

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF)
THE FUEL ADJUSTMENT CLAUSE OF BIG)
RIVERS ELECTRIC CORPORATION FROM JULY) CASE NO. 2010-00495
17, 2009 THROUGH OCTOBER 31, 2010)

COMMISSION STAFF'S SECOND DATA REQUEST TO
BIG RIVERS ELECTRIC CORPORATION

Big Rivers Electric Corporation ("Big Rivers") is to file with the Commission the original and ten (10) copies of the following information, with a copy to all parties of record. The information requested herein is due no later than March 7, 2011. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Big Rivers shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

Big Rivers fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to the Direct Testimony of Mark A. Davis, filed February 14, 2011, pages 6 and 7 of 8. Starting at page 6, Mr. Davis states that Big Rivers is proposing a base rate change from 1.0720 cents per kWh to 2.0932 cents per kWh, a roll-in of fuel costs to the base rate of 1.0212 cents per kWh. Mr. Davis also discusses the Economic Reserve account and the Member Rate Stability Mechanism ("MSRM"). At the top of page 7, Mr. Davis states that the MSRM is "a tariff rider through which Big Rivers refunds to its members amounts in the Economic Reserve account to help offset FAC and environmental surcharge charges."

a. Would Big Rivers agree that, under normal circumstances, a roll-in of fuel costs to the base rate would have no effect on a customer's total bill because it is a shift from the monthly FAC to the base rate? If no, explain.

b. If Big Rivers rolls in a portion of fuel costs into its base rates, the amount to be recovered through the FAC will be less than it would have been if no change was made. Given that the MSRM is used to offset the FAC charge, is it accurate to say that rolling additional fuel costs into base rates would result in higher

bills for customers than if Big Rivers made no change to its base fuel rates since fuel costs rolled into base rates would no longer be offset by the MSRM? Explain your response.



Jeff Derouen
Executive Director
Public Service Commission
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DATED **FEB 25 2011**

cc: Parties of Record

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