

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

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PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS)
ELECTRIC CORPORATION, INC.)
FOR APPROVAL OF ITS)
2012 ENVIRONMENTAL COMPLIANCE PLAN,)
FOR APPROVAL OF ITS AMENDED)
ENVIRONMENTAL COST RECOVERY)
SURCHARGE TARIFF, FOR CERTIFICATES OF)
PUBLIC CONVENIENCE AND NECESSITY,)
AND FOR AUTHORITY TO ESTABLISH)
A REGULATORY ACCOUNT)

Case No. 2012-00063

ATTORNEY GENERAL'S INITIAL DATA REQUESTS

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Initial Requests for Information to Big Rivers Electric Corporation, Inc. [hereinafter referred to as "BREC"] to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Please identify the witness who will be prepared to answer questions concerning each request.

(3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for BREC with an electronic version of these questions, upon request.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, 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.

(6) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys,

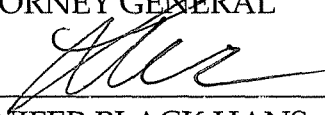
studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

Respectfully submitted,
JACK CONWAY
ATTORNEY GENERAL



JENNIFER BLACK HANS
DENNIS G. HOWARD, II
LAWRENCE W. COOK
MATT JAMES
ASSISTANT ATTORNEYS GENERAL
1024 CAPITAL CENTER DRIVE
SUITE 200
FRANKFORT KY 40601-8204
(502) 696-5453
FAX: (502) 573-8315

Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

Mark A. Bailey
President and CEO
Big Rivers Electric Corporation
201 3rd St.
Henderson, KY 42420

Robert W. Berry, Vice President
Production
Big Rivers Electric Corporation
201 3rd St.
Henderson, KY 42420

Hon. James M. Miller
Hon. Tyson Kamuf
Sullivan, Mountjoy, Stainback & Miller, PSC
P.O. Box 727
Owensboro, KY 42302-0727

Hon. Michael L. Kurtz
Boehm, Kurtz & Lowry
36 E. 7th St.
Ste. 1510
Cincinnati, Ohio 45202

Albert Yockey, Vice President,
Governmental Relations & Enterprise Risk
Management
Big Rivers Electric Corporation
201 3rd St.
Henderson, KY 42420

Joe Childers
Joe F. Childers & Associates
300 Lexington Building
201 West Short Street
Lexington, KY 40507

this 7th day of May, 2012



Assistant Attorney General

Application of Big Rivers Electric Corporation, Inc.
For Approval of its 2012 Environmental Compliance Plan, Amended Environmental
Cost Recovery Surcharge Tariff, for Certificates of Public Convenience
and Necessity, and for Authority to Establish a Regulatory Account
Case No. 2012-00063
Attorney General's Initial Data Requests

1. What is the actual, average usage for BREC's rural class of customers for the past five years?
 - a. Provide a chart depicting the amount by which each such customer's bill will increase, both in a dollar amount, and on a percentage basis. The percentage basis should reflect the percent of increase based on the company's current ECR billings. This should be provided on the basis of BREC's wholesale rates.
 - b. Provide also the information indicated in subpart (a), above, broken down by the three member cooperative's data for each of their own average rural class customers. The percentage basis should reflect the percent of increase based on each member cooperative's current ECR billings.

2. What is the actual, average monthly usage for BREC's large industrial class customers of for the past five years?
 - a. Provide a chart depicting the amount by which each such customer's bill will increase, both in a dollar amount, and on a percentage basis. The percentage basis should reflect the percent of increase based on the company's current ECR billings. This should be provided on the basis of BREC's wholesale rates.
 - b. Provide also the information indicated in subpart (a), above, broken down by the three member cooperative's data for each of their own average rural class customers. The percentage basis should reflect the percent of increase based on each member cooperative's 's current ECR billings.

3. What is the actual, average monthly usage for the two smelters for the past five years?
 - a. Provide a chart depicting the amount by which both smelter's bill will increase, both in a dollar amount, and on a percentage basis. The percentage basis should reflect the percent of increase based on the company's current ECR billings. This should be provided on the basis of BREC's wholesale rates.
 - b. If the smelters' ECR sums are actually billed by Kenergy, provide data depicting the projected increases, both in dollar amounts and on a

Application of Big Rivers Electric Corporation, Inc.
For Approval of its 2012 Environmental Compliance Plan, Amended Environmental
Cost Recovery Surcharge Tariff, for Certificates of Public Convenience
and Necessity, and for Authority to Establish a Regulatory Account
Case No. 2012-00063
Attorney General's Initial Data Requests

percentage basis. The percentage basis should reflect the percent of
increase based on each member cooperative's current ECR billings.

4. State whether the cost estimates in BREC's filing include any estimates for any predicted, or any potential escalation of labor and materials. If so, provide all such data, together with any and all assumptions upon which any such estimate was based. Provide all such information in an Excel spreadsheet, with all formulae intact.
5. Please reference the application in general. State to what extent, if any, BREC considered the availability and cost of purchasing power instead of retrofitting any one, or all of its existing generating units. Provide this information in a chart, per each generating unit, with one column depicting the total sum of all project(s) for that unit which are the subject of this filing, and in another column depict any and all projections of costs for purchased power to replace the generation from each generating unit. The chart should go forward in time for ten (10) years. If not, why not? If so, please explain in detail including any cost studies, analyses, etc.
 - a. If the company has not conducted any studies regarding costs for replacement power, state in complete detail why not.
6. If the proposed deviation from BREC's ECR methodology is approved, will the smelters in essence receive special treatment that they do not otherwise receive under the applicant's current methodology?
7. Reference the filing in general. Please state whether the company anticipates any plant of any type or sort to be decommissioned and/or retired. If so, please state whether the projected costs thereof are included in the total costs which are the subject of this filing.
 - a. With regard to any decommissioning / retirement of plant, provide a chart depicting the impact of these costs, broken down by ratepayer class. Provide this information both in wholesale rates BREC will charge its members, as well as in retail rates the three member cooperatives will charge to their customers, broken down by ratepayer class.

Application of Big Rivers Electric Corporation, Inc.
For Approval of its 2012 Environmental Compliance Plan, Amended Environmental
Cost Recovery Surcharge Tariff, for Certificates of Public Convenience
and Necessity, and for Authority to Establish a Regulatory Account
Case No. 2012-00063
Attorney General's Initial Data Requests

- b. With regard to any decommissioning / retirement, provide the impact this will have on BREC's depreciation rates.
8. Please refer to the Application at p. 7, paragraph 16. Please identify where in the 2012 Plan, and where in Mr. Berry's testimony, the estimated capital cost and estimated cost of operation for each of the construction projects listed can be found.
9. Is the company currently a party or amicus in any lawsuits regarding the EPA regulations which necessitated this filing? If so, please provide complete details.
10. If the Commission adopts the 2012 Plan as proposed by BREC, what are the total costs that BREC is seeking to recover through its environmental surcharge tariff? Please provide a specific dollar amount.
11. Please identify and provide a copy of the agreement between HMP&L and BREC regarding the cost share allocation of the retrofits to HMPL 1 & 2.
12. Has BREC investigated or otherwise inquired whether the White House's proposed budget could prevent, impact or otherwise limit RUS funding for the retrofits and other capital projects detailed in the 2012 Plan as proposed? Please provide an explanation for your answer and any communications to or from BREC regarding the White House's proposed budget's impact on RUS funding if it were passed by the U.S. Congress.
 - a. Does the White House's proposed budget prevent, impact or otherwise limit RUS funding for new build projects for coal-fired generation? If so, how does it impact RUS funding? Did BREC consider any such possible limitations in devising its 2012 Plan, and if so, how did that information affect the plan? Provide complete details.
13. If BREC is unable to obtain RUS financing, what other financing will be used and how will that financing affect the total overall costs to be passed on via the environmental surcharge?
 - a. Is BREC willing to consider using as much short-term financing as possible, as opposed to long-term financing? If not, explain in detail why not.

Application of Big Rivers Electric Corporation, Inc.
For Approval of its 2012 Environmental Compliance Plan, Amended Environmental
Cost Recovery Surcharge Tariff, for Certificates of Public Convenience
and Necessity, and for Authority to Establish a Regulatory Account
Case No. 2012-00063
Attorney General's Initial Data Requests

14. Reference the application at paragraph 7 and the application in general. Please provide a comprehensive, detailed summary and timeline pertaining to the applicant's EPA compliance contained within the application. The answer should include the names of any individuals, agents firms or contractors, whether under the direct employment by the applicant, under contract by the applicant, under the supervision of the applicant, or otherwise engaged by the applicant in any fashion who have knowledge of or participated in any way with the compliance plan, including those projects not chosen, in the application. Please provide copies of any and all materials which relate to this question, including but not limited to the following:

- a. Notice of final rule,
- b. Preliminary preparation for compliance, including those for any projects abandoned or rejected,
- c. Preparation schedules for project(s), including any that were rejected or abandoned,
- d. Costs estimates, including for any projects that were rejected or abandoned,
- e. Decision making, at any and all stages, including final one(s), and
- f. Any materials, models, software, studies, and analyses.

If any of the materials are in Excel or other form that contain formulae, please provide them with cells intact.

15. With regard to any and all materials in the application that pertain to or are based upon modeling, please provide any and all inputs that were chosen as well as those that were not chosen.

- a. For any and all inputs used in the modeling, please provide the basis for choosing the use thereof.
- b. For any and all inputs which were considered but not used in the modeling, please provide the basis for choosing not to use them.

16. If any of the materials rejected any particular option for for compliance over another option, please provide a detailed summary and timeline pertaining to the applicant's decision to reject the option.

Application of Big Rivers Electric Corporation, Inc.
For Approval of its 2012 Environmental Compliance Plan, Amended Environmental
Cost Recovery Surcharge Tariff, for Certificates of Public Convenience
and Necessity, and for Authority to Establish a Regulatory Account
Case No. 2012-00063
Attorney General's Initial Data Requests

17. Reference the application at paragraph 8. State the specific total amount of the recovery of costs which the company seeks to recover for projects contained in the 2012 plan, Provide also an annual break down of those costs over the life span of the projects.
18. Reference the application at paragraph 8 and the application in general. Please provide a detailed breakdown of the following:
 - a. O&M costs;
 - b. Property taxes;
 - c. Property insurance;
 - d. Depreciation expense; and
 - e. "other costs," identifying fully the nature of such "other costs."
19. Reference the application at paragraph 9 and Wolfram prefiled testimony and exhibits, in particular Wolfram-6. Please provide the following.
 - a. The actual average usage per month for each customer class taking service under the tariffs listed on Wolfram-6.
 - b. The actual average dollar increase per month requested for each customer class taking service under the tariffs listed on Wolfram-6.
20. Reference the application at paragraph 12. State with specificity the efforts undertaken by the applicant to obtain the air permits and the anticipated date of receipt of the air permits noted therein.
21. Reference the application at paragraph 13. State with specificity the efforts undertaken by the applicant to complete the engineering and design construction of the projects which the applicant has undertaken. In the answer, provide all details including the individuals or entities involved, the costs, the anticipated completion date(s), schedules involved, property procurement process, if any, and all other relevant information for completion of the projects.
22. Provide any economically feasibility tests undertaken by the company with regard to the ability of the end-user to pay his/her/its bill and thus the ability of same to continue to take the projected amount of load and not decrease usage thus affecting the overall demand on the system.

Application of Big Rivers Electric Corporation, Inc.
For Approval of its 2012 Environmental Compliance Plan, Amended Environmental
Cost Recovery Surcharge Tariff, for Certificates of Public Convenience
and Necessity, and for Authority to Establish a Regulatory Account
Case No. 2012-00063
Attorney General's Initial Data Requests

23. Provide projected load growth, or lack thereof, for the next ten years for each customer class by tariff. If possible, provide also a breakdown of the information by each distribution cooperative.
24. Reference the application at paragraph 15. State with specificity, if known, the anticipated approach, and the likelihood of obtaining same, for the refinancing of the proposed construction projects in the application.
25. Reference the application at paragraph 18. State with specificity the time period, the amount, the purpose and the entity associated with the costs incurred in developing the application.
26. Reference the application at exhibit 2 in which the notice to the ratepayers. Where is the actual dollar amount listed?
27. Provide copies of any and all correspondence, information, studies, analyses, etc. that were exchanged or communicated between S&L, DPI and BREC related to the work performed by S&L or DPI on behalf of BREC. (In the answer, provide a copy of the contract between BREC and S&L and DPI.)
28. What is the current cost of the work performed by S&L for BREC?
29. What is the expected total cost of the work for BREC by S&L and DPI?
30. Please provide copies of any and all communications between BREC and its Member Co-ops regarding the impact of the 2012 Plan on residential ratepayers.
31. Please provide copies of all presentations BREC made to rating agencies and/or investment firms between January 1, 2010 and the present.
32. Please provide copies of all prospectuses for any security issuances by BREC between January 1, 2009 and the present.
33. Please provide copies of credit reports for BREC between January 1, 2010 and the present from the major credit rating agencies published since January 1, 2010.

Application of Big Rivers Electric Corporation, Inc.
For Approval of its 2012 Environmental Compliance Plan, Amended Environmental
Cost Recovery Surcharge Tariff, for Certificates of Public Convenience
and Necessity, and for Authority to Establish a Regulatory Account
Case No. 2012-00063
Attorney General's Initial Data Requests

34. Please provide any and all corporate credit and bond ratings assigned to BREC since the year 2008 by S&P, Moody's, and Fitch. For any change in the credit and/or bond rating, please provide a copy of the associated report.
35. Please provide a copy of: (1) the documents detailing the revenue requirement associated with BREC's Environmental Compliance Plan ("ECP"). The summary should include the annual amounts of eligible plant, depreciation, ECP rate base, TIER, operating expenses, any applicable tax rates and adjustment factor, and overall revenue requirements; (2) any applicable data and work papers in both hard copy and electronic (Microsoft Excel) formats, with all data and formulae intact.
36. Please provide BREC's authorized and actual earned TIER over the past five years. Please provide all figures used in making any and all necessary calculations. Please provide copies of all associated work papers and source documents, in both hard copy and electronic (Microsoft Excel) formats, with all data and formulae intact.
37. Please provide copies of the financial statements (balance sheet, income statement, statement of cash flows, and the notes to the financial statements) for BREC for the past two years. Please provide copies of such data in both hard copy and electronic (Microsoft Excel) formats, with all data and formulae intact.
38. Please provide:
 - a. all data, work papers, and source documents, and calculations used in developing BREC's long-term and short-term cost rates in the ECP;
 - b. all details, including calculations, amortization tables, and work sheets, related to the amounts for unamortized debt issuance balance and unamortized premium/discount and issuance expenses;
 - c. details of the term loan and senior notes, including (i) issuance date, (ii) debt amounts, (iii) copies of lending agreements and provisions, (iv) copies of all documentation that indicate the pricing and interest rate on the term loan and senior notes;
 - d. all information available on underwriter, underwriting spread, loan placement documents, and/or other information and source documents; and

Application of Big Rivers Electric Corporation, Inc.
For Approval of its 2012 Environmental Compliance Plan, Amended Environmental
Cost Recovery Surcharge Tariff, for Certificates of Public Convenience
and Necessity, and for Authority to Establish a Regulatory Account
Case No. 2012-00063
Attorney General's Initial Data Requests

(e) provide the data and work papers in (a) – (d), in both hard copy and electronic (Microsoft Excel) formats, with all data and formulae intact.

39. Reference the Berry testimony, exhibit 2, p. 2 of 2. Confirm that this indicates additional O & M costs of \$15.73 million to be incurred as of 2023.
- a. Please confirm whether this means that by 2023, the additional O & M costs made necessary as a result of the projects which are the subject of the instant filing will be incurred annually each and every year thereafter.
 - b. Please state whether the total projected costs \$286.14 million for the proposed projects includes the \$15.73 million of projected O & M costs as set forth in subpart a., above.
40. Reference the Berry testimony in general and at page 6 in particular. Is the Henderson generating unit an integral part of the applicant's generation fleet for planning and system wide operational purposes?
41. Reference the Berry testimony at p. 11 of 33. Describe in detail how the consulting services of S&L were chosen. The response should include, but not necessarily be limited to, the following:
- a. whether an RFP was issued;
 - b. any criteria used in the decision making process, whether by RFP or otherwise;
 - c. who participated in the decision making process;
 - d. any affiliation that S&L may have with BREC and/or any other G & T or RECC;
 - e. the cost for the services; and
 - f. when the decision was made.
42. Reference the Berry testimony at pages 12 and 13. Does the cost allocation in any way alter the allocation agreed upon by the smelters and the applicant as proposed to the Commission in the Unwind transaction?
43. Reference the Berry testimony at page 13, and the Application in general. Describe the revenue items specified in the contracts between Big Rivers and Kenergy which are to be adjusted.

Application of Big Rivers Electric Corporation, Inc.
For Approval of its 2012 Environmental Compliance Plan, Amended Environmental
Cost Recovery Surcharge Tariff, for Certificates of Public Convenience
and Necessity, and for Authority to Establish a Regulatory Account
Case No. 2012-00063
Attorney General's Initial Data Requests

44. Reference the Berry testimony at pages 13 and 14 and the Application in general. Please explain in complete detail the meaning of the statement that there will be "no immediate impact on their [residential] bills."
 - a. Will there be one in the future?
 - b. If so, by how much and when?
45. Did the Commission's approval of the Unwind transaction contemplate the use of the RER account to be used to satisfy any EPA related compliance costs?
46. Reference the Berry testimony at page 14. Provide copies of any and all materials used in the "communications with its members, constituents, or other stakeholders" as noted in the testimony.
47. Reference the Berry testimony at page 15. With regard to the sensitivity analysis, provide a copy of the analysis, with cells intact, along with answers to the following:
 - a. Who performed it?
 - b. When it was done?
 - c. What was the cost for the analysis?
 - d. Was the ability of the residential and commercial consumers to pay their bills taken into consideration along with the viability of the smelters to remain in existence?
 - e. Provide any and all materials in any way associated with your responses.
48. Reference the Berry testimony at page 26. Provide a copy of the S&L study with all cells intact.
49. Reference the Berry testimony at page 27. Was there any other "key input information" available to the applicant that were not used in the S&L study? If so, please provide list of any such information together with a detailed description.

Application of Big Rivers Electric Corporation, Inc.
For Approval of its 2012 Environmental Compliance Plan, Amended Environmental
Cost Recovery Surcharge Tariff, for Certificates of Public Convenience
and Necessity, and for Authority to Establish a Regulatory Account
Case No. 2012-00063
Attorney General's Initial Data Requests

50. Reference the Berry testimony at page 29. Are the retirements of the assets taken into account with the costing of the projects and the final impact on ratepayers? If so, describe in detail.
51. Please refer to Berry Testimony p. 19, lines 17-20. Please provide the data used to arrive at the percentages referenced therein, including the following:
- a. On what data does Mr. Berry rely for his statement that "total billings to the rate classes will increase approximately 6.9% relative to the projected billings."
 - b. What are the "projected billings"?
 - c. For what years were these billings projected?
 - d. How were these billings projected?
 - e. On what data does Mr. Berry rely for his statement that "total billings to the rate classes will increase ... by approximately 7.8% relative to projected 2012 billings."
 - f. What are the "projected 2012 billings"?
 - g. How were the 2012 billings projected?
52. With regard to any retirements or the placing of any equipment or materials in salvage, what is the protocol for the applicant in selling the items?
- a. Are the items merely scrapped or is there an RFP process?
 - b. If the items are merely scrapped, why?
 - c. If there is an RFP process, please describe the protocol for the complete process, including the issuance of the RFP, the place of sale, etc.
 - d. If the items are merely scrapped, is the applicant aware of the fact that certain enterprises are in the business of purchasing items, and that some other types of items are capable of being refurbished or restored?

Application of Big Rivers Electric Corporation, Inc.
For Approval of its 2012 Environmental Compliance Plan, Amended Environmental
Cost Recovery Surcharge Tariff, for Certificates of Public Convenience
and Necessity, and for Authority to Establish a Regulatory Account
Case No. 2012-00063
Attorney General's Initial Data Requests

53. Reference the Berry testimony at page 29. Describe any and all projected quantifications of energy avoided from DSM and energy efficiency as expected by the applicant. Provide copies of any and all DSM / energy efficiency studies the applicant may have conducted associated with the instant filing.
54. Reference the Berry testimony at pages 30-31. With regard to the intention to hire an "Architectural/Engineering" firm to construct the facilities included in the 2012 plan, state the following:
 - a. How will the contract(s) be awarded, as in by way of an RFP or otherwise?
 - b. What criteria will be used?
 - c. Who will make the decision?
 - d. What cost(s) are anticipated?
 - e. When are the decisions expected to be made?
55. Reference the Berry testimony at pages 32-33. If the applicant is required to purchase allowances or curtail generation, what are the expected costs associated with those actions?
56. Reference the Sargent and Lundy report, pp. 5-2 through 5-3. Please confirm that O & M costs identified therein total approximately \$120 million.
 - a. Please state whether all of the projects costs identified therein are those which BREC has included in the instant filing.
 - b. If "yes," please reconcile the figure of \$15.73 million provided in Berry Exhibit-2.
57. Please provide all details regarding the company's attempts to obtain financing for the proposed projects, including but not limited to RUS financing, and private bonding.
58. Please state to what extent, if any, the company's modeling took into consideration the EPA's new CO2 rule.
59. Refer to the Hite testimony, p. 6, wherein he states that BREC chose three case alternatives to evaluate for their cost effectiveness, and four financial models to

Application of Big Rivers Electric Corporation, Inc.
For Approval of its 2012 Environmental Compliance Plan, Amended Environmental
Cost Recovery Surcharge Tariff, for Certificates of Public Convenience
and Necessity, and for Authority to Establish a Regulatory Account
Case No. 2012-00063
Attorney General's Initial Data Requests

evaluate those cases. Please identify all other alternatives reviewed, examined and/or analyzed for cases, financial models, and sensitivity studies which BREC had ejected as being not viable.

a. Provide copies of any and all data relevant thereto.

60. Reference the Hite testimony at page 6. Why did BREC only use a planning period of 15 years?
61. Reference the Hite testimony pages 7-8. Provide the referenced data from PACE Global.
62. Reference the Hite testimony at page 8. Provide the production cost models, with cells intact, which ACES Power Marketing ran.
63. Reference the Hite testimony at page 8. Provide the financial model, with cells intact, which is referenced at line 4 of the testimony.
64. Reference the Hite testimony at page 12. Provide copies of any and all communications that BREC has had with RUS with regard to the EPA compliance plan. This request should include any communications regarding projects, if any, that are not in the application.
65. Reference Exhibit Hite-4. Is the \$269.94 million figure the total amount requested by the company in this application on a net present value basis? If not, please state the amount and identify with particularity any additional costs.
66. Reference the Hite testimony at pages 12-13. What depreciation lives are being used for the new capital projects for Acct 312 A-K and Acct 312 L-P?
67. Reference the Hite testimony at page 14. What is the projected amount for the retirement of plant?
68. Please reference the Hite Testimony p. 5 at lines 15-22. Please confirm that BREC relied solely on S&L's cost-effectiveness evaluation of technology alternatives and explain why BREC did not conduct its own cost-effectiveness evaluation of technology alternatives.

Application of Big Rivers Electric Corporation, Inc.
For Approval of its 2012 Environmental Compliance Plan, Amended Environmental
Cost Recovery Surcharge Tariff, for Certificates of Public Convenience
and Necessity, and for Authority to Establish a Regulatory Account
Case No. 2012-00063
Attorney General's Initial Data Requests

69. Reference the Hite testimony at page 15. Has BREC made any presentations to "various institutional investors" since the filing of this application?
- a. If the answer to the above question is in the affirmative, provide copies of any and all materials presented.
 - b. If the presentations have been made, what was the input from the investors? Please answer the question with as much detail as possible, including but not limited to:
 - (i) whether public debt versus bond is the best choice;
 - (ii) the percentage rates either being explored or essentially guaranteed; and
 - (iii) the anticipated credit rating for BREC given this application.
 - c. Please identify and provide copies of communications to and from BREC regarding "the potential for a term loan from the RUS."
70. Please reference the Hite Testimony at p. 15, lines 5-7. Please provide the total dollar amount of the cost share that HMP&L has agreed to pay relative to the costs to retrofit its 2 units, HMPL 1 & 2. Please provide the total cost of the 2012 Plan with the cost share allocation to HMP&L and without the cost share allocation to HMP&L.
71. Reference the Hite testimony at page 16. Provide copies of any and all materials presented to RUS at the March 20, 2012 meeting.
- a. If there were any communications with RUS prior to or following the March 20, 2012 meeting, please provide copies of same.
72. Reference the Hite testimony at page 17. Provide the basis, along with any materials upon which same was based, for his conclusion of an expected 30 fixed year rate of 5.78% to 6.16%.
73. Reference the Hite testimony at page 18. Is the estimated financing cost of \$2.1 to \$2.8 million an additional cost to the project cost of \$283.49 million?
74. Reference the Hite testimony at pages 19-20. What are the current costs for which the witness, on behalf of BREC, seeks for the regulatory asset?

Application of Big Rivers Electric Corporation, Inc.
For Approval of its 2012 Environmental Compliance Plan, Amended Environmental
Cost Recovery Surcharge Tariff, for Certificates of Public Convenience
and Necessity, and for Authority to Establish a Regulatory Account
Case No. 2012-00063
Attorney General's Initial Data Requests

75. To the extent not already introduced into the official record of this matter, please provide copies of the following, as set forth on p. 3 of KIUC's previously-filed motion to dismiss:
- a. Sargent & Lundy models and electronic spreadsheets used to assess compliance options;
 - b. PACE Global information provided to ACES Power Marketing, which includes forward hourly energy prices, monthly coal prices, monthly natural gas prices, and monthly allowance prices;
 - c. Big Rivers' plant specific data provided to ACES Power Marketing;
 - d. The ACES Power Marketing production cost models used;
 - e. The Big Rivers' corporate financial model used and studies of compliance alternatives;
 - f. Testimony from a PACE Global witness to support their projections of forward hourly energy prices, monthly coal prices, monthly natural gas prices and monthly allowance prices;
 - g. Testimony from an ACES witness to support the production cost model runs;
 - h. The assumptions under the sensitivity studies which assume the loss of the 7,300,000 mWh Smelter load at the end of 2013 (70% of native load sales) were not provided.
76. Describe in complete detail how BREC developed the rate of return provision which it proposes to earn in association with the instant case. Provide copies of any and all data, including any and all workpapers, and any Excel spreadsheets, with formulae intact.
77. Reference the Wolfram testimony, pp. 7-8, regarding the proposed return on investment.
- a. Provide the rolling 12-month average of BREC's total adjusted revenue for 2011. Applying the proposed formula for return on investment, provide in terms of annual average percentage what the return on investment would equal. If necessary to complete the calculation, assume hypothetically that the ECR costs for 2011 were \$100 million.
 - b. Using the same data for 2011, provide the total in return on investment in terms of real 2011 dollars.

Application of Big Rivers Electric Corporation, Inc.
For Approval of its 2012 Environmental Compliance Plan, Amended Environmental
Cost Recovery Surcharge Tariff, for Certificates of Public Convenience
and Necessity, and for Authority to Establish a Regulatory Account
Case No. 2012-00063
Attorney General's Initial Data Requests

78. Reference the Wolfram testimony at page 8 and his testimony in general. Does the proposed deviation from BREC's ECR methodology increase or decrease the residential and commercial class more than it would than if the current methodology was used? If the answer is in the affirmative, please provide a table with complete quantifications. If the analysis has not already been performed, please perform it.
79. Reference the Wolfram testimony, pp. 10-11, in which he describes the "average cost of debt for environmental compliance projects approved by the Commission." Describe in complete detail any and all sources for determining the above-referenced "cost of debt," how it was "average[d]," and provide a comprehensive list of citations to any and all "environmental compliance projects approved by the Commission" from which the data is derived.
- a. Provide a complete justification for why a non-profit entity would be entitled to earn a rate of return commensurate with an investor-owned utility?
 - b. Provide a complete explanation as to whether BREC believes earning what is essentially a profit would jeopardize its tax-exempt status.
 - c. Provide the total return (with TIER of 1.24 factored in) which BREC seeks in this case, and express it in terms of both a percentage, and annual dollar amounts that will flow to the company for each and every year of the lifespan of all proposed projects included in this application. Provide also a complete explanation of why the company could not have provided this essential data in the company's application.
 - d. With regard to East Kentucky Power Cooperative's Case No. 2004-00321, provide a break-down of the "rate of return" which Mr. Wolfram alleges that company was allowed to earn, broken down in the same manner as set forth in subpart (c) of this question.
 - e. Does BREC look upon the instant case as a means of revenue enhancement? Provide a detailed explanation.
80. Reference the Wolfram testimony, page 9. Eight cost components to be included in the proposed ES tariff rider are specified. Please provide estimates for each of these cost components and any rates used to calculate them.

Application of Big Rivers Electric Corporation, Inc.
For Approval of its 2012 Environmental Compliance Plan, Amended Environmental
Cost Recovery Surcharge Tariff, for Certificates of Public Convenience
and Necessity, and for Authority to Establish a Regulatory Account
Case No. 2012-00063
Attorney General's Initial Data Requests

81. Reference the Wolfram testimony, page 12, wherein it is stated that "in each month, E(m) will be adjusted by the proportion of revenues from sales to native load to the total Big Rivers revenues including off-system sales for the current month." Please explain what proportion will be used and how this adjustment will be calculated.
- a. Was the 1.24 TIER awarded to EKPC in case number 2004-00321 in a time when the EPA compliance costs were more or less than they currently are/will be? If the answer is more, please explain.
82. Reference the Wolfram testimony, pages 14-15, wherein you list 17 revenue items which will be excluded from revenues in calculating total revenues. Mr. Wolfram also claims that it is consistent with the cost allocation in the current ES tariff rider, which does not include certain kWh variances. Are there any sources of revenue which are included in calculating total revenue for the current ES tariff rider but will not be included in calculating total revenue for the proposed ES tariff rider? If so, please specify which ones and explain why they should be excluded.
83. Reference the Wolfram testimony, page 20, regarding Exhibit Wolfram-6. Mr. Wolfram states that total billings will increase by 6.9% relative to 2016 and 7.8% relative to 2012. Please explain how you arrived at these calculations, and provide any data, formulae, or documents used to calculate them.
- a. Will there be any projected billing increases in 2013, 2014, or 2015, and if so, what are their amounts?
 - b. Referencing p. 20, please identify and explain the "other factors" that "may affect the exact timing of the expiration of the Economic Reserve and RER funds."
 - c. If the Economic Reserve and RER accounts are depleted before 2018, how would the bill impact on the Rurals be affected? Has BREC or the Prime Group, LLC or any other consultant for BREC modeled or otherwise studied such contingencies? Please provide any analysis available regarding the bill impact of the 2012 Plan on Rurals absent the Economic Reserve and RER accounts as they are proposed in the MRSM and the RER rider.

Application of Big Rivers Electric Corporation, Inc.
For Approval of its 2012 Environmental Compliance Plan, Amended Environmental
Cost Recovery Surcharge Tariff, for Certificates of Public Convenience
and Necessity, and for Authority to Establish a Regulatory Account
Case No. 2012-00063
Attorney General's Initial Data Requests

84. Reference the Wolfram testimony in general. What will the projected cost of the capital projects be each year? What are the projected amounts that will be paid each year out of the Economic Reserve account and the Rural Economic Reserve account? Please explain how you calculated these projections, and provide any data, formulae, or documents used to calculate them.
85. Reference the Wolfram testimony at page 19. Please explain in detail what is meant with "generally consistent" by the Commission at line 3.
86. Please refer to Wolfram Testimony p. 19, line 19 through p. 20, lines 4 and Exhibit Wolfram-6. Please provide the data used to arrive at the percentages referenced therein, including the following:
- a. On what data does Mr. Wolfram rely for his statement that "total billings to each rate class will increase approximately 6.9% relative to projected 2016 billings"?
 - b. What are the "projected 2016 billings"?
 - c. How were these billings projected?
 - d. On what data does Mr. Wolfram rely for his statement that "total billings to each rate class will increase ... by approximately 7.8% relative to projected 2012 billings"?
 - e. What are the "projected 2012 billings"?
 - f. How were the 2012 billings projected?
87. Please refer to Wolfram Testimony p. 20, lines 15-17, wherein Mr. Wolfram states: "The MRSM and the RER rider will entirely mitigate the bill impact of the 2012 Plan on the Rurals until the Economic Reserve and RER accounts are depleted." How can Mr. Wolfram support this statement when he explains on p. 21 that "with the 2012 Plan ... the accounts will be depleted in 2018"?
- a. Will the early depletion of these accounts result in the company having to file a base rate case in 2018?
88. Reference the Wolfram testimony in general. Does Mr. Wolfram agree that the smelters negotiated a special contract with the applicant which was approved as part of the Unwind transaction? If not, please explain.
89. Reference the Wolfram testimony at page 20. Is it true that the witness'

Application of Big Rivers Electric Corporation, Inc.
For Approval of its 2012 Environmental Compliance Plan, Amended Environmental
Cost Recovery Surcharge Tariff, for Certificates of Public Convenience
and Necessity, and for Authority to Establish a Regulatory Account
Case No. 2012-00063
Attorney General's Initial Data Requests

proposed use of the Economic Reserve will be applied to non-FAC costs?

90. Reference Exhibit Wolfram-6. Provide dollar quantifications for the percentage increases noted for each respective BREC distribution company per the tariffs as listed.
91. Reference the DePriest testimony in general, and in particular at page 8. Does S&L own any stock in any company which manufactures electric generation equipment?
92. Reference the DePriest testimony at pages 9-10. Were any candidates for EPA compliance not used? If the answer is yes, please identify same and the reason for the exclusion.
93. Reference the DePriest testimony at page 13. Provide copies of any and all models, with any Excel spreadsheets intact if the models were formulaic in nature, and worksheets which S&L generated in its capital and O&M cost estimates.
94. Reference the DePriest testimony at page 14. Provide copies of any and all information which BREC provided for use in the study referenced at line 8 of the testimony.
95. Reference the DePriest testimony at page 21. What are the anticipated costs to purchase allowances or purchased power if BREC is not in compliance by 2014?
96. Please reference Exhibit DePriest 2, Executive Summary p. 1 (ES-1) last sentence of paragraph 1, which states: "This report has not been updated to reflect the new MATS rule."
 - a. Please explain why the report was not updated to reflect the new Mercury and Air Toxins Standards (MATS) rule issued on February 16, 2012.
 - b. Please confirm or deny the following and explain your answer if required:
 - (i) That the formal title for the new MATS rule is "National Emission Standards for Hazardous Air Pollutants from Coal- and

Application of Big Rivers Electric Corporation, Inc.
For Approval of its 2012 Environmental Compliance Plan, Amended Environmental
Cost Recovery Surcharge Tariff, for Certificates of Public Convenience
and Necessity, and for Authority to Establish a Regulatory Account
Case No. 2012-00063
Attorney General's Initial Data Requests

Oil-Fired Electric Utility Steam Generating Units and Standards of
Performance for Fossil-Fuel-Fired Electric Utility, Industrial-
Commercial-Institutional, and Small Industrial-Commercial-
Institutional Steam Generating Units.”

- (ii) That the final MATS rule was finalized by the EPA on or about February 16, 2012.
 - (iii) That the final MATS rule expanded the rule's applicability from the standards proposed in March 2011 (EGU MACT) to now include EGUs that commenced a modification after May 3, 2011.
 - (iv) That the final MATS rule does not specify how much of an increase in the quantity or type of emissions is needed to constitute a modification.
- c. How do the differences between the proposed EGU MACT rule and the final MATS rule, including the differences listed above in (c) and (e), impact the environmental compliance study conducted by Sargent & Lundy, LLC?
 - d. Please provide an update to Exhibit DePriest 2 if and when it is available.
97. Reference the Shaw testimony in general. Regarding all the applicable rules and regulations, when did BREC know of the need to begin the planning process to comply with the impending EPA compliance requirements?