

SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC
ATTORNEYS AT LAW

Ronald M. Sullivan

Jesse T. Mountjoy

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

*Also Licensed in Indiana

July 15, 2014

Via Federal Express

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

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JUL 16 2014

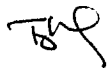
PUBLIC SERVICE
COMMISSION

**RE: *BIG RIVERS ELECTRIC CORPORATION'S FILING OF
WHOLESALE CONTRACTS PURSUANT TO KRS 278.180
AND 807 KAR 5:011 §13, CASE NO. 2014-00134***

Dear Mr. Derouen:

Enclosed for filing are an original and ten (10) copies of (i) Big Rivers Electric Corporation's responses to the initial requests for information of the Public Service Commission Staff, the Attorney General, and Kentucky Industrial Utility Customers, Inc., (ii) a petition for confidential treatment, and (iii) a motion for deviation. I certify that on this date a copy of this letter, a copy of the responses, a copy of the petition, and a copy of the motion were served on each of the persons listed on the attached service list by either first-class mail or by federal express.

Sincerely,



Tyson Kamuf
Counsel for Big Rivers Electric Corporation

TAK/lm
Enclosures

cc: Billie Richert, Big Rivers Electric Corporation
DeAnna Speed, Big Rivers Electric Corporation
Service List

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

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

www.westkylaw.com

Service List
PSC Case No. 2014-00134

Michael L. Kurtz
Kurt J. Boehm
Jody Kyler Cohn
BOEHM, KURTZ & LOWRY
36 E. Seventh Street, Suite 1510
Cincinnati, OH 45202

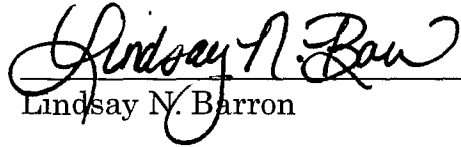
Lawrence W. Cook
Jennifer Black Hans
Angela M. Goad
Assistant Attorneys General
1024 Capital Center Drive
Suite 200
Frankfort, KY 40601-8204

BIG RIVERS ELECTRIC CORPORATION

**BIG RIVERS ELECTRIC CORPORATION FILING OF WHOLESALE
CONTRACTS PURSUANT TO KRS 278.180 AND KAR 5:011 §13
CASE NO. 2014-00134**


VERIFICATION

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


Lindsay N. Barron

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Lindsay N. Barron on
this the 9th day of July, 2014.


Notary Public, Ky. State at Large
My Commission Expires 1-12-17

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JUL 16 2014

PUBLIC SERVICE
COMMISSION



Your Touchstone Energy® Cooperative 

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

**BIG RIVERS ELECTRIC CORPORATION'S FILING)
OF WHOLESALE CONTRACTS PURSUANT TO) Case No.
KRS 278.180 and 807 KAR 5:011 §13) 2014-00134**

**Response to Commission Staff's
Initial Request for Information
dated June 27, 2014**

FILED: July 16, 2014

ORIGINAL



BIG RIVERS ELECTRIC CORPORATION

**BIG RIVERS ELECTRIC CORPORATION'S FILING OF WHOLESALE
CONTRACTS PURSUANT TO KRS 278.180 and 807 KAR 5:011 §13
CASE NO. 2014-00134**

**Response to Commission Staff's
Initial Request for Information
Dated June 27, 2014**

July 16, 2014

- 1 **Item 1) Refer to the application, the Summary of Nebraska PPAs.**
- 2 **a. Refer to page 1, Section A, which states that "Big Rivers will supply**
- 3 **or procure all electric services required by each Purchaser, including capacity, energy,**
- 4 **reserve capacity and transmission and ancillary services..." For each of the three**
- 5 **purchase power agreements ("PPA"), state which services will be provided and which**
- 6 **will be procured by Big Rivers.**
- 7 **b. Refer to page 1, Section B, the second paragraph, fourth sentence.**
- 8 **Explain why the information is not known with certainty and when it will be known.**
- 9 **c. Refer to page 2, Section C, which makes reference to Midcontinent**
- 10 **Independent System Operator, Inc. ("MISO") and Southwestern Power Pool ("SSP")**
- 11 **studies. Provide any studies conducted by MISO and SPP regarding Big Rivers' ability**
- 12 **to deliver power under each of the PPAs. If the studies are not yet completed, provide**
- 13 **the estimated date(s) of completion.**
- 14 **d. Refer to page 2, Section E. State whether it is anticipated that Big**
- 15 **Rivers will need to hire additional staff to provide service under the three PPAs. If yes,**
- 16 **state the number of additional employees needed and the estimated cost related to the**
- 17 **additional employees.**
- 18 **e. Refer to page 2, Section F. Explain why this provision is necessary**

BIG RIVERS ELECTRIC CORPORATION

**BIG RIVERS ELECTRIC CORPORATION'S FILING OF WHOLESAL
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**Response to Commission Staff's
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Dated June 27, 2014**

July 16, 2014

1 **and, for each PPA, state the estimated cost to Big Rivers over the life of the PPA.**

2 **f. Refer to page 3, Section H, which states that "Big Rivers' analysis**
3 **estimated the rates to be paid by the Nebraska entities based upon the NPPD rates that**
4 **are currently in effect and that are most recently projected by NPPD."**

5 **(1) Provide the current rates paid to the Nebraska Public Power**
6 **District ("NPPD") by the cities of Wayne and Wakefield, and the Northeast Nebraska**
7 **Public Power District.**

8 **(2) Provide the analysis conducted by ACES on the NPPD**
9 **projected rates.**

10 **g. Refer to page 4, Section 1. Explain how the rate per megawatt-hour**
11 **referenced in the first paragraph was calculated.**

12 **h. Refer to page 5, Section L. State whether Big Rivers has held any**
13 **discussions with the PPA counterparties regarding any potential costs of complying**
14 **with environmental legislation. If yes, explain the counterparties' reaction and provide**
15 **any estimated prepared by Big Rivers related to future environmental compliance.**

16 **i. Refer to page 6, Section P.**

17 **(1) State whether retail choice currently exists in Nebraska for**

BIG RIVERS ELECTRIC CORPORATION

**BIG RIVERS ELECTRIC CORPORATION'S FILING OF WHOLESALE
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1 electric consumers. If no, state whether discussions are being held to allow retail choice
2 in Nebraska for electric consumers.

3 (2) Refer to the fourth paragraph of this Section. Explain the
4 reason for the first of the two prohibitions discussed in this paragraph.

5

6 Response)

7 a. Big Rivers will supply [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 b. Northeast Nebraska Public Power District "NeNPPD" is in disagreement with its
11 current supplier, Nebraska Public Power District "NPPD", regarding interpretation of the
12 contract termination provisions of its existing contract. NeNPPD has filed a complaint in the
13 District Court of Wayne, Nebraska seeking resolution to the dispute. The exact transition
14 phase is expected to be known upon receipt of the ruling from the District Court of Wayne.

15 c. The transmission studies have not yet been submitted to MISO or SPP. It is Big
16 Rivers' intention to submit the SPP study in August 2014 and it is expected to be complete in
17 six months to two years. The SPP study process is difficult to predict and will be impacted
18 by the number of transmission constraints, if any, identified in the study process. Big Rivers

BIG RIVERS ELECTRIC CORPORATION

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July 16, 2014

1 anticipates the MISO transmission study will be complete in six months to one year from
2 submission. Big Rivers plans to submit the MISO transmission study before the end of 2014.

3 d. Big Rivers does not anticipate additional staffing will be necessary to provide
4 service under the three PPAs.

5 e. Two of the three Purchasers own generation in Nebraska. The City of Wakefield
6 owns 3.4 MW of oil and gas fired generation and the City of Wayne owns 19.0 MW of diesel
7 fired generation. These generators are not used on a regular basis, but are available to
8 provide power if needed for reliability or if market prices generate profits. [REDACTED]

9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]

BIG RIVERS ELECTRIC CORPORATION

**BIG RIVERS ELECTRIC CORPORATION'S FILING OF WHOLESALE
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July 16, 2014

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]

7 f. (1). Please see the current General Firm Power Service Rate Schedule tariff of the
8 Nebraska Public Power District, which is provided as an attachment to this response. [REDACTED]

9 [REDACTED]. Please note on sheet 9 of 19, Section 5. A.(1)(b)
10 that the Purchasers pay a ratcheted demand in the four summer months.

11 f. (2). Please see the ACES analysis, which is provided as a confidential attachment
12 to this response.

13 g. [REDACTED]
14 [REDACTED]
15 [REDACTED]

16 h. Big Rivers made a presentation to the entities in July 2013 as a result of being a
17 finalist in their RFP process. At that time Big Rivers discussed its recently approved
18 Environmental Compliance Plan that included a \$58.4 Million investment for MATS

BIG RIVERS ELECTRIC CORPORATION

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July 16, 2014

1 compliance. Big Rivers also discussed CAIR, the potential reemergence of CSAPR, Coal
2 Combustion Residuals (CCR), and 316 a and b. Since that time, Big Rivers has had several
3 informal conversations with the Purchasers.

4 Because the Purchasers' actual rate is tied to NPPD's rates, the Purchasers are most
5 concerned with NPPD's future environmental compliance costs, and have not expressed
6 significant interest in Big Rivers' future compliance costs. The Purchasers have inquired
7 about the implications of the proposed carbon regulation on Big Rivers, but they recognize
8 that the implications of the regulation will not be certain until a state implementation plan is
9 completed.

10 i.(1). Retail choice does not currently exist in Nebraska for electric consumers, and
11 Big Rivers is unaware of any state discussions currently being held to consider retail choice.

12 i.(2). [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]

17
18 Witness) Lindsay N. Barron

NEBRASKA PUBLIC POWER DISTRICT

Schedule: GFPS Issued: 11/14/13
Supersedes Schedule: GFPS Issued: 11/15/12
Sheet No.: 1 Of 19 Sheets

GENERAL FIRM POWER SERVICE RATE SCHEDULE

(Name of Schedule)

SECTION 1. AVAILABILITY

- A. This General Firm Power Service Rate Schedule (GFPS Rate Schedule) is available to any Customer who purchases from NPPD all of its power and energy requirements (with the exception of any direct WAPA allocation) for resale, including sales to End-Use Customers, wholesale customers, and load growth. This GFPS Rate Schedule is available to total requirements Customers who signed contracts with NPPD that specifies service under the GFPS Rate Schedule, and to the NPPD retail division.
- B. Where the Customer's contract provides for rates to be applied and billed separately with respect to individual members, each member shall be referred to as a Customer in this GFPS Rate Schedule. Any wholesale customer of a Customer must purchase all of its power and energy from NPPD (with the exception of any direct WAPA allocation) in order to receive power and energy under this GFPS Rate Schedule.

SECTION 2. CHARACTER OF SERVICE

Power and energy shall be available to the Customer on the existing high voltage transmission network operated by NPPD or approved extensions thereof, at one or more Points of Delivery. Power and energy available shall be in the form of three-phase current, alternating at a frequency of approximately sixty (60) Hertz and at nominal NPPD standard operating voltages (but not less than 2,400 volts).

SECTION 3. DEFINITIONS

The following definitions apply to the GFPS Rate Schedule and any rate schedules, supplements and riders which are incorporated into the GFPS Rate Schedule. Two or more definitions may be combined to create a new definition which then has the meaning of the collective definitions.

- A. **Avoided Costs** – The generation and/or purchased power costs that NPPD avoids as a result of purchasing the output of a Customer Generator. Avoided Costs may include energy and/or capacity and are developed in accordance with Federal Energy Regulatory Commission (FERC) regulations (18 CFR Part 292, as amended) for small power

TAX CLAUSE: In the event of the imposition of any new or increased tax or any payment in lieu thereof, in excess of that provided for under Article VIII, Section 11 of the Nebraska Constitution, by any lawful authority on the production, transmission, or sale of electricity, the rate provided herein may be increased to reflect the amount of such tax or in lieu of tax increase.

Effective: With service provided on and after

January 1, 2014

Case No. 2014-00134

Approved: 11/08/13 Resolution No.: 13-58

Issued By: Wadd S. Swartz PSC 11f(1) Attachment

Page 1 of 19

NEBRASKA PUBLIC POWER DISTRICT

Schedule: GFPS Issued: 11/14/13
 Supersedes Schedule: GFPS Issued: 11/15/12
 Sheet No.: 2 Of 19 Sheets

GENERAL FIRM POWER SERVICE RATE SCHEDULE

(Name of Schedule)

production and cogeneration facilities. On a case-specific basis, NPPD reserves the right to determine Avoided Costs using factors such as future resource cost estimates for supply-side and demand-side resources, recent resource cost experience, system modeling, market options, and competitive bidding processes.

- B. Billing Demand - The Billing Demand for any service provided pursuant to this GFPS Rate Schedule shall be as defined in the respective provision(s) of Sections 5 and 10 of this GFPS Rate Schedule, or other applicable incorporated rate schedules.
- C. Billing Energy – The Billing Energy for any service provided pursuant to this GFPS Rate Schedule shall be as defined in the respective provision(s) of Sections 5 and 10 of this GFPS Rate Schedule, or other applicable incorporated rate schedules.
- D. Billing Period - Any calendar month commencing at the hour ending 0100 on the first day of the month and ending with the hour ending 2400 on the last day of such calendar month.
- E. Bus A - The low voltage bus at the first transformation below 115 kV (generally 69 kV or 34.5 kV). All rates in this GFPS Rate Schedule are based on Point of Measurement at Bus A.
- F. Customer - Any entity which purchases electric power and energy from NPPD, and which has entered into an appropriate contract, as defined in the Availability Section of this GFPS Rate Schedule, and the NPPD retail division.
- G. Customer Generation (or Customer Generator) - Any Distributed Generation and Local Generation.
- H. Distributed Generation (or Distributed Generator) – A generator (or group of generators) designed to produce electrical energy to serve local load, typically located on the End-Use Customer’s side of the meter. If more than one generator is located in the same installation, the aggregate nameplate rating of all generators shall be used in determining the applicable requirements and payment and billing provisions included in Section 10 of this GFPS Rate Schedule, applicable incorporated rate schedules, and in NPPD’s Standard for Wholesale Customer Generation. While the location of a generator behind an End-Use Customer’s meter is often a good indicator of a Distributed Generator, exceptions can occur. Therefore, for the purposes of the GFPS Rate Schedule, applicable

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Effective: With service provided on and after
January 1, 2014. Case No. 2014-00134
 Issued By: Ward J. Stewart PSC 1-11(4) Attachment
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Approved: 11/08/13 Resolution No.: 13-58

NEBRASKA PUBLIC POWER DISTRICT

Schedule: GFPS Issued: 11/14/13
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GENERAL FIRM POWER SERVICE RATE SCHEDULE

(Name of Schedule)

incorporated rate schedules, and NPPD's Standard for Wholesale Customer Generation, NPPD shall have the sole authority to determine if a Customer Generator is to be classified as Distributed Generation or Local Generation.

- I. Emergency Backup Generation (or Emergency Backup Generator) – A generator(s) that is used by an End-Use Customer only when the utility's electric service is interrupted or when the generator is being tested.
- J. End-Use Customer – A customer served at retail by a Customer, and whose demand and energy requirements are supplied by the Customer, or by a firm demand and energy requirements wholesale customer of a Customer.
- K. Large - Aggregate nameplate rating of 2,000 kW and above for Qualifying Customer Generator(s) and of 500 kW and above for Non-Qualifying Customer Generator(s).
- L. Local Generation (or Local Generator) - A generator (or group of generators) located in the Customer's service territory, designed to produce electrical energy for wholesale sales, that is not classified by NPPD as Distributed Generation. If more than one generator is located in the same installation, the aggregate nameplate rating of all generators shall be used in determining the applicable requirements and payment and billing provisions included in Section 10 of this GFPS Rate Schedule, applicable incorporated rate schedules, and in NPPD's Standard for Wholesale Customer Generation. For the purposes of the GFPS Rate Schedule, applicable incorporated rate schedules, and NPPD's Standard for Wholesale Customer Generation, NPPD shall have the sole authority to determine if a Customer Generator is to be classified as Distributed Generation or Local Generation.
- M. Measured Demand - The number of kilowatts (kW) which is equal to the number of kilowatt-hours delivered at any point during any clock hour as measured by kilowatt demand metering equipment.
- N. MRO – MRO refers to the Midwest Reliability Organization, Inc., an authorized and recognized regional reliability organization of which NPPD is a member. Should NPPD withdraw from the MRO and join another regional reliability organization or the MRO or any of its functions be replaced by a successor entity or function, the requirements of such successor entity or function or other regional reliability organization shall apply.

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Effective: With service provided on and after

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Case No. 2014-00134

Approved: 11/08/13 Resolution No.: 13-58

Issued By: Verdel L. Stewart

PSC 11(1) Attachment

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NEBRASKA PUBLIC POWER DISTRICT

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GENERAL FIRM POWER SERVICE RATE SCHEDULE

(Name of Schedule)

- O. Non-Qualifying – Does not meet the definition of a Qualifying Customer Generator.
- P. On-Peak Demand Hours – That subset of hours as defined in Supplement No. 1 to this GFPS Rate Schedule.
- Q. Point(s) of Delivery - That point (or group of points classified as a single point) of interconnection on the Transmission or Subtransmission System of NPPD where power and energy are delivered to a Customer or to another transmission/subtransmission provider for transmission to a Customer. It is the point at which NPPD is obligated to deliver, and the Customer is obligated to accept delivery of the power and energy sold, purchased or wheeled. If the Customer has more than one Point of Delivery where power and energy are delivered, the Billing Demand of the Customer shall be determined from the coincidental deliveries at all such Points of Delivery.
- R. Point of Measurement - The point where demand and energy are metered, if applicable, for the purpose of billing. If the Point of Measurement is located at other than Bus A, then the provision(s) of Section 6 of this GFPS Rate Schedule shall apply.
- S. Qualifying – Satisfies the criteria for qualifying status for small power production facilities and cogeneration facilities as set forth in FERC’s regulations (18 CFR Part 292, as amended), and that has either followed the FERC’s self-certification process or has applied for and received FERC certification as a qualifying facility.
- T. Reactive Supply & Voltage Control Service - Service provided from generation facilities which are used to supply or absorb reactive power as required for the reliable movement of real power through the Transmission System and to maintain adequate voltages on the Transmission System.
- U. Regulation and Frequency Response Service - Service provided for meeting North American Electric Reliability Corporation (NERC) and MRO reliability standards to continuously balance resources (generation and interchange) with control area load on a real-time basis and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generation control equipment) as necessary to follow moment-by-moment changes in load.

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Effective: With service provided on and after

January 1, 2014

Case No. 2014-00134

Approved: 11/08/13 Resolution No.: 13-58

Issued By: [Signature] PSQ 1-1f(1) Attachment

NEBRASKA PUBLIC POWER DISTRICT

Schedule: GFPS Issued: 11/14/13
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GENERAL FIRM POWER SERVICE RATE SCHEDULE

(Name of Schedule)

- V. Simultaneous Buy/Sell – A billing and payment method described in Section 10 in which the output of a Customer Generator is metered separately from the Customer's load so that the following calculations can be performed:
- (1) The hourly output of the Customer Generator can be added back in to the Customer's metered load hour-by-hour when computing the Customer's Billing Demands and Billing Energy under the provisions of the GFPS Rate Schedule.
 - (2) The Customer is paid for the entire output of the Customer Generator at NPPD's Avoided Costs, or at the mutually agreed price stated in the written purchase agreement among NPPD, Customer, and Customer Generator.
- W. Small – Aggregate nameplate rating of less than 2,000 kW for Qualifying Customer Generator(s) and of less than 500 kW for Non-Qualifying Customer Generator(s).
- X. Spinning Reserve Service - Operating reserve service provided to meet NERC reliability standards, MRO reliability standards, and SPP Criteria for maintaining Spinning Reserve. Spinning Reserve shall mean the amount of unloaded generating capability connected to and synchronized with the interconnected system and ready to take load immediately. Spinning Reserve capability is separate from and in addition to capability required for Regulation and Frequency Response Service. The amount for Spinning Reserve allocated to any generator shall not exceed the amount of generation increase that can be realized within a period of time that complies with the then current NERC reliability standards, MRO reliability standards, and SPP Criteria.
- Y. SPP – The Southwest Power Pool, Inc.. A regional transmission organization, reserve sharing pool and energy market which administers the provision of open access transmission on a regional basis across the transmission facilities that the SPP member transmission owners have placed under the SPP Open Access Transmission Tariff (OATT).
- Z. SPP Criteria – The SPP document which presents the characteristics of a well-planned bulk power electric system, describes the basis for model testing and lists the reliability and adequacy tests to be used to evaluate the performance of the SPP bulk electric system, and describes coordinated operating procedures necessary to maintain a reliable and efficient electric system.

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Issued By: Todd J. Swartz PSC-1f(1) Attachment

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NEBRASKA PUBLIC POWER DISTRICT

Schedule: GFPS Issued: 11/14/13
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GENERAL FIRM POWER SERVICE RATE SCHEDULE

(Name of Schedule)

- AA. Subtransmission System - Those subtransmission facilities including lines, substations and all appurtenances which are owned, leased, or operated by NPPD, or which NPPD is assessed a wheeling charge by the owner for deliveries to Customers under this contract and which are designed to operate at nominal voltages of 34.5 kV and above, but less than 115 kV.
- BB. Summer Season – The Billing Periods June through September.
- CC. Supplemental Reserve Service - Operating reserve service provided to meet NERC reliability standards, MRO reliability standards, and SPP Criteria for maintaining Non-Spinning (Supplemental or Ready) Reserve. Non-Spinning (Supplemental or Ready) Reserve shall mean all unloaded generating capability not meeting the Spinning Reserve criteria that can be made fully effective within a period of time that complies with the then current NERC reliability standards, MRO reliability standards, and SPP Criteria.
- DD. Total Requirements Wholesale Contract - Contracts offered by NPPD providing for service under the GFPS Rate Schedule.
- EE. Transmission System - Those transmission facilities including lines, substations, switching stations and all appurtenances which are owned, leased or operated by NPPD or which NPPD is assessed a wheeling charge by the owner for deliveries to Customers under this Total Requirements Wholesale Contracts and which are designed to operate at nominal voltage levels of 115 kV and above.
- FF. WAPA - The Western Area Power Administration.
- GG. Wholesale Power Contract – The contract between the Customer and NPPD specifying service under this GFPS Rate Schedule.
- HH. Winter Season – The Billing Periods October through May.

SECTION 4. MONTHLY RATES

- A. Generation (Gen) Station Rate: Applicable to power and energy purchased from NPPD by a Customer under the provisions of this GFPS Rate Schedule where the Customer has exercised its right to purchase Western Area Power Administration (WAPA) Class I firm

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Effective: With service provided on and after

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Case No. 2014-00134

Approved: 11/08/13 Resolution No.: 13-58

Issued By: Jordan J. Sweeney PSC 1 of 1 Attachment
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NEBRASKA PUBLIC POWER DISTRICT

Schedule: GFPS Issued: 11/14/13
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GENERAL FIRM POWER SERVICE RATE SCHEDULE

(Name of Schedule)

power directly from WAPA or where the Customer is outside the marketing area for WAPA Class I firm power.

B. Blend Rate: Applicable to power and energy purchased by a Customer from NPPD under the provisions of this GFPS Rate Schedule where the Customer is within the marketing area for WAPA Class I firm power and has not exercised its right to purchase WAPA Class I firm power directly from WAPA; provided, however, that the Generation Station Rate, rather than the Blend Rate, shall apply to that portion of the power and energy purchased under the provisions of this GFPS Rate Schedule and (1) resold to an entity which has exercised its right to purchase WAPA Class I firm power directly from WAPA, or (2) resold to an entity for loads which are outside of the marketing area for WAPA Class I firm power.

C. The demand and energy charges shall be as follows:

Monthly Production Demand Charges

<u>Per Kilowatt (kW) of Billing Demand</u>	<u>Blend</u>		<u>Gen. Station</u>	
Demand Season:	<u>Summer</u>	<u>Winter</u>	<u>Summer</u>	<u>Winter</u>
Monthly Rates	\$ 13.41	\$ 12.54	\$ 13.70	\$ 12.84

Monthly Transmission Charges

<u>Per Kilowatt of Billing Demand</u>	
Transmission Line:	\$2.40
Transmission Substation:	\$0.44

Monthly Ancillary Service Charges

<u>Per Kilowatt of Billing Demand</u>	<u>Blend</u>	<u>Gen. Station</u>
Regulation and Frequency Response Service:	\$0.24	\$0.27
Spinning Reserve Service:	\$0.14	\$0.14
Supplemental Reserve Service:	\$0.01	\$0.01
Reactive Supply & Voltage Control Service:	\$0.13	\$0.13

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Monthly Energy Charges

All monthly energy charges are subject to the Production Cost Adjustment (PCA) Rate Schedule which is in effect at the time.

<u>Per Kilowatt-Hour (kWh)</u>	<u>Production</u>	
	<u>Blend</u>	<u>Gen. Station</u>
Summer Season		
On-Peak	\$ 0.03345	\$ 0.03363
Off-Peak	\$ 0.02561	\$ 0.02574
Winter Season		
On-Peak	\$ 0.03069	\$ 0.03085
Off-Peak	\$ 0.02194	\$ 0.02206

Monthly Irrigation Pumping Allowance Charges

	<u>Irrigation Pumping Recipients</u>
Demand Charge per kW of Billing Demand	\$11.13
Energy Charge per kWh	\$0.0198

SECTION 5. BILLING DEMAND AND ENERGY

A. Billing Demands

(1) Production kW Billing Demands

- (a) The Production kW Billing Demand for the monthly Billing Periods of October through May (Winter Season) shall be determined as follows: The Customer's Measured Demand coincident with NPPD's maximum system demand occurring during On-Peak Demand Hours of the current Billing Period with adjustments, if any, to such Measured Demand for (i) kilowatt loss factor (Section 6), (ii) Power Factor Adjustment (Section 8), (iii) deduction of the Customer's Irrigation Pumping Allocation (Section 9) available during such Billing Period, if applicable, and (iv) for Generation Station Customers, deduction of the power purchased directly from WAPA. In the event that during all or a portion of the hour of the NPPD maximum system demand occurring during On-Peak Demand Hours of the current Billing Period there is no load at a Customer's delivery point(s) due to an equipment outage, then for billing purposes

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NPPD shall estimate what the Customer's load would have been at the delivery point(s) during this hour absent such equipment outage.

- (b) The Production kW Billing Demand for the monthly Billing Periods of June through September (Summer Season) shall be determined as follows: The average of the Customer's highest Measured Demands during On-Peak Demand Hours on each of four (4) separate days during the current Billing Period or the three (3) Summer Season monthly Billing Periods immediately preceding the current Billing Period with adjustments, if any, to each such highest Measured Demand for (i) kilowatt loss factor (Section 6), (ii) Power Factor Adjustment (Section 8), (iii) deduction of the Customer's maximum Irrigation Pumping Allocation (Section 9), if applicable, and (iv) for Generation Station Customers, deduction of the power purchased directly from WAPA.

(2) Transmission Billing Demands

(a) Transmission Line Billing Demands

- (i) The Transmission Line kW Billing Demand for the monthly Billing Periods of October through May (Winter Season) shall be the average of: 1) One hundred percent (100%) of the Customer's single highest Measured Demand during On-Peak Demand Hours of the preceding four (4) months of June through September (Summer Season), and 2) The average of the Customer's 12 monthly Measured Demands which are coincident with NPPD's maximum monthly transmission system demands from the prior calendar year. Such Measured Demands shall be adjusted for: (i) kilowatt loss factor (Section 6), (ii) Power Factor Adjustment (Section 8), and (iii) for Generation Station Customers, deduction of the power purchased directly from WAPA to the extent the charges for transmission line service associated with the delivery of such WAPA power by NPPD to the Customer are otherwise paid by WAPA or other third party to NPPD.
- (ii) The Transmission Line kW Billing Demand for the monthly Billing Periods of June through September (Summer Season) shall

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be the average of: 1) One hundred percent (100%) of the Customer's single highest Measured Demand during On-Peak Demand Hours of the current Billing Period or the three (3) Summer Season monthly Billing Periods immediately preceding the current Billing Period, and 2) The average of the Customer's 12 monthly Measured Demands which are coincident with NPPD's maximum monthly transmission system demands from the prior calendar year. Such Measured Demands shall be adjusted for: (i) kilowatt loss factor (Section 6), (ii) Power Factor Adjustment (Section 8), and (iii) for Generation Station Customers, deduction of the power purchased directly from WAPA, provided the charges for transmission line service associated with the delivery of such WAPA power by NPPD to the Customer are otherwise paid by WAPA or other third party to NPPD.

(b) Transmission Substation Billing Demands

To the extent the Customer utilizes such facilities provided by NPPD, the Billing Demands shall be determined as follows: One hundred percent (100%) of the Customer's single highest Measured Demand during any hour of the current or preceding eleven (11) Billing Periods with adjustment, if any, to such highest Measured Demand for (i) kilowatt loss factor (Section 6), (ii) Power Factor Adjustment (Section 8), and (iii) for Generation Station Customers, deduction of the power purchased directly from WAPA to the extent the charges for any transmission substation service associated with the delivery of the WAPA power by NPPD to the Customer are otherwise paid by WAPA or other third party to NPPD.

(3) Ancillary Service Billing Demands

Billing Demands for Regulation and Frequency Response Service, Reactive Supply & Voltage Control Service, Spinning Reserve Service, and Supplemental Reserve Service shall be the same billing quantities used for billing the Transmission Line Charges, except for Generation Station Customers, the quantity of ancillary services provided by WAPA, if any, shall be excluded.

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B. The Kilowatt-Hour Billing Energy shall be determined as follows:

- (1) The total measured energy during the current Billing Period with adjustment, if any, to such measured energy for (i) kilowatt-hour loss factor (Section 6), (ii) deduction of energy associated with the Customer's Irrigation Pumping Allocation (Section 9), if applicable, and (iii) for Generation Station Customers, deduction of the energy purchased directly from WAPA. For adjustments (ii) and (iii) above, these amounts shall be allocated between on-peak and off-peak hours in proportion to the Customer's total measured on-peak and off-peak energy in such Billing Period.
- (2) For the monthly Billing Periods the on and off-peak hours for energy (all based on "Central" Time) are as follows:

Season	On-Peak	Off-Peak
Summer	1001-2200 Mon-Sat	All Other Hours
Winter	0801-2200 Mon-Sat	All Other Hours

All hours on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day shall be considered off-peak hours for energy.

C. Irrigation Pumping Billing Demand and Billing Energy

- (1) The Irrigation Pumping Allocation (Section 9) kW Billing Demand shall be determined as follows: For the monthly Billing Periods of April through October the billing demand shall be the Customer's allocated share of such irrigation pumping power available in such Billing Period.
- (2) The Irrigation Pumping Allocation (Section 9) Kilowatt-Hour Billing Energy shall be determined as follows: For the monthly Billing Periods of April through October the Billing Energy shall be the Customer's allocated share of such irrigation pumping energy available in such Billing Period.

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SECTION 6. LOSS FACTORS

For billing purposes, all power and energy sold and purchased under this GFPS Rate Schedule shall be billed as follows:

- A. Point of Measurement at Bus A. Bus A is defined as the point on the transmission system, generally 69 kV or 34.5 kV, where the first transformation is made from 115 kV, or in some cases from higher voltage than 115 kV. Power and energy measured at the Point of Measurement shall be the billing demand and energy subject to adjustments, if any, as provided in this GFPS Rate Schedule.
- B. Point of Measurement at other than Bus A.
- (1) In the event the Point of Measurement is located beyond Bus A at a voltage of 69 kV or lower, the measured power and energy shall be adjusted for losses back to Bus A. The multipliers to adjust the measured power and energy to Bus A for line loss shall be 1.016 for kilowatts and 1.012 for kilowatt-hours. The multipliers to adjust the measured power and energy to Bus A for transformer loss shall be as determined by NPPD. The power and energy as so adjusted to Bus A shall be the billing demand and energy, subject to additional adjustments, if any, as provided in this GFPS Rate Schedule.
- (2) In the event the Point of Measurement is located before the first transformation from 115 kV or higher, the measured power and energy shall be adjusted for losses down to Bus A. The multipliers to adjust the measured power and energy to Bus A for transformer loss shall be as determined by NPPD. The power and energy as so adjusted to Bus A shall be the billing demand and energy, subject to additional adjustment, if any, as provided in this GFPS Rate Schedule.
- C. Where existing contracts are in force which specify line loss multipliers or loss factors, other than those multipliers or loss factors in (B) above, for use in the determination of Bus A power and energy deliveries to the Customer, the line loss multipliers or loss factors specified in the contract shall be used to determine the billing power and energy at Bus A subject to adjustments, if any, as provided herein.

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SECTION 7. TRANSMISSION FACILITIES

- A. Service provided under the provisions of this GFPS Rate Schedule includes wheeling of electric power and energy over interconnected high voltage transmission system network consisting of transmission line and substation facilities rated 115 kV and above. All transmission lines rated 115 kV and above and substation facilities that provide for transformation to voltages at or above 115 kV are, for purposes of this GFPS Rate Schedule, included as transmission line facilities. Such facilities may be owned and operated by NPPD or by other transmission providers and used to provide services under Total Requirements Wholesale Contracts. The transmission line charges set forth in Section 4 will be applicable to any Customer purchasing power and energy from NPPD under the provisions of this GFPS Rate Schedule.
- B. Where NPPD has provided or where NPPD is assessed a wheeling charge by another transmission provider for the provision of the high voltage transmission substation facilities required for the first transformation below 115 kV for one or more of its Points of Delivery, the transmission substation charge set forth in Section 4 will be applicable to power and energy deliveries at such Points of Delivery.
- C. The rates, charges, terms and conditions for transmission and ancillary services included in this GFPS Rate Schedule shall constitute the Transmission Rate Schedule as defined in the Wholesale Power Contract.

SECTION 8. POWER FACTOR ADJUSTMENT

If a Customer's power factor at any Point of Delivery at the time of the highest Measured Demand(s) used in the Billing Demand determination is less than ninety percent (90%), NPPD may adjust such demand for such Point of Delivery to ninety percent (90%) of the corresponding kVA.

SECTION 9. IRRIGATION PUMPING ALLOWANCE

- A. The total Irrigation Pumping Allowance (WAPA power designated for irrigation pumping) to be allocated by NPPD is 100 megawatts. NPPD allocated, based on the

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connected horsepower on July 15, 1971, the proportionate share of the Irrigation Pumping Allowance to each Customer for the rate period 1972 and 1973 and thereafter. NPPD will recognize variations from this allocation among Customers unanimously agreed upon by such Customers. When requested by resolution of the governing bodies of one-half of the Customers previously receiving an Irrigation Pumping Allocation from NPPD as listed on the current Irrigation Pumping Allocation listing on file with the Assistant Secretary of NPPD (hereinafter called "Irrigation Pumping Allocation Exhibit"), NPPD will reallocate at the beginning of any subsequent Rate Period based on the connected horsepower on July 15 of the year immediately preceding such Rate Period. Reallocations will be done in the proportion that the individual Customer's total connected irrigation pump horsepower is to the total irrigation pump horsepower of all customers of NPPD then eligible to receive a portion of the Irrigation Pumping Allowance from NPPD; provided, however, the prior allocation of the Irrigation Pumping Allowance shall not be decreased more than five percent (5%) to any Customer during any one reallocation. Allocations of the 100 MW of Irrigation Pumping Allowance will include an additional six percent (6%) for diversity less four percent (4%) for losses from the inlet of NPPD's transmission system to Bus A. If and when this GFPS Rate Schedule specifies the Customers' production billing demands shall be determined on an NPPD-system coincident basis, then this additional adjustment for diversity shall no longer be applicable. Should WAPA withdraw or reduce to NPPD power designated for irrigation pumping application under WAPA Seasonal Power, NPPD shall replace such amount withdrawn or reduced up to a maximum of 50 MW from WAPA Peaking Power subject to the provisions of the Wholesale Power Contract.

- B. At the time of reallocation each Customer then eligible to receive an Irrigation Pumping Allocation shall certify in writing their connected irrigation horsepower by customer (name and pump location) and their connected irrigation pumps by nameplate horsepower as of July 15 of the year preceding a new Rate Period. The certificate shall be submitted to NPPD when requested by NPPD.
- C. The Irrigation Pumping Allocation shall be the amount of WAPA power and energy designated for irrigation pumping that has been assigned by NPPD to the Customer and shall be applicable during the months of April through October. The Customer's Measured Demand and energy shall be adjusted by the amount of the Customer's Irrigation Pumping Allocation for purposes of computing the production kW billing demands and kilowatt-hour billing energy as provided for in Section 5 of this GFPS Rate

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Schedule. The charges for the Irrigation Pumping Allocation power and energy, as set forth in Section 4, shall be established to recover the cost to NPPD of the WAPA power and energy designated for irrigation pumping.

SECTION 10. CUSTOMER GENERATION

- A. All Distributed Generation and Local Generation installations shall follow the requirements and provisions included in NPPD's Standard for Wholesale Customer Generation.
- B. Emergency Backup Distributed Generators: No adjustment shall be made to the Customer's Billing Demands or Billing Energy for such Distributed Generation installations, and NPPD shall make no payment for the output or capacity of such generator(s) (except in the special case where the generator is taking service under the Energy Curtailment Program Rate Schedule). If the generator is operated other than for emergency backup purposes or when participating in the ECP, then it will be treated according to the provisions of the applicable paragraph C or D of Section 10 below.
- C. Qualifying Generators
- (1) Qualifying Small Distributed Generators
- (a) Option 1: NPPD will not adjust the Customer's power bill for the output of these generators. The output will offset the Customer's demand and energy quantities purchased from NPPD. The Customer is thereby compensated for all of the generator's output at NPPD's wholesale GFPS rates.
- (b) Option 2: At the option of the Customer and Customer Generator, the purchase obligation may be transferred from the Customer to NPPD. In such case, the billing and payment provisions will be the same as Option 1 for Qualifying Large Distributed Generators.
- (2) Qualifying Large Distributed Generators
- (a) Option 1: Simultaneous Buy/Sell. The generator shall be metered, and NPPD shall add the hourly output of the generator into the Customer's other metered

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loads (if appropriate based on the meter configuration) to determine the Customer's total load (including the load served by the generator) when determining the power bill for the Customer. NPPD will pay the Customer for the output of the generator at NPPD's Avoided Costs, or at the mutually agreed price stated in the written purchase agreement among NPPD, Customer and Customer Generator. The Customer with these generators is required to take service under the Simultaneous Buy/Sell Rate Schedule. Whether the Avoided Cost methodology or mutually agreed pricing is used, the pricing for the generator output will be determined on a case-specific basis depending upon several factors as described in the Simultaneous Buy/Sell Rate Schedule.

- (b) Option 2: Standby Service. NPPD will sell standby service to the Customer for the production demand and energy, transmission, and ancillary services to be included with the remainder of the Customer's sale of standby service to the End-Use Customer that has requested standby service. The generator shall be metered to provide hourly data to determine the billing determinants for the Customer for its provision of the various standby services selected by the generator. The Customer with these generators is required to take service under the Standby Service Rate Schedule. The Customer will provide the standby service to the Customer Generator through its own rate schedule.
- (c) If a written agreement with NPPD under either Option 1 or Option 2 is not executed by the Customer and/or Customer Generator, NPPD shall include a stranded cost charge on the Customer's wholesale purchase power bill for each Billing Period. This stranded cost charge shall be equal to: 1) The Customer's production demand and energy cost calculated under this GFPS Rate Schedule if the Customer Generator had not operated during the Billing Period, minus 2) The Customer's production demand and energy cost calculated under this GFPS Rate Schedule taking into account the reduced billing units due to the operation of the Customer Generator during the Billing Period, minus 3) NPPD's Avoided Cost applied to the actual output of the Customer Generator during the Billing Period. The stranded cost charge shall not be less than zero.

(3) Qualifying Small Local Generators

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- (a) For generators below an aggregate limit of the greater of 2,000 kW or 3% of the Customer's peak annual load:
- (i) Option 1: NPPD will not adjust the Customer's power bill for the output of these generators. The output will offset the Customer's demand and energy quantities purchased from NPPD. The Customer is thereby compensated for all of the generator's output at NPPD's wholesale GFPS rates.
 - (ii) Option 2: At the option of the Customer and Customer Generator, the purchase obligation may be transferred from the Customer to NPPD. In such case, the billing and payment provisions will be the same as for Qualifying Large Local Generators.
- (b) For generators above an aggregate limit of the greater of 2,000 kW or 3% of the Customer's peak annual load, the billing and payment provisions for such generators will be the same as for Qualifying Large Local Generators.
- (4) Qualifying Large Local Generators: The generator shall be metered, and NPPD shall add the hourly output of the generator into the Customer's other metered loads (if appropriate based on the meter configuration) to determine the Customer's total load (including the load served by the generator) when determining the power bill for the Customer. NPPD will pay the Customer for the output of the generator at NPPD's Avoided Costs, or at the mutually agreed price stated in the written purchase agreement between NPPD, Customer and Customer Generator. This procedure is equivalent to the buy portion of a Simultaneous Buy/Sell arrangement. The Customer with these generators is required to take service under the Simultaneous Buy/Sell Rate Schedule. Whether the Avoided Cost methodology or mutually agreed pricing is used, the pricing for the generator output will be determined on a case-specific basis depending upon several factors as described in the Simultaneous Buy/Sell Rate Schedule. If a written purchase agreement with NPPD is not executed by the Customer and/or Customer Generator, NPPD shall include a stranded cost charge on the Customer's wholesale purchase power bill for each Billing Period. This stranded cost charge shall be equal to: 1) The Customer's production demand and energy cost calculated under this GFPS Rate Schedule if the Customer Generator had not

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operated during the Billing Period, minus 2) The Customer's production demand and energy cost calculated under this GFPS Rate Schedule taking into account the reduced billing units due to the operation of the Customer Generator during the Billing Period, minus 3) NPPD's Avoided Cost applied to the actual output of the Customer Generator during the Billing Period. The stranded cost charge shall not be less than zero. The stranded cost charge shall be calculated based only on the portion of the specific Customer Generator output that is above an aggregate limit of the greater of 2,000 kW or 3% of the Customer's peak annual load.

D. Non-Qualifying Generators

- (1) Non-Qualifying Small Distributed Generators: NPPD will not adjust the Customer's power bill for the output of these generators. The output will offset the Customer's demand and energy quantities purchased from NPPD. The Customer is thereby compensated for all of the generator's output at NPPD's wholesale GFPS rates.
(2) Non-Qualifying Large Distributed Generators: The generator shall be metered, and NPPD shall add the hourly output of the generator into the Customer's other metered loads (if appropriate based on the meter configuration) to determine the Customer's total load (including the load served by the generator) when determining the power bill for the Customer. NPPD will pay the Customer for the output of the generator at NPPD's Avoided Costs, or at the mutually agreed price stated in the written purchase agreement among NPPD, Customer and Customer Generator. This procedure is referred to as a Simultaneous Buy/Sell. The Customer with these generators is required to take service under the Simultaneous Buy/Sell Rate Schedule. Whether the Avoided Cost methodology or mutually agreed pricing is used, the pricing for the generator output will be determined on a case-specific basis depending upon several factors as described in the Simultaneous Buy/Sell Rate Schedule.
(3) Non-Qualifying Small Local Generators: NPPD can exercise its sole discretion in the purchase of such power as to whether to purchase or not and under what terms it is willing to accept. Such generator cannot be used by the Customer to reduce its demand and energy quantities purchased from NPPD unless the Customer has

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exercised its option to limit/reduce its purchases from NPPD in accordance with the provisions of the Wholesale Power Contract.

- (4) Non-Qualifying Large Local Generators will be treated under the same provisions as for Non-Qualifying Small Local Generators.

SECTION 11. MODIFICATION OF SCHEDULE

NPPD retains and reserves the right, power and authority to modify, revise, amend, replace or repeal this GFPS Rate Schedule, in whole or in part, by resolution adopted by the NPPD Board of Directors.

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PSC 1-1f(2) Attachment

Filed under petition for confidential treatment



BIG RIVERS ELECTRIC CORPORATION

**BIG RIVERS ELECTRIC CORPORATION'S FILING OF WHOLESALE
CONTRACTS PURSUANT TO KRS 278.180 and 807 KAR 5:011 §13
CASE NO. 2014-00134**

**Response to Commission Staff's
Initial Request for Information
Dated June 27, 2014**

July 16, 2014

1 **Item 2) State whether Big Rivers anticipates that it would need to return an idled**
2 **generating unit to service in order to meet the requirements of the PPAs. If yes,**
3 **identify the unit and provide the annual fixed-cost savings realized by idling the unit.**

4

5 **Response) No.**

6

7 **Witness) Lindsay N. Barron**



BIG RIVERS ELECTRIC CORPORATION

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CONTRACTS PURSUANT TO KRS 278.180 and 807 KAR 5:011 §13
CASE NO. 2014-00134**

**Response to Commission Staff's
Initial Request for Information
Dated June 27, 2014**

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1 **Item 3) State whether the amount received by Big Rivers under the PPAs will**
2 **exceed the variable costs of providing service under the PPAs. Include supporting**
3 **documentation in the response.**

4

5 **Response)** The revenues received by Big Rivers will exceed the variable costs of
6 providing service under the PPAs. An estimate of the gross margins (revenues in excess of
7 variable costs) for the PPAs under a number of sensitivities is provided in the confidential
8 attachment to this response. Please note that in the Base Case analysis, PPA sales are
9 estimated to add [REDACTED] in gross margins over the contract period.

10

11 **Witness) Lindsay N. Barron**

Case No. 2014-00134

PSC 1-3 Attachment

Filed under petition for confidential treatment