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May 11, 2012

**Via Federal Express**

Jeff DeRouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard, P.O. Box 615  
Frankfort, Kentucky 40602-0615

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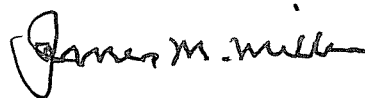
PUBLIC SERVICE  
COMMISSION

Re: *In the Matter of: Notice and Application of Big Rivers  
Electric Corporation for a General Adjustment in Rates,  
PSC Case No. 2011-00036*

Dear Mr. DeRouen:

Enclosed are an original and ten copies of the request for information from Big Rivers Electric Corporation to Kentucky Industrial Utility Customers, Inc. in the above-styled matter. Copies of this letter and the information requests have been served on each person shown on the attached service list. Please feel free to contact me if you have any questions.

Sincerely yours,



James M. Miller

JMM/ej  
Enclosures

cc: Albert Yockey  
Mark A. Hite

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

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Brandenburg, KY 40108-0489

1 COMMONWEALTH OF KENTUCKY  
2 BEFORE THE PUBLIC SERVICE COMMISSION  
3  
4

5 In the Matter of:

6  
7 APPLICATION OF BIG RIVERS ELECTRIC )  
8 CORPORATION FOR A GENERAL ) CASE NO. 2011-00036  
9 ADJUSTMENT IN RATES )  
10

11  
12 **BIG RIVERS ELECTRIC CORPORATION'S FIRST REQUEST FOR INFORMATION**  
13 **ON REHEARING TO KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.**  
14

15  
16 Big Rivers Electric Corporation submits this First Request for Information on Rehearing  
17 to Kentucky Utility Industrial Utility Customers, Inc., to be answered in accordance with the  
18 following Definitions and Instructions.

19 DEFINITIONS

20 1. Whenever it is necessary to bring within the scope of these information requests  
21 documents that otherwise might be construed to be outside their scope (1) the use of "and" as  
22 well as "or" shall be construed both disjunctively and conjunctively; (2) the use of a word in its  
23 singular form shall be construed to include within its meaning its plural form as well, and vice  
24 versa; (3) the use of "include" and "including" shall be construed to mean "without limitation;"  
25 and (4) the use of a verb in any tense or voice shall be construed as the use of that verb in all  
26 other tenses and voices.

27 2. "Big Rivers" means Big Rivers Electric Corporation.

28 3. "KIUC," "you," or "your" means Kentucky Industrial Utility Customers, Inc., its  
29 agents, officers, directors, and employees.

30 4. "Smelter" or "Smelters" means one or both of Century Aluminum of Kentucky  
31 General Partnership and Alcan Primary Products Corporation.

1           5.       “Commission” means the Kentucky Public Service Commission.

2           6.       “Document” means any written, recorded, transcribed, printed or impressed  
3 matter of whatever kind, however produced, stored or reproduced, including, but not limited to,  
4 sound or pictorial recordings, computerized information, books, pamphlets, letters, memoranda,  
5 telegrams, electronic or mechanical transmissions, communications of all kinds, reports, notes,  
6 working papers, handwritings, charts, papers, writings, printings, transcriptions, tapes and  
7 records of all kinds.

8           7.       “Person” includes a natural person, a business organization of any type, an  
9 unincorporated association, a governmental subdivision, agency, or entity, and a business trust.

10          8.       Wherever in these information requests you are asked to “identify,” you are  
11 requested:

12           (a)       when identifying a person, to give such person’s:

- 13                   1.       full name,
- 14                   2.       business address, residence address, and telephone number,
- 15                   3.       his present or last known position and business affiliation at the  
16                               time in question, and
- 17                   4.       the nature of such person’s participation in, and the scope of his  
18                               responsibility with regard to, the facts and events underlying the  
19                               present case;

20           (b)       when identifying an oral communication, to:

- 21                   1.       identify the author thereof and the parties thereto,
- 22                   2.       state the date of the communication,
- 23                   3.       state the place of the communication,

- 1                   4.     state the substance of the communication, and  
2                   5.     state whether such communication has been reduced to writing  
3                   and, if so, identify each document and the present custodian  
4                   thereof;

5           (c)   when identifying other information, to state:

- 6                   1.     the source thereof,  
7                   2.     any oral communications pertaining thereto,  
8                   3.     any documents pertaining thereto, and  
9                   4.     the substance of the information;

10          (d)   when identifying a document, to:

- 11                   1.     identify the author thereof and the parties thereto,  
12                   2.     state its title or other identifying data,  
13                   3.     state the date of the document or if no date appears thereon, the  
14                   approximate date,  
15                   4.     state the exact nature and substance thereof;  
16                   5.     identify each person having possession, care, custody or control of  
17                   the original and any copies thereof; and  
18                   6.     if such document was, but no longer is, in your possession or  
19                   subject to your control, state what disposition was made of it.

1 INSTRUCTIONS

2 1. If any document called for by any of these data requests is withheld based upon a  
3 claim of privilege or work product, please produce so much of the document as to which you do  
4 not claim privilege or protection, and for each document or part of a document for which you  
5 claim privilege or protection, identify:

- 6 a. the nature, subject matter and substance of the document or part of the  
7 document withheld;
- 8 b. the nature of the privilege or protection claimed;
- 9 c. the date, author or authors, addressee or addressees, and distribution of the  
10 document; and
- 11 d. each person in whose possession, custody or control any copy of the  
12 document is or has been.

13 2. If, for reasons other than a claim of privilege or work product, you refuse to  
14 answer any information request or to produce any document requested, state the grounds upon  
15 which the refusal is based with sufficient specificity to permit a determination of the propriety of  
16 such refusal.

17 3. If any copy of any document requested herein or any record which refers or  
18 relates to any document requested herein has been destroyed or lost, set forth to the extent  
19 possible the content of each such document, the date such document and its copies were  
20 destroyed or lost, and if destroyed, the identity of the person authorizing such destruction and the  
21 identity of the last known custodian of such document prior to its destruction.

22 4. These information requests shall be deemed continuing and you should serve  
23 upon Big Rivers' counsel (1) supplemental responses to these information requests if additional

1 information or information that changes your response to any information request is obtained  
2 during the course of this proceeding, and (2) any documents requested herein that become  
3 available or that are discovered after the date your responses to these information requests are  
4 due.

5 INFORMATION REQUESTS

- 6 1. Refer to Mr. Baron’s Direct Rehearing Testimony, page 4, lines 11, 18, and 19.
- 7 a. Please provide any analysis performed by Mr. Baron, including  
8 workpapers, that demonstrate that the \$13.5 million subsidy Mr. Baron  
9 refers to on line 11 “was being paid to Rural (sic) by the Smelters.”
- 10 b. Please provide all calculations, reconciliations and related workpapers by  
11 which Mr. Baron reached the conclusion that the subsidy of the Rural  
12 customer class by the Smelters after entry of the November 17, 2011,  
13 Order is \$11.1 million.
- 14 2. Refer to Mr. Baron’s Direct Rehearing Testimony, page 10, lines 10 through 18,  
15 and to Exhibit SJB-2. Please identify and provide a copy of the United States Energy  
16 Information Agency tables or tables, with table titles and/or descriptions, which support the  
17 information in Exhibit SJB-2.
- 18 3. Refer to Mr. Baron’s Direct Rehearing Testimony, page 12, and the sentence  
19 beginning on line 16 of that page. Please identify and provide a copy of any analysis or study  
20 performed by Mr. Baron regarding the effect on the rates of “LGE, KU, KPCo [or] East  
21 Kentucky Cooperative” of (i) elimination of subsidies of one rate class by other rate  
22 classifications, or (ii) loss of revenues in the event that one or more large customers shut down.

1           4.       Refer to Mr. Kollen’s Rehearing Testimony, page 4, lines 20 through 25, to Big  
2 Rivers’ Application, and to Big Rivers’ rehearing testimony. Mr. Hite’s rehearing testimony  
3 states that Big Rivers is requesting an adjustment of \$640,753 for its actual rate case expenses  
4 incurred through August 15, 2011,<sup>1</sup> while Big Rivers’ Application initially estimated that its  
5 actual rate case expenses were going to produce an adjustment of \$281,719.<sup>2</sup> The difference of  
6 these two amounts is \$359,034. Does Mr. Kollen agree that the amount of rate case expense  
7 amortization in excess of the \$281,719 per Big Rivers’ initial request in the Application is  
8 \$359,034 (\$640,753 minus \$281,719), not the \$341,110 stated on page 4, lines 21 and 24, of the  
9 Rehearing Testimony of Mr. Kollen, the difference representing the \$17,924 in the historic test  
10 year? If Mr. Kollen does not agree, please explain how Mr. Kollen calculated the difference as  
11 \$341,110, and identify and provide all workpapers and other documents supporting Mr. Kollen’s  
12 calculation.

13           5.       Refer to Mr. Kollen’s Rehearing Testimony, page 8, lines 1 and 2. What is the  
14 basis for Mr. Kollen’s statement that “[t]he Commission’s precedent is not a ratemaking  
15 principle or standard and is more akin to a ratemaking tool or approach”? Identify and provide  
16 all Commission decisions and other documents upon which Mr. Kollen relies to support that  
17 statement.

18           6.       Refer to the statement in Mr. Kollen’s Rehearing Testimony, page 8, lines 6  
19 through 9, that “[t]he Commission’s precedent is a tool or approach that provides a practical limit  
20 on the use of improperly inflated utility estimates....” Please provide the basis for this statement,  
21 and identify and provide all Commission decisions and other documents upon which Mr. Kollen  
22 relies to support that statement.

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<sup>1</sup> See Direct Testimony on Rehearing of Mark A. Hite, pages 2 and 6, and Exhibit Hite Rehearing-1.

<sup>2</sup> See Big Rivers’ Application Exhibit 51 (Direct Testimony of John Wolfram), Exhibit Wolfram-2, page 1, line 23 and Application Exhibit 51, Exhibit Wolfram-2, Reference Schedule 2.13.



1           7.       Refer to Mr. Kollen’s Rehearing Testimony, page 12, lines 19 and 20. Please  
2 identify and provide a copy of any accounting standard, bulletin, or the like, that prohibits  
3 holding open work orders beyond in-service dates to capture additional charges.

4           8.       Please identify and provide a copy of all documents (including with respect to  
5 each spreadsheet and model, an electronic copy – with searchable electronic formats and all  
6 formulas intact) of all exchanges of information since the Commission Order dated November  
7 17, 2011, in Case No. 2011-00036, between or among Mr. Lane Kollen, Mr. Charles King, a  
8 representative of either of the Smelters, a representative of the Smelters’ respective corporate  
9 parents, and/or a representative of KIUC regarding depreciation and depreciation rates. This  
10 includes, but is not limited to, e-mails, letters, spreadsheets, charts, graphs, tables, reports, *etc.*

11          9.       Please identify and describe with respect to Mr. Kollen’s professional experience:

- 12                   a. Each depreciation study he has prepared involving electric  
13                               generation facilities; and
- 14                   b. Each depreciation study he has prepared in which he made a  
15                               determination of the useful lives of electric generation facilities.

16          10.      Please refer to Mr. Kollen’s Supplemental Rehearing Testimony, page 2, lines 12-  
17 15. Please provide a reference to Mr. King’s testimony where he states that the service lives for  
18 the Company’s generating units used by him in developing the depreciation rates he sponsored  
19 reflect the service lives “determined by Big Rivers’ management and reported to the Rural  
20 Utilities Service . . . .”

21          11.      Referring to Mr. Kollen’s Supplemental Rehearing Testimony, page 2, lines 12-  
22 15, please identify and provide the basis for the statement that Big Rivers’ management  
23 determined the service lives for Big Rivers’ generating units.

1           12.     Referring to Mr. Kollen’s Supplemental Rehearing Testimony, page 4 (lines 26-  
2 28), page 5 (lines 1-4), page 6 (lines 1-3), page 7 (line 7), page 9 (line 4), and page 10 (lines 6-7),  
3 please identify and provide the service lives Big Rivers’ management provided to Mr. Kelly and  
4 to the RUS.

5           13.     Referring to Mr. Kollen’s Supplemental Rehearing Testimony, page 5, lines 12-  
6 15, please identify and provide all references to the record in this case where Mr. Kelly relied on  
7 MW weighting to determine the remaining lives for each unit.

8           14.     Referring to Mr. Kollen’s Supplemental Rehearing Testimony, page 6, lines 9-10,  
9 please identify and provide all references to the record in this case which he contends support the  
10 conclusion that Big Rivers’ intent is to operate the generating units until their probable  
11 retirement dates.

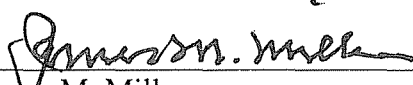
12           15.     Referring to Mr. Kollen’s Supplemental Rehearing Testimony, page 10, lines 3  
13 and 8, please identify and provide all references to the record in this case which he contends  
14 support “management’s intent” with respect to the useful lives of Big Rivers’ generating units.

15           On this the 11th day of May, 2012.

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Respectfully submitted,

  
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