

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

**THE APPLICATION OF BIG RIVERS)
ELECTRIC CORPORATION FOR) CASE NO. 2012-00535
GENERAL ADJUSTMENT IN RATES)**

RESPONSE TO JOINT MOTION TO RESCHEDULE HEARING

Respondent, **KENERGY CORP.** (“Kenergy”), opposes the Joint Motion to Reschedule Hearing (“Joint Motion”) on the following grounds:

1. Big Rivers Electric Corporation (“BREC”) has provided its plans to mitigate the impact of the loss of the smelter loads which includes: 1) pursuing replacement load from new industrials through economic development efforts working in conjunction with State and Regional EDC organizations, 2) selling the power into wholesale power markets when market prices allow and 3) pursuing the sale of wholesale power to other utilities. The only alleged new item raised in the Joint Motion is the possibility that generation units could be sold if surplus power cannot be sold. While Kenergy agrees with Big Rivers that this is not new information, this “backup” plan does not alter BREC’s primary plan of selling surplus power to mitigate the rate increase to its members. Further, PSC approval is necessary prior to the sale of any substantial plant

asset and the Intervenors will have notice and an opportunity to be heard on that issue if that contingency occurs.

2. Merging this matter with 2013-00221 would unduly complicate 2013-00221 and put at risk the possibility of continued supply of electric power and operation of the Century Hawesville Smelter beyond the August 19, 2013 deadline. Simply, keeping this action and 2013-00221 on schedule and less complicated is the best approach.

There are many uncertainties caused by a merger of the two cases. A merger could result in a combined final order for both cases. This could create a question of the finality of approval of the Century contracts if there were an appeal of the rate case portion of the final order of both issues.

While BREC has the right to put its rates into effect after the suspension period in the rate case¹, there is a legal question as to whether the Commission could approve the Century contracts on an interim basis. Further, there are a number of practical problems with any interim approval of the Century contracts as they were not negotiated with that prospect in mind.

In sum, all of these uncertainties can be avoided by proceeding as scheduled and the keeping the two cases separate.

¹ All things being equal, Kenergy believes its members would prefer a known rate on August 20, 2013, as opposed to a rate subject to refund.



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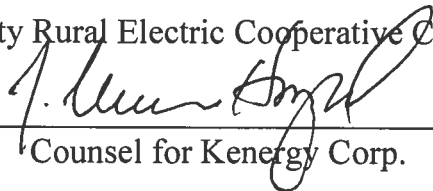
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