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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Linda Breathitt
Commissioner

August 1, 2012

PARTIES OF RECORD

Re: Case No. 2012-00119
Big Rivers Electric Corporation

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Quang Nguyen, Staff Attorney, at 502-564-3940, Extension 256.

Sincerely,

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

Jeff Derouen
Executive Director

QN/kar

Attachments

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File

FROM: Quang D. Nguyen, Staff Attorney

DATE: July 31, 2012

RE: Case No. 2012-00119
Application of Big Rivers Electric Corporation for Approval to Issue Evidences of Indebtedness

Pursuant to a Staff Notice issued on July 9, 2012, a telephonic informal conference was conducted on July 10, 2012. The purpose of the informal conference was to discuss Big Rivers Electric Corporation's ("Big Rivers") decision to postpone the proposed financing with the National Rural Utilities Cooperative Finance Corporation ("CFC") and CoBank, ACB ("CoBank"), which had recently been approved by the Commission on May 25, 2012. A list of the attendees is attached hereto.

In response to Commission Staff's questions, Big Rivers' counsel provided a detailed explanation and timeline of the recent events involving discussions and negotiations with Alcan Primary Products Corporation and Century Aluminum of Kentucky General Partnership (collectively "Smelters") and the risk and uncertainties surrounding the viability of the Smelters in the absence of certain rate relief requested by the Smelters. Given that uncertainty, Big Rivers informed both CFC and CoBank on June 22, 2012 of its decision to postpone the previously scheduled June 29, 2012 closing. Big Rivers noted that both CFC and CoBank concurred with its decision to postpone the closing. Big Rivers' counsel noted, however, that the company has now determined that it should go forward with the closing of the financing transactions because it has a better grasp of the issues involving the Smelters and, perhaps, how to manage those risks. Big Rivers advised that CFC and CoBank are still interested in proceeding with the closing and discussions with both financial institutions will be scheduled shortly to determine how to proceed.

Commission Staff requested, and Big Rivers agreed, that Big Rivers should file a written account of the company's decision to postpone the subject financing and the steps going forward. Further, Big Rivers shall file with the Commission any information concerning the re-scheduling of the closing of the approved financing and any changes in the terms of the financing transactions.

There being no further discussions, the informal conference was adjourned.

Attachment

2012-00119

Informal Conference

July 10, 2012

Kurt Boehm
Jim Miller
Mark Hite
Relp Ashworth
Susan Gottlieb
Karl Lyons
Lane Kollen

Boehm, Kurty & Leary
Sullivan, Mountjoy, Steinback & Miller
Big Rivers
Big Rivers

KIUC/Kennedy & Associates

Quang Nguy
Chiu Whelan
RICHARD RAFF
Fereydoon Gorjian
Errol K. Wagweh
Ron Handziak

PSC
PSC-FA
PSC-LEGAL
PSC/Engineering
PSC-FA
PSC-FA

Mike Kurtz
David C. Brown
Jeff DeDuen

KIUC
Alcan
PSC