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ATTORNEYS AT LAW

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JUN 6 2014

PUBLIC SERVICE  
COMMISSION

Ronald M. Sullivan

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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

June 5, 2014

Via FedEx Overnight Delivery

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

\*Also Licensed in Indiana

*In the Matter of:*

*An Examination by the Public Service Commission of the Environmental  
Surcharge Mechanism of Big Rivers Electric Corporation for the Six-  
Month Billing Period Ending January 31, 2014 and the Pass Through  
Mechanism of its Three Member Distribution Cooperatives –  
Case No. 2014-00097*

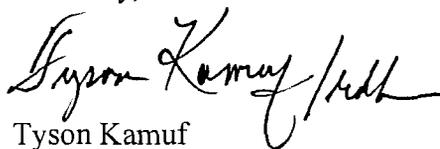
Dear Mr. Derouen:

Enclosed are an original and ten (10) copies of Big Rivers Electric Corporation's responses to the Commission Staff's Second Request for Information in the above-referenced matter. I certify that on this date, a copy of this letter and a copy of the responses were served on each party to this proceeding by first class mail.

Please confirm the Commission's receipt of this information by having the Commission's date stamp placed on the enclosed additional copy and returning to Big Rivers in the self-addressed, postage paid envelop provided.

Should you have any questions about this matter, please contact me.

Sincerely,

  
Tyson Kamuf

cc: Billie Richert  
DeAnna Speed  
Gregory J. Starheim  
G. Kelly Nuckols  
Burns E. Mercer

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**BIG RIVERS ELECTRIC CORPORATION**

**RECEIVED**

**AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION  
OF THE ENVIRONMENTAL SURCHARGE MECHANISM  
OF BIG RIVERS ELECTRIC CORPORATION  
FOR THE SIX-MONTH BILLING PERIOD ENDING JANUARY 31, 2014  
AND THE PASS THROUGH MECHANISM  
OF ITS THREE MEMBER DISTRIBUTION COOPERATIVES  
CASE NO. 2014-00097**

JUN 6 2014  
PUBLIC SERVICE  
COMMISSION

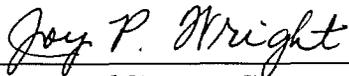
**VERIFICATION**

I, Eric M. Robeson, verify, state, and affirm that that the data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

  
Eric M. Robeson

COMMONWEALTH OF KENTUCKY )  
COUNTY OF HENDERSON )

SUBSCRIBED AND SWORN TO before me by Eric M. Robeson on this the 3 day of June, 2014.

  
Notary Public, Ky. State at Large  
My Commission Expires \_\_\_\_\_

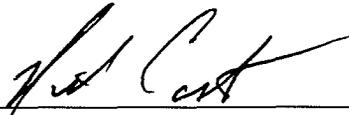
Notary Public, Kentucky State-At-Large  
My Commission Expires: July 3, 2014  
ID 421951

**BIG RIVERS ELECTRIC CORPORATION**

**AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION  
OF THE ENVIRONMENTAL SURCHARGE MECHANISM  
OF BIG RIVERS ELECTRIC CORPORATION  
FOR THE SIX-MONTH BILLING PERIOD ENDING JANUARY 31, 2014  
AND THE PASS THROUGH MECHANISM  
OF ITS THREE MEMBER DISTRIBUTION COOPERATIVES  
CASE NO. 2014-00097**

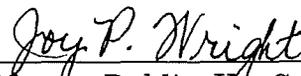
**VERIFICATION**

I, Nicholas R. (Nick) Castlen, verify, state, and affirm that that the Direct Testimony and data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

  
\_\_\_\_\_  
Nicholas R. (Nick) Castlen

COMMONWEALTH OF KENTUCKY )  
COUNTY OF HENDERSON )

SUBSCRIBED AND SWORN TO before me by Nicholas R. (Nick) Castlen on this the 3 day of June, 2014.

  
\_\_\_\_\_  
Notary Public, Ky. State at Large  
My Commission Expires \_\_\_\_\_

Notary Public, Kentucky State-At-Large  
My Commission Expires: July 3, 2014  
ID 421951

**ORIGINAL**



Your Touchstone Energy® Cooperative 

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

**In the Matter of:**

**AN EXAMINATION  
BY THE PUBLIC SERVICE COMMISSION )  
OF THE ENVIRONMENTAL SURCHARGE )  
MECHANISM OF BIG RIVERS ELECTRIC )  
CORPORATION FOR THE )  
SIX-MONTH BILLING PERIOD ENDING )  
JANUARY 31, 2014 )  
AND THE PASS THROUGH MECHANISM )  
OF ITS THREE MEMBER DISTRIBUTION )  
COOPERATIVES )**

**Case No. 2014-00097**

**Responses to Commission Staff's  
Second Request for Information  
dated May 23, 2014**

**FILED: June 6, 2014**

**ORIGINAL**

**BIG RIVERS ELECTRIC CORPORATION**

**AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION  
OF THE ENVIRONMENTAL SURCHARGE MECHANISM  
OF BIG RIVERS ELECTRIC CORPORATION  
FOR THE SIX-MONTH BILLING PERIOD ENDING JANUARY 31, 2014  
AND THE PASS THROUGH MECHANISM  
OF ITS THREE MEMBER DISTRIBUTION COOPERATIVES  
CASE NO. 2014-00097**

**Response to Commission Staff's  
Second Request for Information  
dated May 23, 2014**

**June 6, 2014**

1 **Item 1)** *Refer to your response to Items 6 and 7 from Commission*  
2 *Staff's First Request for Information ("Staff's First Request"), wherein Big*  
3 *Rivers stated that items such as Working Capital Allowance, Emission*  
4 *Allowance Inventory, Spare Parts, and Limestone Inventory will not be*  
5 *included in Big Rivers' environmental compliance rate base until the*  
6 *projects associated with the 2012 Plan are completed and placed into*  
7 *service. Explain whether the amounts to be included for the above items*  
8 *will represent costs associated with both the 2007 Compliance Plan and*  
9 *the 2012 Compliance Plan or only costs associated with the 2012*  
10 *Compliance Plan.*

11

12 **Response)** To the extent Working Capital Allowance, Emission Allowance  
13 Inventory, Spare Parts, and Limestone Inventory are allocated to the 2012  
14 Compliance Plan, such costs will be included in the calculation of environmental  
15 compliance rate base. Additionally, environmental compliance costs that are  
16 associated with both the 2012 and 2007 Compliance Plans, but which cannot  
17 reasonably be allocated between the two plans accurately, will be included within  
18 the calculation. Costs that relate only to the 2007 Compliance Plan will be  
19 excluded.

20

21 **Witness)** Nicholas R. Castlen

BIG RIVERS ELECTRIC CORPORATION

AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION  
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AND THE PASS THROUGH MECHANISM  
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CASE NO. 2014-00097

Response to Commission Staff's  
Second Request for Information  
dated May 23, 2014

June 6, 2014

1 Item 2) *Refer to Big Rivers' response to Staff's First Request, Item 8.*  
2 *Provide a description of the nature of the tests performed and the*  
3 *resulting operational changes to achieve MATS compliance without*  
4 *installing additional equipment.*

5

6 **Response)** As part of the settlement adopted by the Commission in its Order  
7 dated October 1, 2012, in Case No. 2012-00063, Big Rivers agreed to conduct  
8 particulate tests on the Wilson precipitator while injecting carbon and dry  
9 sorbent. Big Rivers submitted these test results to the Commission in July 2013.

10 The test results at Wilson Station indicated Big Rivers could  
11 potentially comply with the MATS standard utilizing dry sorbent injection alone,  
12 without activated carbon injection. Big Rivers is currently evaluating Wilson  
13 Station's existing dry sorbent injection system to determine if it is capable of  
14 meeting the required injection rates identified during the July 2013 testing. A  
15 one-year extension request has been submitted to the Kentucky Division of Air  
16 Quality for MATS compliance for the Wilson Station.

17

18

19 **Witness)** Eric M. Robeson

20