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COMMISSION

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December 19, 2012

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

David C. Brown
(502) 681-0421
(502) 779-8251 FAX
dbrown@stites.com

RE: Application of Big Rivers Electric Corporation;
Case No. 2012-00492

Dear Mr. Derouen:

Please find enclosed for filing the original and twelve (12) copies of an Initial Request for Information of Alcan Primary Products Corporation in the above-referenced matter. I have served copies on the parties listed on the Certificate of Service.

Please call if you have any questions.

Very truly yours,



David C. Brown

DCB/dab

Enclosure

cc: Counsel of Record

AL080:0AL11.907971:3.LOUISVILLE

COMMONWEALTH OF KENTUCKY

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BEFORE THE PUBLIC SERVICE COMMISSION

DEC 19 2012

PUBLIC SERVICE
COMMISSION

In The Matter of:

APPLICATION OF BIG RIVERS ELECTRIC)
CORPORATION FOR APPROVAL TO ISSUE)
EVIDENCES OF INDEBTEDNESS)

CASE NO. 2012-00492

INITIAL REQUEST FOR INFORMATION OF
ALCAN PRIMARY PRODUCTS CORPORATION

Alcan Primary Products Corporation (“Alcan”) requests the Applicant, Big Rivers Electric Corporation, to respond to this Initial Request for Information in accordance with the Order of Procedure entered herein.

DEFINITIONS

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

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

3. “Big Rivers” means Big Rivers Electric Corporation and/or any of its officers, directors, employees or agents who may have knowledge of the particular matter addressed.

4. “Existing Bonds” means Big Rivers’ 1983 pollution control bonds in the amount of \$58.8 million coming due on June 13, 2013.

5. “New Bonds” means the bonds or other evidences of indebtedness that Big Rivers intends to issue to purchase and cancel the Existing Bonds.

INSTRUCTIONS

1. The Requests shall be deemed continuing so as to require prompt further and supplemental production if at any time during this proceeding in the event you locate or obtain possession, custody or control of additional responsive documents.

2. Any studies, documents, financial statements or projections or other subject matter not yet completed that will be relied upon during the course of this proceeding should be provided as soon as they are completed. You are obliged to change, supplement and correct all answers to these Requests to conform to available information, including such information as it first becomes available to you after the answers hereto are served.

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

4. The answers should identify the person(s) supplying the information.

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

**INITIAL REQUEST FOR INFORMATION OF
ALCAN PRIMARY PRODUCTS CORPORATION**

1. Please provide the Official Statement or other disclosure documents that Big Rivers intends to utilize in the marketing of the New Bonds. If the documents are not in final form, please provide the most recent drafts.

2. Please provide the most recent credit rating or other report from Moodys, Standard & Poor and Fitch concerning Big Rivers or any of its current or proposed debt. This is a continuing request for updated information through the date of the Commission's final order in this proceeding.

3. Please provide Big Rivers' financial statements for 2012 through November and projected through December. This is a continuing request for updated information through the date of the Commission's final order in this proceeding.

4. The Application (page 6, section 12) states that Big Rivers and its chosen underwriter, Goldman Sachs, are not certain that Big Rivers will be able to market the New Bonds. Please provide the most recent evaluation of Big Rivers and Goldman Sachs as to whether Big Rivers will be able to market the New Bonds. If your answer to this Request is different than stated in the Application, please explain all current and projected factors, both internal to Big Rivers and external, that form the re-evaluation.

5. The proposed Letter of Representation (section 9, page A-10) between Big Rivers and Goldman Sachs states that Goldman Sachs, as Underwriter, has financial and other interests that differ from those of Big Rivers and is not acting as a municipal advisor, financial advisor or fiduciary to Big Rivers. In light of such provisions, please state whether Big Rivers has engaged any person or entity to act as financial advisor to Big Rivers with respect to the New Bonds. If so, please identify each such person or entity and provide any documents that set forth the advice

received by Big Rivers from such financial advisor. If Big Rivers has not engaged a financial advisor in this matter, please explain the basis for this decision.

6. If Big Rivers is unable to market the New Bonds, please describe the steps Big Rivers will take to purchase and cancel the Existing Bonds? Please be specific as to the use of internal funds, existing lines of credit and other sources of funds.

7. If Big Rivers uses internal funds, in whole or in part, to purchase and cancel the Existing Bonds (Application, page 10, section 21), please provide the level of cash resources that will be available to Big Rivers after the Existing Bonds are cancelled. Please also provide an explanation as to whether the use of Big Rivers' internal funds to purchase and cancel the Existing Bonds will reduce funds that would otherwise be available for rate mitigation to the retail customers of the Members.

8. The Application (page 6, section 12) states that Goldman Sachs estimates the interest rate on the New Bonds "would be in the range of 6.0% or higher per annum, if the bonds can be successfully marketed".

(a) Please provide Goldman Sachs' most recent projected interest rate or range of interest rates for the New Bonds?

(b) In Big Rivers prior Financing Application (Case No. 2012-00119), Big Rivers' projected that bonds having an approximate 20 year bullet maturity could be marketed at \$4.5%. (Big Rivers Response to KIUC's Second Request for Information, Item 14). In the current Application, Big Rivers states that the rate will be 6% or higher. Please explain all conditions and circumstances that have contributed to this change in the forecasted interest rate. In your answer please be specific as to (i) changes in the credit markets, (ii) changes in other factors external to Big Rivers and (iii) changes in factors internal to Big Rivers.

(c) What is the maximum rate of interest Big Rivers would be willing to accept to market the New Bonds rather than using an alternate method of retiring the Existing Bonds.

9. Please explain whether Big Rivers investigated the ability to borrow from the Rural Utilities Service (“RUS”) the amount needed to retire the Existing Bonds and, if so, the projected interest rate, range of interest rates, or other terms and conditions that Big Rivers would incur. If not, please explain why this alternative was not investigated.

10. Please explain whether Big Rivers investigated the willingness of Dexia to continue to act as the holder of the subject Big Rivers’ debt, and, if so, the projected interest rate, range of interest rates, or other terms and conditions that Big Rivers would incur. If not, please explain why this alternative was not investigated.

11. Please explain whether Big Rivers considered, in the 2012 refinancing from CoBank and CFC, withholding \$58.8 million from the repayment to RUS in order to have funds available at 5.75% (the borrowing rate under the RUS A Note) in the event that the borrowing cost to refund the Existing Bonds were to exceed 5.75%. If this alternative was not considered, please explain why not.

12. Please explain whether Big Rivers has considered using its existing lines of credit with CoBank and CFC to provide funds to retire the Existing Bonds. In your answer, please confirm that the lines of credit with CoBank and CFC remain available for cash withdrawals by Big Rivers. If such liquidity is not available, or is contemplated not to be available in the future, under either or both of these lines of credit, please explain in detail the reasons for such restrictions.

13. Please provide a calculation of Big Rivers' incremental revenue requirement (compared to the revenue requirement currently arising from the annual interest cost on the Existing Bonds) that will result solely from (a) a refinancing at 6%, (b) a refinancing at 8%, (c) a

refinancing at 10%, and (d) whatever alternative course of action is planned if Big Rivers is unable to refinance the Existing Bonds in the capital markets.

14. Please provide a schedule of Big Rivers' mandatory debt reductions in 2013, 2014 and 2015 (other than retiring the Existing Bonds, but including debt reductions to the New Bonds). In your answer, please describe the source of funds that Big Rivers would intend to use to make those debt re-payments.

15. Please provide Big Rivers' projected level of capital expenditures for 2013, 2014 and 2015. In your answer, please explain whether Big Rivers will have adequate resources available to meet the projected capital budgets if Big Rivers (a) is able to market the New Bonds or (b) is unable to market the New Bonds.

16. Please provide Big Rivers' projected external financings for 2013, 2014 and 2015 (other than the New Bonds that are the subject of this proceeding). In your answer, please provide the projected interest rates that Big Rivers will incur in such financings.

17. Will the New Bonds be accurately described as "junk" bonds? If so, please provide Big Rivers' definition of "junk" bonds.

18. Please provide a full explanation of all steps Big Rivers has taken, or intends to take, to mitigate the impact of the Century Aluminum notice of termination other than Big Rivers' Notice of Intent to file for an adjustment to its base rates.

19. If the New Bonds should be rated at a level lower than investment grade, please explain whether this credit downgrade would trigger any rate adjustments to any of Big Rivers' other outstanding debt and the scope of such rate adjustments.

21. If the New Bonds should be rated at a level lower than investment grade, please explain whether this credit downgrade would trigger any required action under Big Rivers' Indenture or other borrowing documents and the scope of such action.

David C. Brown, Esq.

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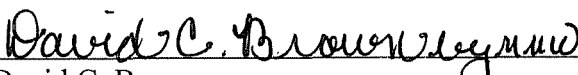
**Counsel for Alcan Primary Products
Corporation**

CERTIFICATE

A copy of the foregoing Initial Request for Information has been served by electronic mail and by United States mail on the following persons this the 19th day of December, 2012:

James M. Miller
Tyson Kamuf
Sullivan, Mountjoy, Stainback & Miller
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Michael L. Kurtz, Esq.
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David C. Brown