

SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC

ATTORNEYS AT LAW

RECEIVED

JUN 24 2011

PUBLIC SERVICE
COMMISSION

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
Susan Montalvo-Gesser
Mary L. Moorhouse

June 23, 2011

Via Federal Express

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

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 for filing on behalf of Big Rivers Electric Corporation ("Big Rivers") are an original and ten copies of the following: (1) Big Rivers' Third Supplemental Response to its response to Commission Staff's Initial Request for Information dated February 18, 2011, Item 52; (2) Big Rivers' Second Supplemental Response to its response to Commission Staff's Second Request for Information dated April 1, 2011, Item 6; (3) Big Rivers' First Supplemental Response to its response to Commission Staff's Third Request for Information dated April 28, 2011, Item 3; (4) Big Rivers' First Supplemental Response to its response to the Attorney General's Initial Request for Information dated March 30, 2011, Item 8; (5) Big Rivers' First Supplemental Response to its response to Kentucky Industrial Utility Customers, Inc.'s First Set of Data Requests dated April 1, 2011, Item 110; (6) Big Rivers' Third Supplemental Response to its response to Kentucky Industrial Utility Customers, Inc.'s First Set of Data Requests dated April 1, 2011, Item 63; and (7) Big Rivers' First Supplemental Response to its response to Kentucky Industrial Utility Customers, Inc.'s Second Set of Data Requests dated April 28, 2011, Item 33. I certify that a copy of this letter and these supplemental responses have been served on each party of record.

Sincerely,



Tyson Kamuf

TAK/ej
Enclosures

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

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

cc: Mark A. Bailey
Albert Yockey
Douglas Beresford, Esq.
Service List

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

Dennis G. Howard, II, Esq.
Lawrence W. Cook, Esq.
Assistant Attorneys General
1024 Capital Center Drive
Suite 200
Frankfort, KY 40601-8204

Sanford Novick
President and CEO
Kenergy Corp.
3111 Fairview Drive
P.O. Box 1389
Owensboro, Kentucky 42302-1389

Michael L. Kurtz, Esq.
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OH 45202
**COUNSEL FOR KENTUCKY
INDUSTRIAL UTILITY CUSTOMERS,
INC.**

G. Kelly Nuckols
President and CEO
Jackson Purchase Energy Corporation
2900 Irvin Cobb Drive
P.O. Box 4030
Paducah, KY 42002-4030

David C. Brown, Esq.
Stites & Harbison
1800 Providian Center
400 West Market Street
Louisville, KY 40202
**COUNSEL FOR ALCAN PRIMARY
PRODUCTS CORPORATION**

Burns E. Mercer
President/CEO
Meade County R.E.C.C.
1351 Highway 79
P.O. Box 489
Brandenburg, KY 40108-0489

J. Christopher Hopgood, Esq.
Dorsey, King, Gray, Norment & Hopgood
318 Second Street
Henderson, KY 42420
COUNSEL FOR KENERGY CORP.

Melissa D. Yates
Denton & Keuler, LLP
555 Jefferson Street
P.O. Box 929
Paducah, KY 42002-0929
**COUNSEL FOR JACKSON PURCHASE
ENERGY CORPORATION**

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2011-00036**

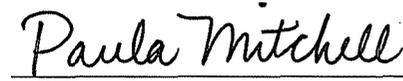
VERIFICATION

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


Mark A. Hite

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Mark A. Hite on this the 22nd day of June, 2011.

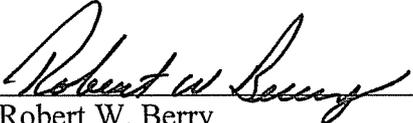

Notary Public, Ky. State at Large
My Commission Expires 1-12-13

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2011-00036**

VERIFICATION

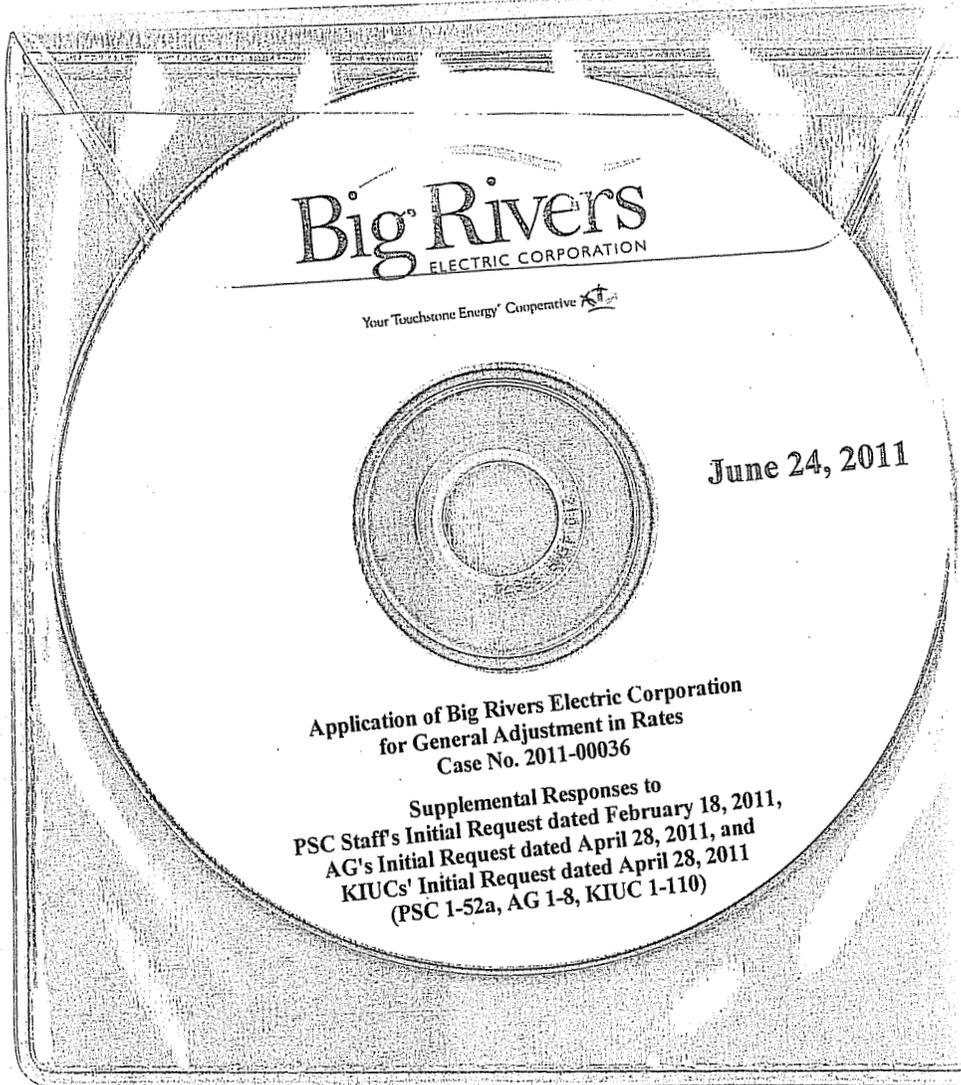
I, Robert W. Berry, verify, state, and affirm that I prepared or supervised the preparation of my data responses filed with this Verification, and that those data responses are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.


Robert W. Berry

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Robert W. Berry on this the 24th day of June, 2011.


Notary Public, Ky. State at Large
My Commission Expires 1-12-13



BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2011-00036**

**Supplemental Responses to
Commission Staff's Initial Request for Information dated February 18, 2011,
Office of the Attorney General's Initial Request for Information date April 28, 2011, and
Kentucky Industrial Utility Customers' Initial Request for Information dated April 28, 2011**

June 24, 2011

Information filed on CD accompanying responses

PSC 1-52a - Rate Case Invoices [Third Supplemental Response]	
AG 1-8 - Big Rivers 2010 PSC Annual Report [First Supplemental Response]	
KIUC 1-110 - 2010 Big Rivers Annual Report [First Supplemental Response]	

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2011-00036**

**Supplemental Response to Commission Staff's
Initial Request for Information
dated February 18, 2011**

June 24, 2011

1 **Item 52)** *Provide the following information concerning the costs for the preparation of*
2 *this case:*

3

4 **a.** *A detailed schedule of costs incurred to date for the following categories:*

5 *(1) Accounting;*

6 *(2) Engineering;*

7 *(3) Legal;*

8 *(4) Consultants; and*

9 *(5) Other Expenses (identify separately).*

10 *For each category, the schedule should include the date of each*
11 *transaction, check number or other document reference, the vendor, the*
12 *hours worked, the rates per hour, amount, a description of the services*
13 *performed, and the account number in which the expenditure was*
14 *recorded. Provide copies of contracts or other documents that support*
15 *charges incurred in the preparation of this case. Identify any costs*
16 *incurred for this case that occurred during the test year.*

17 **b.** *An itemized estimate of the total cost to be incurred for this case.*

18 *Expenses should be broken down into the same categories as identified in*
19 *(a) above, with an explanation of how the estimate was determined, along*
20 *with all supporting workpapers and calculations.*

21 **c.** *Provide monthly updates of the actual costs incurred in conjunction with*
22 *this rate case during the course of this proceeding, in the manner*
23 *prescribed above.*

24

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2011-00036**

**Supplemental Response to Commission Staff's
Initial Request for Information
dated February 18, 2011**

June 24, 2011

1 **Response)**

- 2 a. Copies of invoices supporting additional charges incurred are provided on
3 the CD accompanying these responses. Big Rivers has redacted the detailed
4 descriptions of time entries on the basis of attorney work product and
5 attorney-client privilege.
6 b. There is no change to the response provided on March 18, 2011.
7 c. Please see Big Rivers' response to Item 52a above. Also, Big Rivers
8 attaches hereto an updated schedule of rate case costs incurred to-date
9 through April 2011.

10

11 **Witness)** Mark A. Hite

12

Big Rivers Electric Corporation

Case No. 2011-00036

Monthly Update of Schedule of Rate Case Costs Incurred-to-Date for Case No. 2011-00036

Line No.	Check Number	Check Date	Vendor	Invoice Number	Amount	Account	Description	Test Year
1	503698	40599	Sullivan, Mountjoy, Stainback & Miller	105659	\$ 16,098.50	928	Legal	
2	504944	40640	Public Financial Management	PFM-116903-0-0	25,000.00	928	Consulting	
3	504987	40640	Burns & McDonnell	57670-9	8,922.00	928	Engineering	
4	505316	40647	The Prime Group		19,978.96	928	Consulting	
5			Total - April 2011		\$ 69,999.46			
6								
7			To-Date March 2011		577,199.73			
8			To-Date April 2011		\$ 647,199.19			
9								

Case No. 2011-00036

Witness: Mark A. Hite

Attachment for Third Supplemental Response to Item PSC 1-52c

Page 1 of 1

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2011-00036**

**Supplemental Response to Commission Staff's
Second Request for Information
dated April 1, 2011**

June 24, 2011

- 1 **Item 6)** *Refer to pages 31-32 of the Blackburn Testimony and Exhibit Wolfram-2,*
2 *Reference Schedule 2.25, to the Direct Testimony of John Wolfram ("Wolfram Testimony").*
3 *a. Provide a breakdown, by month, of the \$2,712,026 in Outside Professional*
4 *Services expenses incurred during the test year.*
5 *b. Provide the amount of Outside Professional Services expenses incurred by*
6 *Big Rivers each year from 2005 through 2009.*
7 *c. Excluding the costs associated with this rate case and cases involving Big*
8 *Rivers' membership in the Midwest Independent Transmission System*
9 *Operator, Inc. ("Midwest ISO"), provide Big Rivers' Outside Professional*
10 *Services expenses incurred since the end of the test year on a monthly*
11 *basis. Consider this an ongoing request to be updated by the 15th of the*
12 *month, to report the prior month's expense, for each month up to an*
13 *including the month of the hearing in this case.*
14

15 **Response)**

- 16 a. The response provided on April 15, 2011, is unchanged.
17 b. The response provided on April 15, 2011, is unchanged.
18 c. Outside Professional Services expenses incurred, by month, for each of the
19 months November 2010 through April 2011 (note that the original response
20 has been updated to add April 2011), excluding costs associated with this
21 rate case and the MISO Case (2010-00043), is as follows:
22
23
24

BIG RIVERS ELECTRIC CORPORATION
APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2011-00036

Supplemental Response to Commission Staff's
Second Request for Information
dated April 1, 2011

June 24, 2011

1
2

Month	Amount
Nov-10	224,320.45
Dec-10	515,311.63
Jan-11	21,541.94
Feb-11	169,538.22
Mar-11	170,902.36
Apr-11	333,899.83
6 Month Total	1,435,514.43
Annualized	2,871,028.86

3
4
5
6
7
8
9
10
11
12

Big Rivers will provide its monthly Outside Professional Services expenses for each month up to and including the month of the hearing in this rate case as soon as the data becomes available upon the closing of the related monthly books.

Witness) Mark A. Hite

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2011-00036**

**Supplemental Response to Commission Staff's
Third Request for Information
dated April 28, 2011**

June 24, 2011

- 1 **Item 3)** *Refer to the response to Item 9 of Staffs Second Request.*
2 *a. The response indicates that monthly kWh sales and revenues for the*
3 *Armstrong - Equality mine increased by roughly 100 percent starting in*
4 *October 2010, and have remained at, or above, those levels in the five*
5 *months since the end of the test year. Explain whether the mine is now*
6 *operating at what could be considered its "full capacity."*
7 *b. Explain whether there is reason to expect that Big Rivers' monthly sales*
8 *and revenues related to operation of the Armstrong - Equality mine will*
9 *increase above the levels experienced since October 2010.*
10 *c. During the course of this proceeding, provide updates to this response as*
11 *new monthly information becomes available.*

12
13 **Response)**

- 14 a. The response provided on May 11, 2011, is unchanged.
15 b. The response provided on May 11, 2011, is unchanged.
16 c. The updated schedule is attached hereto. Big Rivers will provide monthly
17 updates of this information for each month up to and including the month of
18 the hearing in this rate case as soon as the data becomes available upon the
19 closing of the related monthly books.

20
21
22 **Witness)** Mark A. Hite
23

Big Rivers Electric Corporation
Case No. 2011-00036
Sales to Kenergy - Armstrong-Equality Mine

	(1)	(2)	(3)	(4)	(5)
			Sales (KWH)	Revenue (\$)	Billed Demand (KW)
1					
2	<u>Test Year</u>				
3		Nov-09	0	0	0
4		Dec-11	0	0	0
5		Jan-11	0	0	0
6		Feb-11	0	0	0
7		Mar-11	11,030	14,724	1,425
8		Apr-11	29,610	28,652	2,760
9		May-11	83,790	30,128	2,760
10		Jun-10	72,340	29,006	2,760
11		Jul-10	110,001	30,445	2,760
12		Aug-10	97,740	30,460	2,760
13		Sep-10	430,190	38,109	2,760
14		Oct-10	837,780	50,452	2,885
15					
16	<u>Post Test Year</u>				
17		Nov-10	842,330	50,013	2,848
18		Dec-10	852,920	49,791	2,760
19		Jan-11	997,060	50,146	2,760
20		Feb-11	1,037,910	55,270	3,018
21		Mar-11	1,266,680	64,465	3,068
22		Apr-11	1,299,243	64,702	3,289
23		May-11	1,198,090	61,338	3,049

BIG RIVERS ELECTRIC CORPORATION
APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2011-00036

Supplemental Response to the Office of the Attorney General's
Initial Request for Information
dated March 30, 2011

June 24, 2011

1 **Item 8)** *Provide the Company's Annual Reports filed with the Kentucky PSC from*
2 *2006 through 2010. If the 2010 report is not yet available, will the company agree to timely*
3 *supplement its response hereto by providing a copy of the report when it is ready for filing?*
4

5 **Response)** Big Rivers' 2010 Annual report which was filed with the Kentucky Public
6 Service Commission is provided on the CD accompanying these responses.
7

8
9 **Witness)** Mark A. Hite
10
11
12
13

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2011-00036**

**Supplemental Response to the Kentucky Industrial Utility Customers'
Initial Request for Information
dated April 1, 2011**

June 24, 2011

1 **Item 110)** *Please provide a copy of the Company's 2010 Annual Report.*

2

3 **Response)** A copy of Big Rivers' 2010 Annual Report is provided on the CD
4 accompanying these responses.

5

6

7 **Witness)** C. William Blackburn

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2011-00036**

**Supplemental Response to the Kentucky Industrial Utility Customers'
Initial Request for Information
dated April 1, 2011**

June 24, 2011

1 **Item 63)** *Please provide the current balance (as of February 2011 or March 2011, if*
2 *available) in the Economic Reserve Fund and the Rural Economic Reserve ("RER") fund.*
3 *This should be considered a continuing request and updates should be provided monthly as*
4 *actual information for each succeeding month is available.*

5

6 **Response)** The balance in the Economic Reserve as of April 30, 2011, including accrued
7 interest, was \$113,287,246.76. The balance in the Rural Economic Reserve as of April 30, 2011,
8 including accrued interest, was \$62,728,386.91.

9

10

11 **Witness)** Mark A. Hite

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2011-00036**

**Supplemental Response to the Kentucky Industrial Utility Customers'
Second Request for Information
dated April 28, 2011**

June 24, 2011

1 **Item 33)** *Refer to the Prod_WP3 tab in the excel workbook provided in response to*
2 *KIUC 1-37, which provides the project detail supporting the non-labor non-planned outage*
3 *O&M expense proforma adjustment summarized on Exhibit Wolfram-2 Reference Schedule*
4 *2.10. Please provide the actual non-labor non-planned outage O&M expense for the 12*
5 *months ending each month June 2010 through December 2011 in the same level of detail as*
6 *shown on the referenced tab.*

7

8 **Response)** The information provided in Big Rivers' response of May 11, 2011 remains
9 unchanged. That information has been updated to include information for the May 2010 to
10 April 2011, and the June 2010 to May 2011 time periods. That updated information is
11 provided on the attached schedule.

12

13

14 **Witness)** Robert W. Berry

15

Big Rivers Electric Corporation
Case No. 2011-00036
Big Rivers Non-Labor Non-Planned Outage Expense

Line No.	Account	July 17, 2009* - June 2010	Aug-2009 to July-2010	Sep-2009 to Aug-2010	Oct-2009 to Sep-2010	Nov-2009 to Oct-2010	Dec-2009 to Nov-2010	Jan-2010 to Dec-2010	Feb-2010 to Jan-2011	Mar-2010 to Feb-2011	Apr-2010 to Mar-2011	May-2010 to Apr-2011	June-2010 to May-2011
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	501000	1,640,942	1,616,632	1,783,649	1,747,516	1,721,206	1,831,042	1,840,885	1,877,908	1,869,600	1,897,971	1,929,107	1,972,137
2	502000	1,340,911	1,292,037	1,476,644	1,511,922	1,883,948	1,900,105	1,903,384	1,985,465	1,927,308	1,994,396	1,938,498	1,945,540
3	505000	266,767	260,751	283,304	276,199	242,329	294,013	302,238	285,189	226,079	230,892	221,954	234,165
4	506000	3,821,458	3,720,428	4,292,406	4,494,072	4,518,473	3,900,283	3,976,100	4,021,952	4,055,582	3,882,581	3,782,797	3,807,265
5	511000	2,171,347	2,104,148	2,533,995	2,661,038	2,331,597	3,192,884	2,744,698	2,894,853	2,916,858	3,028,359	3,091,128	2,948,718
6	512000	12,625,137	12,256,855	14,171,119	14,905,785	16,064,880	15,992,967	15,684,549	15,744,810	15,794,329	15,657,550	15,640,529	15,778,671
7	513000	1,850,133	1,801,363	2,061,750	2,085,273	2,118,047	2,327,313	2,004,863	2,001,209	2,032,784	2,294,499	2,225,865	2,277,716
8	514000	897,527	875,633	849,071	808,987	706,467	977,595	1,064,988	1,151,872	1,214,137	1,372,078	1,419,024	1,526,809
9	553000	266,945	259,028	455,123	527,725	527,877	572,832	658,044	676,917	684,345	673,414	674,293	688,843
10	555150	2,978,350	2,851,925	3,080,539	3,067,981	3,102,043	3,111,652	3,116,585	3,113,972	3,064,932	2,897,995	3,792,367	4,057,978
11	Total	27,859,519	27,038,799	30,987,599	32,086,497	33,216,868	34,100,686	33,296,335	33,754,147	33,785,954	33,929,734	34,715,562	35,237,842

12
13 *Post Unwind - Only includes 15 days of expenses in July 2009