conservation
07/10	Kenergy Corp	22220	220			

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-66

Page 3 of 6

_		Tuve	i tioing zarp
Month Booked	Vendor	Purpose	Expected Benefit
11/09	Evansville Courier	Customer Communication	Customer Awareness
	Kenergy Corp	Community Goodwill	Community Goodwill
11/09 11/09	Kenergy Corp	Customer Communication	Customer Awareness
	Meade Co RECC	Customer Communication	Customer Awareness
11/09	Meade Co RECC	Customer Communication	Customer Awareness
11/09	JPEC	Customer Communication	Customer Awareness
12/09	JPEC	Customer Communication	Customer Awareness
12/09	JPEC	Customer Communication	Customer Awareness
12/09	JPEC	Customer Communication	Customer Awareness
12/09 12/09	JPEC	Customer Communication	Customer Awareness
12/09	JPEC	Customer Communication	Customer Awareness
12/09	JPEC	Customer Communication	Customer Awareness
12/09	Meade Co RECC	Customer Communication	Customer Awareness
12/09	Meade Co RECC	Customer Communication	Customer Awareness
03/10	Jackson Purchase EC	Customer Communication	Customer Awareness
03/10	Meade Co RECC	Customer Communication	Customer Awareness
04/10	Meade Co RECC	Customer Communication	Customer Awareness
04/10	Meade Co RECC	Customer Communication	Customer Awareness
04/10	Meade Co RECC	Customer Communication	Customer Awareness
04/10	Meade Co RECC	Customer Communication	Customer Awareness
04/10	Meade Co RECC	Customer Communication	Customer Awareness
04/10	Meade Co RECC	Community Goodwill	Community Goodwill
05/10	Kenergy Corp	Customer Communication	Customer Awareness
05/10	Meade Co RECC	Customer Communication	Customer Awareness
05/10	Meade Co RECC	Customer Communication	Customer Awareness
05/10	Meade Co RECC	Customer Communication	Customer Awareness
05/10	Meade Co RECC	Customer Communication	Customer Awareness
05/10		Customer Communication	Customer Awareness
06/10		Educate Customers on Energy Efficiency	Improved Energy Efficiency
07/10		Customer Communication	Customer Awareness
07/10	=	Educate Customers on Energy Efficiency	Improved Energy Efficiency

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-66

Page 4 of 6

Booked Vendor Invoice # Amount Newspaper Newspaper Amount Newspaper Source # Source Sponsorship 8 person table "GALA 2010" Magazines & Other Eco	Type posservation stitutional Advertising conomic Development astitutional Advertising
--	---

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-66

Page 5 of 6

			Creibing
Month Booked	Vendor	Purpose	Expected Benefit
07/10 08/10 09/10	Kenergy Corp Kenergy Kenergy Meade Co RECC	Educate Customers on Energy Efficiency Community Goodwill Customer Communication Community Goodwill	Improved Energy Efficiency Community Goodwill Customer Awareness Community Goodwill

TOTAL

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-66

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 67)	For each advertising expense over \$5,000 recorded by the Company during			
2	the test perio	od, state the payee, amount, date and purpose. Also provide a copy of the			
3	associated in	associated invoice and a copy of (or if a non-print ad, the text of) each advertisement.			
4					
5	Response)	Please see the attached schedule of each test year advertising invoice over			
6	\$5,000. A co	opy of each such invoice, and any associated advertisement, is on the enclosed			
7	CD.				
8					
9					
10	Witness)	Mark A. Hite			
11					
12					
13					
14					
15					

1	1 Month						
2	Booked	l Vendor	Voucher #	Amount	Purpose		
3	11/09	Kenergy Corp	548235	10,000.00	Community Goodwill		
4	11/09	Kenergy Corp	548236	6,552.53	Customer Communication		
5	12/09	JPEC	549295	6,562.50	Customer Communication		
6	12/09	Meade Co RECC	548772	50,171.61	Magazine & Other		
7	03/10	Jackson Purchase EC	550435	11,800.00	Magazine & Other		
8	09/10	Kenergy	553453	98,490.00	Magazine & Other		

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-67

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 68)	Are there any advertising costs being incurred by the Company which cannot				
2	be identified	be identified with a specific advertisement? If so, please itemize and describe each such cost,				
3	and list the associated amounts in the years 2007 to 2010.					
4						
5	Response)	The majority of Big Rivers' advertising costs are to reimburse its member				
6	distribution	cooperatives for their advertising, as illustrated in the responses to Items 66 and 67				
7	which are fo	which are for the test year, so this question is generally irrelevant to Big Rivers. Note that the				
8	advertising of	costs incurred by Big Rivers for the years 2007 to 2010 are shown in Item 71.				
9						
10						
11	Witness)	Mark A. Hite				
12						
13						
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16						

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 69)	Breakdown the Company's advertising expense for the test period into its		
2	components,	components, i.e., labor, overhead, materials and fees to agencies, etc.		
3				
4	Response)	Please see the response to Item 66 of the Attorney General's First Data Request.		
5				
6				
7	Witness)	Mark A. Hite		
8				
9				
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 70)	Does the Company have any studies as to the effectiveness of its advertising			
2	and marketing programs? If so, describe by name, date and contents each study the				
3	Company ho	as. Provide a copy of all such studies in the last three years.			
4					
5	Response)	Big Rivers has not performed, and does not have, any studies as to the			
6	effectiveness	s of its advertising and marketing programs.			
7					
8					
9	Witness)	C. William Blackburn			
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 71)	Please list the trend in advertising expense per dollar of revenue for the		
2	period 2005	to 2010. If the Company has not made this calculation, please supply the		
3	information	information necessary to make it.		
4				
5	Response)	Please see the attached schedule. Note that the Account 921, Office Supplies		
6	and Expense	s, amount arises from the post-Unwind use of two information technology systems		
7	(Oracle 11i a	and AS400), and a difference in certain account coding being employed for each		
8	system, whil	e Big Rivers was transitioning to Oracle R12.		
9				
10				
11	Witness)	Mark A. Hite		
12				
13				
14				
15				
16				

Big Rivers Electric Corporation Case No. 2011-00036

Advertising Expense per Dollar of Revenue

1 ACCOUNT	DESCRIPTION	2005	2006	2007	2008	2009	2010
2		Amount	Amount	Amount	Amount	Amount	Amount
3 913110	ADVERTISING EXPENSE	723	711	605	724	552	240
4 921003	ADVERTISING EXPENSE (ORACLE 11i)	0	0	0	0	21	16
5 930100	GENERAL ADVERTISING EXPENSES-LABOR	0	0	0	0	0	O
6 930110	GENERAL ADVERTISING EXPENSES-EXPENSE	94	138	110	110	94	89
7 930112	GENERAL ADVERTISING EXP - EXP - CUSTOMER	65	65	65	72	72	72
8 TOTAL ADV	ERTISING EXPENSE	882	914	780	906	739	417
9							
10							
11 TOTAL REVENUES		220,749	230,237	301,194	244,107	357,222	527,324
12							
13 ADVERTISII	NG EXPENSE PER DOLLAR OF REVENUE	0.0040	0.0040	0.0026	0.0037	0.0021	0.0008

dollars are in thousands

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-71

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 72)	Please provide a listing of and a copy of any and all Commission Orders the		
2	Company ha	s reviewed or relied upon in preparation of its filing in this case concerning the		
3	ratemaking i	ratemaking treatment of costs for each distinct type of advertising expense it incurs,		
4	including bu	t not limited to these categories: (a) sales or promotional, (b) institutional, (c)		
5	conservation	related, (d) rate case, and (e) other.		
6				
7	Response)	For this filing, Big Rivers did not rely on Commission Orders concerning		
8	advertising e	xpenses; Big Rivers relied upon Administrative Regulation 807 KAR 5:016 in the		
9	preparation of	of this filing.		
10				
11				
12	Witnesses)	Mark A. Hite and Counsel		
13				
14				
15				

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 73)	List any antitrust expense included in the test period.
2		
3	Response)	None.
4		
5		
6	Witness)	Mark A. Hite
7		
8		
9		
10		
11		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 74)	Does the Company's proposed rate increase include any claim for attrition or
2	suppression	of sales?
3		
4		a. If so, please reference where this is presented.
5		b. Provide a complete copy of any and all attrition studies or analyses
6		prepared by or for the Company during the period 2006 through 2007.
7		
8	Response)	No.
9		
10	Witness)	William Steven Seelye
11		
12		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 75)	List and describe in detail any cost-saving programs implemented 2005
2	through the	present.
3		
4		a. For each program listed in response to this request, show the anticipated
5		and achieved savings. Include calculations of savings amounts and
6		explain any assumptions used in such calculations.
7		b. Provide the cost-benefit analyses for each such program.
8		c. Show the impact of any such cost-saving programs on the test period.
9		
10	Response)	
11		
12	a,b) Please	e see the response to the following Request, Item 76.
13		
14	c) To the	e extent that "programs" refers to formalized initiatives developed with the
15	assistance of	third parties or established with associated metrics, Big Rivers did not undertake
16	any programs	s of this sort. Big Rivers did undertake cost-saving activities, as described in the
17	response to A	AG 1-76, in the Direct Testimony of Mr. C. William Blackburn (Exhibit 48) and in
18	the Direct Te	stimony of Mr. Robert W. Berry (Exhibit 52).
19		
20		
21	Witnesses)	Mark A. Bailey, C. William Blackburn and Robert W. Berry
22		
23		
24		
25		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 76)	Provide a complete explanation of any and all expense reduction goals (cost			
2	savings programs) the Company had concerning the development of the budgets in the years				
3	2005 to 2010	9.			
4					
5	Response)	Every decision Big Rivers makes in developing its budgets is designed to			
6	reduce exper	nses and to save costs. Big Rivers' 2011 Strategic Plan (dated December 2010)			
7	states as its '	'North Star" principle:			
8					
9		Big Rivers will manage the cost per kWh, considering risks and			
10		benefits, always striving to keep costs as low as possible while still			
11		meeting the Members' service requirements and maintaining Big			
12		Rivers' financial viability. (Italics added.)			
13					
14		This dedication to the principles of containing costs and reducing expenses has			
15	been the foc	cus of Big Rivers from its beginning. Big Rivers' original corporate objective			
16	stated:				
17					
18		Big Rivers was established to serve three electric distribution			
19		cooperative member-owners. The objective of the corporation is to			
20		utilize available resources efficiently and supply members with			
21		adequate, reliable, high-quality electric service at the lowest			
22		possible cost. (Italics added.)			

Case No. 2011-00036 Response to Item AG 1-76 Witness: Mark A. Bailey, C. William Blackburn, and Robert W. Berry Page 1 of 4

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	As a not-for-profit, member-owned electric cooperative, Big Rivers' very existence is founded
2	on the principles of expense reduction and cost savings. Big Rivers' Articles of Incorporation
3	provide that the corporation is formed to make electric energy available "at the lowest cost
4	consistent with sound business methods and prudent management of the business of the
5	corporation" (Article II, italics added.)
6	Because every Big Rivers budget decision is focused on containing costs and
7	reducing expenses, it is not possible to list all of the budget measures or steps undertaken by
8	Big Rivers to achieve those results. However, for the period 2007 to 2010, a few examples of
9	cost savings measures and cost deferral measures are illustrative:
10	
11	 No general wage increase for non-bargaining personnel in 2010.
12	 A 2% wage increase for non-bargaining personnel was granted in 2011,
13	rather than the planned 3% increase.
14	 Several staff positions were not filled.
15	 The Defined Benefit Plans were closed to new participants and were
16	replaced with Defined Contribution Plans. The salaried employees
17	defined benefit retirement plan was closed to new entrants effective
18	January 1, 2008. The bargaining employees plan was closed to new
19	hires effective November 1, 2008. The Company simultaneously
20	established base contribution accounts in the defined contribution thrift
21	and 401(k) savings plans, which were renamed as the retirement savings
22	plans. The base contribution account for an eligible employee, which is

Case No. 2011-00036 Response to Item AG 1-76 Witness: Mark A. Bailey, C. William Blackburn, and Robert W. Berry Page 2 of 4

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	one who meets the minimum age and service requirements, but for
2	whom membership in the defined benefit plan is closed, is funded by
3	employer contributions based on graduated percentages of the
4	employee's pay, depending on his or her age. From projections made at
5	the time the move from DB to DC was made, which was 2007 for the
6	salaried plan and 2008 for the bargaining plan, annual savings (salaried
7	and bargaining combined) were estimated to be \$960,000.
8	• The Safety Program received additional emphasis in an effort to reduce
9	accidents.
10	• Transmission Right of Way maintenance expenses have been curtailed
11	to meet earnings requirements.
12	• In conjunction with the National Wildlife Federation, a pilot program
13	was undertaken to encourage landowners of transmission rights of way
14	to maintain wildlife-friendly plants that would assist wildlife and reduce
15	Big Rivers' right-of-way clearing costs.
16	 Various power plant maintenance expense reductions and plant outage
17	deferrals have been undertaken in 2009 and 2010.
18	• Big Rivers joined MISO as the best, lowest-cost solution to meet its
19	NERC-mandated reliability standards obligations.
20	• Big Rivers used some of its lines of credit to pre-pay the 5.75% RUS
21	Series A Note (debt) and leverage the interest expense avoided by such

Case No. 2011-00036 Response to Item AG 1-76 Witness: Mark A. Bailey, C. William Blackburn, and Robert W. Berry Page 3 of 4

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1		prepayments compared to the interest cost incurred on the line of credit
2		borrowing.
3		• The Reid combustion turbine was converted from fuel-oil firing to
4		natural gas to lower fuel expense and increase its economic dispatch.
5		 Administrative and General fixed departmental expenses were reduced.
6		 Operations and Maintenance Non-labor expenses were reduced/deferred.
7		• Thus far during 2011, the Company has deferred the \$1.4m Station Two
8		outage, deferred the \$650k Wilson chemical clean, and reduced the
9		Wilson outage by \$200k.
10		
11		
12	Witnesses)	Mark A. Bailey, C. William Blackburn, and Robert W. Berry

Big Rivers Electric Corporation Case No. 2011-00036

_ ~	_	_
711	1	41
211	1	11

•	First Draft	Final Draft	\	/ariance Fav/(Unfav)
COLEMAN	\$ 12,551,124	\$ 9,168,306	\$	3,382,818
WILSON	\$ 10,829,075	\$ 9,745,258	\$	1,083,817
GREEN/CMS	\$ 13,450,203	\$ 10,279,054	\$	3,171,149
R/SII	\$ 9,318,054	\$ 8,536,024	\$	782,030
TOTAL	\$ 46,148,456	\$ 37,728,642	\$	8,419,814

Variance Detail	
Coleman:	
Unit outage cancellation	2,675,366
C2 non-outage reduction	1,207,452
Short Term Layup Costs	(500,000)
Coleman Total	3,382,818
Wilson:	
Black and Veatch performance monitoring	56,000
2010 Scheduled Outage	787,817
FGD Wiring Repairs	40,000
Sewage Treatment plant vessel refurbishment	200,000
Wilson Total	1,083,817
Green:	
Black and Veatch performance monitoring	92,000
G1 - Pitstop Outage, Unscheduled Outages	(1,100,000)
Outages Moved to 2011	4,179,149
Green Total	3,171,149
R/SII:	
Black and Veatch - perf monitoring	59,795
Paint FGD stack interior	237,821
Unit Layup	534,414
Misc _	(50,000)
R/SII Total	782,030
Variance Grand Total	8,419,814

Case No. 2011-00036

Witness: Mark A. Bailey, C. William Blackburn, and Robert W. Berry Attachment for Item AG 1-76

Big Rivers Electric Corporation Case No. 2011-00036

7	Λ	1	1	

Net	**************************************	First Draft	· · · · · · · · · · · · · · · · · · ·	Final Draft	Va	riance Fav/(Unfav)
COLEMAN	\$	15,984,434	\$	10,806,396	\$	5,178,038
WILSON	\$	12,354,499	\$	12,179,419	\$	175,080
GREEN/CMS	\$	15,004,836	\$	14,458,075	\$	546,761
R/SII	\$	11,482,698	\$	10,079,962	\$	1,402,736
TOTAL	\$	54,826,467	\$	47,523,852	\$	7,302,615

2 Mill Overhauls Intake dredging Ash pond dredging Transmission & dozer maintenance Cut back on chemicals Cancel remote monitoring due to outage cancellation Less for unplanned outages Voltage and Reactive Control (NERC Standard) FGD outage cancellation Miscellaneous Coleman Total	2,935,167 529,338 42,719 282,175 (45,799) 58,140 249,865 55,011 85,572 982,733 3,117
2 Mill Overhauls Intake dredging Ash pond dredging Transmission & dozer maintenance Cut back on chemicals Cancel remote monitoring due to outage cancellation Less for unplanned outages Voltage and Reactive Control (NERC Standard) FGD outage cancellation Miscellaneous Coleman Total	529,338 42,719 282,175 (45,799) 58,140 249,865 55,011 85,572 982,733
Intake dredging Ash pond dredging Transmission & dozer maintenance Cut back on chemicals Cancel remote monitoring due to outage cancellation Less for unplanned outages Voltage and Reactive Control (NERC Standard) FGD outage cancellation Miscellaneous Coleman Total	42,719 282,175 (45,799) 58,140 249,865 55,011 85,572 982,733
Ash pond dredging Transmission & dozer maintenance Cut back on chemicals Cancel remote monitoring due to outage cancellation Less for unplanned outages Voltage and Reactive Control (NERC Standard) FGD outage cancellation Miscellaneous Coleman Total	282,175 (45,799) 58,140 249,865 55,011 85,572 982,733
Transmission & dozer maintenance Cut back on chemicals Cancel remote monitoring due to outage cancellation Less for unplanned outages Voltage and Reactive Control (NERC Standard) FGD outage cancellation Miscellaneous Coleman Total	(45,799) 58,140 249,865 55,011 85,572 982,733
Cut back on chemicals Cancel remote monitoring due to outage cancellation Less for unplanned outages Voltage and Reactive Control (NERC Standard) FGD outage cancellation Miscellaneous Coleman Total	58,140 249,865 55,011 85,572 982,733
Cancel remote monitoring due to outage cancellation Less for unplanned outages Voltage and Reactive Control (NERC Standard) FGD outage cancellation Miscellaneous Coleman Total	249,865 55,011 85,572 982,733
Less for unplanned outages Voltage and Reactive Control (NERC Standard) FGD outage cancellation Miscellaneous Coleman Total	55,011 85,572 982,733
Voltage and Reactive Control (NERC Standard) FGD outage cancellation Miscellaneous Coleman Total	85,572 982,733
FGD outage cancellation Miscellaneous Coleman Total	982,733
Miscellaneous Coleman Total	
Coleman Total 5	
	5,178,038
W/!	2,170,000
Wilson:	
Unit Outage Cancellation	394,000
Cooling structural repairs phase 3	(281,000)
Blacktop for roadway repairs & removed conveyor covers	82,740
Completed potable water system repairs in 2010	70,000
Barge cleaning - environmental regulation	(108,300)
Reduction in mill ball material for FGD	97,000
Increase in laboratory due to vessel inspections	(27,000)
Steam generating unit	(60,000)
Miscellaneous	7,640
Wilson Total	175,080
Green:	
Cancelled G1 and G2 Clean Coal Dust from Boiler	113,000
Cancelled G1 and G2 Structural and Life Inspections	281,000
Cancelled G1 High Pressure Wash	95,000
Cancelled G1 Vacuum	33,000
Cancelled G1 Air Heater Wash	20,000
Misc Reductions	4,761
Green Total	546,761
D OV	
R/SII:	200.000
a little and a lit	,200,000
Cancelled H1 & R1 - Structural & Life Assess Inspections Cancelled H1 - Ammonia Injection Grid Tuning	574,200 26,600
Cancelled Forklift / Manlift / Mobile Crane	17,200
Cancelled Replace Expansion Joint	11,300
Cancelled Big Rivers Metering/Trsf O&M Agreements	10,400
Cancelled Repair Bar Screens	5,400
·	(458,200)
Misc projects less than \$5k	15,836
R/SII Total 1	,402,736
Variance Crand Total	202 (15
Variance Grand Total 7	,302,615 (0)

Big Rivers Electric Corporation Case No. 2011-00036

TOTAL A&G Non-Labor COST SAVINGS

	2010 Savings	2011 Savings
OUTSIDE SERVICES	(2,486,560)	(1,940,442)
OFFICE SUPPLIES AND RELATED EXPENSES	(311,129)	(225,279)
TECHNICAL PURCHASED MATERIALS, SAFETY & PLANNED OUTAGE EXPENSE	(43,348)	(223,100)
INFORMATION SYSTEMS AND COMPUTER SUPPLIES	(181,764)	(235,564)
BUILDING, GROUNDS & AUTOMOBILE MAINTENANCE AND SUPPLIES	(185,637)	(92,360)
BRUSH CONTROL	(725,000)	-
ENERGY EFFICIENCY	(1,041,072)	(876,040)
ECONOMIC DEVELOPMENT & EMPLOYMENT ADS	(107,117)	(32,680)
PROFESSIONAL DUES & FEES	16,497	(37,065)
REIMBURSEABLE EXPENSES (EDUCATION, MEALS, TRAVEL, TRAINING)	(125,698)	(323,555)
DONATIONS, FREIGHT, UTILITIES, MISC	(5,885)	(58,149)
DIRECTORS FEES, SOCIAL & CIVIC DUES AND EXPENSES	(32,157)	(34,426)
	(5,228,870)	(4,078,660)

Case No. 2011-00036

Witness: Mark A. Bailey, C. William Blackburn, and Robert W. Berry

Attachment to Item AG 1-76

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 77)	List for the test period, the amount of country club initiation fees, annual
2	dues and exp	penses which were paid and to what account these fees were charged.
3		
4		a. For each payment list the individual whose name the membership is in or
5		who uses the club, his (her) title, and name of the country club.
6		
7	Response)	There were none.
8		
9		
10	Witness)	James V. Haner
11		
12		
13		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 78)	Provide a copy of the Annual Report of EEI and every other organization of
2	which Comp	any was/is a dues-paying member during in the years 2007 to 2010.
3		
4	Response)	Big Rivers is not a member of EEI, which is an association of investor-owned
5	utilities. Big	Rivers is, however, a dues paying member of several other organizations.
6	Annual repor	rts are provided by National Rural Electric Cooperative Association (NRECA) and
7	Southern Sta	tes Energy Board. Other organizations, who do not provide annual reports, in
8	which Big R	ivers is or was a dues paying member include: Carbon Management Research
9	Group; Kent	ucky Association of Electric Cooperatives (KAEC); Kentucky Council of
10	Cooperatives	s, Inc; Midwest Independent System Operator (MISO); National Renewables
11	Cooperative	Organization (NRCO); North American Transmission Forum, Inc.; Rural
12	Electricity R	esource Council; Southeastern Federal Power Customers, Inc.; Tennessee Valley
13	Public Power	Association (TVPPA); and Touchstone Energy Cooperative, Inc.
14		An electronic copy of the National Rural Electric Cooperative Association
15	(NRECA) an	nual reports for 2007 to 2009 and Southern States Energy Board annual reports
16	for 2007 to 2	010 are included on the attached CD. NRECA's 2010 Annual Report has not
17	been publish	ed at this time.
18		
19		
20	Witness)	Mark A. Hite
21		
22		
23		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 79)	Provide a copy of the formula used to compute, and the actual calculation of		
2	the Compan	e Company's EEI dues in the years 2007 to 2010. Also, provide a complete copy of		
3	invoices received from EEI for dues for these years.			
4				
5	Response)	Not applicable. Please see Big Rivers' response to KIUC's First Data Request,		
6	Item 78.			
7				
8				
9	Witness)	Mark A. Hite		
10				
11				
12				
13				
14				

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 80)	Please provide any documents in the Company's possession that show how			
2	EEI spends	EEI spends the dues it collects, including the percentage that goes to legislative advocacy,			
3	legislative po	legislative policy research, regulatory advocacy, regulatory policy research, advertising,			
4	marketing, utility operations and engineering, finance legal, planning and customer service				
5	and public relations.				
6					
7	Response)	Not applicable. Please see Big Rivers' response to KIUC's First Data Request,			
8	Item 78.				
9					
10					
11	Witness)	Mark A. Hite			
12					
13					
14					

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 81)	Has the Company included in test period operating expense any amount for			
2	EEI Media	Communications? If so, state the amount, indicate in which account this has			
3	been recorded, and provide a citation to any and all Commission Orders or other authority				
4	upon which the Company is relying for the inclusion of such expense in the test period.				
5					
6	Response)	Not applicable. Please see Big Rivers' response to KIUC's First Data Request,			
7	Item 78.				
8					
9					
10	Witness)	Mark A. Hite			

Page 1 of 1

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 82)	Is the Company relying upon any NARUC reports or other studies for the		
2	exclusion from or inclusion in rates of a portion of its EEI dues? If so, please provide a			
3	copy of such report and indicate how the report's recommendations have been included in			
4	its filing.			
5				
6	Response)	Not applicable. Please see Big Rivers' response to KIUC's First Data Request,		
7	Item 78.			
8				
9				
10	Witness)	Mark A. Hite		
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 83)	List all travel and entertainment expenses incurred in the test period by
2	Company e	mployees in relation to EEI and other industry association activities. Show
3	accounts, a	mounts, descriptions, person, job title and reason for the expense. Provide a copy
4	of employee	time and expense reports and invoices documenting such expenses.
5		
6	Response)	Big Rivers' company employees incurred \$11,930 in travel expenses during the
7	test period i	n relation to industry association activities. Big Rivers is not a member of EEI;
8	however, Bi	g Rivers is a dues-paying member of several other industry associations, as
9	referenced i	n the response to Item 78 of the Attorney General's Initial Data Requests. Big
10	Rivers incur	red travel and meal expenses associated with National Rural Electric Cooperative
11	Association	(NRECA), Carbon Management Research Group, Kentucky Association of
12	Electric Coo	operatives (KAEC), National Renewables Cooperative Organization (NRCO), and
13	Tennessee V	Valley Public Power Association (TVPPA) during the test period.
14		Attached hereto is a schedule summarizing these travel expenditures, as well as
15	the individu	al receipts documenting them.
16		
17		
18		
19	Witness)	Mark A. Hite
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Page 1 of 1

Industry Association Travel and Entertainment Expenses

Organization	Employee	Employee Title	Event Description	Event Date(s)	Expense Description	Expense Amount
NRECA	Larry Baronowsky	Manager Maintenance Services	Generation, Fuels, and Environment Membership Advisory Group	6/15/2010-6/17/2010	Airfare, Car Rental, Lodging, and Food	\$ 989.47
Carbon Management Research Group	Larry Baronowsky	Manager Maintenance Services	Facility Visit	2/8/2010	Mileage Reimbursement	\$ 57.00
KAEC	Marty Littrel	Communications and Community Relations Manager	KMSA Annual Spring Members Services Meeting	3/28/2010-4/1/2010	Lodging and Meals	\$ 665.04
KAEC	Angela Ackerman	Senior Communications Coordinator	KAEC - KMSA Planning Meeting	2/22/2010	Fuel and Parking	\$ 47.07
KAEC	Angela Ackerman	Senior Communications Coordinator	KMSA Annual Spring Members Services Meeting	3/28/2010-4/1/2010	Airfare, Lodging, and Food	\$ 1,231.99
KAEC	Angela Ackerman	Senior Communications Coordinator	KAEC - KMSA Tri-State Meeting	10/6/2010-10/8/2010	Lodging	\$ 392.78
KAEC	Troy Stovall	Corporate Safety Administrator	Safety Coordinator's Conference	12/2/2009-12/4/2009	Food & Lodging	\$ 296.52
KAEC	Troy Stovall	Corporate Safety Administrator	Basic Skills Workshop & Rodeo Committee Meeting	4/15/2010	Lodging	\$ 88.18
KAEC	Troy Stovall	Corporate Safety Administrator	Kentucky Lineman's Rodeo	7/29/2010-7/30/2010	Food & Lodging	\$ 138.23
KAEC	Troy Stovall	Corporate Safety Administrator	HAZ-MAT Refresher Training	8/24/2010-8/25/2010	Food & Lodging	\$ 133.12
TVPPA	Troy Stovall	Corporate Safety Administrator	Utility Safety Conference	9/15/2010-9/17/2010	Food & Lodging	\$ 346.78
KAEC	Troy Stovall	Corporate Safety Administrator	Hot Line Skills Workshop	10/20/2010-10/22/2010	Food & Lodging	\$ 273.70
KAEC	Greg Morgan	Director	Multi-Meter Program for the Service and Meter Tech Workshop	6/18/2010	Food	\$ 12.79
NRECA	Greg Morgan	Member Systems Safety & Training Director	Loss Control Internship Program Mtg.	6/27/2010-6/29/2010	Airfare, Transportation, Lodging, and Food	\$ 431.22
NRECA	John Talbert	Director of Regulatory & Government Relations	Annual Legislative Conference	5/03/2010-5/07-2010	Airfare, Transportation, Lodging, and Food	\$ 1,774.74
NRECA	Nancy Utley	Manager Application Development- Member Systems	TechAdvantage Conference	2/11/2010-2/14/2010	Lodging, Transportation & Food	\$ 773.94
NRECA	Sally Snyder	System Analyst/Programmer	TechAdvantage Conference	2/11/2010-2/14/2010	Lodging & Food	\$ 656.87
NRCO	Mark Bailey	President and CEO	NRCO Annual & Board Meeting	11/12/2009	Food & Lodging	\$ 115.60
KAEC	Mark Bailey	President and CEO	Annual Meeting	11/15/2009-11/16/2009	Food & Lodging	\$ 502.79
KAEC	Mark Bailey	President and CEO	Board Meeting	12/14/2009	Food & Lodging	\$ 129.25
KAEC	Mark Bailey	President and CEO	Board Meeting	1/18/2010	Food & Lodging	\$ 114.11
KAEC	Mark Bailey	President and CEO	Board Meeting	2/8/2010	Food	\$ 9.00
NRECA	Mark Bailey	President and CEO	Annual Meeting	2/14/2010-2/16/2010	Food & Lodging	\$ 965.17
NRCO	Mark Bailey	President and CEO	Board Meeting	3/11/2010	Food & Lodging	\$ 110.60
KAEC	Mark Bailey	President and CEO	Board Meeting	3/15/2010	Food & Lodging	\$ 105.56
KAEC	Mark Bailey	President and CEO	Fall Managers Meeting	8/16/2010	Food & Lodging	\$ 146.23
NRECA	Mark Bailey	President and CEO	Regional Meeting	10/13/2010	Transportation, Food & Lodging	\$ 937.14
KAEC	Al Yockey	VP, ERM and Governmental Affairs	Annual Meeting	11/15/2009-11/16/2009	Food & Lodging	\$ 484.79
			<u> </u>		Total	\$ 11,929.68
						,020,0

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-83

Page 1 of 1

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 84)	Do any of the Company's personnel actively participate on Committees and/or
2	any other we	ork for any industry organization to which the Company belongs?
3		
4		a. If so, state specifically which employees participate, how they are
5		compensated for their time (amount and source of compensation), and the
6		purpose and accomplishments of any such association related work.
7		b. List any and all reimbursements received from industry associations, for
8		work performed for such organizations by Company employees.
9		
10	Response)	
11		a. Listed below are the Big Rivers employees that actively participate on
12		Committees and/or other work for an industry organization to which Big
13		Rivers belongs. These employees are not compensated for their service
14		beyond their regular compensation received from Big Rivers.
15		1. Mark Bailey
16		 Rural Utilities Service (RUS) Liaison Committee of the
17		Generation and Transmission Manager's Association. The
18		principal current activities involve the RUS indenture
19		project and general discussion of issues of mutual interest
20		with RUS key personnel. This committee provides Big
21		Rivers' president and CEO a valuable opportunity to
22		communicate with key personnel of Big Rivers' principal
23		creditor.
24		 Legislative Committee of the Kentucky Association of
25		Electric Cooperatives (KAEC). The KAEC legislative
26		committee meets periodically in conjunction with KAEC

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	board meetings to discuss legislative issues that can
2	potentially impact the utility industry. The information
3	gained is important for purposes of staying abreast of
4	legislative issues that can affect Big Rivers.
5	 Strategic Planning Committee of KAEC. The strategic
6	planning committee meets periodically in connection with
7	KAEC board meetings to review issues that potentially
8	affect KAEC and Kentucky cooperatives, and to make
9	recommendations on those issues to the KAEC board. This
10	participation allows Big Rivers' president and CEO to stay
11	current on such issues.
12	 Subscription Committee of the National Renewable
13	Cooperatives Organization (NRCO). The subscription
14	committee of the NRCO considers and recommends
15	potential projects and related actions to the NRCO board.
16	This participation allows Big Rivers' president and CEO to
17	stay current on renewable energy issues.
18	2. Greg Morgan
19	 National Rural Electric Cooperative Association (NRECA);
20	Loss Control Internship Program; sets the curriculum for
21	NRECA-sponsored training sessions; ensures utility
22	personnel receive training appropriate to their job
23	responsibilities.
24	3. Troy Stovall
25	 Kentucky Association of Electric Cooperatives (KAEC);
26	Safety Sub-Committee: assist in determining tonics, work

Case No. 2011-00036 Response to Item AG 1-84 Witness: Mark A. Hite

Page 2 of 3

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1		stations, and scheduling the annual KAEC safety and
2		training events; facilitate safety training for Kentucky's
3		electric cooperatives.
4		 Kentucky Roundtable for Utility Safety (KRUS); founding
5		member; assist members of the utility safety profession to
6		perform their duties in safety and training; exchange
7		information, programs, experiences and other useful
8		materials and provide members an open forum to discuss
9		safety issues impacting the utility industry.
10		b. Big Rivers employees did not receive any reimbursements from the industry
11		organizations related to their service on the committees listed above.
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14	Witness)	Mark A. Hite
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 85)	Please provide copies of all expense reports (or similar documents) which
2	exceed \$1,00	00 which Company officers submitted for reimbursement of business or personal
3	expenses in	the years 2007 to 2010.
4		
5	Response)	Copies of responsive documents are attached.
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8	Witness)	Mark A. Bailey and C. William Blackburn
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Employee Expense Report

(Attach receipts for any Item(s) over \$25.)

7/18/2009

\$

7/14/2009

Expenses incurred in service of the Company from

Michael Core

Employee

Headquarters

Location

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Employee Expense Report

(Attach receipts for any item(s) over \$25.)

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7/14/2009

Expenses incurred in service of the Company from

Headquarters

Location

OTHER \$ 1,195.95 LODGING \$ 1,195.95 Date Date Date Less Advance Michael Core F000 30.10 37.50 8.8 34.17 400.40 510.17 TRAVEL Amt. Due B TOTAL \$ 6 છ ₩ DATE Descritption of expenses (in detail) including, place, name(s), and title(s EAC| R/A| ACCT. NO. 7/14/2009 Airfare to NYC for Unwind closing 7/18/2009 V.P. Finance & Admin. Services Approval: Supt./Mgr/V.P. Approval: Employee: 7/18/2009 Airport Parking at Phoenix Airport 7-14 thru 7/18 7/14/2009 Cab Fare from LaGuardia to Renaissance Hotel 7/18/2009 Cab Fare to LaGuardia from Renaissance Hotel 715/2009 Cab Fare from Orrick to Renaissance Hotel Amount 7/17/2009 Hotel Room at Renaissance TOTAL Acct. No. S S EAC.

William Blackburn

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532377

Employee Expense (Report

(Attach receipts for any item(s) over \$25.)

Headquarters - External Relations

Location

David Spainhoward

////// Employee

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Expenses incurred in service of the Company from	Descritption of expenses (in detail) including, place, name	1/10 Air Fare - NRECA Annual Meeting (see receipt)	1/15 Cab - Airport NY to Hotel (see receipt)		ort	1/18 Renaissance - Core Project (see receipt)	1/18 Lunch - Return Trip from NeW York (no receipt)	1,133,80 x759.									699 000	410 013	410 013	411 018						Amount		
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David Spainhoward

Employee

Headquarters

Location

Employee Expense Report

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(Attach receipts for any item(s) over \$25.)

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Employee Expense Report

(Attach receipts for any item(s) over \$25.) 1/19/07 2 12/18/07 Expenses incurred in service of the Company from Bill Blackburn Finance ////// Employee Location

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se No. 2011-00036 Ziliam Blackburn for Item AG 1-85 Page 6 of 19

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Bil Blackburn

Employee

Finance

Location

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(Attach receipts for any item(s) over \$25.)

3/25/07

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Expenses incurred in service of the Company from

Employee Expense Report

5.00 292.10 107.73 50,00 \$ 4,099.55 699.10 761.70 628.61 555.31 \$ 4,099.55 TOTAL 4 B () ø ↔ ↔ € €Ð 69 ()) (/) 6 4 \$50.00 \$5.00 55.00 OTHER € 628.61 \$ 107.73 \$ 628.61 LODGING Date Date Date Less Advance **B**从Blackburn \$107.73 FOOD TOTAL \$ 3,308,21 45y \$699.10 \$761.70 \$1,292.10-\$555.31 TRAVEL 6.93 É 08.08 with 9 19 00 1437hs 1.96 Š ्रा नगान ACCT. NO. 921.131 121101 151 129 1710 922,103 R/A 0 थ r) o 2/9 Employee: CFO & VP of Financial Services: 011 Supt./Mgr/V.P. Approval: 4.11 ૌઝ ુ Descritption of expenses (in detail) including, place, name(s), and title(s EAC c/h 3 410 4/10 255 2,045.66 **654.95** 26.93 372.0 Oceanaire restaurant in Washington, DC - Unwind Project 3/11 U S Airways - Trip to Chattanooga - Cumberland Meeting 3/19 Delta Airlines - Trip to Atlanta, GA - Gumberland Meeting 3/22 Delta Airlines - Trip to Washington, DC - Unwind Project 3/19 Delta Airlines - Change ticket fee - Trip to Atlanta, GA 3/14 Marriott hotel in Washington, DC - Unwind Project 411 011 921-123 410 011 921.103 050 119 (43.720 विगरी एक लाम 3/1 Delta Airlines - Trip to NY - Unwind Project American Express Travel Charges: Amount 3/11 Expedia travel fees TOTAL Acct. No. ₩ K 3/25 DATE

Bill Blackburn Employee

Employee Expense (Report

n(s) over \$25.)		LODGING OTHER TOTAL		· &	\$ 171.99	, S	\$ 698.40	\$ 72.80	\$ 910.50	9 4	\$ 813.00	69	\$ 25.00	\$		\$ 257.70	₩	, ()	, &	.	· ·		\$ 2,849.49	_	-	Date -	Date	
(Attach receipts for any item(s) over \$25.)		TRAVEL FOOD I			\$171.99		\$698.40	\$72.80	\$810 GO	20.50	\$813.00		\$25.00			\$257.70						,	101AL \$ 2,849,49 \$	Less Advance	C. I WATER THE MAIN BIACKDUIN		,/,	9//
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Location Finance and Power Supply	w I	DATE Description of expenses (in detail) including, place, name(s), and title(s) EAC	Delta Airline Receipts:		4/4 Licket change - flight from Evansville to Raleigh - ACES meeting	(cost difference in flights)	4/17 Flights - Evansville-Tucson-Washington (Unwind)	 4/17 Licket change - flight from Evansville to New York (Unwind)	4/20 Flights - Sarasota-Raleich-Evansville - ACES meeting		4/20 Ticket change - flight from Evansville to New York (Unwind)	- 1	4/24 rcket change at Atlanta Airport (took earlier flight) - Evansville	to New York (Unwind)-charge for exchange by airline	Tiplost observed flight form of the first first frame of the first	(cost difference in flights)	(chigh in high)					2000	EAC 18/A Acct. No. Amount 158 415 01 913133 466.70		16112	Supt./Mgr/V.P	TOTAL CFO & VP of Financial Services:	

VAF 4491.

Markivers 536165 Employee Expense Report

OTHER (Attach receipts for any item(s) over \$25.) FOOD LODGING 9/18/07 ₽ 8/9/07 Expenses incurred in service of the Company from Finance and Power Supply Bill Blackburn Employee Location

Witnesses: Mark A. Baile Und C. William Blackbu									т	т	, ,				_	_					_1_		T	
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					8/8	0/47	6	9/5	S				8/12	8/13	8/13	1	- 1	- 1	١	ı	ı			Case No. 2011-00036 aile Wand C. William Blackburn Attachment for Item AG 1-85

Attachment for Item AG 1-85 Page 9 of 19

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Employee Expense Report

3346476

Bill Blackburn

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Location

9/5/07 Expenses incurred in service of the Company from Power Supply/Finance

(Attach receipts for any item(s) over \$25.) 10/12/07

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Employee Expense Report

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Report

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(Attach receipts for any item(s) over \$25.)

10/31/07

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10/1/07

Expenses incurred in service of the Company from

Power Supply and Finance

Location

Bill Blackburn

Employee

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Employee Expense Report

(Attach receipts for any item(s) over \$25.) 11/30/07 2 10/30/01 Expenses incurred in service of the Company from Power Supply and Finance Bill Blackburn Employee Location

	Description of expenses (in detail) including purpose, place,	-						
DATE	name(s), and title(s)	EAC F	R/A ACCT. NO.	TRAVEL	FOOD	LODGING	OTHER	TOTAL
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11/16	11/16 Trip cancellation insurance სგელობ	t		\$13 93	Ţ,			ļ
11/27	! _		1=	\$980.60				ľ
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	Miscellaneous Receipts:	t						9 6
11/18	11/18 Taxi - airport to hotel - trip to Washington - Unwind	t	11	415.00				ľ
11/15	1.5	\dagger		2000				
14/46	Total Local Lateria History Child to Children Office - Offwilling	†	=	\$8.00				\$ 8.00
2///	1/19 Laxi - nogali narisons office to airport - Unwind	1	=	\$18.00				\$ 18.00
2/1	1719 Beil captain - sky cab - Unwind	-					\$2.00	\$ 200
11/28	11/28 Laxi - airport to hotel - trip to Washington - Unwind		11	\$17.00				
11/00	11/29 Taxl - Hotel to Offick's Office - Unwind	1	1	\$8.00				\$ 8.00
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11/30	Taxi hatal to Original files	1	-1	\$10.00				\$ 10.00
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Employee: (Supt./Mgr/V.P. Approval: CFO & VP of Financial Services:

Date Date Date

(Au 4 191)

599659 Employee Expense Report

(Attach receipts for any item(s) over \$25.)

Power Supply and Finance

Location

Bill Blackburn

Employee

	TOTAL	·	\$ 8.50		\$ 9.00	\$ 20.00				\$ 5.34	\$ 4.00		- 5	· &	\$ 328.50	1	1	1	 ·		- ج	, ω	· •	\$ 1,931.81
	ОТНЕВ						\$3.00	┼																\$ 3.00 H/A.S.
	LODGING																							4.31 \$ -
	FOOD		\$8.50					\$6.26	\$4.21	\$5.34					1		7						j	Less Adve
	TRAVEL			\$17.00	\$9.00	\$20.00					\$4.00				\$328.50	\$682.00	\$844.00							\$ 1,904.50
3/17/08	ACCT, NO.																							TOTAL
	H/A																				1			yee: oval: ices:
đ	EAC																							Employee: Approval: Il Services:
Expenses incurred in service of the Company from 3/5/08		Miscellaneous:	Washington Airport - Food - Unwind	3/5 I axi from airport to hotel - Washington, DC - Unwind	3/6 I axi from notel to Urrick's office - Unwind	3/7 I axi from holel to airport - Unwind	3/7 Skycab - Unwind	3/7 Washington Airport - Food - Unwind	3/7/Cincinnati Airport - Food - Unwind	3/12/Atlanta Airport - Food - Unwind	3/17 Parking in Louisville - Unwind	- C	Allale;		2/19 Continental Alfrare - 1 rip to New York - Unwind	3/6 Delta Airfare - Trip to Washington, DC - Unwind	Jo Delta Alfrare - 1 rip to New York - Unwind	LANDON IN 100 RECEPTURY	2 011 921.103 1	111 011 921,137 24.31				Employee: Supt./Mgr/V.P. Approval: TOTAL CFO & VP of Financial Services:
Expen	DATE		20 6	7	77	20 0	e l	r)	r 1	<u></u>	8			2	7			950	Ma			Bhil	ley	Case No. 2011-00036

Attachment for Item AG 1-85 Page 13 of 19

006049

Bill Blackburn

Employee

Location

Employee(Expense(Report

4.85 15.00 256.48 36.11 15.42 1.00 9.00 2.00 290.00 699.50 38.21 TOTAL (/) \$2.00 OTHER (Attach receipts for any item(s) over \$25.) LODGING \$48.00 \$9.19 \$15.42. \$4.85 \$36,11. F00D \$699.50 \$256.48 \$38.21 \$15.00 \$290.00 \$9.00 TRAVEL ACCT. NO. 121,10) 80/6/2 H/A Lo EAC = 2 Longhorn Steakhouse - Dinner-PSC Hearing - Env. Surcharge μ Famous Dave's - Lunch - PSC Hearing - Env. Surcharge Wine Tobacco Road-Gas for company car - VISA card system down Description of expenses (in detail) including purpose, place, ۱ ج 31825 7/9] Taxi to Orrick - trip to Washington - RUS meeting - Unwind 9.500 5/1/08 7/9 Taxi to hotel - trip to Washington - RUS meeting - Unwind Bag storage - trip to Washington - RUS meeting - Unwind Breakfast in Cincinnati airport - rating agencies - Unwind Airfare - trip to Washington, DC - RUS meeting - Unwind 7/9 Coffee - Washington airport - RUS meeting - Unwind 7/9|Skycab - trip to Washington - RUS meeting - Unwind Airfare - trip to New York - rating agencies - Unwind 0009999143.725 410 011 921.103 Expenses incurred in service of the Company from name(s), and title(s) 6/16 Airfare - trip to Lexington - PSC hearing Breakfast with ACES in Henderson Finance and Power Supply 75.2 Miscellaneous receipts: Delta Airlines: 6/9 5/15 6// 6/23 6/26 6/10 DATE

Less Advance /Due (Bill Blackburn Employee:

Date

\$ 1,424.76

\$ 1,424.76

3.00

\$ 113.57

TOTAL \$ 1,308.19

16.39 48.00

921.105

411 011

411 017 921.101 127 fgg 184, 133

Amount

Acct. No.

R/A

Supt./Mgr/V.P. Approval: CFO & VP of Financial Services:

þ. 2011-000**3**6 m Blackburn Attachment for Item AG 1-85 Page 14 of 19

Bill Blackburn

Employee

Employee Expense (Report

8016480 00d

(Attach receipts for any item(s) over \$25.) 2 Expenses incurred in service of the Company from Power Supply and Finance Location

	TOTAL	·	\$ 176.00	-	١.	· &	\$ 5.23	_		\$ 5.00						·	9	· 6	·	· ·		•	с	()	\$ 1 403 73		\$ 1 403 72	A			C	く
	ОТНЕЯ										\$3.00														300			8/a9/05	1 1			
	LODGING						\																			/ance	} <u>\</u>		Date	Date		
	FOOD			\			\$5.23	\$12.00				\$7.50	\$5.00							1					\$ 29.73	Less Ac	Bill Bysokburn					-
	TRAVEL		\$176.00	\$1,165.00					\$25.00	\$5.00															\$ 1,371.00		Ant. Due	7			•	
	ACCT. NO.																								TOTAL		1.00			11/01	X TO	; } 2
	C H/A		1			1	1	#	1	\downarrow	1	1	1		1	1							_					Employee: (ices:	2))
-	EAC	$\frac{1}{1}$	-	1	+	+	1	1	1	$\frac{1}{1}$	1	\downarrow	+	+	4	त	25		15	18	5	2	L	-			ı	Employee:	inancial Services:		•	`\
Description of expenses (in detail) including purpose, place,		7/25/Airfare to Dallac - G & T Doctoral Mactin	7/25/Airfare to New York - Meditor :::ith -::-	with audities - Onwing	Miscellaneous Receints:	7/29 Grove-Smoothie King - Snack at LaGuardia Airport - Hrusing	Lunch - ACES Regional Meeting	8/20 Taxi - ACES Regional Meeting	Shuttle to hotel - Dallas - G & T Regional Meeting	Skycab - Dallas Airport - G & T Regional Meeting	Snack at Dallas Airport - G & T Regional Meeting	Snack at Atlanta Airport - G & T Regional Meeting				12 2 CEN 11 200	110 011 921.103 291	252 411011 921.103 1,3	151.75 001.12P 1001	- 1	921.103	_	l		R/A Acct No Amount			Supt /Mar/V	TOTAL CFO & VP of Financi			
Į.	DAIE	7/25	7/25			7/29	8/20	8/20	8/21	8/21	8/21	8/21				Vii	Ine	sse	3.	Ma	T K			rile;		1	Ca	se N	o. 20 am I Iten Pag	01,1 3la 1.A ge 1	-000 ckbu G 1- 5 of	36 rn 85 19

Big Rivers Syrays Er

Energy Supply and Finance

Location

C. William Blackburn

Employee

Employee Expense Report

(Attach receipts for any item(s) over \$25.)

\$ 2,719.00 3.00 20.00 2 2 8 8 8 (40.00)25.00 408.00 983.00 15.00 11.00 10.00 15.00 5.00 31.00 \$ 2,719.00 ,189.00 TOTAL \$2.00 \$2.00 4.00 OTHER LODGING Ç.∰illiam Blackburn Date Date Date ess Advance FOOD \$25.00 \$11.00 \$20.00 \$10.00 \$20.00 TOTAL \$ 2,715.00 \$983.00 \$31.00 \$15.00 \$3.00 \$10.00 \$15.00 \$15.00 (\$40.00)\$408.00 \$1,189.00 TRAVE JA3.15/10 ACCT, NO. 11/14/08 CFO & VP of Financial Services: R/A Employee: Supt./Mgr/V.P. Approval: 410 EAC 410 410 410 410 410 حدويا اياده عدمديرا 9 کویا اوراجه او دیه Airfare to Washington-Meeting with Attorneys (Unwind/Personal) 236.15 312.05 410 011 921.100 194.35 Airfare to New York - Rating Agencies Meetings (Unwind) and Description of expenses (in detail) including purpose, place Difference in Airfare - (Comparison attached EVV-ATL-SRQ) Meeting in Washington, DC with Attorneys - Unwind (Comparison of airfare attached - EVV-DCA and EVV-SRQ) 10/11/08 Misc. Taxes - Evansville to New York - Rating Agencies 220 999 143.725 252 410 011 921.103 10/17 Airfare to Atlanta - SeFPC Meeting (and Personal) Leadership Seminar - יሎሚያ ፈንደዛሊው Expenses incurred in service of the Company from name(s), and title(s) SeFPC Meeting: 75% Delta Flights: Amount 1248.20 10/28 Parking - Evansville Airport Taxi - To and From Dinner 10/28 Taxi - To SeFPC Meeting Taxi - Office to Airport Taxi - Dinner to Hotel Taxi - Airport to Hotel Taxi - Hotel to Dinner Taxi - Hotel to Office TOTAL So. Taxi - To Dinner 10/28 Airport Shuttle Acct. Skycab Skycab R/A 10/27 10/28 11/13 11/14 10/17 171 111 11/14 DATE EAC Case No. 2011-00036 POILING and

Employee Expense Report

1,053.41 1,053.41 10.00 1,036.41 TOTAL (Attach receipts for any item(s) over \$25.) \$ 10.00 \$10.00 OTHER PODGING Date Date Less Advance FOOD TOTAL \$ 1,043.41 \$7.00 \$1,036.41 TRAVEL ACCT. NO. 3/29/2009 Senior VP Financial & Energy Services & CFO Employee: Supt./Mgr/VP Approval: R/A EAC 2 Description of expenses (in detail) including purpose, place, name(s), and title(s) मन्दर 25. 22. 241. 143.725 SCSI 3/19|Delta Airlines - Airfare for Mike Mattox to Knoxville, TN - SEPA, TVA and 1101118 110 014 3/1/2009 410017 921.103 Kranny Reports printed for rating agency meeting in New York Expenses incurred in service of the Company from Finance and Power Supply Amoun 3/29 Taxi to dinner in New York Bill Blackburn TOTAL Acct. No. Big Rivers meeting R/A 3/29 Employee Location DATE

Witnesses: Mark A. Bailey and C. William Blackburn
Attachment for Item AG 1-85

Employee (Expense (Repo

Етрюуее	Bill Blackburn						RioF	Rio Rivers	19	
Location	Finance and Power Supply					•		GEECTRIC CORPORATION FROM THE PROPERTY OF THE) š	
Expenses li	Expenses incurred in service of the Company from	\$ I	5/8/2009	600		(Attach re	celpts for ar	(Attach receipts for any item(s) over \$25.)	rer \$25.)	
DATE	Description of expenses (in detail) including purpose, place, name(s), and title(s)	EAC	R/A	ACCT. NO.	TRAVEL	FOOD	LODGING	OTHER	TOTAL	г
2/18	eting (Unwind)				\$21.00	\			\$ 21.00	Ta
4/20		410	17		\$819.19	\			"	Ta
4/23	4/23 Delta Airfare - Change in ticket price - different flight taken Se F pc	410	17		\$350.02-					1~
5/4	5/4 Delta Airfare - Trip to New York - Unwind				\$1,164.90	/			\$ 1,164.90	I _O
2/1	5/7 Taxi - Hotel to Carl Lyon's office (Unwind)				\$7.00				\$ 7.00	10
2/1	5/7 Taxi - Carl Lyon's office to Hotel (Unwind)				\$7.00				\$ 7.00	Lo
27	S/7 Miscellaneous							\$5.00		I o
2/8	5/8 Breakfast - Starbuck Coffee					\$8.12.		-	\$ 8.12	Ī~
									- \$	
		1							•	_
									\$	_
									\$	_
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	Oss 999 (43.725								. \$	_
	105 (c) 126 176 01 7	1							. \$	_
	PL 921.103	1							- \$	_
	12.891, 101.121 FID CIH	1							. \$	_
		1							\$	
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									. \$	
		1							. \$	
						- 1	1			_
EAC	R/A Acct. No. Amount			IOIAL	101At \$ 2,369.11	\$ 8.12	7	\$ 5.00	\$ 2,382.23	
			ð	and fundament	Employee	OO OO	Less Advance	(I	1
Cas		ũ	Employee	26 M///C	201		Date	10.00	2,382.23	7
		Supt./Mgr/V.P. Approval					Date		`	
o. 20	Senior VP Financial & Energy Services & CFO	rgy Servic	es & CFO				Date			
011-			1	MA	NA A		'W	5/1/2	·- (
0003			•		\				_	
36									>	

Witnesses: Mark A. Bailey and C. William Blackburn
Attachment for Item AG 1-85

Page 18 of 19

Vie 14491

Employee Expense Report

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40.00 707.40 40.00 1,377.70 578.30 1,377.70 TOTAL (Attach receipts for any item(s) over \$25.) OTHER DNIDGOT Date Less Advance FOOD \$578.30 \$40.00 \$12.00 \$40.00 TOTAL \$ 1,377.70 TRAVEL ACCT. NO. 2/17/2010 Senior VP Financial & Energy Services & CFO 11 11 11 幵 Supt./Mgr/V.P. Approval: R/A 410 410 410 EAC 2 Description of expenses (in detail) including purpose, place, name(s), and title(s) 410 011 921.100 1318.82 1383 2/5/2010 2/16 Taxi from Hotel to Mark Bailey's Hotel - Meeting with Mark Bailey 410 011 721,100 2/5 Delta Airfare - Trip to Sarasota, FL - CFO Conference 2/9 Delta Airfare - Trip to Atlanta, GA - PCB Refunding 2/16 Taxi from Airport to Hotel - PCB Refunding 2/17 Taxi from Hotel to Airport - PCB Refunding Financial and Energy Services Expenses Incurred in service of the Company from Amount 8 458 Bill Blackburn TOTAL Acct. No. R/A Employee Location DATE Case No.•2011-00036 William Blackburn

Attachment for Item AG 1-85 Page 19 of 19

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 86)	For each injury and damage claim settled in the years 2007 to 2010, in which
2	the settleme	ent exceeded \$10,000, list by year each such claim, the basis for the claim, the
3	dollar amou	unt of the claim paid and the associated legal fees. Please include in your
4	response th	e amount of injuries and damages expense for each of the last three years.
5		
6	Response)	There were no claims made in the years 2007 to 2010, in which the settlement
7	exceeded \$1	0,000. Schedules attached to Item 87, which follows this Item 86, show expense
8	amounts for	the years 2007 to 2010.
9		
10		
11	Witness)	James V. Haner
12		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 87)	Itemize each component of insurance expense included in the test period, and
2	provide com	parative information the amount of injuries and damages expense in the years
3	2007 to 2010). Indicate the accounts and amounts in which each item of insurance expense is
4	recorded.	
5		
6		a. For any component of the Company's insurance expense which has
7		fluctuated by more than 10% or $\$10,000$ from one year to the next,
8		provide an explanation as to the cause of such fluctuation.
9		
10	Response)	The attached schedules list property and casualty insurance coverages; show the
11	cost of each i	n the years 2007 to 2010; provide explanations for fluctuations from one year to
12	the next; and	indicate the accounts charged.
13		
14		
15		
16	Witness)	James V. Haner
17		

Components of Insurance Expense

Component of Insurance Expense	2007	2008	2009	2010	Explanation for Fluctuations
Property	259,660	264,487	1,334,862	2,937,895	Increase from 2008 to 2009 is a result of adding the generation facilities to the policy for the period 7/17/09 through 12/31/09. Increase from 2009 to 2010 is a result of insuring the generaltion facilities for a full year.
Automobile	18,066	20,667	65,730	112,682	Increase from 2007 to 2008 is a result of adding comprehensive and collision coverage to the policy. The increases from 2008 to 2009 and 2009 to 2010 are a result of the additional vehicles added to the policy at the close of the unwind transaction, 7/17/09.
General Liability	34,058	33,655	39,205	46,435	Increase from 2008 to 2009 and 2009 to 2010 are a result of having resumed operating the generation facilities at the close of the unwind transaction.
Crime	5,017	5,018	5,018	5,018	
Umbrella Liability	44,102	43,046	47,275	61,623	Increase from 2009 to 2010 is a result of having resumed operating the generation facilties.
Directors & Officers	12,293	49,443	49,436	58,043	Increase from 2007 to 2008 is a result of an increase in the policy limit from \$3M to \$20M. The increase from 2009 to 2010 is a result of having resumed operating the generation facilities.
Fiduciary Liability	134	134	134	134	
Marine	0	0	36,003	76,482	Increase from 2008 to 2009 is a result of covering the marine exposure added as a result of the unwind transaction, 7/17/09. The increase from 2009 to 2010 is a result of covering the exposure for a full year.
Excess Marine	0	0	11,566	23,419	Increase from 2008 to 2009 is a result of covering the marine exposure added as a result of the unwind transaction, 7/17/09. The increase from 2009 to 2010 is a result of covering the exposure for a full year.

Case No. 2011-00036 Attachment to Item AG 1-87 Witness: James V. Haner

Page 1 of 3

Accounts and Amounts in Which Each Item of Insurance Expense is Recorded

	A	utomobile		
Account	2007	2008	2009	2010
184.200*	15,724	17,988	61,231	106,465
184.300*	2,342	2,679	4,499	6,217
Total	18,066	20,667	65,730	112,682

	Gen	eral Liability		
Account	2007	2008	2009	2010
143.600**	0	0	888	7,430
925.170	34,058	33,655	38,317	39,005
Total	34,058	33,655	39,205	46,435

		Crime		
Account	2007	2008	2009	2010
930.210	5,017	5,018	5,018	5,018
Total	5,017	5,018	5,018	5,018

	Umb	rella Liability		
Account	2007	2008	2009	2010
143.600**	0	0	439	9,860
925.170	44,102	43,046	46,836	51,763
Total	44,102	43,046	47,275	61,623

Directors & Officers					
Account	2007	2008	2009	2010	
925.170	12,293	49,443	49,436	58,043	
Total	12,293	49,443	49,436	58,043	

Fiduciary Liability						
Account	2007	2008	2009	2010		
925.170	134	134	134	134		
Total	134	134	134	134		

Case No. 2011-00036 Attachment to Item AG 1-87 Witness: James V. Haner Page 2 of 3

^{*} Amounts recorded in accounts 184.200 and 184.300 are cleared each month to various departments based, for 184.200, on mileage, and for 184.300, on hours of use.

^{**}Amounts recorded in account 143.600 are split each month between Big Rivers' generating facilities and HMP&L Station Two. The amount charged to Station Two is split between purchased power and accounts receivable from the City of Henderson.

Accounts and Amounts in Which Each Item of Insurance Expense is Recorded

Property						
Account	2007	2008	2009	2010		
562.110	230,420	235,393	227,838	230,120		
563.110	1,953	2,645	2,560	2,084		
930.210	27,287	26,449	30,379	31,867		
143.600**	0	0	152,253	372,078		
502.110	0	0	20,030	49,554		
505.110	0	0	15,111	37,383		
502.112	0	0	3,913	11,128		
502.310	0	0	137,061	337,561		
505.310	0	0	67,507	166,261		
502.312	0	0	78,258	189,934		
548.110	0	0	8,622	23,618		
502.210	0	0	95,474	240,830		
505.210	0	0	69,137	174,394		
502.212	0	0]	62,711	133,188		
502.410	0	0	190,030	465,795		
505.410	0	0	73,900	181,142		
502.412	0	0	100,078	290,958		
Total	259,660	264,487	1,334,862	2,937,895		

Marine and Excess Marine					
Account	2007	2008	2009	2010	
143.600**	0	0	1,250	2,618	
502.210	0	0	2,412	4,385	
505.210	0	0	1,747	3,176	
502.310	0	0	1,444	3,352	
505.310	0	0	711	1,651	
502.410	0	0	1,085	2,916	
505.410	0	0	422	1,134	
502.210	0	0	14,874	29,800	
502.310	0	0	11,675	24,919	
502.410	0	0	11,949	25,950	
Total	0	0	47,569	99,901	

^{**}Amounts recorded in account 143.600 are split each month between Big Rivers' generating facilities and HMP&L Station Two. The amount charged to Station Two is split between purchased power and accounts receivable from the City of Henderson.

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 88)	Itemize the legal services expenses included in the years 2007 to 2010 for rate
2	case- related	work. For each distinct item state: payee; amount; account; purpose; docket,
3	case, or proce	eeding reference; and describe briefly the nature of the case or legal service
4	received.	
5		
6	Response)	See the attached schedule of the rate case-related legal expenses for the years
7	2007 to 2010.	Big Rivers canceled the Case No. 2009-00040 when it became apparent the
8	Unwind Trans	saction was to close. Note that Big Rivers does not consider either the Unwind
9	Transaction c	ase or the MISO case to be a "rate case", as no change in base rates was sought.
10		
11		
12	Witnesses)	Mark A. Hite and Counsel
13		
14		
15		
16		

Rate Case Legal Expenses

Control	Barry W						Vendor				
Number	Dist Yr	Dist Mo	Account	RA E	AC	Amount	Number	Vendor		Description of Service	Case#
0544876	2009	03	92820000	11	253	6,970.00	6270	HOGAN 8	HARTSON	Status Quo Rate Case	2009-00040
0545243	2009	04	92820000	11	253	148,283.81	6270	HOGAN 8	L HARTSON	Status Quo Rate Case	2009-00040
0545525	2009	05	92820000	11	253	66,756.68	6270	HOGAN 8	HARTSON	Status Quo Rate Case	2009-00040
0546628	2009	07	92820000	11	253	30,609.27	6270	HOGAN 8	HARTSON	Status Quo Rate Case	2009-00040
0547155	2009	80	92820000	11	253	148.75	6270	HOGAN 8	K HARTSON	Status Quo Rate Case	2009-00040
0544908	2009	03	92820000	11	253	3,340.26	6518	KENERG'	Y CORP	Status Quo Rate Case	2009-00040
0545451	2009	04	92820000	11	253	67.50	6518	KENERG'	Y CORP	Status Quo Rate Case	2009-00040
0546323	2009	06	92820000	11	253	2,101.68	6518	KENERG'	Y CORP	Status Quo Rate Case	2009-00040
0548073	2009	10	92820000	11	253	280.00	6518	KENERG'	Y CORP	Status Quo Rate Case	2009-00040
0544957	2009	04	92820000	11	253	2,662.77	445	MEADE C	OUNTY RECC	Status Quo Rate Case	2009-00040
0545930	2009	06	92820000	11	253	1,902.50	445	MEADE C	OUNTY RECC	Status Quo Rate Case	2009-00040
0545935	2009	06	92820000	11	253	329.38	445	MEADE C	COUNTY RECC	Status Quo Rate Case	2009-00040
0546157	2009	06	92820000	11	253	200.00	445	MEADE C	COUNTY RECC	Status Quo Rate Case	2009-00040
0548847	2009	12	92820000	11	253	280.00			COUNTY RECC	Status Quo Rate Case	2009-00040
0546164	2009	06	92820000	11	253	4,338.25	4512	ORRICK,	HERRINGTON & SUTCLIFFE	Status Quo Rate Case	2009-00040
0544299	2009	02	92820000	11	253	15,141.00			N, MOUNTJOY,STAINBACK	Status Quo Rate Case	2009-00040
0544716	2009	03	92820000	11	253	41,596.50			N, MOUNTJOY,STAINBACK	Status Quo Rate Case	2009-00040
0543642	2009	03	92820000	11	253	940.00			N, MOUNTJOY,STAINBACK	Status Quo Rate Case	2009-00040
0545244	2009	04	92820000	11	253	30,690.50			N, MOUNTJOY,STAINBACK	Status Quo Rate Case	2009-00040
0545683	2009	05	92820000	11	253	11,665.00			N, MOUNTJOY,STAINBACK	Status Quo Rate Case	2009-00040
0546024	2009	06	92820000	18	253	17,075.00			N, MOUNTJOY,STAINBACK	Status Quo Rate Case	2009-00040
0546546	2009	07	92820000	11	253	17,373.50			N, MOUNTJOY,STAINBACK	Status Quo Rate Case	2009-00040
0547125	2009	80	92820000	11	253	1,087.50	354		N, MOUNTJOY,STAINBACK	Status Quo Rate Case	2009-00040
104114	2010	12	92310000			6,180.00			N, MOUNTJOY, STAINBACK	Rate Case	2011-00036
104639	2010	12	92310000			8,077.50		SULLIVA	N, MOUNTJOY, STAINBACK	Rate Case	2011-00036
105164	2010	12	92310000			15,204.50		SULLIVA	N, MOUNTJOY, STAINBACK	Rate Case	2011-00036

Total 433,301.85

Case No. 2011-00036 Witness: Mark A. Hite Attachment for AG 1-88

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 89)	Please itemize the amount of non-rate case legal expense for 2006 to date.
2	For each di	stinct item over \$5,000 show payee, amount, account and indicate what services
3	were perfor	med and what the subject matter of the services was.
4		
5		a. Provide copies of all invoices which exceed \$10,000. This should be the
6		complete document including a detailed description of work performed.
7		
8	Response)	Please see the enclosed CD containing a spreadsheet for the non-rate case legal
9	expense for	2007 through 2010. Please see the CD provided in response to Item 43 of the
10	Commission	Staff's First Information Request for information on the services performed that
11	are represen	ted by the outside professional service cost incurred during the test year. Big
12	Rivers objec	ets to providing copies of legal invoices on the grounds of attorney work product
13	and attorney	client privilege.
14		
15		
16	Witnesses)	Mark A. Hite and Counsel
17		
18		
19		
20		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 90) Lis	st all fees during the years 2008 to 2010, and during the test period, for
2	maintaining lines	of credit. List such fees for each line of credit which the Company
3	maintains. Indic	ate in which account such fees are recorded.
4		
5	Response) Se	e the attached schedules for a list all fees for the years 2008 through 2010,
6	and during the tes	t period, for maintaining lines of credit. On the Unwind Closing Date (July
7	16, 2009), Big Ri	vers entered into line of credit agreements with National Rural Utilities
8	Cooperative Finan	nce Corporation ("CFC") and CoBank ACB ("CoBank") in the amount of
9	\$50 million each.	The CFC line of credit agreement required an Upfront Fee of \$125,000 that
10	is being amortized	d over the life of the agreement, through July 16, 2014. The CoBank line of
11	credit agreement	required a one-time Commitment Fee of \$250,000 that is being amortized
12	over the life of the	e agreement, through July 16, 2012. The Upfront Fee and the Commitment
13	Fee are in addition	n to the fees listed on the attached schedules.
14		
15		
16	Witness) Ma	ark A. Hite
17		
18		
19		
20		

Big Rivers Electric Corporation

Case No. 2011-00036

Line of Credit Fees

2008 Invoice Date	Account Number	Amount
None		
2009		
Invoice Date	Account Number	Amount
CFC - Facility Fee		
8/20/2009	930.210	16,781
11/18/2009	930.210	31,164
CoBank - Unused Co	mmitment Fee	
8/31/2009	930.210	17,951
12/31/2009 (1)	930.210	46,215
	Total 2009 Fees	 112,111
	•	
2010		
Invoice Date	Account Number	Amount
CFC - Facility Fee		
2/23/2010	930.210	\$ 30,822
5/21/2010	930.210	31,507
8/23/2010	930.210	31,507
11/26/2010	930.210	31,164
 CoBank - Unused Co	mmitment Fee	
3/31/2010	930.210	34,681
6/30/2010	930.210	27,806

(1) The CoBank invoice dated 12/31/2009 includes billing for 121 days due to a change in CoBank's quarterly billing cycle.

930.210

930.210

Total 2010 Fees \$

(2) The CoBank invoice dated 12/31/10 was paid in January 2011.

9/30/2010

12/31/2010 (2)

Case No. 2011-00036 Witness: Mark A. Hite

28,111

28,111

243,709

Attachment for Item AG 1-90

Page 1 of 2

Big Rivers Electric Corporation

Case No. 2011-00036

Line of Credit Fees

Test Period — No	vember 2009 to October 20	<u>10</u>	
Invoice Date	Account Number	Amount	
CFC - Facility Fee			
11/18/2009	930.210	\$	31,164
2/23/2010	930.210		30,822
5/21/2010	930.210		31,507
8/23/2010	930.210		31,507
CoBank - Unused (Commitment Fee		
12/31/2009 (1)	930.210		46,215
3/31/2010	930.210		34,681
6/30/2010	930.210		27,806
9/30/2010	930.210		28,111
	Total Test Period Fees	\$	261,813

⁽¹⁾ The CoBank invoice dated 12/31/2009 includes billing for 121 days due to a change in CoBank's quarterly billing cycle.

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 91)	Does the Company employ a fringe-benefit or overhead factor to assign
2	overhead co	sts to specific projects? If so, state what these factors were in the years 2007 to
3	2010 and sh	ow in detail how they were calculated.
4		
5	Response)	No.
6		
7		
8	Witness)	Mark A. Hite
9		
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11		
12		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 92)	List and describe all maintenance programs and expenses which have been
2	deferred into	o the test period from prior years, and for each item, explain the Company's
3	reason for si	uch deferral.
4		
5	Response)	Big Rivers did not defer any maintenance programs or expenses from prior
6	years into the	e test period.
7		
8	Witnesses)	Robert W. Berry and David G. Crockett
9		
10		
11		
12		
13		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 93)	List all merchandise-related revenue, expense and rate base items included in
2	the test perio	od by account and amount.
3		
4	Response)	None.
5		
6		
7	Witness)	Mark A. Hite
8		
9		
10		
11		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 94)	List each abnormal or non-recurring charge or credit which occurred in the
2	years 2007 to	o 2010, which exceeded \$10,000.00.
3		
4		a. For each such charge or credit, state the basis and dollar amount of each.
5		b. Provide copies of invoices, journal entries or other documentation to
6		support each such abnormal or non-recurring item.
7		
8	Response)	Please see the response of Big Rivers to Item AG 1-96.
9		
10		
11	Witness)	Mark A. Hite
12		
13		
14		
15		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

l	Item 95)	Itemize all expenses over \$5,000 recorded by the Company in the years 200/
2	to 2010 for C	General Office Expense. For each, state the payee, amount, date, purpose and
3	subaccount.	Also provide a copy of the associated invoice for amounts over \$10,000.
4		
5	Response)	Please see the attached schedule for a list of all General Office Expense
6	invoices over	r \$5,000 for the years 2007 to 2010. Big Rivers objects to the request that it
7	provide a cop	by of each invoice over \$10,000 as unreasonably burdensome, and because the
8	description o	f each expenditure in the attached schedule provides reasonable detail on each
9	invoice. Fur	ther, the majority of such invoices are for the same purpose: monthly third-party
10	utility bill ma	ailings.
11		
12		
13	Witnesses)	Mark A. Hite and Counsel
14		
15		
16		
17		

Big Rivers Electric Corporation Case No. 2011-00036 General Office Expenses Over \$5,000 for 2007-2010

1	Invoice No	Vendor Name	Month	Year	AMOUNT Description	Account No
2	132520000	CITY OF HENDERSON	01	2007	6,298.58 Utilities	92110000
3	73566/S120079	PINNACLE DATA SYSTEMS	01	2007	13,188.48 Utility bill mailings and postage - cooperatives	92110200
4	73626/S120054	PINNACLE DATA SYSTEMS	01	2007	27,819.77 Utility bill mailings and postage - cooperatives	92110200
5	73632/S120338	PINNACLE DATA SYSTEMS	01	2007	13,522.23 Utility bill mailings and postage - cooperatives	92110200
6	132520000	CITY OF HENDERSON	02	2007	7,273.43 Utilities	92110000
7	73566/S010342	PINNACLE DATA SYSTEMS	02	2007	17,111.59 Utility bill mailings and postage - cooperatives	92110200
8	73626/S010310	PINNACLE DATA SYSTEMS	02	2007	28,114.43 Utility bill mailings and postage - cooperatives	92110200
9	73632/S010348	PINNACLE DATA SYSTEMS	02	2007	14,012.51 Utility bill mailings and postage - cooperatives	92110200
10	132520000	CITY OF HENDERSON	03	2007	8,349.43 Utilities	92110000
11	170971-2	NAT'L RURAL ELECTRIC COOP	03	2007	3,152.25 Dues And Assessments	92110000
12	170971-2	NAT'L RURAL ELECTRIC COOP	03	2007	9,456.75 Dues And Assessments	92110200
13	73566/S020090	PINNACLE DATA SYSTEMS	03	2007	16,598.77 Utility bill mailings and postage - cooperatives	92110200
14	73626/S020298	PINNACLE DATA SYSTEMS	03	2007	28,802.05 Utility bill mailings and postage - cooperatives	92110200
15	73632/S020096	PINNACLE DATA SYSTEMS	03	2007	12,598.23 Utility bill mailings and postage - cooperatives	92110200
16	EXPENSES	BIG RIVERS LEASING CORPORATION	03	2007	8,500.00 BR Leasing Corp - Expenses	92110000
17	132520000	CITY OF HENDERSON	04	2007	7,922.19 Utilities	92110000
18	73566/S030143	PINNACLE DATA SYSTEMS	04	2007	16,530.13 Utility bill mailings and postage - cooperatives	92110200
19	73626/S030117	PINNACLE DATA SYSTEMS	04	2007	28,109.37 Utility bill mailings and postage - cooperatives	92110200
20	73632/S030147	PINNACLE DATA SYSTEMS	04	2007	14,259.05 Utility bill mailings and postage - cooperatives	92110200
21	132520000	CITY OF HENDERSON	05	2007	7,957.45 Utilities	92110000
22	73566/S040089	PINNACLE DATA SYSTEMS	05	2007	15,530.12 Utility bill mailings and postage - cooperatives	92110200
23	73626/S040058	PINNACLE DATA SYSTEMS	05	2007	27,873.83 Utility bill mailings and postage - cooperatives	92110200
24	73632/S040094	PINNACLE DATA SYSTEMS	05	2007	12,594.04 Utility bill mailings and postage - cooperatives	92110200
25	6123704	LENOVO UNITED STATES INC	06	2007	20,007.50 Information Sytems Unwind Transition Costs	92110300
26	132520000	CITY OF HENDERSON	06	2007	7,697.73 Utilities	92110000
27	0607-28	SOUTHEASTERN FED PWR CUSTOMERS	06	2007	61,099.82 Dues And Assessments	92110100
28	170971-3	NAT'L RURAL ELECTRIC COOP	06	2007	3,152.25 Dues And Assessments	92110000
29	170971-3	NAT'L RURAL ELECTRIC COOP	06	2007	9,456.75 Dues And Assessments	92110200
30	73566/S050091	PINNACLE DATA SYSTEMS	06	2007	15,524.63 Utility bill mailings and postage - cooperatives	92110200
31	73626/S050055	PINNACLE DATA SYSTEMS	06	2007	29,283.17 Utility bill mailings and postage - cooperatives	92110200
32	73632/S050098	PINNACLE DATA SYSTEMS	06	2007	14,758.00 Utility bill mailings and postage - cooperatives	92110200
33	132520000	CITY OF HENDERSON	07	2007	7,932.74 Utilities	92110000
34	73566/S060154	PINNACLE DATA SYSTEMS	07	2007	18,074.28 Utility bill mailings and postage - cooperatives	92110200
35	73626/S060118	PINNACLE DATA SYSTEMS	07	2007	28,819.69 Utility bill mailings and postage - cooperatives	92110200
36	73632/S060162	PINNACLE DATA SYSTEMS	07	2007	14,100.55 Utility bill mailings and postage - cooperatives	92110200
37	QTRLY US COAL	HILL & ASSOCIATES INC	07	2007	7,000.00 Books, Periodicals, And Subscriptions	92110300
38	132520000	CITY OF HENDERSON	08	2007	8,446.14 Utilities	92110000
39	73566/S070083	PINNACLE DATA SYSTEMS	08	2007	13,049.98 Utility bill mailings and postage - cooperatives	92110200

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-95

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General Office Expenses Over \$5,000 for 2007-2010

A 73626/S070057 PINNACLE DATA SYSTEMS 08 2007 2007 1,109 14 110119 bill mailings and postage - cooperatives 2110200 123250000 2174 OF HENDERSON 09 2007 1,109 14 14 14 14 14 14 14 1	1	Invoice No	Vendor Name	Month	Year	AMOUNT	Description	
41 73632/S070088 PINNACLE DATA SYSTEMS 08 2007 14.169 14 Unity bil mailings and postage - cooperatives 92110200 2007 200	40	73626/S070057					Description Heilie kill mailing at the second and	
125220000	41	73632/S070088				14 160 14	Utility bill mailings and postage - cooperatives	
4007-28 SOUTHEASTERN FED PWR CUSTOMERS 09 2007 61.099 & 20 20 61.099 & 20 20 61.099 & 20 20 61.099 & 20 20 61.099 & 20 20 61.099 & 20 20 61.099 & 20 20 61.099 & 20 20 7 3,152.25 Dues And Assessments 92110000 20 20 20 20 20 20	42	132520000				2 207 10	Utilities	
170971-4	43	0907-28	SOUTHEASTERN FED PWR CUSTOMERS					
170971-4	44	170971-4						
A	45	170971-4						
47 73626/S0800228	46	73566/S080267						
48 73632/S080275 PINNACLE DATA SYSTEMS 09 2007 14.234.53 Utility bill mailings and postage - cooperatives 92110200 73566/S090097 PINNACLE DATA SYSTEMS 10 2007 16.063.65 Utility bill mailings and postage - cooperatives 92110200 PINNACLE DATA SYSTEMS 10 2007 16.063.65 Utility bill mailings and postage - cooperatives 92110200 PINNACLE DATA SYSTEMS 10 2007 18.356.6/S090055 PINNACLE DATA SYSTEMS 10 2007 28.553.08 Utility bill mailings and postage - cooperatives 92110200 PINNACLE DATA SYSTEMS 10 2007 15.362.6/S0900548 PINNACLE DATA SYSTEMS 10 2007 15.363.41 Utility bill mailings and postage - cooperatives 92110200 PINNACLE DATA SYSTEMS 11 2007 15.769 PIURIS bill mailings and postage - cooperatives 92110200 PINNACLE DATA SYSTEMS 11 2007 15.769 PIURIS bill mailings and postage - cooperatives 92110200 PINNACLE DATA SYSTEMS 11 2007 15.769 PIURIS bill mailings and postage - cooperatives 92110200 PINNACLE DATA SYSTEMS 11 2007 15.764 PIURIS bill mailings and postage - cooperatives 92110200 PINNACLE DATA SYSTEMS 11 2007 15.164 73 Utility bill mailings and postage - cooperatives 92110200 PINNACLE DATA SYSTEMS 12 2007 17.270 General Services/Contractors 92110000 PINNACLE DATA SYSTEMS 12 2007 7.1618 Telephone 92110000 PINNACLE DATA SYSTEMS 12 2007 7.1618 Telephone 92110000 PINNACLE DATA SYSTEMS 12 2007 7.1618 Telephone 92110000 PINNACLE DATA SYSTEMS 12 2007 7.1618 Telephone 92110000 PINNACLE DATA SYSTEMS 12 2007 8.474.25 Utility bill mailings and postage - cooperatives 92110200 PINNACLE DATA SYSTEMS 12 2007 7.1618 Telephone 92110000 PINNACLE DATA SYSTEMS 12 2007 8.690.53 Utility bill mailings and postage - cooperatives 92110200 PINNACLE DATA SYSTEMS 12 2007 8.690.53 Utility bill mailings and postage - cooperatives 92110200 PINNACLE DATA SYSTEMS 12 2007 8.690.53 Utility bill mailings and postage - cooperatives 92110200 PINNACLE DATA SYSTEMS 10 2008 50.89 Telephone 92110000 PINNACLE DATA SYSTEMS 10 2008 50.89 Telephone 92110000 PINNACLE DATA SYSTEMS 10 2008 50.89 Telephone 92110000 PINNACLE DATA SYSTEMS 10 2008 50.89 Telephone 92	47	73626/S080228				30 376 18	Utility bill mailings and postage - cooperatives	
135250000	48	73632/S080275				14 234 53	Utility bill mailings and postage - cooperatives	
50 73566/S0900097	49	132520000	CITY OF HENDERSON			7 762 62	Utilities	
13626/S0900055	50	73566/S090097						
73632/S090248	51	73626/S090055				20,003.03	Utility bill mailings and postage - cooperatives	
132520000	52	73632/S090248				12 295 41	Utility bill mailings and postage - cooperatives	
13-506/S 100175 PINNACLE DATA SYSTEMS 11 2007 15,796.79 Utility bill mailings and postage - cooperatives 92110200	53	132520000				10,500.41	Utilities and postage - cooperatives	
PINNACLE DATA SYSTEMS 11 2007 30,234.94 Utility bill mailings and postage - cooperatives 92110200	54	73566/S100175	PINNACLE DATA SYSTEMS					
Fig. 1252 Fig. 2007 Fig.	55	73626/S100139				30 234 04	Utility bill mailings and postage - cooperatives	
DOCUMENTS ONLINE INC 12 2007 17,270.74 General Services/Contractors 92110000	56	73632/S100183				15 164 73	Utility bill mailings and postage - cooperatives	
12 2007 12 2007 13 15 2007 15 2007 15 2007 15 2007 15 2007 15 2007 15 2007 15 2007 15 2007 15 2007 15 2007 15 2007 15 2007 15 2007 15 2007 15 2007 15 2007 15 2007 28 2007	57	00015228						
Second Content of the Content of t	58	132520000	CITY OF HENDERSON					
Fig. 2007 Fig.	59	6198724500001	A T & T TELECONFERENCE SERVICE					
1	60	73566/S110207						
PINNACLE DATA SYSTEMS 12 2007 14,190.32 Utility bill mailings and postage - cooperatives 92110200	61	73626/S110173	PINNACLE DATA SYSTEMS			28 690 53	Itility bill mailings and postage - cooperatives	
2007 Total 1,018,323,13 1,018,323,13 2,000 CITY OF HENDERSON 01 2008 8,380.45 Utilities 92110000 66 61987245-00001 A T & T TELECONFERENCE SERVICE 01 2008 500.89 Telephone 92110300 68 73566/S120165 PINNACLE DATA SYSTEMS 01 2008 16,026.26 Utility bill mailings and postage - cooperatives 92110200 9211020		73632/S110214				14 190 32	Utility bill mailings and postage - cooperatives	
65 132520000 CITY OF HENDERSON 01 2008 8,380.45 Utilities 92110000 66 61987245-00001 A T & T TELECONFERENCE SERVICE 01 2008 500.89 Telephone 92110300 67 61987245-00001 A T & T TELECONFERENCE SERVICE 01 2008 5,345.76 Telephone 92110000 68 73566/S120165 PINNACLE DATA SYSTEMS 01 2008 16,026.26 Utility bill mailings and postage - cooperatives 92110200 69 73626/S120203 PINNACLE DATA SYSTEMS 01 2008 29,752.35 Utility bill mailings and postage - cooperatives 92110200 70 73632/S120228 PINNACLE DATA SYSTEMS 01 2008 29,752.35 Utility bill mailings and postage - cooperatives 92110200 71 132520000 CITY OF HENDERSON 02 2008 8,486.50 Utilities 92110200 72 73566/S010089 PINNACLE DATA SYSTEMS 02 2008 15,777.27 Utility bill mailings and postage - cooperatives 92110200 73 73626/S010055 PINNACLE DATA SYSTEMS 02 2008 29,010.85 Utility bill mailings and postage - cooperatives 92110200 74 73632/S010095 PINNACLE DATA SYSTEMS 02 2008 14,305.77 Utility bill mailings and postage - cooperatives 92110200 75 9656395629/A MICROSOFT LICENSING, GP 02 2008 278,280.23 Personal Computer Software 92110300 76 132520000 CITY OF HENDERSON 03 2008 7,616.05 Utilities 92110000 77 0308-28 SOUTHEASTERN EED PWR CUSTOMERS 03	63					1.018 323 13	othity our mannings and postage - cooperatives	92110200
66 61987245-00001 A T & T TELECONFERENCE SERVICE 01 2008 5,380.45 Utilities 92110000 67 61987245-00001 A T & T TELECONFERENCE SERVICE 01 2008 5,345.76 Telephone 92110300 68 73566/S120165 PINNACLE DATA SYSTEMS 01 2008 16,026.26 Utility bill mailings and postage - cooperatives 92110200 73632/S120228 PINNACLE DATA SYSTEMS 01 2008 29,752.35 Utility bill mailings and postage - cooperatives 92110200 73632/S120228 PINNACLE DATA SYSTEMS 01 2008 14,159.02 Utility bill mailings and postage - cooperatives 92110200 737366/S010089 PINNACLE DATA SYSTEMS 02 2008 8,486.50 Utilities 92110200 7373626/S010055 PINNACLE DATA SYSTEMS 02 2008 15,777.27 Utility bill mailings and postage - cooperatives 92110200 74 73632/S010095 PINNACLE DATA SYSTEMS 02 2008 29,010.85 Utility bill mailings and postage - cooperatives 92110200 75 9656395629/A MICROSOFT LICENSING, GP 02 2008 278,280.23 Personal Computer Software 92110300 77 0308-28 SOUTHE ASTERN SED PWR CUSTOMERS 03 2008 7,616.05 Utilities 92110000 75 92110000 75 9210000 75 9	64				2007 20111	1,010,023.13		
66 61987245-00001 A T & T TELECONFERENCE SERVICE 01 2008 500.89 Telephone 92110300 67 61987245-00001 A T & T TELECONFERENCE SERVICE 01 2008 5,345.76 Telephone 92110300 68 73566/S120165 PINNACLE DATA SYSTEMS 01 2008 16,026.26 Utility bill mailings and postage - cooperatives 92110200 69 73626/S120203 PINNACLE DATA SYSTEMS 01 2008 29,752.35 Utility bill mailings and postage - cooperatives 92110200 70 73632/S120228 PINNACLE DATA SYSTEMS 01 2008 14,159.02 Utility bill mailings and postage - cooperatives 92110200 71 132520000 CITY OF HENDERSON 02 2008 8,486.50 Utilities 92110000 72 73566/S010089 PINNACLE DATA SYSTEMS 02 2008 15,777.27 Utility bill mailings and postage - cooperatives 92110200 73 73626/S010055 PINNACLE DATA SYSTEMS 02 2008 29,010.85 Utility bill mailings and postage - cooperatives 92110200 74 73632/S010095 PINNACLE DATA SYSTEMS 02 2008 29,010.85 Utility bill mailings and postage - cooperatives 92110200 75 9656395629/A MICROSOFT LICENSING, GP 02 2008 278,280.23 Personal Computer Software 92110300 76 132520000 CITY OF HENDERSON 03 2008 7,616.05 Utilities 92110000 77 0308-28 SOUTHEASTERN FED PWR CUSTOMERS 03			CITY OF HENDERSON	01	2008	8,380,45	Utilities	92110000
67 61987245-00001 A T & T TELECONFERENCE SERVICE 01 2008 5,345.76 Telephone 92110000 68 73566/S120165 PINNACLE DATA SYSTEMS 01 2008 16,026.26 Utility bill mailings and postage - cooperatives 92110200 69 73626/S120203 PINNACLE DATA SYSTEMS 01 2008 29,752.35 Utility bill mailings and postage - cooperatives 92110200 70 73632/S120228 PINNACLE DATA SYSTEMS 01 2008 14,159.02 Utility bill mailings and postage - cooperatives 92110200 71 132520000 CITY OF HENDERSON 02 2008 8,486.50 Utilities 92110000 72 73566/S010089 PINNACLE DATA SYSTEMS 02 2008 15,777.27 Utility bill mailings and postage - cooperatives 92110200 73 73626/S010055 PINNACLE DATA SYSTEMS 02 2008 29,010.85 Utility bill mailings and postage - cooperatives 92110200 74 73632/S010095 PINNACLE DATA SYSTEMS 02 2008 29,010.85 Utility bill mailings and postage - cooperatives 92110200 75 9656395629/A MICROSOFT LICENSING, GP 02 2008 14,305.77 Utility bill mailings and postage - cooperatives 92110200 76 132520000 CITY OF HENDERSON 03 2008 7,616.05 Utilities 92110000 77 0308-28 SOUTHEASTERN FED PWR CUSTOMERS 03 2008 7,616.05 Utilities 92110000				01	2008	,		
Fig. 2008 73626/S120165 FINNACLE DATA SYSTEMS 01 2008 16,026.26 Utility bill mailings and postage - cooperatives 92110200				01	2008			
73632/S120228			PINNACLE DATA SYSTEMS	01	2008			
1000			PINNACLE DATA SYSTEMS	01	2008	29,752,35	Utility bill mailings and postage - cooperatives	
13252000		_	PINNACLE DATA SYSTEMS	01	2008	14,159.02	Utility bill mailings and postage - cooperatives	
72 73566/S010089 PINNACLE DATA SYSTEMS 02 2008 15,777.27 Utility bill mailings and postage - cooperatives 92110200 73 73626/S010055 PINNACLE DATA SYSTEMS 02 2008 29,010.85 Utility bill mailings and postage - cooperatives 92110200 74 73632/S010095 PINNACLE DATA SYSTEMS 02 2008 14,305.77 Utility bill mailings and postage - cooperatives 92110200 75 9656395629/A MICROSOFT LICENSING, GP 02 2008 278,280.23 Personal Computer Software 92110300 76 132520000 CITY OF HENDERSON 03 2008 7,616.05 Utilities 92110000 77 0308-28 SOUTHEASTERN FED PWR CUSTOMERS 03 2008 77,616.05 Utilities 92110000			CITY OF HENDERSON	02	2008	8,486,50	Utilities	
73 73632/S010095 PINNACLE DATA SYSTEMS 02 2008 29,010.85 Utility bill mailings and postage - cooperatives 92110200 74 73632/S010095 PINNACLE DATA SYSTEMS 02 2008 14,305.77 Utility bill mailings and postage - cooperatives 92110200 75 9656395629/A MICROSOFT LICENSING, GP 02 2008 278,280.23 Personal Computer Software 92110300 76 132520000 CITY OF HENDERSON 03 2008 7,616.05 Utilities 92110000 77 0308-28 SOUTHEASTERN FED PWR CUSTOMERS 03 2008 7,7110.03 Postage - cooperatives 92110200			PINNACLE DATA SYSTEMS	02	2008			
75 9656395629/A MICROSOFT LICENSING, GP 02 2008 14,305.77 Utility bill mailings and postage - cooperatives 92110200 76 132520000 CITY OF HENDERSON 03 2008 7,616.05 Utilities 92110000 77 0308-28 SOUTHEASTERN FED PWR CUSTOMERS 03 2008 7.71 130.00 PRINNACLE DATA SYSTEMS 02 2008 14,305.77 Utility bill mailings and postage - cooperatives 92110200			PINNACLE DATA SYSTEMS	02	2008	29.010.85	Utility hill mailings and postage - cooperatives	
75 90505950297A MICROSOFT LICENSING, GP 02 2008 278,280.23 Personal Computer Software 92110300 76 132520000 CITY OF HENDERSON 03 2008 7,616.05 Utilities 92110000 77 0308-28 SOUTHEASTERN FED PWR CUSTOMERS 03 2008 777 130.00 PR						14,305.77	Utility bill mailings and nostage - cooperatives	
77 0308-28 SOUTHEASTERN FED PWR CUSTOMERS 03 2008 7,616.05 Utilities 92110000			MICROSOFT LICENSING, GP			278.280.23	Personal Computer Software	
77 0308-28 SOUTHEASTERN FED PWR CUSTOMERS 02 3008 77 100.00 PM						7,616.05	Utilities	
	77	0308-28	SOUTHEASTERN FED PWR CUSTOMERS					92110100

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-95

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General Office Expenses Over \$5,000 for 2007-2010

1	Invoice No	Vendor Name	Month	Year	AMOUNT Description A	Account No
78	73566/S020083	PINNACLE DATA SYSTEMS	03	2008	18,538.18 Utility bill mailings and postage - cooperatives 92	92110200
79	73626/S020048	PINNACLE DATA SYSTEMS	03	2008		92110200
80	73632/S020090	PINNACLE DATA SYSTEMS	03	2008	14,332.76 Utility bill mailings and postage - cooperatives 93	92110200
81	EXPENSES	BIG RIVERS LEASING CORPORATION	03	2008	8,500.00 BR Leasing Corp - Expenses 92	92110000
82	00017403009	JOHNSON CONTROLS, INC.	04	2008	6,000.00 Air Conditioning And Heating Maintenance 92	92110000
83	132520000	CITY OF HENDERSON	04	2008	7,865.10 Utilities 92	92110000
84	73566/S030090	PINNACLE DATA SYSTEMS	04	2008	12,927.03 Utility bill mailings and postage - cooperatives 92	92110200
85	73626/\$030054	PINNACLE DATA SYSTEMS	04	2008		92110200
86	73632/S030097	PINNACLE DATA SYSTEMS	04	2008	14,148.90 Utility bill mailings and postage - cooperatives 99	92110200
87	10125784	TRIMBLE NAVIGATION LIMITED	05	2008	115,752.00 Maintenance Contracts - Member Co-op Information Syst 93	92110200
88	132520000	CITY OF HENDERSON	05	2008	6,813.61 Utilities 99	92110000
89	73566/S040095	PINNACLE DATA SYSTEMS	05	2008	17,592.69 Utility bill mailings and postage - cooperatives 99	92110200
90	73626/\$040061	PINNACLE DATA SYSTEMS	05	2008	30,906.89 Utility bill mailings and postage - cooperatives 99	92110200
91	73632/S040102	PINNACLE DATA SYSTEMS	05	2008	14,195.18 Utility bill mailings and postage - cooperatives 99	92110200
92	23074	BROUGHTON INTERNATIONAL	06	2008	2,724.68 Maintenance Contracts - BREC Information Systems 9:	92110000
93	23074	BROUGHTON INTERNATIONAL	06	2008	7,492.48 Information Sytems Unwind Transition Costs 9:	92110300
94	35189	PINNACLE COMPUTER SERVICES,INC	06	2008	19,750.00 General Services/Contractors 99	92110000
95	132520000	CITY OF HENDERSON	06	2008	8,389.52 Utilities 99	92110000
96	73566/S050040	PINNACLE DATA SYSTEMS	06	2008	15,612.38 Utility bill mailings and postage - cooperatives 9.	92110200
97	73626/S050010	PINNACLE DATA SYSTEMS	06	2008	30,858.77 Utility bill mailings and postage - cooperatives 9.	92110200
98	73632/S050047	PINNACLE DATA SYSTEMS	06	2008	14,354.56 Utility bill mailings and postage - cooperatives 9.	92110200
99	PREPAY POSTAGE	PINNACLE DATA SYSTEMS	06	2008	35,147.26 Utility bill mailings and postage - cooperatives 9.	92110200
100	68871	ITRON INC	07	2008	26,500.00 Maintenance Contracts - BREC Information Systems 9.	92110100
101	132520000	CITY OF HENDERSON	07	2008	7,935.35 Utilities 9	92110000
102	73566/S060068	PINNACLE DATA SYSTEMS	07	2008	5,889.92 Utility bill mailings and postage - cooperatives 9	92110200
103	73626/S060038	PINNACLE DATA SYSTEMS	07	2008		92110200
104	73632/S060073	PINNACLE DATA SYSTEMS	07	2008	5,031.73 Utility bill mailings and postage - cooperatives 9	92110200
105	PREPAY POSTAGE	PINNACLE DATA SYSTEMS	07	2008	35,147.26 Utility bill mailings and postage - cooperatives 9	92110200
106	SI-454538	ICC BUSINESS PRODUCTS	07	2008	7,815.59 Personal Computer Supplies 9	92110000
107	132520000	CITY OF HENDERSON	08	2008		92110000
108	73566/S070075	PINNACLE DATA SYSTEMS	08	2008		92110200
109	73626/S070229	PINNACLE DATA SYSTEMS	08	2008	14,011.83 Utility bill mailings and postage - cooperatives 9	92110200
110	73632/S070083	PINNACLE DATA SYSTEMS	08	2008		92110200
111	894-014260	KELLER SCHROEDER & ASSOC. INC.	08	2008	8,551.27 Maintenance Contracts - Member Co-op Information Sys 9	92110200
112	894-014260	KELLER SCHROEDER & ASSOC. INC.	08	2008	6,637.77 Maintenance Contracts - BREC Information Systems 9	92110000
113	PREPAY POSTAGE	PINNACLE DATA SYSTEMS	08	2008	35,147.26 Utility bill mailings and postage - cooperatives 9	92110200
114	132520000	CITY OF HENDERSON	09	2008	8,665.97 Utilities 9	92110000
115	0908-28	SOUTHEASTERN FED PWR CUSTOMERS	09	2008	68,557.27 Dues And Assessments 9	92110100

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Big Rivers Electric Corporation Case No. 2011-00036 General Office Expenses Over \$5,000 for 2007-2010

1	Invoice No	Vendor Name	Month	Year	AMOUNT Description	Account No
116	73566/S080068	PINNACLE DATA SYSTEMS	09	2008	11,344.45 Utility bill mailings and postage - cooperatives	92110200
117	73626/S080038	PINNACLE DATA SYSTEMS	09	2008	13,102.05 Utility bill mailings and postage - cooperatives	92110200
118	73632/S080076	PINNACLE DATA SYSTEMS	09	2008	6,544.87 Utility bill mailings and postage - cooperatives	92110200
119	PREPAY POSTAGE	PINNACLE DATA SYSTEMS	09	2008	35,147.26 Utility bill mailings and postage - cooperatives	92110200
120	132520000	CITY OF HENDERSON	10	2008	8,699.81 Utilities	92110000
121	73566/S090069	PINNACLE DATA SYSTEMS	10	2008	7,164.54 Utility bill mailings and postage - cooperatives	92110200
122	73626/S090039	PINNACLE DATA SYSTEMS	10	2008	13,543.52 Utility bill mailings and postage - cooperatives	92110200
123	73632/S090072	PINNACLE DATA SYSTEMS	10	2008	6,547.40 Utility bill mailings and postage - cooperatives	92110200
124	PREPAY POSTAGE	PINNACLE DATA SYSTEMS	10	2008	35,147.26 Utility bill mailings and postage - cooperatives	92110200
125	132520000	CITY OF HENDERSON	11	2008	5,998.55 Utilities	92110000
126	073566/2092	PINNACLE DATA SYSTEMS	11	2008	9,429.36 Utility bill mailings and postage - cooperatives	92110200
127	073626/2093	PINNACLE DATA SYSTEMS	11	2008	17,322.41 Utility bill mailings and postage - cooperatives	92110200
128	073632/2094	PINNACLE DATA SYSTEMS	11	2008	8,395.49 Utility bill mailings and postage - cooperatives	92110200
129	73566/S100067	PINNACLE DATA SYSTEMS	11	2008	6,647.14 Utility bill mailings and postage - cooperatives	92110200
130	73626/S100040	PINNACLE DATA SYSTEMS	11	2008	13,531.15 Utility bill mailings and postage - cooperatives	92110200
131	73632/S100071	PINNACLE DATA SYSTEMS	11	2008	6,256.68 Utility bill mailings and postage - cooperatives	92110200
132	132520000	CITY OF HENDERSON	12	2008	6,874.24 Utilities	92110000
133	073566/2355	PINNACLE DATA SYSTEMS	12	2008	9,429.36 Utility bill mailings and postage - cooperatives	92110200
134	073626/2356	PINNACLE DATA SYSTEMS	12	2008	17,322.41 Utility bill mailings and postage - cooperatives	92110200
135	073632/2357	PINNACLE DATA SYSTEMS	12	2008	8,395.49 Utility bill mailings and postage - cooperatives	92110200
136	73566/S110083	PINNACLE DATA SYSTEMS	12	2008	12,384.64 Utility bill mailings and postage - cooperatives	92110200
137	73626/S110063	PINNACLE DATA SYSTEMS	12	2008	29,610.37 Utility bill mailings and postage - cooperatives	92110200
138	73632/S110234	PINNACLE DATA SYSTEMS	12	2008	15,538.05 Utility bill mailings and postage - cooperatives	92110200
139				2008 Tota	1 1,533,483.04	
140						
141	10270846	TRIMBLE NAVIGATION LIMITED	01	2009	17,550.00 Maintenance Contracts - Member Co-op Information Sy	s 92110200
142	10270847	TRIMBLE NAVIGATION LIMITED	01	2009	109,200.00 Maintenance Contracts - Member Co-op Information Sy	s 92110200
143	132520000	CITY OF HENDERSON	01	2009	8,447.51 Utilities	92110000
144	073566/2525	PINNACLE DATA SYSTEMS	01	2009	9,429.36 Utility bill mailings and postage - cooperatives	92110200
145	073626/2526	PINNACLE DATA SYSTEMS	01	2009	17,322.41 Utility bill mailings and postage - cooperatives	92110200
146	073632/2527	PINNACLE DATA SYSTEMS	01	2009	8,395.49 Utility bill mailings and postage - cooperatives	92110200
147	1108-1	POWERGEM LLC	01	2009	10,000.00 Maintenance Contracts - BREC Information Systems	92110000
148	73566/S000128	PINNACLE DATA SYSTEMS	01	2009	7,033.46 Utility bill mailings and postage - cooperatives	92110200
149	73626/S000101	PINNACLE DATA SYSTEMS	01	2009	13,993.51 Utility bill mailings and postage - cooperatives	92110200
150	73632/S000133	PINNACLE DATA SYSTEMS	01	2009	7,335.54 Utility bill mailings and postage - cooperatives	92110200
151	9657738106/B	MICROSOFT LICENSING, GP	01	2009	278,280.23 Personal Computer Software	92110300
152	6121	MEADE COUNTY RECC	02	2009	5,512.00 Maintenance Contracts - Member Co-op Information Sy	
153	91653664	JACKSON PURCHASE ENERGY CORP	02	2009	12,826.00 Maintenance Contracts - Member Co-op Information Sy	

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General Office Expenses Over \$5,000 for 2007-2010

1	Invoice No	Vendor Name	Month	Year	AMOUNT Description	Account No
154	132520000	CITY OF HENDERSON	02	2009	8,005.44 Utilities	92110000
155	073566/2692	PINNACLE DATA SYSTEMS	02	2009	9,429.36 Utility bill mailings and postage - cooperatives	92110200
156	073626/2693	PINNACLE DATA SYSTEMS	02	2009	17,322.41 Utility bill mailings and postage - cooperatives	92110200
157	073632/2694	PINNACLE DATA SYSTEMS	02	2009	8,395.49 Utility bill mailings and postage - cooperatives	92110200
158	10270847/TAX	TRIMBLE NAVIGATION LIMITED	02	2009	6,552.00 Maintenance Contracts - Member Co-op Information Sy	si 92110200
159	73566/S010117	PINNACLE DATA SYSTEMS	02	2009	5,530.22 Utility bill mailings and postage - cooperatives	92110200
160	73626/S010110	PINNACLE DATA SYSTEMS	02	2009	13,160.85 Utility bill mailings and postage - cooperatives	92110200
161	132520000	CITY OF HENDERSON	03	2009	6,886.51 Utilities	92110000
162	073566/2889	PINNACLE DATA SYSTEMS	03	2009	9,429.36 Utility bill mailings and postage - cooperatives	92110200
163	073626/2890	PINNACLE DATA SYSTEMS	03	2009	17,322.41 Utility bill mailings and postage - cooperatives	92110200
164	073632/2891	PINNACLE DATA SYSTEMS	03	2009	8,395.49 Utility bill mailings and postage - cooperatives	92110200
165	73626/S020052	PINNACLE DATA SYSTEMS	03	2009	7,831.94 Utility bill mailings and postage - cooperatives	92110200
166	132520000	CITY OF HENDERSON	04	2009	6,871.19 Utilities	92110000
167	0309-28	SOUTHEASTERN FED PWR CUSTOMERS	04	2009	78,519.92 Dues And Assessments	92110100
168	073566/3069	PINNACLE DATA SYSTEMS	04	2009	9,429.36 Utility bill mailings and postage - cooperatives	92110200
169	073626/3070	PINNACLE DATA SYSTEMS	04	2009	17,322.41 Utility bill mailings and postage - cooperatives	92110200
170	073632/3071	PINNACLE DATA SYSTEMS	04	2009	8,395.49 Utility bill mailings and postage - cooperatives	92110200
171	73566/S030193	PINNACLE DATA SYSTEMS	04	2009	7,530.06 Utility bill mailings and postage - cooperatives	92110200
172	73626/S030043	PINNACLE DATA SYSTEMS	04	2009	14,748.00 Utility bill mailings and postage - cooperatives	92110200
173	73632/S030195	PINNACLE DATA SYSTEMS	04	2009	12,093.04 Utility bill mailings and postage - cooperatives	92110200
174	132520000	CITY OF HENDERSON	05	2009	6,796.60 Utilities	92110000
175	073566/3295	PINNACLE DATA SYSTEMS	05	2009	9,429.36 Utility bill mailings and postage - cooperatives	92110200
176	073626/3296	PINNACLE DATA SYSTEMS	05	2009	17,322.41 Utility bill mailings and postage - cooperatives	92110200
177	073632/3297	PINNACLE DATA SYSTEMS	05	2009	8,395.49 Utility bill mailings and postage - cooperatives	92110200
178	73566/S040145	PINNACLE DATA SYSTEMS	05	2009	6,091.13 Utility bill mailings and postage - cooperatives	92110200
179	73626/S040116	PINNACLE DATA SYSTEMS	05	2009	16,660.41 Utility bill mailings and postage - cooperatives	92110200
180	73632/S040149	PINNACLE DATA SYSTEMS	05	2009	6,916.92 Utility bill mailings and postage - cooperatives	92110200
181	132520000	CITY OF HENDERSON	06	2009	7,077.42 Utilities	92110000
182	073566/3555	PINNACLE DATA SYSTEMS	06	2009	9,429.36 Utility bill mailings and postage - cooperatives	92110200
183	073626/3556	PINNACLE DATA SYSTEMS	06	2009	17,322.41 Utility bill mailings and postage - cooperatives	92110200
184	073632/3557	PINNACLE DATA SYSTEMS	06	2009	8,395.49 Utility bill mailings and postage - cooperatives	92110200
185	464-016019	KELLER SCHROEDER & ASSOC. INC.	06	2009	9,253.80 Maintenance Contracts - Member Co-op Information Sy	s 92110200
186	464-016019	KELLER SCHROEDER & ASSOC. INC.	06	2009	6,169.20 Maintenance Contracts - BREC Information Systems	92110000
187	73566/S050113	PINNACLE DATA SYSTEMS	06	2009	6,626.73 Utility bill mailings and postage - cooperatives	92110200
188	73626/S050092	PINNACLE DATA SYSTEMS	06	2009	14,920.43 Utility bill mailings and postage - cooperatives	92110200
189	00015269	DOCUMENTS ONLINE INC	07	2009	19,130.00 Maintenance Contracts - BREC Information Systems	92110000
190	37253	PINNACLE COMPUTER SERVICES,INC	07	2009	135.87 Maintenance Contracts - BREC Information Systems	92110000
191	37253	PINNACLE COMPUTER SERVICES, INC	07	2009	6,114.13 Maintenance Contracts - BREC Information Systems	92110000

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General Office Expenses Over \$5,000 for 2007-2010

1	Invoice No	Vendor Name	Month	Year	AMOUNT	Description	Account No
192	132520000	CITY OF HENDERSON	07	2009	6,673.18	Utilities	92110000
193	073566/3807	PINNACLE DATA SYSTEMS	07	2009	9,429.36	Utility bill mailings and postage - cooperatives	92110200
194	073626/3808	PINNACLE DATA SYSTEMS	07	2009		Utility bill mailings and postage - cooperatives	92110200
195	073632/3809	PINNACLE DATA SYSTEMS	07	2009		Utility bill mailings and postage - cooperatives	92110200
196	36481-A	PINNACLE COMPUTER SERVICES, INC	07	2009		Maintenance Contracts - BREC Information Systems	92110000
197	36481-A	PINNACLE COMPUTER SERVICES,INC	07	2009	5,180.55	Maintenance Contracts - BREC Information Systems	92110000
198	73566/S060163	PINNACLE DATA SYSTEMS	07	2009		Utility bill mailings and postage - cooperatives	92110200
199	73626/\$060147	PINNACLE DATA SYSTEMS	07	2009	14,146.12	Utility bill mailings and postage - cooperatives	92110200
200	73632/S060166	PINNACLE DATA SYSTEMS	07	2009	11,718.10	Utility bill mailings and postage - cooperatives	92110200
201	10044	KELLER SCHROEDER & ASSOC. INC.	08	2009		General Services/Contractors	92110300
202	10044	KELLER SCHROEDER & ASSOC. INC.	08	2009	39,486.25	General Services/Contractors	92110300
203	13018	DEAN SCHAMORE, INC	08	2009	6,985.00	General Services/Contractors	92110300
204	37220	PINNACLE COMPUTER SERVICES,INC	08	2009	16,577.50	General Services/Contractors	92110300
205	37252	PINNACLE COMPUTER SERVICES, INC	08	2009	16,600.00	Maintenance Contracts - BREC Information Systems	92110000
206	42642	PC-QUEST	08	2009		General Services/Contractors	92110300
207	105348	ITRON INC	08	2009	26,000.00	Maintenance Contracts - BREC Information Systems	92110000
208	105348	ITRON INC	08	2009		Maintenance Contracts - BREC Information Systems	92110100
209	11435945	KAEC	08	2009		Safety Equipment And Expenses	92110000
210	92051582	ENVIRONMENTAL SYSTEMS RESEARCH	08	2009		Maintenance Contracts - BREC Information Systems	92110000
211	132520000	CITY OF HENDERSON	08	2009	3,353.12		92110000
212	132520000	CITY OF HENDERSON	08	2009	3,832.13	Utilities	92110000
213	073566/4076	PINNACLE DATA SYSTEMS	08	2009	9,429.36	Utility bill mailings and postage - cooperatives	92110200
214	073626/4077	PINNACLE DATA SYSTEMS	80	2009		Utility bill mailings and postage - cooperatives	92110200
215	073632/4078	PINNACLE DATA SYSTEMS	08	2009	8,395.49	Utility bill mailings and postage - cooperatives	92110200
216	0809-28	SOUTHEASTERN FED PWR CUSTOMERS	08	2009		Dues And Assessments	92110100
217	0809-28	SOUTHEASTERN FED PWR CUSTOMERS	08	2009	71,692.10	Dues And Assessments	92110100
218	73566/S070155	PINNACLE DATA SYSTEMS	08	2009	138.86	Utility bill mailings and postage - cooperatives	92110200
219	73566/S070155	PINNACLE DATA SYSTEMS	08	2009	8,249.44	Utility bill mailings and postage - cooperatives	92110200
220	73626/S070130	PINNACLE DATA SYSTEMS	08	2009		Utility bill mailings and postage - cooperatives	92110200
221	73626/S070130	PINNACLE DATA SYSTEMS	08	2009	11,923.64	Utility bill mailings and postage - cooperatives	92110200
222	73632/S070157	PINNACLE DATA SYSTEMS	08	2009	8,495.76	Utility bill mailings and postage - cooperatives	92110200
223	23799	BROUGHTON INTERNATIONAL	09	2009	13,125.00	Maintenance Contracts - BREC Information Systems	92110000
224	132520000	CITY OF HENDERSON	09	2009	7,595.69	Utilities	92110000
225	9000031529	OSISOFT, INC.	09	2009	54,198.00	Maintenance Contracts - BREC Information Systems	92110300
226	073566/4362	PINNACLE DATA SYSTEMS	09	2009		Utility bill mailings and postage - cooperatives	92110200
227	073626/4363	PINNACLE DATA SYSTEMS	09	2009		Utility bill mailings and postage - cooperatives	92110200
228	073632/4364	PINNACLE DATA SYSTEMS	09	2009		Utility bill mailings and postage - cooperatives	92110200
229	10/08 ISD	KENERGY CORP	09	2009		Maintenance Contracts - Member Co-op Information Sy	

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1	Invoice No	Vendor Name	Month	Year	AMOUNT	Description	Account No
230	2640-2	WORKHEALTH @ CONVENIENT CARE	09	2009	9,350.00	Medical Expenses	92110300
231	823746856X09032009	AT&T	09	2009	9,414.02	Phones	921002
232	IT0809	WESTERN KENTUCKY ENERGY	09	2009	234,613.00	Office/Warehouse Space Rental	92110300
233	M-09-1935 001 0485 SEPTEMBER 200	AT&T	09	2009	5,998.32	Phones	921002
234	SOAPER0809	WESTERN KENTUCKY ENERGY	09	2009	19,493.76	Office/Warehouse Space Rental	92110000
235	003166	METHODIST PHYSICIAN SERVICES	10	2009	353.20	Medical Expenses	92110000
236	003166	METHODIST PHYSICIAN SERVICES	10	2009	12,199.10	Medical Expenses	92110000
237	10284	KELLER SCHROEDER & ASSOC. INC.	10	2009	7,812.00	General Services/Contractors	92110000
238	132520000	CITY OF HENDERSON	10	2009	7,302.46	Utilities	92110000
239	9000031530	OSISOFT, INC.	10	2009	22,809.75	Maintenance Contracts - BREC Information Systems	92110300
240	073566/4665	PINNACLE DATA SYSTEMS	10	2009		Utility bill mailings and postage - cooperatives	92110200
241	073626/4666	PINNACLE DATA SYSTEMS	10	2009		Utility bill mailings and postage - cooperatives	92110200
242	073632/4667	PINNACLE DATA SYSTEMS	10	2009	8,395.49	Utility bill mailings and postage - cooperatives	92110200
243	3068-1	AIRTECH ENVIRONMENTAL SERVICES	10	2009		Particulate Testing at Coleman Sept. 15,16, & 17	921003
244	73566/\$090151	PINNACLE DATA SYSTEMS	10	2009		Utility bill mailings and postage - cooperatives	92110200
245	73626/S080051	PINNACLE DATA SYSTEMS	10	2009		Utility bill mailings and postage - cooperatives	92110200
246	73626/S090053	PINNACLE DATA SYSTEMS	10	2009	15,348.24	Utility bill mailings and postage - cooperatives	92110200
247	73632/S090152	PINNACLE DATA SYSTEMS	10	2009	7.541.83	Utility bill mailings and postage - cooperatives	92110200
248	8237468S6X10032009	AT&T	10	2009	9,010.05	Phones	921003
249	INV1011348	MATRIX INTEGRATION, LLC	10	2009		Telephone System Maintenance	92110300
250	IT0909	WESTERN KENTUCKY ENERGY	10	2009		Office/Warehouse Space Rental	92110300
251	IT0909	WESTERN KENTUCKY ENERGY	10	2009		General Services/Contractors	92110000
252	IT1009 VCH 0548144	WESTERN KENTUCKY ENERGY	10	2009	198,354.01	General Services/Contractors	92110000
253	M-09-1935 001 0485 OCTOBER 2009	AT&T	10	2009	7,870.95		921002
254	132520000	CITY OF HENDERSON	11	2009	6,414.74	Utilities	92110000
255	0009609-IN	MECHANICAL SYSTEMS	11	2009	•	Test Assistance	921003
256	073566/4986	PINNACLE DATA SYSTEMS	11	2009	,	Utility bill mailings and postage - cooperatives	92110200
257	073626/4987	PINNACLE DATA SYSTEMS	11	2009	17,322,41	Utility bill mailings and postage - cooperatives	92110200
258	073632/4988	PINNACLE DATA SYSTEMS	11	2009	8,395.49	Utility bill mailings and postage - cooperatives	92110200
259	501-016957	KELLER SCHROEDER & ASSOC. INC.	11	2009	8,182.00	Maintenance Contracts - BREC Information Systems	92110000
260	73566/S100140	PINNACLE DATA SYSTEMS	11	2009		Utility bill mailings and postage - cooperatives	92110200
261	73626/S100122	PINNACLE DATA SYSTEMS	11	2009		Utility bill mailings and postage - cooperatives	92110200
262	73632/S100144	PINNACLE DATA SYSTEMS	11	2009		Utility bill mailings and postage - cooperatives	92110200
263	82374856X11032009	AT&T	11	2009	8,848.66		921003
264	IT1009	WESTERN KENTUCKY ENERGY	11	2009	198,354.01	General Services/Contractors	92110000
265	M-09-1935 001 0485 NOVEMBER 200	AT&T	11	2009	11,493.48		921002
266	SOAPER1109	WESTERN KENTUCKY ENERGY	11	2009		Office/Warehouse Space Rental	921002
267	10695	KELLER SCHROEDER & ASSOC. INC.	12	2009		General Services/Contractors	92110000

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1	Invoice No	Vendor Name	Month	Year	AMOUNT	Description	Account No
268	2389560	ORACLE AMERICA, INC	12	2009	278,213.49	Maintenance Contracts - BREC Information Systems	92110000
269	9099935	IBM	12	2009	79,964.49	Maintenance Contracts - BREC Information Systems	92110300
270	10407027	TRIMBLE NAVIGATION LIMITED	12	2009	109,200.00	Maintenance Contracts - Member Co-op Information Sys	92110200
271	10407027	TRIMBLE NAVIGATION LIMITED	12	2009	11,070.00	Maintenance Contracts - BREC Information Systems	92110000
272	10407028	TRIMBLE NAVIGATION LIMITED	12	2009	17,550.00	Maintenance Contracts - Member Co-op Information Sys	92110200
273	132520000	CITY OF HENDERSON	12	2009	8,263.19	Utilities	92110000
274	5302066893	PERKIN ELMER LLC	12	2009	7,301.50	# N 9300253, Mercury std, 10 ppm	921003
275	092100238062	PINNACLE DATA SYSTEMS	12	2009	5,000.75	Utility bill mailings and postage - cooperatives	92110200
276	073566/5322	PINNACLE DATA SYSTEMS	12	2009	9,429.36	Utility bill mailings and postage - cooperatives	92110200
277	073626/5323	PINNACLE DATA SYSTEMS	12	2009	17,322.41	Utility bill mailings and postage - cooperatives	92110200
278	073632/5324	PINNACLE DATA SYSTEMS	12	2009	8,395.49	Utility bill mailings and postage - cooperatives	92110200
279	10/09 ISD	KENERGY CORP	12	2009	9,222.00	Maintenance Contracts - Member Co-op Information Sys	92110200
280	3100-1	AIRTECH ENVIRONMENTAL SERVICES	12	2009		Proposal No. 3100 Particulate Testing at Henderson Unit	
281	73626/S110058	PINNACLE DATA SYSTEMS	12	2009	11,359.56	Utility bill mailings and postage - cooperatives	92110200
282	823746856X12032009	AT&T	12	2009	8,848.66	Phones	921003
283	IT1109	WESTERN KENTUCKY ENERGY	12	2009	198,354.01	General Services/Contractors	92110000
284	M-09-1935 001 0485 DECEMBER 200	'AT&T	12	2009	12,355.39	Phones	921002
285	S-161984	ANALYSTS INC	12	2009	8,541.49	BREC Basic Oil Package to include KF and TAN, Forms	921003
286				2009 Total	3,686,787.62		
287	10073	UNITED WAY OF THE OHIO VALLEY	01	2010	12,000.00	CORPORATE DONATION 2010	921003
288	10074	UNITED WAY OF HENDERSON CO	01	2010	28,000.00	CORPORATE DONATION 2010	921003
289	22459	IHS GLOBAL INC	01	2010	18,742.50	2010 Renewal fees for ops Environmental Maintenance	921003
290	152736	SAMS WHOLESALE CLUB	01	2010	8,000.00	Safety Award Gift Cards	921003
291	132520000	CITY OF HENDERSON	01	2010	8,068.39	Utilities	92110000
292	132520000	CITY OF HENDERSON	01	2010	8,552.49	Utilities	92110000
293	8943931681	AT&T	01	2010	36,728.46	Software Support Services	92110000
294	8944054233	AT&T	01	2010		Software Support Services	92110000
295	102100238814	PINNACLE DATA SYSTEMS	01	2010	7,669.76	Utility bill mailings and postage - cooperatives	92110200
296	073566/5679	PINNACLE DATA SYSTEMS	01	2010	9,429.36	Utility bill mailings and postage - cooperatives	92110200
297	073566/56VCH 0549683	VECTREN	01	2010	9,429.36	General Services/Contractors	92110200
298	073626/5680	PINNACLE DATA SYSTEMS	01	2010	17,322.41	Utility bill mailings and postage - cooperatives	92110200
299	073626/56VCH 0549681	VECTREN	01	2010	17,322.41	General Services/Contractors	92110200
300	073632/5681	PINNACLE DATA SYSTEMS	01	2010	8,395.49	Utility bill mailings and postage - cooperatives	92110200
301	073632/56VCH 0549646	VECTREN	01	2010	8,395.49	General Services/Contractors	92110200
302	09-0119199	SPECTRUM SYSTEMS INC	01	2010	56,070.00	Spectrum - CEM Software Maintenance Agreement	921003
303	12-09-BREC-2868	HUMAN SYSTEMS TECHNOLOGY CORP.	01	2010		Recruiting Expense	92110000
304	270-M09-1935	AT&T	01	2010	10,658.91	Telephone	92110000
305	73626/S120076	PINNACLE DATA SYSTEMS	01	2010	16,901.72	Utility bill mailings and postage - cooperatives	92110200

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General Office Expenses Over \$5,000 for 2007-2010

1	Invoice No	Vendor Name	Month	Year	AMOUNT Description	Account No
306	73632/\$120123	PINNACLE DATA SYSTEMS	01	2010	12,933.78 Utility bill mailings and postage - cooperatives	92110200
307	IT1209	WESTERN KENTUCKY ENERGY	01	2010	198,354.01 General Services/Contractors	92110000
308	6861	MEADE COUNTY RECC	02	2010	5,512.00 Maintenance Contracts - Member Co-op Information Sys	si 92110200
309	7745	SCHNITZELBANK RESTAURANT AND CATER	02	2010	6,014.68 contractor kick-off meeting luncheon	921002
310	38301	PINNACLE COMPUTER SERVICES, INC	02	2010	8,213.17 Maintenance Contracts - BREC Information Systems	92110000
311	38302	PINNACLE COMPUTER SERVICES, INC	02	2010	16,497.40 Maintenance Contracts - BREC Information Systems	92110000
312	132520000	CITY OF HENDERSON	02	2010	7,145.50 Utilities	92110000
313	102100239613	PINNACLE DATA SYSTEMS	02	2010	5,418.64 Utility bill mailings and postage - cooperatives	92110200
314	073566/6026	PINNACLE DATA SYSTEMS	02	2010	9,429.36 Utility bill mailings and postage - cooperatives	92110200
315	073626/6027	PINNACLE DATA SYSTEMS	02	2010	17,322.41 Utility bill mailings and postage - cooperatives	92110200
316	073632/6028	PINNACLE DATA SYSTEMS	02	2010	8,395.49 Utility bill mailings and postage - cooperatives	92110200
317	270-M09-1935	A T & T	02	2010	9,034.69 Telephone	92110000
318	73626/S010017	PINNACLE DATA SYSTEMS	02	2010	13,425.83 Utility bill mailings and postage - cooperatives	92110200
319	73632/S010135	PINNACLE DATA SYSTEMS	02	2010	5,705.35 Utility bill mailings and postage - cooperatives	92110200
320	9658975899/C	MICROSOFT LICENSING, GP	02	2010	278,280.23 Personal Computer Software	92110300
321	9800021398/A	EDS CORPORATION	02	2010	70,475.96 General Services/Contractors	92110000
322	IT0110	WESTERN KENTUCKY ENERGY	02	2010	198,354.01 General Services/Contractors	92110000
323	SOAPER0110	WESTERN KENTUCKY ENERGY	02	2010	18,945.52 Office/Warehouse Space Rental	92110000
324	2302	KENTUCKY SAFETY & HEALTH NETWORK I	03	2010	7,000.00 2010 President's Level Sponsorship	921003
325	153580	SAMS WHOLESALE CLUB	03	2010	5,744.00 Safety incentive award cards	921003
326	132520000	CITY OF HENDERSON	03	2010	5,743.62 Utilities	92110000
327	102100240322	PINNACLE DATA SYSTEMS	03	2010	6,205.53 Utility bill mailings and postage - cooperatives	92110200
328	073566/6359	PINNACLE DATA SYSTEMS	03	2010	9,429.36 Utility bill mailings and postage - cooperatives	92110200
329	073626/6360	PINNACLE DATA SYSTEMS	03	2010	17,322.41 Utility bill mailings and postage - cooperatives	92110200
330	073626/S020079	PINNACLE DATA SYSTEMS	03	2010	11,555.46 Utility bill mailings and postage - cooperatives	92110200
331	073632/6361	PINNACLE DATA SYSTEMS	03	2010	8,395.49 Utility bill mailings and postage - cooperatives	92110200
332	270-M09-1935	AT&T	03	2010	9,497.63 Telephone	92110000
333	3228-1	AIRTECH ENVIRONMENTAL SERVICES	03	2010	5,500.00 Reid particulate test	921003
334	9800021943/A	EDS CORPORATION	03	2010	70,475.96 General Services/Contractors	92110000
335	ECONOMIC DEV 2009	JACKSON PURCHASE ENERGY CORP	03	2010	40,554.47 Economic Development	92110200
336	IT0210	WESTERN KENTUCKY ENERGY	03	2010	198,354.01 General Services/Contractors	92110000
337	SOAPER0210	WESTERN KENTUCKY ENERGY	03	2010	17,050.97 Office/Warehouse Space Rental	92110000
338	SOAPER0210	WESTERN KENTUCKY ENERGY	03	2010	1,593.53 Utilities	92110000
339	00016008	DOCUMENTS ONLINE INC	04	2010	18,748.00 Maintenance Contracts - BREC Information Systems	92110000
340	18643	ARGUS MEDIA INC	04	2010	5,320.00 Books, Periodicals, And Subscriptions	92110100
341	2145956	KOORSEN PROTECTION SERV INC	04	2010	6,359.36 Building And Grounds Maintenance	92110000
342	11449439	KENTUCKY ASSOCIATION OF COOPS INC	04	2010	8,333.33 BREC PORTION OF JOINT SPONSORSHIP OF THE	
343	132520000	CITY OF HENDERSON	04	2010	5,721.66 Utilities	92110000

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General Office Expenses Over \$5,000 for 2007-2010

1	Invoice No	Vendor Name	Month	Year	AMOUNT	Description	Account No
344	102100241072	PINNACLE DATA SYSTEMS	04	2010	7,634.94	Utility bill mailings and postage - cooperatives	92110200
345	0310-28	SOUTHEASTERN FED PWR CUSTOMERS	04	2010		Dues And Assessments	92110100
346	03-10-BREC-2919	HUMAN SYSTEMS TECHNOLOGY CORP.	04	2010	24,752.79	Recruiting Expense	92110000
347	073566/6666	PINNACLE DATA SYSTEMS	04	2010		Utility bill mailings and postage - cooperatives	92110200
348	073626/6667	PINNACLE DATA SYSTEMS	04	2010	17,322.41	Utility bill mailings and postage - cooperatives	92110200
349	073626/S030103	PINNACLE DATA SYSTEMS	04	2010	16,887.33	Utility bill mailings and postage - cooperatives	92110200
350	073632/6668	PINNACLE DATA SYSTEMS	04	2010		Utility bill mailings and postage - cooperatives	92110200
351	073632/S030038	PINNACLE DATA SYSTEMS	04	2010		Utility bill mailings and postage - cooperatives	92110200
352	270-M09-1935	AT&T	04	2010		Telephone	92110000
353	9800022583/A	EDS CORPORATION	04	2010		General Services/Contractors	92110000
354	980002258VCH 0550865	EDS CORPORATION	04	2010	71,321.82	2 General Services/Contractors	92110000
355	IT0310	WESTERN KENTUCKY ENERGY	04	2010	198,354.0	General Services/Contractors	92110000
356	SOAPER0310	WESTERN KENTUCKY ENERGY	04	2010	17,050.9	Office/Warehouse Space Rental	92110000
357	SOAPER0310	WESTERN KENTUCKY ENERGY	04	2010) Utilities	92110000
358	72809	ALPHAGRAPHICS	05	2010	5,811.83	Annual reports, Inv. 72809	921003
359	155012	SAMS WHOLESALE CLUB	05	2010		employee safety dept gift cards (7)	921003
360	270-M09-1935	AT&T	05	2010		Telephone	92110000
361	3101-2	AIRTECH ENVIRONMENTAL SERVICES	05	2010		Particulate testing at Wilson, January 12, 13, 14, 2010	921003
362	9800022870/A	EDS CORPORATION	05	2010		General Services/Contractors	92110000
363	IT0410	WESTERN KENTUCKY ENERGY	05	2010	201,239.52	2 General Services/Contractors	92110000
364	IT0510 VCH 0551456	WESTERN KENTUCKY ENERGY	05	2010		General Services/Contractors	92110000
365	SOAPER0410	WESTERN KENTUCKY ENERGY	05	2010		Office/Warehouse Space Rental	92110000
366	SOAPER0410	WESTERN KENTUCKY ENERGY	05	2010		Utilities .	92110000
367	24188	BROUGHTON INTERNATIONAL	06	2010	24,945.43	Maintenance Contracts - BREC Information Systems	92110000
368	91653697	JACKSON PURCHASE ENERGY CORP	06	2010	12,826.00	Maintenance Contracts - Member Co-op Information Sys	
369	91653697	JACKSON PURCHASE ENERGY CORP	06	2010	1,227.59	Personal Computer Hardware	92110200
370	132520000	CITY OF HENDERSON	06	2010		3 Utilities	92110000
371	102100241757	PINNACLE DATA SYSTEMS	06	2010	6,506.90	Utility bill mailings and postage - cooperatives	92110200
372	102100242292	PINNACLE DATA SYSTEMS	06	2010	7,629.60	Utility bill mailings and postage - cooperatives	92110200
373	102100242464	PINNACLE DATA SYSTEMS	06	2010	8,697.3	Utility bill mailings and postage - cooperatives	92110200
374	102100242466	PINNACLE DATA SYSTEMS	06	2010		3 Utility bill mailings and postage - cooperatives	92110200
375	073566/6960	PINNACLE DATA SYSTEMS	06	2010		Utility bill mailings and postage - cooperatives	92110200
376	073566/7258	PINNACLE DATA SYSTEMS	06	2010		Utility bill mailings and postage - cooperatives	92110200
377	073626/6961	PINNACLE DATA SYSTEMS	06	2010		Utility bill mailings and postage - cooperatives	92110200
378	073626/7259	PINNACLE DATA SYSTEMS	06	2010		Utility bill mailings and postage - cooperatives	92110200
379	073626/S040098	PINNACLE DATA SYSTEMS	06	2010		Utility bill mailings and postage - cooperatives	92110200
380	073632/6962	PINNACLE DATA SYSTEMS	06	2010		Utility bill mailings and postage - cooperatives	92110200
381	073632/7260	PINNACLE DATA SYSTEMS	06	2010		Utility bill mailings and postage - cooperatives	92110200

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General Office Expenses Over \$5,000 for 2007-2010

1	Invoice No	Vendor Name	Month	Year	AMOUNT	Description	Account No
382	270-M09-1935	AT&T	06	2010	8,242.92	Telephone	92110000
383	9800023812/A	EDS CORPORATION	06	2010	73,577.38	General Services/Contractors	92110000
384	IT0510	WESTERN KENTUCKY ENERGY	06	2010	208,209.24	General Services/Contractors	92110000
385	IT0610 VCH 0552133	WESTERN KENTUCKY ENERGY	06	2010	162,650.29	General Services/Contractors	92110000
386	SOAPER0510	WESTERN KENTUCKY ENERGY	06	2010	17,050.97	Office/Warehouse Space Rental	92110000
387	SOAPER0510	WESTERN KENTUCKY ENERGY	06	2010	1,364.35	Utilities	92110000
388	151873	ITRON INC	07	2010	27,040.00	Maintenance Contracts - BREC Information Systems	92110100
389	41182534	ORACLE AMERICA, INC	07	2010	190,778.22	Maintenance Contracts - BREC Information Systems	92110000
390	132520000	CITY OF HENDERSON	07	2010	6,930.42	Utilities	92110000
391	9000036680	OSISOFT INC	07	2010	12,985.94	Proposal #4000019154R1 - Dec 1 2009 thru 7/15/2010 -	921003
392	102100243027	PINNACLE DATA SYSTEMS	07	2010	7,288.76	Utility bill mailings and postage - cooperatives	92110200
393	102100243029	PINNACLE DATA SYSTEMS	07	2010	5,388.90	Utility bill mailings and postage - cooperatives	92110200
394	102100243213	PINNACLE DATA SYSTEMS	07	2010	8,737.38	Utility bill mailings and postage - cooperatives	92110200
395	102100243215	PINNACLE DATA SYSTEMS	07	2010	17,428.45	Utility bill mailings and postage - cooperatives	92110200
396	102100243217	PINNACLE DATA SYSTEMS	07	2010		Utility bill mailings and postage - cooperatives	92110200
397	05-10-BREC-2972	HUMAN SYSTEMS TECHNOLOGY CORP.	07	2010	7,272.03	Recruiting Expense	92110000
398	073566/7554	PINNACLE DATA SYSTEMS	07	2010	9,429.36	Utility bill mailings and postage - cooperatives	92110200
399	073626/7555	PINNACLE DATA SYSTEMS	07	2010		Utility bill mailings and postage - cooperatives	92110200
400	073632/7556	PINNACLE DATA SYSTEMS	07	2010		Utility bill mailings and postage - cooperatives	92110200
401	270-M09-1935	AT&T	07	2010		Telephone	92110000
402	3300-1	AIRTECH ENVIRONMENTAL SERVICES	07	2010	16,000.00	Particulate Testing at Henderson One, May 15, 16, & 17,	921003
403	555-017878/B	KELLER SCHROEDER & ASSOC. INC.	07	2010	11,640.00	Maintenance Contracts - Member Co-op Information Sys	92110200
404	9800024467/A	EDS CORPORATION	07	2010	92,272.38	General Services/Contractors	92110000
405	IT0610	WESTERN KENTUCKY ENERGY	07	2010	162,650.29	General Services/Contractors	92110000
406	156737	SAMS WHOLESALE CLUB	08	2010	12,336.00	safety incentive cards-Coleman (1)	921003
407	1028606	TRINITY CONSULTANTS INC	08	2010	7,429.93	Custom PSD/NSR training and related services. (2) NSR	921003
408	132520000	CITY OF HENDERSON	08	2010	7,322.17	Utilities	92110000
409	102100243652	PINNACLE DATA SYSTEMS	08	2010		Utility bill mailings and postage - cooperatives	92110200
410	073566/7847	PINNACLE DATA SYSTEMS	08	2010	9,429.36	Utility bill mailings and postage - cooperatives	92110200
411	073626/7848	PINNACLE DATA SYSTEMS	08	2010	17,322.41	Utility bill mailings and postage - cooperatives	92110200
412	073632/7849	PINNACLE DATA SYSTEMS	08	2010	8,395.49	Utility bill mailings and postage - cooperatives	92110200
413	3300-2	AIRTECH ENVIRONMENTAL SERVICES	08	2010	6,388.00	Amendment to P.O. 156197. Delay charges occuring at t	921003
414	3300-3	AIRTECH ENVIRONMENTAL SERVICES	08	2010	8,400.00	H1 Particulate Testing; complete the reference method (F	R 921003
415	9800025104/A	EDS CORPORATION	08	2010	92,524.38	General Services/Contractors	92110000
416	IT0710	WESTERN KENTUCKY ENERGY	08	2010	60,150.29	General Services/Contractors	92110000
417	1498	COMMUNITY CARE NETWORK, INC	09	2010	14,783.25	General Services/Contractors	92110000
418	9905	PCI	09	2010	10,844.40	MISO Training conducted at Coleman Station on July 8-	921003
419	39117	PINNACLE COMPUTER SERVICES, INC	09	2010	14,241.76	Maintenance Contracts - BREC Information Systems	92110000

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General Office Expenses Over \$5,000 for 2007-2010

1	Invoice No	Vendor Name	Month	Year	AMOUNT Description	Account No
420	132520000	CITY OF HENDERSON	09	2010		92110000
421	102100244502	PINNACLE DATA SYSTEMS	09	2010		92110200
422	1021001111111	PINNACLE DATA SYSTEMS	09	2010		92110200
423	1021002222222	PINNACLE DATA SYSTEMS	09	2010	18,000.00 Utility bill mailings and postage - cooperatives	92110200
424	1021003333333	PINNACLE DATA SYSTEMS	09	2010	8,500.00 Utility bill mailings and postage - cooperatives	92110200
425	0910-28	SOUTHEASTERN FED PWR CUSTOMERS	09	2010	90,387.36 Dues And Assessments	92110100
426	3300-4	AIRTECH ENVIRONMENTAL SERVICES	09	2010	13,981.00 Proposal No. 3300C Particulate Testing at Henderson Un	921003
427	9800025767/A	EDS CORPORATION	09	2010	99,815.40 General Services/Contractors	92110000
428	IT0810	WESTERN KENTUCKY ENERGY	09	2010	73,354.01 General Services/Contractors	92110000
429	19869	LEISURE HUT ETC INC	10	2010	9,281.85 T-shirts for Production employees, I nv. 19869	921002
430	132520000	CITY OF HENDERSON	10	2010	5,942.12 Utilities	92110000
431	102100245135	PINNACLE DATA SYSTEMS	10	2010	8,071.40 Utility bill mailings and postage - cooperatives	92110200
432	102100245136	PINNACLE DATA SYSTEMS	10	2010		92110200
433	102100245354	PINNACLE DATA SYSTEMS	10	2010		92110200
434	09-10-BREC-3063	HUMAN SYSTEMS TECHNOLOGY CORP.	10	2010	5,124.22 Recruiting Expense	92110000
435	10210010062010J	PINNACLE DATA SYSTEMS	10	2010	10,000.00 Utility bill mailings and postage - cooperatives	92110200
436	10210010062010K	PINNACLE DATA SYSTEMS	10	2010		92110200
437	10210010062010M	PINNACLE DATA SYSTEMS	10	2010		92110200
438	9800026349/A	EDS CORPORATION	10	2010	103,178.41 General Services/Contractors	92110000
439	BREC3M-SUP-01	OPEN SYSTEMS INTERNATIONAL	10	2010	44,840.00 Maintenance Contracts - BREC Information Systems	92110000
440	GIS SERVERS SUPP	KENERGY CORP	10	2010	5,298.96 Maintenance Contracts - Member Co-op Information Systems	92110200
441	IT0910	WESTERN KENTUCKY ENERGY	10	2010	57,784.17 General Services/Contractors	92110000
442	80757	PROFOUND LOGIC SOFTWARE INC	11	2010	11,770.00 VISUAL DESIGNER MAINTENANCE	92110200
443	10-10-BIG RIVERS-3091	HUMAN SYSTEMS TECHNOLOGY CORP.	11	2010	7,267.66 TESTING	92110000
444	132520000 NOV 10	CITY OF HENDERSON	11	2010	7,632.64 Utilities	92110000
445	57935-2	BURNS AND MC DONNELL ENGINEERING CO	11	2010	11,544.19 Coal Combustion Residual (CCR) Master Planning Study	92118300
446	823746856x11032010	AT&T	11	2010	11,963.59 MONTHLY SERVICES FOR DATA AND VOICE PLA	
447	BRE001	HEUSER HEARING INSTITUTE	11	2010	24,790.00 On site visit for hearing protection	92110300
448	E1819976	SECURITAS SECURITY SERVICES USA INC	11	2010	8,108.64 SECURITY SERVICES (5 YEARS) FOR ALL PLANTS	92110300
449	E1820065	SECURITAS SECURITY SERVICES USA INC	11	2010	11,232.69 SECURITY SERVICES (5 YEARS) FOR ALL PLANTS	
450	IT1010	WESTERN KENTUCKY ENERGY	11	2010	73,354.01 IT TRANSITION SERVICES AGREEMENT-OCT 2010	
451	909	MEADE COUNTY RECC	12	2010	50,250.00 2010 DEVELOPMENT FUNDING	92110200
452	6715	ELECTROCON INTERNATIONAL INC	12	2010	11,364.00 Short Circuit Reduction (1 copy)	92110000
453	7571	ABBA PROMOTIONS	12	2010	5,031.00 fleece garments	92110000
454	80755	PROFOUND LOGIC SOFTWARE INC	12	2010	5,822.51 ESTIMATED EXPENSES FOR HOTEL AND FOOD. V	92110200
455	10-2100-11042010j	PINNACLE DATA SYSTEMS LLC	12	2010	10,000.00 Utility bill mailings and postage - cooperatives	92110200
456	10-2100-11042010K	PINNACLE DATA SYSTEMS LLC	12	2010	18,000.00 Utility bill mailings and postage - cooperatives	92110200
457	10-2100-11042010M	PINNACLE DATA SYSTEMS LLC	12	2010	8,500.00 Utility bill mailings and postage - cooperatives	92110200

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Big Rivers Electric Corporation Case No. 2011-00036 General Office Expenses Over \$5,000 for 2007-2010

1	Invoice No	Vendor Name	Month	Year	AMOUNT	Description	Account No
458	10-2100-245819	PINNACLE DATA SYSTEMS LLC	12	2010		Utility bill mailings and postage - cooperatives	92110200
459	10-2100-246515	PINNACLE DATA SYSTEMS LLC	12	2010		All coops postage and mailings for 11/30/10 invoices	
460	1210DATADISPOSAL	EON US SERVICES INC	12	2010	22 541 60	(260) T10000 Let 1 1 0 1 1 1 0 1 1 1 1 1 1 1 1 1 1 1 1	92110200
461	132520000 Nov 2010	CITY OF HENDERSON				(260) T10000 Labeled Only tapes for contract support fo	192110000
462	57935-3		12	2010	7,496.64		92110000
		BURNS AND MC DONNELL ENGINEERING CO		2010	15,488.95	Coal Combustion Residual (CCR) Master Planning Study	v 92110000
463	57935-4	BURNS AND MC DONNELL ENGINEERING CO	12	2010	21,239.90	Coal Combustion Residual (CCR) Master Planning Stud-	y 92110000
464	823746856X12032010	AT&T	12	2010		MONTHLY SERVICES FOR DATA AND VOICE PLA	
465	E1768088	SECURITAS SECURITY SERVICES USA INC	12	2010		SECURITY SERVICES FOR THE SEBREE STATION	
466	IT1110	WESTERN KENTUCKY ENERGY	12	2010		IT SERVICES AGREEMENT NOV 2010	
467	IT1210	WESTERN KENTUCKY ENERGY	12				92110000
468		WESTERN RENTOCKT ENERGT	12	2010		Services for transition services	92110000
				2010 Total	5,426,574.59		
469						•	
470				Grand Tota	1 ###########		

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 96)	List by account the Company's annual O&M expenses for the ten years
2	ending in 201	10. For each account having a variance over the prior year exceeding 10%,
3	explain the co	ause of such variance, listing and describing each significant causative item
4	and the assoc	riated dollar amount.
5		
6	Response)	Big Rivers objects to this request on the grounds that O&M expenses from the
7	period prior to	July 16, 2009, are not comparable to O&M expenses during the period after
8	July 16, 2009	, and consequently are neither substantially or materially relevant to the issues
9	presented in t	his case.
10		Big Rivers further objects to the request that it itemize all abnormal or non-
11	recurring exp	enses over \$10,000, to itemizing all expenses over \$5,000 for General Office
12	Expense, acco	ount 921, and to providing each associated invoice for amounts over \$10,000, for
13	the years 200°	7 to 2010, and to explaining the cause of all variances over 10%, including listing
14	and describing	g each significant causative item and the associated dollar amount. These
15	requests are o	verly broad, burdensome, seek information that is generally irrelevant, and
16	require studie	s that Big Rivers has not performed.
17		Without waiving the foregoing objections, please see the enclosed CD which
18	contains the s	chedule with a comparative operation and maintenance (O&M) trial balance for
19	the years 200	through 2010, with dollar variance and percent change, by account number.
20		
21		
22	Witnesses)	Mark A. Hite and Counsel
23		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 97)	List and describe any and all penalties and fines in the test period and the							
2	preceding three calendar years. Indicate in which account all such items were recorded								
3									
4	Response)	Please see the attached schedule. All penalties and fines were appropriately							
5	charged to ac	ecount 426300 Penalties.							
6									
7									
8	Witness)	Mark A. Hite							
9									
10									
11									
12									

BIG RIVERS ELECTRIC CORPORATION CASE NO. 2011-00036

PENALTIES AND FINES

	Month					
1	Booked	Vendor	V# or JE #	Account	Amount	Description
2	TEST YEAR:					
3	12/09	US Treasury	548770	426.300	141.20	Penalty for late payment of heavy vehicle tax
4	08/10	US Treasury	JE 08-10.0	426.300	429.00	Penalty for late payment of 2009 tax payments
5	Total Test Year				570.20	
6						=
7	2009:					
8	06/09	Webster County Sheriff	546321	426.300	4.50	Penalty for late payment of oil tax bill
9	12/09	US Treasury	548770	426.300	141.20	Penalty for late payment of heavy vehicle tax
10	Total 2009	•			145.70	
11						=
	2008:					
13	none					
14						
	2007:					
16	05/07	California Franchise Tax Board	534136	426.300	25.05	Penalty for adjustment on 2005 franchise tax return
17	Total 2007	Tamornia i fanomico fax board	00 - 100	-20.000	25.05	- Charty for adjustificition 2005 framonise tax return
• •					23.03	=

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-97

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 98)	List all productivity savings expected to be realized by the Company as a result						
2	of increased employee experience.							
3								
4	Response)	Big Rivers has not performed a study to identify any such savings.						
5								
6								
7	Witness)	James V. Haner						
8								
9								

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 99)	List each facility, location and asset which is included as rental expense. For							
2	each item include a description, the annual or monthly rental rate, the account and amount								
3	included in	included in the base and test period expense.							
4									
5	Response)	Please see the attached schedule.							
6									
7									
8	Witness)	Mark A. Hite							
9									
10									
11									
12									

Big Rivers Electric Corporation Case No. 2011-00036 Rental Expenses

1 2	Facility	Location	Asset	Description	Annual/Monthly Rental Rate	Acct No.	Test Period Expense
3	Soaper Building	Henderson, Kentucky	Office Building	Office building that housed the former WKEC staff until the Big Rivers headquarters building was remodeled.	\$18,945.52/month	92110000 92118300 55515000	87,149.40 37,891.04 5,149.28 130,189.72
4							
5	Disaster Recovery Center	Hanson, Kentucky	Office Building	Office building shared by Big Rivers and Kenergy Corp. 'Big Rivers paid 53.8% of construction cost of building in 2005. Cost was booked to a deferred debit account and is amortized as rental expense over 40 years.	\$460.26/month	56720000 93110000	3,590.04 1,933.08
6							5,523.12
	N/A	Henderson, Kentucky	Doble Power Factor Equipment	Substation testing equipment	\$27,140.00/year	57321000	27,140.00
8 9							
10 11	LG&E Cloverport Substation	Cloverport, Kentucky	Substation equipment	Rental of interconnect facilities	\$1,759.26/month	56720000	21,111.12

Case No. 2011-00036 Witness: Mark A. Hite

Attachment for Item AG 1-99

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 100)	Provide detailed support for any Management Fees included in the filing.	
2	Provide this	in Microsoft Excel or compatible format. Include total charges incurred by	
3	each corporate department and the amount each of these departments allocated to Kentucky		
4	regulated op	perations. Also include the number of employees in each department and the	
5	method used	l to allocate charges for each department.	
6			
7	Response)	Big Rivers has not incurred any expenses for third party management services.	
8			
9	Witness)	C. William Blackburn	
10			
11			
12			
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 101)	Please identify, describe fully, and provide full documentation of any capital
2	or maintena	nce plans or programs that the Company has undertaken or is considering
3	undertaking	that will extend or shorten the life of any of its electric plant.
4		
5	Response)	Big Rivers has no capital maintenance plans or programs that will extend or
6	shorten the	life of its electric plant. All capital and maintenance plans and programs are
7	developed to maintain the plant to the end of its useful life.	
8		
9	Witnesses)	Robert W. Berry and David G. Crockett
10		
11		
12		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 102)	Please identify, describe fully, and provide full documentation of any changes
2	in the defi	nition of plant units subject to capitalization that the Company has adopted
3	during the l	last 20 years.
4		
5	Response)	Big Rivers Electric Corporation ("Big Rivers") has changed its definition of
6	plant units su	abject to capitalization twice during the last 20 years as follows:
7		1) On April 18, 2000, Big Rivers entered into a letter agreement ("Letter
8	Agreement")	with LG&E Energy Marketing, Inc., Western Kentucky Energy Corp.
9	("WKEC"),	WKE Station Two Inc. ("Station Two Subsidiary"), and WKE Corp. The second
10	paragraph of	page three of the Letter Agreement (see enclosed CD) states that "As used in this
11	Letter Agree	ment, 'units of property' shall mean units of property as determined by WKEC
12	and Station 7	Two Subsidiary, collectively, consistent with FERC's regulations, WKEC's and
13	Station Two	Subsidiary's current list of which has been provided to Big Rivers, as such list of
14	units of prop	erty may be changed or revised from time-to-time by WKEC and Station Two
15	Subsidiary, in	n their discretion consistent with FERC regulations."
16		2) In connection with the July 2009 Unwind Transaction, Big Rivers entered
17	into Coordin	nation Agreements with each of the aluminum smelters, Alcan Primary Products
18	Corporation	and Century Aluminum of Kentucky General Partnership. Section 3.15 of the
19	Coordinatio	n Agreements (see example on the enclosed CD) states that "To the extent
20	consistent w	rith Accounting Principles, Applicable Law and guidance of applicable
21	Governmen	t Authorities or RUS, Big Rivers shall capitalize expenditures for the replacement
22	of the items	related to Big Rivers' generation facilities identified in the list of the retirement
23	units set for	th in the Schedule 3.15."
24		
25		
26	Witness)	Mark A. Hite

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 103)	Please identify, describe fully, and provide full documentation of any changes
2	in the defini	tion or treatment of salvage or removal/dismantlement costs that the Company
3	has adopted	during the last 20 years.
4		
5	Response)	As stated on page III-5 of the final Report on the Comprehensive Depreciation
6	Study (the "S	Study") prepared by Burns & McDonnell, dated January 6, 2011, "From mid 1998
7	until July of	2009 (lease period) removal costs associated with plant additions were capitalized
8	by Western I	Kentucky Energy and then reported as capital additions to Big Rivers. Big Rivers
9	had no contro	ol over this methodology. Going forward, Big Rivers will record removal costs
10	according to	RUS guidelines as they did previously from 1965 to mid 1998." The Study
11	describes how, for purposes of determining the proposed depreciation rates, Burns &	
12	McDonnell e	estimated and reclassified such removal costs based on 33 years of historical Big
13	Rivers' retire	ement history.
14		
15		
16	Witness)	Mark A. Hite
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 104) Pleas	se provide the calculation of the current depreciation rates (or those used
2	to calculate the test	period depreciation expense, if different) in electronic format (Excel)
3	with all formulae in	tact. Show all parameters used (i.e., ASL, curve, remaining life, net
4	salvage ratio), and	provide a source for those parameters. Please explain any differences in
5	the parameters or r	ates from those that were ordered when the rates were adopted.
6		
7	Response) The	current depreciation rates for Big Rivers were developed by Burns &
8	McDonnell in a dep	reciation study that was completed in July of 1998. The enclosed CD
9	contains a file titled	"TableES1.xls" which shows the development of those rates. This file
10	was last modified or	ı July 20, 1998.
11	The p	proposed depreciation rates for Big Rivers were developed by Burns &
12	McDonnell in a dep	reciation study that was completed in January of 2011. The enclosed CD
13	contains a file titled	"Depreciation Summary 12-16-10 FINAL.xls" which shows the
14	development of thos	e rates and was last modified on December 16, 2010.
15		
16		
17	Witnesses) Mark	A. Hite and Ted J. Kelly
18		
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 105)	Does the Company maintain its book reserve by plant account? If not,	
2	explain why	not and explain how the book reserves were determined for use in calculating	
3	the current depreciation rates.		
4			
5	Response)	Yes.	
6			
7			
8	Witness)	Mark A. Hite	
9			
10			
11			
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 106)	Please provide the current depreciation rates, split into three separate
2	components:	capital recovery, gross salvage and cost of removal.
3		
4	Response)	The enclosed CD contains a file named "CurrentRatesSplit.xlsx" which was
5	developed fro	m the file "TableES-1.xls" provided in response to AG Item 104. It shows the
6	current deprec	ciation rates developed for Big Rivers in 1998 split into capital recovery and net
7	salvage value.	The gross salvage values and removal costs for this study are not available.
8		The enclosed CD also contains a file named "ProposedRatesSplit.xlsx" which
9	shows the pro	posed depreciation rates developed for Big Rivers in 2011 split into gross salvage
10	values, remov	al costs, net salvage values and capital recovery.
11		
12		
13	Witnesses)	Mark A. Hite and Ted J. Kelly
14		
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16		
17		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 107)	Please provide any and all internal studies and correspondence from 2006-	
2	2010, inclus	ive, concerning FASB Statement No. 143, FIN 47 and FERC Order No. 631 in	
3	RM-02-7-00	<i>0</i> .	
4			
5	Response)	There are no such studies or correspondence. Consistent with footnote 3 to the	
6	Notes to Fin	ancial Statements of Big Rivers' 2010 financial statement audit report, Big Rivers	
7	has not ident	ified any material legal asset retirement obligations, as defined in FASB ASC 410	
8	Asset Retirer	nent Obligations. However, in accordance with regulatory accounting, Big Rivers	
9	does record an estimated non-legal net cost of removal through normal depreciation expense.		
10	As of December 31, 2010, Big Rivers had approximately \$38 million related to non-legal net		
11	cost of remo	val included in accumulated depreciation.	
12			
13			
14	Witness)	Mark A. Hite	
15			
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 108)	Please provide complete copies of all	correspondence with the following
2	parties from	06-2010, inclusive, regarding FASB	Statement No. 143, FIN 47 and FERC
3	Order 631 in	M02-7-000:	
4			
5		. External auditors and other p	public accounting firms,
6		. Consultants,	
7		. External counsel (if not privi	leged),
8		. Federal and State regulatory	agencies, and
9		. Internal Revenue Service.	
10			
11	Response)	Jone.	
12			
13			
14	Witness)	fark A. Hite	
15			
16			
17			
18			

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 109)	Regarding FASB Statement No. 143, FIN 47, and FERC Order No. 631 in			
2	Docket No.	RM02-7-000, on a plant account-by-plant account basis, please identify any and			
3	all "legal ob	ligations" associated with the retirement of the assets contained in the account			
4	that result fi	rom the acquisition, construction, development and (or) the normal operation of			
5	the assets in	the account. For the purposes of this question, please use the definition of a			
6	"legal obliga	ation" provided in FASB Statement No. 143: "an obligation that a party is			
7	required to s	required to settle as a result of an existing or enacted law, statute, ordinance, or written or			
8	oral contrac	t under the doctrine of promissory estoppel."			
9					
10	Response)	None.			
11					
12					
13	Witness)	Mark A. Hite			
14					
15					
16					
17					

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 110)	For any asset retirement obligations identified above, please provide the "fair	
2	value" of the	e obligation. For the purposes of the question, fair value means "the amount at	
3	which that liability could be settled in a current [not future] transaction between willing		
4	parties, that	is, other than in a forced or liquidation transaction." Please provide all	
5	assumptions	and calculations underlying these amounts.	
6			
7	Response)	None.	
8			
9			
10	Witness)	Mark A. Hite	
11			
12			
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14			

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 111)	Please provide the "credit adjusted risk free rate" used for any and all ARO	
2	calculations	under FASB Statement No. 143, FIN 47, and FERC Order No. 631	
3	calculations to date.		
4			
5	Response)	None.	
6			
7			
8	Witness)	Mark A. Hite	
9			
10			
11			
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 112)	Please provide complete copies of all Board of Director's minutes and					
2	internal mai	nagement meeting minutes from 2006 – 2010, inclusive, in which any or all of					
3	the following subjects were discussed: the Company's electric plant depreciation rates;						
4	retirement unit costs; SFAS No. 143; FIN 47; and, FERC RM02-07-000.						
5							
6	Response)	Please see the response to AG 1-4.					
7							
8	Witness)	Mark A. Bailey and Counsel					
9							
10							
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 113)	Please provide all accounting entries (debits and credits) relating to SFAS No.				
2	143 and FIN 47, along with all workpapers supporting those entries. Please provide all					
3	these workpapers and calculations in electronic format (Excel) with all formulae intact.					
4						
5	Response)	None.				
6						
7						
8	Witness)	Mark A. Hite				
9						
10						
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12						

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 114)	Provide an analysis of the regulatory liability for accrued asset removal costs					
2	since inception identifying and explaining each debit and credit entry and amount.						
3							
4	Response)	Big Rivers has not identified any material legal ARO. Regarding non-legal					
5	ARO, as the	ARO, as the financial statements of Big Rivers reflect the provisions of FASB ASC 980,					
6	Certain Typ	Certain Types of Regulation, the net cost of removal is recorded through normal depreciation					
7	and is reflec	ted in accumulated depreciation, not a regulatory liability. Please see note 3 of Big					
8	Rivers' audi	ited financial statements.					
9							
10							
11	Witness)	Mark A. Hite					
12							
13							
14							
15							

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 115)	Provide the Company's projection of the annual year-end balance in the				
2	regulatory li	ability for cost of removal obligations for the next 20 years. If not available for				
3	the next twenty years provide for as many years into the future that the projection is					
4	available. If this projection has not been made, please explain why not. Please provide in					
5	electronic fo	rmat (Excel) with all formulae intact.				
6						
7		a. For this projection assume that all of the Company's current depreciation				
8		rates are continued in use.				
9		b. Explain all other assumptions used to make this projection.				
10		•				
11	Response)	Please see the response to Item 114 of the Attorney General's First Request for				
12	Information.					
13						
14						
15	Witness)	Mark A. Hite				
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

I	tem 110) For all accounts for which the Company has collected non-legal AROS, but
2	instead recorded a regulatory liability (regulatory liability for cost of removal), please
3	provide the fair value of the related asset retirement cost as of December 31st for each of the
4	years 2005 to 2010. For the purposes of this question, assume that the Company has legal
5	AROs for these accounts, and use the life and dispersion assumptions reflected in the
6	current depreciation rates.
7	
8	Response) As discussed in the previous questions regarding ARO, Big Rivers has not
9	identified any material legal ARO. Big Rivers' depreciation rates do include a component for
10	non-legal net cost of removal. Big Rivers is not required to account for the non-legal net cost
11	of removal in a regulatory liability. However, the Company does disclose in a note to its
12	audited financial statements the estimated non-legal net cost of removal reflected in
13	accumulated depreciation.
14	
15	
16	Witness) Mark A. Hite
17	
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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 117)	Provide the calculation of the annual amount of future gross salvage, cost of				
2	removal and net salvage incorporated into the Company's existing depreciation rates. If any					
3	of the amounts are reduced by the total amount of non-legal AROs included in year-end					
4	accumulated depreciation, show that calculation.					
5						
6	Response)	As stated in the response to Item 106, the gross salvage and cost of removal				
7	incorporated into the Company's existing depreciation rates are not available. For the					
8	calculation o	f the estimated annual amount of future capital recovery and net salvage based on				
9	December 31, 2010, plant balances, see the attached schedule.					
10						
11						
12	Witnesses)	Mark A. Hite and Ted J. Kelly				
13						
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16						

Page 1 of 1

Big Rivers Electric Corporation Case No. 2011-00036

Annual Depreciation Expense Based on 12/31/10 Plant Balances Net Salvage Broken Out

Depreci	ation
Exper	nse

		Expense		
		@ Existing	Net	Capital
Account	Description	Rate	Salvage	Recovery
Organization	•			
301	Organization	NA	NA	NA
302	Organization	NA	NA	NA
303	Training Costs	NA	NA	NA
000	Total Intangible Plant	0	0	0
Production	rotal mangiolo i lant	Ū	J	ŭ
310	Land	NA	NA	NA
311	Structures	2,131,584	(311,635)	1,819,948
312	Boiler Plant	12,026,244	(1,276,529)	10,749,715
312 A-K		11,088,695	(1,173,407)	9,915,288
	Boiler Plant - Env Compl		• • • • • • •	
314	Turbine	3,789,455	(319,593)	3,469,862
315	Electric Eqpt	982,783	(73,709)	909,074
316	Misc Eqpt	65,396	(2,859)	62,537
341	CT - Structures	3,563	(62)	3,501
342	CT - Fuel Holders & Access.	33,336	(575)	32,762
343	CT - Prime Movers	121,422	(1,966)	119,456
344	CT - Generators	24,596	(551)	24,045
345	CT - Access. Elec. Eqpt.	8,552	(192)	8,361
346	CT - Misc. Eqpt.	00	0	00
	Total Other Plant	30,275,626	(3,161,077)	27,114,550
Transmission				
350	Land	NA	NA	NA
352	Structures	120,733	(4,802)	115,931
353	Station Eqpt	2,710,689	0	2,710,689
354	Towers "	195,933	(24,062)	171,871
355	Poles	1,374,113	(229,019)	1,145,094
356	Lines	1,083,459	(109,662)	973,798
	Total Transmission Plant	5,484,927	(367,545)	5,117,383
General Plant	Total Transmission Flam	0, 10 1,021	(00.10.0)	0, , 000
389	Land	NA	NA	NA
390	Structures	102,277	(4,344)	97,934
391.0, .6, .7	Office Furniture & Eqpt	17,943	(4,044)	17,943
391.0, .0, .7	Computer - System 34	0	Ö	0
		0	0	0
391.3	Computer - Engineering		0	•
391	Office Furniture & Eqpt [1]	17,943	_	17,943
392.2	Vehicles - General	145,034	0	145,034
392.3	Vehicles - Transmission	0	0	0
392	Vehicles [2]	145,034	0	145,034
393	Stores Eqpt	3,526	0	3,526
394	Tools	20,579	1,300	21,879
395	Lab Eqpt	6,329	0	6,329
396	Power Operated Eqpt	0	0	0
397	Communication Eqpt	71,345	0	71,345
398	Miscellaneous Eqpt	9,184	203	9,387
	Total General Plant	376,218	(2,841)	373,376
Total		36,136,772	(3,531,463)	32,605,309
ı Vlai		00,100,112	(0,001,400)	

Case No. 2011-00036 Witnesses: Mark A. Hite and Ted J. Kelly Attachment for AG 1-117

Big Rivers Electric Corporation Case No. 2011-00036

Depreciation Expense at Existing Rates (incl. Net Salvage) Applied to 12/31/10 Plant Balances

					Depreciation
		Plant		Proposed	Expense
		Balance	Net	Depreciation	@ Existing
Account	Description	As of 12-31-10	Salvage %	Rate	Rate
Organization					
301	Organization	\$419.82	NA	Non-Depr	NA
302	Organization	66,475.65	NA	Non-Depr	NA
303	Training Costs	0.00	NA	NA	NA
	Total Intangible Plant	\$66,895.47			\$0
Production					
310	Land	\$4,537,576.55	NA	Non-Depr	NA
311	Structures	124,654,006.02	-9.4	1.71	2,131,584
312	Boiler Plant	671,857,183.88	-7.3	1.79	12,026,244
312 A-K	Boiler Plant - Env Compl	586,703,450.86	-7.3	1.89	11,088,695
314	Turbine	228,280,409.69	-5.3	1.66	3,789,455
315	Electric Eqpt	61,423,949.92	-4.3	1.60	982,783
316	Misc Eqpt	3,573,551.96	-2.5	1.83	65,396
	Total Steam Plant	\$1,681,030,128.88			\$30,084,156
341	CT - Structures	\$154,232.79	-0.8	2.31	\$3,563
342	CT - Fuel Holders & Access.	1,436,911.63	-0.8	2.32	33,336
343	CT - Prime Movers	4,915,885.63	-0.8	2.47	121,422
344	CT - Generators	1,102,963.67	-0.8	2.23	24,596
345	CT - Access. Elec. Eqpt.	383,519.62	-0.8	2.23	8,552
346	CT - Misc. Eqpt.	0.00	-0.8	2.27	0
	Total Other Plant	\$7,993,513.34			\$191,470
Transmission					
350	Land	\$13,856,814.88	NA	Non-Depr	NA

Case No. 2011-00036

Witnesses: Mark A. Hite and Ted J. Kelly

Attachment for Item AG 1-117

2 of 7

Big Rivers Electric Corporation Case No. 2011-00036

Depreciation Expense at Existing Rates (incl. Net Salvage) Applied to 12/31/10 Plant Balances

					Depreciation
		Plant		Proposed	Expense
		Balance	Net	Depreciation	@ Existing
Account	Description	As of 12-31-10	Salvage %	Rate	Rate
352	Structures	6,859,817.96	-4	1.76	120,733
353	Station Eqpt	122,103,112.32	0	2.22	2,710,689
354	Towers	8,593,544.34	-14	2.28	195,933
355	Poles	42,410,904.79	-20	3.24	1,374,113
356	Lines	43,864,754.89	-11	2.47	1,083,459
	Total Transmission Plant	\$237,688,949.18			\$5,484,927

Case No. 2011-00036

Witnesses: Mark A. Hite and Ted J. Kelly

Attachment for Item AG 1-117

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Big Rivers Electric Corporation

Case No. 2011-00036

Depreciation Expense at Existing Rates (incl. Net Salvage) Applied to 12/31/10 Plant Balances

		Plant Balance	Net	Proposed	Depreciation Expense
Account	Description	As of 12-31-10	Salvage %	Depreciation Rate	@ Existing Rate
General Plant	Description	73 01 12-31-10	Calvage 70		- I (atc
389	Land	\$407,251.23	NA	Non-Depr	NA
390	Structures	3,948,933.89	-3	2.59	102,277
391.0, .6, .7	Office Furniture & Eqpt	679,664.49	13	2.64	17,943
391.2	Computer - System 34	7,392,965.06	2	0.00	0
391.3	Computer - Engineering	0.00	2	12.41	0
391	Office Furniture & Eqpt [1]	8,072,629.55	5	1.11	17,943
392	Vehicles [2]	3,093,118.04	22	5.62	145,034
393	Stores Eqpt	98,765.68	0	3.57	3,526
394	Tools	722,077.41	6	2.85	20,579
395	Lab Eqpt	221,278.64	0	2.86	6,329
396	Power Operated Eqpt	564,572.78	15	0.00	0
397	Communication Eqpt	1,640,119.50	0	4.35	71,345
398	Miscellaneous Eqpt	168,825.68	2	5.44	9,184
	Total General Plant	\$18,937,572.40			\$376,218
Total		\$1,945,717,059.27			\$36,136,772

^[1] Represents sum of Office Furniture & Equipment (accounts 391.0, 391.6, 391.7) and Computer Hardware/Software (account 391.2).

Case No. 2011-00036

Witnesses: Mark A. Hite and Ted J. Kelly

Attachment for Item AG 1-117

^[2] Represents sum of Vehicles-General (account 392.2) and Vehicles-Transmission (account 392.3).

Big Rivers Electric Corporation Case No. 2011-00036

Depreciation Expense at Existing Rates (excl. Net Salvage) Applied to 12/31/10 Plant Balances

				Existing	Depreciation
		Plant		Depreciation	Expense
		Balance	Net	Rate	@ Existing Rate
Account	Description	As of 12-31-10	Salvage %	No Net Salvage	with No Net Salvage
Organization					Σ
301	Organization	\$419.82	NA	Non-Depr	NA
302	Organization	66,475.65	NA	Non-Depr	NA
303	Training Costs	0.00	0	1.60	NA
	Total Intangible Plant	\$66,895.47			\$0
Production					
310	Land	\$4,537,576.55	NA	Non-Depr	NA
311	Structures	124,654,006.02	0	1.46	1,819,948
312	Boiler Plant	671,857,183.88	0	1.60	10,749,715
312 A-K	Boiler Plant - Env Compl	586,703,450.86	0	1.69	9,915,288
314	Turbine	228,280,409.69	0	1.52	3,469,862
315	Electric Eqpt	61,423,949.92	0	1.48	909,074
316	Misc Eqpt	3,573,551.96	0	1.75	62,537
	Total Steam Plant	\$1,681,030,128.88			\$26,926,426
341	CT - Structures	\$154,232.79	0	2.27	\$3,501
342	CT - Fuel Holders & Access.	1,436,911.63	0	2.28	32,762
343	CT - Prime Movers	4,915,885.63	0	2.43	119,456
344	CT - Generators	1,102,963.67	0	2.18	24,045
345	CT - Access. Elec. Eqpt.	383,519.62	0	2.18	8,361
346	CT - Misc. Eqpt.	0.00	0	2.23	0
	Total Other Plant	\$7,993,513.34			\$188,124

Case No. 2011-00036

Witnesses: Mark A. Hite and Ted J. Kelly

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Big Rivers Electric Corporation Case No. 2011-00036

Depreciation Expense at Existing Rates (excl. Net Salvage) Applied to 12/31/10 Plant Balances

				Existing	Depreciation
		Plant		Depreciation	Expense
		Balance	Net	Rate	@ Existing Rate
Account	Description	As of 12-31-10	Salvage %	No Net Salvage	with No Net Salvage
Transmission					
350	Land	\$13,856,814.88	NA	Non-Depr	NA
352	Structures	6,859,817.96	0	1.69	115,931
353	Station Eqpt	122,103,112.32	0	2.22	2,710,689
354	Towers	8,593,544.34	0	2.00	171,871
355	Poles	42,410,904.79	0	2.70	1,145,094
356	Lines	43,864,754.89	0	2.22	973,798
	Total Transmission Plant	\$237,688,949.18			\$5,117,383
General Plant					
389	Land	\$407,251.23	NA	Non-Depr	NA
390	Structures	3,948,933.89	0	2.48	97,934
391	Office Furniture & Eqpt [1]	8,072,629.55	0	1.11	17,943
392	Vehicles [2]	3,093,118.04	0	5.62	145,034
393	Stores Eqpt	98,765.68	0	3.57	3,526
394	Tools	722,077.41	0	3.03	21,879
395	Lab Eqpt	221,278.64	0	2.86	6,329
396	Power Operated Eqpt	564,572.78	0	0.00	0
397	Communication Eqpt	1,640,119.50	0	4.35	71,345
398	Miscellaneous Eqpt	168,825.68	0	5.56	9,387
	Total General Plant	\$18,937,572.40			\$373,376
Total		\$1,945,717,059.27			\$32,605,309

Case No. 2011-00036

Witnesses: Mark A. Hite and Ted J. Kelly

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Big Rivers Electric Corporation Case No. 2011-00036

Depreciation Expense at Existing Rates (excl. Net Salvage) Applied to 12/31/10 Plant Balances

				Existing	Depreciation
		Plant		Depreciation	Expense
		Balance	Net	Rate	@ Existing Rate
Account	Description	As of 12-31-10	Salvage %	No Net Salvage	with No Net Salvage

^[1] Represents sum of Office Furniture & Equipment (accounts 391.0, 391,6, 391.7) and Computer Hardware/Software (account 391.2).

Case No. 2011-00036

Witnesses: Mark A. Hite and Ted J. Kelly

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^[2] Represents sum of Vehicles-General (account 392.2) and Vehicles-Transmission (account 392.3).

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 118)	Are the amounts of cost of removal and gross salvage incorporated into the	
2	existing and	proposed depreciation rates the same as they would have been in the absence of	
3	SFAS No. 143 and FIN 47? Please explain.		
4			
5	Response)	Yes. See the response to Items 107 and 114 of the Attorney General's First	
6	Request for l	Information.	
7			
8			
9	Witnesses)	Mark A. Hite and Ted J. Kelly	
10			
11			

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 119)	Does the Company commit to remove each asset for which it is collecting cost
2	of removal a	and does it commit to spend all of the money it is collecting for cost of removal,
3	on cost of re	moval? If the answer is yes, explain why the Company does not have legal
4	AROs under	the principal of promissory estoppel. Please explain.
5		
6	Response)	No.
7		
8		
9	Witness)	Mark A. Hite
10		
11		
12		
13		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 120)	Please identify and describe the level of detail, e.g. by account, functional
2	category, at	which the Company computes the depreciation expense for purposes of
3	financial rep	porting, Commission reporting, and ratemaking. Explain fully any differences
4	among these	three depreciation calculations.
5		
6	Response)	Big Rivers computes depreciation expense by individual plant account for
7	purposes of	financial reporting, Commission reporting, and ratemaking (and is the same for all
8	three). The	computation is illustrated in the schedule provided in response to Item 47 of the
9	Commission	Staff's Initial Request for Information in this proceeding.
10		
11		
12	Witness)	Mark A. Hite
13		
14		
15		
16		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 121)	Please provide a copy of the most recent Company class load study including
2	all supporti	ng tables, schedules, and data.
3		
4	Response)	Because Big Rivers has interval data for each metering point for each member,
5	it is not nece	essary for Big Rivers to conduct a class load study. Actual meter reading data were
6	therefore uti	lized to develop the demand allocation factors in the cost of service study in
7	Exhibit Seel	ye-3, to determine the billing demands used in the development of proposed rates
8	in Exhibit S	eelye-6, and to prepare the temperature normalization adjustment in Exhibit
9	Seelye-10.	
10		
11	Witness)	William Steven Seelye
12		
13		
14		
15		

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 122)	Please provide all weather-related data for all weather stations in the	
2	Company's possession (whether utilized or not in this case) in electronic format. Please		
3	provide in M	ficrosoft Excel format if available. If not available in Excel format, please	
4	provide in A	SCII, common delineated or fixed field format with all fields labeled or	
5	identified. I	n this response, include all weather stations for which data is available, all	
6	periods in w	hich data in available, and all weather characteristics available (e.g., HDD,	
7		Temp, Min Temp, etc.).	
8			
9	Response)	All weather related data for all weather stations in the Company's possession	
10	(utilized or n	ot in this case) is provided in electronic format on the CD accompanying this	
11	response, and	d in the folder labeled 'AG Q 122 Attachment 1 - 2011-04-15'. The following	
12	items are inc	luded.	
13			
14	a.	Historical Weather Data.XLSX	
15	b.	Annual Summary 2009 – Indiana	
16	c.	Annual Summary 2009 – Kentucky	
17	d.	Historical2009.XLS	
18	e.	Historical2010.XLS	
19	f.	Temperature Summary.XLSX	
20			
21			
22	Witness)	John W. Hutts	

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 123)	Please identify the weather station(s) utilized by Mr. Seelye to conduct his
2	weather nor	malization analyses.
3		
4	Response)	The weather stations at Paducah, Kentucky (KPAH) and Evansville, Indiana
5	(KEVV) wer	re used to perform the weather normalization analysis.
5		
7		
3	Witness)	John W. Hutts

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 124)	With regard to Seelye Exhibit 10, please provide all input data (as selected)
2	for each mo	del in electronic format. Please provide in Microsoft Excel format if available.
3	If Excel form	nat is not available, please provide in ASCII common delineated or field format
4	with all field	ls labeled or identified.
5		
6	Response)	Twelve models, one for each month of the test year, were developed to perform
7	the weather i	normalization analysis. The input data for each model is provided in electronic
8	format (Mici	rosoft Excel) on the CD accompanying this response, and in the folder labeled
9	'AG Q 124 A	Attachment 1 - 2011-04-15'. In each file listed below, refer to the sheet labeled
10	"Data".	
11		
12	a.	Nov2009.XLS
13	b .	Dec2009.XLS
14	c.	Jan2010.XLS
15	d.	Feb2010.XLS
16	e.	Mar2010.XLS
17	f.	Apr2010.XLS
18	g.	May2010.XLS
19	h.	Jun2010.XLS
20	i.	Jul2010.XLS
21	j.	Aug2010.XLS
22	k.	Sep2010.XLS
23	1.	Oct2010.XLS
24		
25		
26	Witnesses)	John W. Hutts and William Steven Seelye

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 125)	With regard to Seelye KU Exhibit 10:
2		
3		a. Please provide the Exhibit in executable Excel format (include all linked
4		files); and,
5		b. Using month 7 (2010) as an example, please explain in detail how the
6		"CDD" value of 496 was obtained as well as how the coefficient value of
7		194,822.6 was obtained. In this response, please also explain how the
8		load data sample was applied to the entire class (population).
9		
10	Response)	
11	a. The f	ile created for Exhibit 10, page 3 of 3, including all linked files, is provided in
12	electronic for	rmat (Microsoft Excel) on the CD accompanying this response, and in the folder
13	labeled 'AG	Q 125 Attachment 1 - 2011-04-15'. The following files are included.
14	(a)	Normalized Rural System Energy Sales-Final.XLS (refer to sheet 'Normal
15		Sales' for the data presented as Exhibit 10, page 3 of 3)
16	(b)	ModelData-Final.XLS
17	(c)	Historical Weather Data.XLSX
18		
19	b. The C	CDD value of 496 for July 2010 was computed using actual July 2010 cooling
20	degree days	(CDD) recorded by the National Oceanic and Atmospheric Administration
21	(NOAA) at F	Paducah, Kentucky (KPAH) and Evansville, Indiana (KEVV). The CDD value
22	represents a	weighted amount for the two stations, with weighting based on the level of rural
23	system energ	sy sales estimated to correspond to each weather station.
24		
25	The July 201	0 coefficient value was obtained from the regression model developed for July
26	2010. The Ju	aly model is based on daily data for the month (31 observations) and quantifies the
		C 37 4044

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	relationship b	etween rural system energy sales and cooling degree days. A binary variable was	
2	also included for July 4 to capture the holiday impact on energy sales for that one day. The		
3	CDD coefficie	ent represents the level of sales attributable to changes in cooling degree days.	
4	For example,	the difference between actual and normal cooling degree days for the Big Rivers	
5	service area is	53 (496 actual minus 443 normal). The product of the difference in degree days	
6	and the July C	CDD coefficient is 10,325,598, which represents the estimated level of rural	
7	energy sales,	in kWh, that were recorded during the month due to hotter than normal weather	
8	conditions. Based on the model coefficient and the difference between normal and actual		
9	cooling degree	e days, rural energy sales in July 2010 were just over 4% higher than expected	
10	under normal	weather conditions.	
11			
12	Actual rural s	ystem energy sales (total population), rather than a sample of load research data,	
13	were used for	the weather normalization analysis; therefore, no expansion of sample data to the	
14	entire class po	pulation was required.	
15			
16			
17	Witnesses)	William Steven Seelye and John W. Hutts - Subpart a.	
18		John W. Hutts – Subpart b.	

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 126)	In conducting any weather normalization regression analyses, please explain
2	whether Mi	. Seelye utilized the entire sample load research data available, or a subset of all
3	sampled loa	d research data observations (customer). If a subset of the total sampled load
4	research dat	ta was utilized, please explain and provide all analyses showing how the selected
5	sample reas	onably reflects the usage characteristics of the class.
6		
7	Response)	The weather normalization analysis was conducted using actual rural system
8	energy sales	(total population) rather than a sample of load research data.
9		
10		
11	Witness)	John W. Hutts

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

April 15, 2011

1	Item 127)	With regard to Mr. Seelye's Exhibit 10, please provide the following:	
2			
3		a. a copy in executable Excel format (include all linked files);	
4		b. all the workpapers spreadsheets, source documents, etc. that support the	
5		amounts, assumptions and calculations incorporated therein; and,	
6		c. an explanation of what is represented therein and how these	
7		determinations are specifically used by the Company.	
8			
9	Response)		
10	a. Please	e refer to the response to Item 125.a	
11	b. Please	e refer to the attachments provided in response to Items 122, 124 and 125.b for	
12	support to Exhibit 10, page 3 of 3.		
13	c. Exhib	it 10, page 3 of 3, presents the adjustment of a negative 20,667,174 kWh to test	
14	year rural sy	stem energy sales for abnormal weather. The Exhibit presents the monthly	
15	regression co	efficients derived to compute the monthly adjustments, actual heating and cooling	
16	degree days b	by month, and the level of monthly heating and cooling degree days upon which	
17	the monthly adjustments were computed, which represent the difference between actual degree		
18	days in the month less corresponding normal degree days for the month, which are increased		
19	by 1 standard deviation in cooling and heating degree days for each respective month. The		
20	total test year kWh adjustment computed and presented on page 3 of 3 of the exhibit provides		
21	the details for the same amount presented in Exhibit 10, page 1 of 3, line (1).		
22			
23	Witness)	John W. Hutts	

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APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2011-00036

Response to the Office of the Attorney General's Initial Request for Information dated March 30, 2011

1	Item 128)	Discuss in full the revenue impact the company expects to realize by changing	
2	from a non-coincident peak for the rural class to a coincident peak.		
3			
4	Response)	Big Rivers does not anticipate any revenue impact to be realized by changing	
5	from a non-coincident peak billing for the Rural class to a coincident peak billing. The		
6	proposed rates would be designed to collect the same test-year revenues regardless of whether		
7	the demand charge is determined on the basis of coincident or non-coincident peak demands.		
8	Consequently, the alternative of using coincident peak billing or non-coincident peak billing		
9	for the Rural class is revenue neutral.		
10			
11	Witness)	William Steven Seelye	
12			
13			
14			
15			
16			