

**ORIGINAL**



Your Touchstone Energy® Cooperative 

RECEIVED

JUL 16

PUBLIC SERVICE  
COMMISSION

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

**In the Matter of:**

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

**Response to the Office of the Attorney General'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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

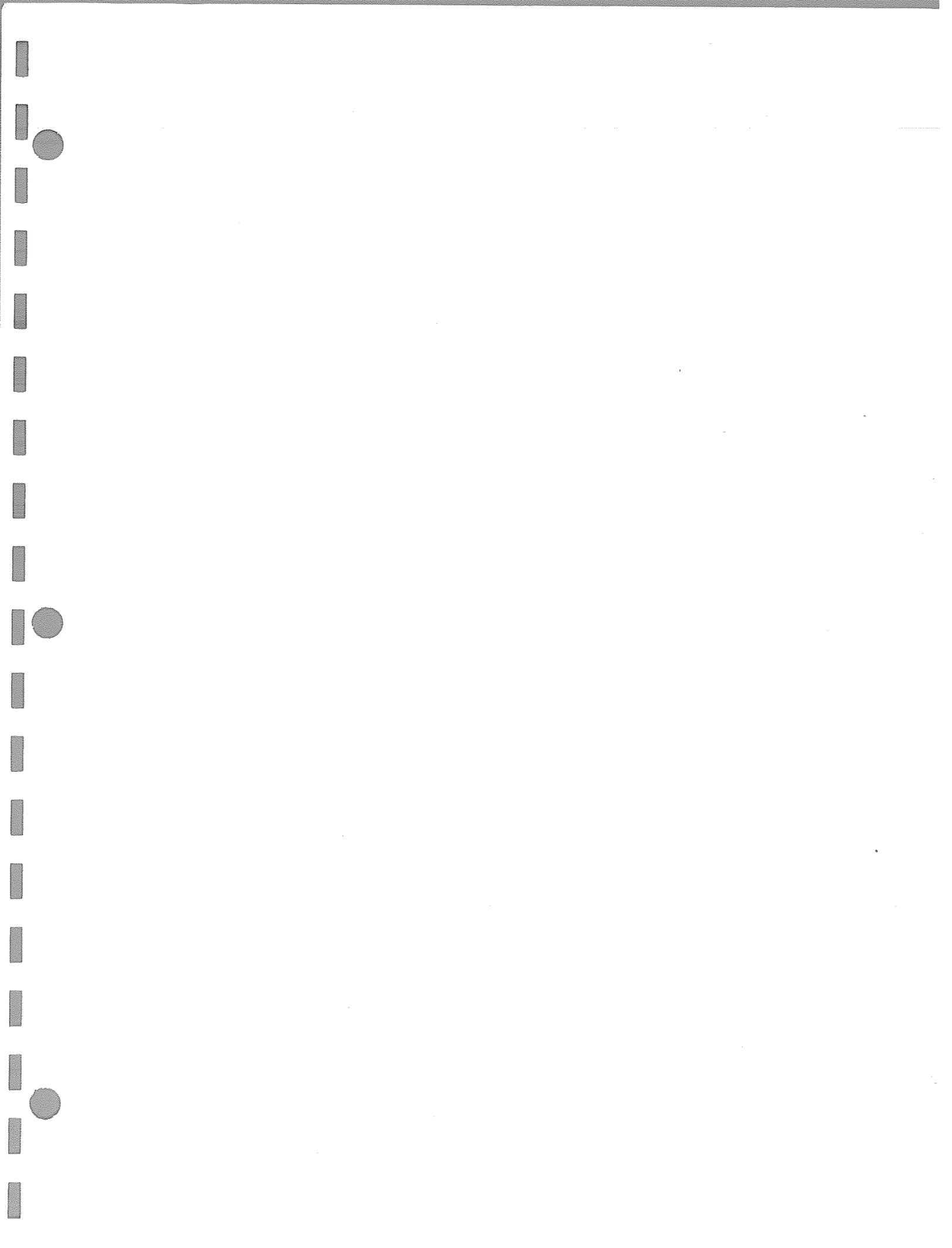
1 **Item 1) The Contracts for The City of Wakefield, NE; The City of Wayne, NE;**  
2 **and the Northeast Nebraska Public Power District appear to have identical language**  
3 **terms and conditions with the exception of identification of the Customer and some**  
4 **minor formatting differences. Please verify this is a correct statement and if not, please**  
5 **list in detail any and all differences among the contracts.**

6

7 **Response) The contracts are substantively identical with one exception: the contracts for**  
8 **Wakefield and Wayne have a delivery period that begins January 1, 2019, while the**  
9 **Northeast Nebraska delivery period begins January 1, 2018.**

10

11 **Witness) Lindsay N. Barron**



**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1 **Item 2) Referring to Section 2.3 of the Contract with the City of Wakefield, NE**  
2 **("Wakefield Contract"), please provide the following:**

3 **a. All analyses and studies used to derive the [REDACTED] compensation to**  
4 **purchase qualifying generation capacity.**

5 **i. Please explain why Big Rivers ("the Company") proposes to**

6 [REDACTED]  
7 [REDACTED].

8 **ii. Please explain why there is a [REDACTED] for the [REDACTED]**  
9 **[REDACTED].**

10 **iii. If SPP develops a [REDACTED] market, can the Company resell this**  
11 **[REDACTED] into the market for the benefit of the Company? Please**  
12 **fully explain your answer with references to sections of contract.**

13 **b. Under this section, the last sentence of the first paragraph states as follows:**

14 [REDACTED]  
15 [REDACTED]

16 **[REDACTED] Please explain the following:**

17 **i. If the Company is the market participant, is the Company**  
18 **responsible for all costs and expenses for registering the units in**

**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

- 1                   the SPP market, submission of daily bids into the SPP market, as  
2                   well as all required market monitoring submissions?  
3           ii.     Please provide the Company's estimate of these costs on an annual  
4                   basis.

5  
6   **Response)**

- 7           a.     Please see Big Rivers' response to PSC 1-1.e.  
8                i.     Please see Big Rivers' response to PSC 1-1.e.  
9                ii.    Please see Big Rivers' response to PSC 1-1.e.  
10           iii.    Yes. Pursuant to Section 2.3 of the contract, upon payment, [REDACTED]  
11                   [REDACTED]  
12           b.  
13                i.     As stated in Section 2.3, Big Rivers will offer [REDACTED]  
14                   [REDACTED]  
15                   [REDACTED]  
16                   [REDACTED]  
17                ii.    Please see Big Rivers' response to sub-item b.i., immediately above. [REDACTED]  
18                   [REDACTED]

**BIG RIVERS ELECTRIC CORPORATION**

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

**Response to the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1

[REDACTED]

2

[REDACTED]

3

4

**Witness) Lindsay N. Barron**



**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1 **Item 3) In Section 2.4 of the Wakefield Contract, the Company is required to**  
2 **[REDACTED]. Section 3.3 states**  
3 **that the Company will arrange for [REDACTED]**

4 **[REDACTED]**  
5 **[REDACTED]. Please answer the following:**

6 **a. What party will be required to pay for any [REDACTED]**  
7 **[REDACTED]**  
8 **[REDACTED]**

9 **b. Describe what type of [REDACTED] is required to**  
10 **implement the contract.**

11 **c. Describe which party pays for any [REDACTED] associated**  
12 **with the contract.**

13 **d. If the Customer has [REDACTED], is it anticipated that the Customer will**  
14 **[REDACTED]?**

15 **e. Explain how, if the Customer uses the Company's [REDACTED]**  
16 **[REDACTED]**  
17 **[REDACTED]**  
18 **[REDACTED].**

**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

- 1           i.     What type of [REDACTED] service is required under the [REDACTED]  
2                     tariff?  
3           ii.    Is [REDACTED] required to purchase this service under the  
4                     contract?  
5           iii.   Provide an analysis of all costs the Company will incur meeting  
6                     this requirement for each of the 3 contracts in this Proceeding.

7  
8   Response)

- 9           a.     Neither Big Rivers nor Customer is obligated to pay for [REDACTED]  
10                   [REDACTED]  
11                   [REDACTED]  
12           b.     [REDACTED]  
13           c.     [REDACTED]  
14                   [REDACTED]  
15           d.     Yes.  
16           e.     Big Rivers will [REDACTED]  
17                   i.     [REDACTED]  
18                   ii.    Yes.

**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1                   iii. Please see the analysis provided in response to PSC 1-3.

2

3   **Witness)     Lindsay N. Barron**



**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1 **Item 4) Section 3.1 (b) of the Wakefield Contract, states [REDACTED]**

2 [REDACTED]

3 [REDACTED] Please

4 answer the following:

5 a. Please describe what is meant by [REDACTED]

6 i. Does this mean that the Company will provide [REDACTED] listed as [REDACTED]  
7 [REDACTED] in the Customers' [REDACTED] Service?

8 ii. What type of [REDACTED] service in [REDACTED] is necessary to accomplish  
9 this?

10 iii. Where will the Customers' [REDACTED] resources be located [REDACTED]  
11 [REDACTED]

12 iv. What type of [REDACTED] service for these resources, in both [REDACTED]  
13 [REDACTED], is necessary to provide [REDACTED]

14 v. Is [REDACTED] delivered under [REDACTED]  
15 [REDACTED] or otherwise? Describe the type of service needed in [REDACTED]  
16 [REDACTED] to provide [REDACTED]



**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13

[REDACTED]

[REDACTED]

ii. Please see Big Rivers' response to AG 1-3(b).

iii. The Customers' load will be served from [REDACTED]

[REDACTED].

iv. [REDACTED]

[REDACTED]

v. Please see response to sub-item a.iv. above

vi. [REDACTED]

[REDACTED]

b. Please see response to sub-items a.iv. and a.vi. above.

Witness) Lindsay N. Barron



**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1 **Item 5) Section 3.2 of the Wakefield Contract, required the Company to [REDACTED]**

2 [REDACTED]

3 [REDACTED]. Please answer the following:

4 **a. Does the Company plan to use Big Rivers' generation capacity to satisfy this**  
5 **requirement?**

6 **i. What [REDACTED] service is required to provide [REDACTED]**  
7 **[REDACTED] under the [REDACTED] if the [REDACTED] is located in [REDACTED]?**

8 **ii. If the Company uses [REDACTED] in [REDACTED], will the company be liable**  
9 **now and / or at any time in the future for [REDACTED]**

10 [REDACTED]

11

12 **Response)**

13 **a. Please see Big Rivers' response to PSC 1-1e.**

14 **i. Please see Big Rivers' response to AG1-4.**

15 **ii. [REDACTED]**

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1

[REDACTED]

2

[REDACTED]

3

4

Witness) **Lindsay N. Barron**



**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1 **Item 6) Section 3.4 of the Wakefield Contract, appears to require the Company to**  
2 **pay up to [REDACTED] required by [REDACTED]**

3 **[REDACTED]” Please provide the following:**

4 **a. How was the amount of [REDACTED] derived?**

5 **b. Since [REDACTED] may enter studies at different times depending on when**

6 **new Customers sign contracts, how will this benefit be allocated among [REDACTED]**

7 **[REDACTED]**

8 **i. Please describe what is meant by an [REDACTED]**

9 **ii. Please provide all referenced [REDACTED].**

10 **iii. If all [REDACTED] exceed [REDACTED], will the [REDACTED]**

11 **[REDACTED]**

12 **[REDACTED]**

13 **c. When the Company submits the [REDACTED] study request under the**

14 **[REDACTED] [REDACTED], how will the amount of [REDACTED]**

15 **[REDACTED]” will be willing to pay be determined [REDACTED]**

16 **[REDACTED]**

**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1 d. When the Company submits the [REDACTED] under the  
2 [REDACTED] [REDACTED] how will the amount of [REDACTED]  
3 [REDACTED] will be willing to pay be determined

4  
5 **Response)**

6 a. Big Rivers [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]

10 b. [REDACTED]  
11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED].

14 i. RFP respondent refers to the cities of Wayne, Wakefield, South Sioux City,  
15 Emerson, and Northeast Nebraska Public Power.

16 ii. Please see the RFPs provided as an attachment to this response.

17 iii. Please see AG1-6b.

**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1 c. The entities who have executed a contract will be required to decide their 

2 .

3 d. Please see Item AG 1-6c.

4 Witness) **Lindsay N. Barron**

**REQUEST FOR PROPOSALS**

**NORTHEAST  
NEBRASKA**

---

**PUBLIC POWER DISTRICT**

**For**

**Power Supply Proposals**

**Northeast Nebraska Public Power District**

**City of South Sioux City, NE**

**City of Wakefield, NE**

**City of Wayne, NE**

**City of Emerson, NE**

**ISSUED BY: Timber Canyon Energy Consulting, LLC**

**Dated: June 17, 2013**

## **BACKGROUND**

The Northeast Nebraska Public Power District ("NeNPPD") is currently a full requirement customer of Nebraska Public Power District (NPPD) which is a member of the Southwest Power Pool. NeNPPD has a peak load of approximately 65 MW. The peak is unique in that it is set in the off-peak hours with irrigation demand. NeNPPD must give NPPD a three year notice to reduce its purchases from the NPPD. This notice can be given to NPPD on or before December 31, 2013 with a new provider starting service beginning January 1, 2017. NeNPPD has a customer mix by kWh of 39% Residential, 44% Commercial and Industrial, 13% Irrigation, 4% Sales for Resale and to Public Authorities.

NeNPPD serves approximately 8,500 retail electric customers in Pierce, Thurston, Wayne, Dixon and Dakota Counties in Nebraska. NeNPPD operates about 3,000 miles of electric lines and over 100 miles of high voltage transmission lines. Power is delivered to the Cities of Wayne, Wakefield, Winside and Emerson over NeNPPD transmission lines from the Nebraska Public Power District which owns coal and nuclear generating plants.

As well as the load of NeNPPD there are the municipalities of South Sioux City, Wayne, Wakefield and Emerson, Nebraska that are also interested in potentially leaving NPPD. The group will be referred as "Customers". **Currently the total Customers' load is approximately 110 MW.**

## **INTRODUCTION**

Through the issuance of this Request for Proposals (RFP), the Customers are requesting bidders to submit proposals for energy and capacity supplies as laid out in the RFP below. We will initially request proposals for the NeNPPD load. The number of bidders will be narrowed down to a list of pre-qualified bidders. After the short list is selected, a more detailed evaluation is expected to include serving the municipal loads as well. This will make the process of evaluation simpler and faster to complete. All of these Customers are located in Northeast Nebraska inside the Counties named above and are contiguous electric systems. The loads are currently in the Southwest Power Pool but are adjacent to MISO. We will be accepting proposals from both MISO and SPP regions. It is feasible that the loads can be moved into MISO from the SPP either through a pseudo tie or the construction of transmission line. In order to leave the NPPD system, the Customers must give a 3-year notice. The notice can be for a maximum of 30% reduction per year beginning in 2017 by giving notice prior to the end of 2013. Additional notice can be given in 2014 and 2015 for 30% reductions in 2018 and 2019.

MISO proposals will be delivered to the interface between NPPD and MISO.

A \$500 non-refundable filing fee must be submitted with each proposal. The filing fee should be made by check payable to Northeast Nebraska Public Power District.

### **RFP PROCESS SCHEDULE**

Issuance of RFP - June 17<sup>th</sup>, 2013 by 5:00 PM MST

Proposals Due - July 2<sup>nd</sup>, 2013

Pre-Qualified Short List Notification July 12<sup>th</sup>, 2013

Presentation of Proposals – July 23<sup>rd</sup>, 2013 in Wayne, Nebraska

Bidder Short List Notification around August 14<sup>th</sup>, 2013

Contract Execution – On or before December 17<sup>th</sup>, 2013

### **BIDDER COMMUNICATION**

All bidder communications should be made in writing with questions and proposal submissions directed to:

Todd Hegwer

President

Timber Canyon Energy Consultants, LLC

2145 Beechnut Place, Castle Rock, Colorado 80108

E-mail: [toddhegwer@gmail.com](mailto:toddhegwer@gmail.com)

All proposals should be submitted in Portable Document Format (pdf) and sent via e-mail and also submitted in (1) hard copy to Timber Canyon Energy Consulting, LLC.

A Screening Committee reviews submittals and determines which qualified candidates are invited to present their qualifications further at an interview with the Screening Committee.

### **PRODUCTS**

#### **Short Term: Firm Energy Blocks – Delivered to the Customers load**

For the term beginning January 1, 2017 up to 5 years, please provide pricing for the term as one price for each product in \$/MWh per year. We will accept energy and/or capacity offers. Please use the form in Appendix A. For the purpose of this evaluation, power should be delivered to a point of interconnection with Nebraska Public Power District. Please include transmission cost in the price to deliver to the point of interconnection, if any.

1. Firm On-Peak Energy Block: (5x16)
2. Wrap 2x16 and 7x 8 including FERC Holidays
3. Blended price for 1 and 2 above.
4. Full Requirements Supply – Load data is attached.
5. Capacity and reserves.

## Capacity and Reserves

Please price the capacity assuming a Planning Reserve Margin as if the load will be served in SPP with a 13.6% Reserve Margin. This is a conservative estimate since MISO's requirement is lower than the SPP Reserve Margin.

## Energy Services:

Please provide a cost for a complete package of energy services including but not limited to load forecasting, scheduling, hourly load management, settlements, etc...

## Long-Term:

Proposals of five years or more will be considered as a full requirements package. These will be evaluated separately. Long-term proposals will be analyzed as delivered to Customers' Load. Please price Capacity in \$/kW-month, Energy in \$/MWh, and escalation factors associated with both. Additional cost such as O&M and other costs shall be itemized separately. Please present prices for each year beginning in 2017. The initial effort is to secure a short term agreement and then move to a longer term transaction. The Customers may agree to move to a long-term agreement sooner based on both economic and non-economic factors.

## Load Requirements for Blocks of Load

Peak 5x16, Wrap 7x8 and 2x16

MW	2017		2018		2019		2020		2021	
Month	Peak	Wrap								
Jan	10	9	19	18	29	28	29	28	29	28
Feb	9	9	19	18	28	27	28	27	28	27
Mar	8	7	16	14	23	22	23	22	23	22
Apr	7	7	14	13	22	20	22	20	22	20
May	8	7	16	15	25	22	25	22	25	22
Jun	12	12	23	23	35	35	35	35	35	35
Jul	15	16	29	33	44	49	44	49	44	49
Aug	13	13	26	25	39	38	39	38	39	38
Sep	9	8	18	17	27	25	27	25	27	25
Oct	9	8	17	16	26	23	26	23	26	23
Nov	9	9	18	17	28	26	28	26	28	26
Dec	10	9	20	18	29	27	29	27	29	27

Please use this data to calculate an annual average for each year. The total load may move to 110 MW with the addition of the municipalities.

Use the below estimate for the loads in 2022 and beyond.

2022	
Peak	Wrap
32	31
31	30
26	24
24	22
27	25
39	39
48	54
44	42
30	28
29	26
31	29
33	30

#### **Renewable Energy Offers**

NeNPPD will evaluate renewable energy offers that can be shaped and delivered to the interconnection with NPPD. The amount of energy should not exceed 10 MW.

#### **Bidder's Presentation on July 23, 2013**

Pre Qualified Bidder's are required to make a presentation. Todd Hegwer will contact each pre Qualified Bidder to setup a time on July 23, 2013. Presentations will be limited to 1 hour. The purpose of the presentations is twofold. First it is to clarify any questions about the proposals and to clear up and define any questions the bidders may have at that time. Second it is an opportunity for the Customers to learn more about the power markets since they have been full requirement customers of NPPD for many years.

#### **Bids and Discussion with Bidders**

Customer may initiate discussion with Bidder(s), as appropriate, following the analytical assessment of the bids. Customers reserve the right to enter into an agreement at any time with a Bidder who, in the opinion of the Customers, will provide the greatest value. The Customers in their sole discretion may decline to enter discussions with any Bidder, may terminate negotiations with any Bidder, and/or decline to select any Bidder at any time during the RFP process. All communications between Bidders and Customers shall be conducted in writing. The Customers being public entities are subject to Board and/or City Council approval prior to any final authorization to enter into contracts.

**RIGHT OF NeNPPD TO CANCEL REQUEST FOR QUALIFICATIONS, TO ELECT NOT TO AWARD, TO REJECT SUBMITTALS, AND TO WAIVE INFORMALITIES OR IRREGULARITIES**

NeNPPD expressly reserves the right to cancel the RFP at any time, to elect not to award contracts cited in the RFP, to reject any or all submittals, to waive any informality or irregularity in any submittal received, and to be the sole judge of the merits of the respective submittals received.

### Appendix A

Candidates must complete each of the following items in order to be considered.

1. FIRM NAME:  
\_\_\_\_\_
  
2. BUSINESS ADDRESS:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
3. NAME OF CONTACT PERSON: \_\_\_\_\_
  
4. TELEPHONE, WITH AREA CODE: \_\_\_\_\_
  
5. E MAIL ADDRESS: \_\_\_\_\_

Source SPP or MISO (Check one "X")		2017	2018	2019	2020	2021	2022
<b>Product - Short Term</b>							
1	Firm On-Peak Energy Block (5x16) (\$/MWh)						
2	Wrap 2x16 and 7x8 (\$/MWh)						
3	Blend (1 and 2)(\$/MWh)						
4	Full Requirements (\$/MWh)						
5	Capacity(\$/KW-month)						

Year	2017	2018	2019	2020	2021	2022	Escalation
<b>Energy Services \$/Year</b>							

Long Term	2017	2018	2019	2020	2021	2022	Escalation
Capacity (\$/KW-month)							
Energy (\$/MWh)							
Other							



**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1 **Item 7) Section 3.14 of the Wakefield Contract addresses a topic called [REDACTED]**

2 **[REDACTED]. Please answer the**

3 **following:**

4 **a. Provide several detailed examples of how this would work.**

5 **i. Is this an hourly calculation or an annual comparison?**

6 **b. Is this only in effect for [REDACTED] or is the [REDACTED] used in all cases?**

7 **c. If the [REDACTED] is used in all cases please explain the significance of the**  
8 **year [REDACTED].**

9 **i. Has the Company evaluated the possible effect of large amounts of**  
10 **wind generation [REDACTED]**

11 **[REDACTED]**

12 **ii. Please provide all forecasts and assumptions regarding the year**

13 **[REDACTED].**

14 **d. If the average [REDACTED] in [REDACTED]**

15 **[REDACTED]**

16 **and in [REDACTED] the same [REDACTED], please explain how this would**

17 **work.**

**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1 e. The [REDACTED] discusses the Company's generators' [REDACTED]  
2 [REDACTED]? Are  
3 there not separate pricing [REDACTED]  
4 How is a [REDACTED] derived?  
5

6 Response)

7 a.

8 [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  
CONTRACTS PURSUANT TO KRS 278.180 and 807 KAR 5:011 §13  
CASE NO. 2014-00134**

**Response to the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED]  
15 [REDACTED]  
16 [REDACTED]  
17 [REDACTED]

18 i. Annual comparison.

**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1           b.     The [REDACTED].

2           c.     When discussions began, it was unclear whether the power would begin  
3     flowing in 2017 or 2018, thus 2016 was the first full year prior to the commencement of  
4     delivery.

5           i.     Big Rivers held significant discussions internally and with ACES staff, who  
6                 focus on transmission and congestion in both MISO and SPP daily, to  
7                 determine the likelihood of significant changes in the [REDACTED] over  
8                 the term of the contract. Numerous risk sensitivities were run, and are  
9                 included in the confidential analysis attached to PSC 1-3. Included in those  
10                sensitivities was an analysis of the Member benefit generated by the  
11                transaction assuming the [REDACTED] went to zero.

12          ii.    Please see c.i. above.

13          d.     If [REDACTED] Big  
14     Rivers would receive [REDACTED].

15     Please see below.

16     [REDACTED]

17     [REDACTED]

**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1           e.       The [REDACTED] will be calculated using the [REDACTED]  
2       [REDACTED].

3

4   Witness)       Lindsay N. Barron



**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1 **Item 8) Section 3.13 of the Wakefield Contract refers to [REDACTED]**  
2 **[REDACTED]. Please explain how the Commission can**  
3 **approve a future hypothetical wholesale contract rate as being just and reasonable for**  
4 **Big Rivers' Rural and Industrial customers.**

5  
6 **Response) Any rate charged by Big Rivers to Wakefield under the Wakefield Contract is**  
7 **subject to Commission approval. The particular language in Section 3.13 referred to in this**  
8 **information request [REDACTED]**

9 **[REDACTED]**  
10 **[REDACTED]**  
11 **[REDACTED]**  
12 **[REDACTED]**  
13 **[REDACTED]**

14  
15 **Witness) Lindsay N. Barron**



**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1 **Item 9) Section 4.2 of the Wakefield Contract refers to the [REDACTED].**

2 **Please provide the following:**

3 **a. The [REDACTED].**

4 **b. The rates and charges under the [REDACTED] for each year during the**  
5 **duration of the contract that Big Rivers assumed when deriving the [REDACTED]**  
6 **[REDACTED].**

7 **c. The rates and charges Big Rivers assumes it will charge the Customer for**  
8 **each year during the duration of the contract.**

9

10 **Response)**

11 **a. Please see the attachment provided in response to PSC 1-1f(1).**

12 **b. Please see the analysis provided in the confidential attachment to PSC 1-3.**

13 **c. Please see the analysis provided in the confidential attachment to PSC 1-3.**

14

15 **Witness) Lindsay N. Barron**



**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1 **Item 10) Section 4.9 Wakefield Contract refers to [REDACTED]. Please answer the**  
2 **following:**

- 3 a. **Regardless of who owns the [REDACTED], what entity will be responsible for**  
4 **submission of [REDACTED] if the Company is the market participant?**  
5 b. **Will the Company or the Customer be responsible for costs associated with**  
6 **submission of [REDACTED]?**

7  
8 **Response)**

- 9 a. **Based on current expectations, [REDACTED]**  
10 **[REDACTED]**  
11 b. **Customer.**

12  
13 **Witness) Lindsay N. Barron**



**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1 **Item 11) Section 5.2 of the Wakefield Contract discusses [REDACTED]**

2 **[REDACTED]. When in the contract does it state who is responsible for [REDACTED]**

3 **[REDACTED]? Is it the Customer or the**

4 **Company?**

5

6 **Response) [REDACTED]**

7 **[REDACTED]**

8 **[REDACTED]**

9 **[REDACTED]**

10 **[REDACTED]**

11 **[REDACTED]**

12 **[REDACTED]**

13

14 **Witness) Lindsay N. Barron**



**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1 **Item 12) For each of the three contracts, please provide the following information:**

2 **a. Details regarding Big Rivers' assumptions, costs and revenues forecasted**  
3 **for each year the contracts are in effect.**

4 **b. Big Rivers' production cost models and financial forecasts updated to**  
5 **show costs and revenues associated with the contracts.**

6 **c. All work papers, forecasts and analysis performed in evaluating contract**  
7 **costs and revenues.**

8

9 **Response) a.** The base case and 4 sensitivities were performed using production cost  
10 models and financial models and are provided in response to part (b) of this question. Along  
11 with the base case, there were sensitivities for Wholesale Market Alternative, 0% NPPD  
12 Growth Rate, LMP Differential between Big Rivers' generation and Delivery Point goes to  
13 \$0/MWh, Nebraska Peak and Energy down 10%, and NPPD Demand Charge Increases more  
14 than projection. In each of the cases, the member rates were those requested in the rebuttal  
15 testimony of John Wolfram in Case Number 2013-00199.

16 **b.** On the confidential electronic media accompanying these responses,  
17 please find the five production cost models under the folder AG 1-12 PCM and the five  
18 corresponding financial models under the folder AG 1-12 Fin Fcst.

**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1 c. Please see the response to item b. above.

2

3 Witness) Lindsay N. Barron

**Case No. 2014-00134**

**AG 1-12b Attachments**

**Filed under petition for confidential treatment on electronic media**



**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 the Office of the Attorney General's  
Initial Request for Information  
Dated June 27, 2014**

**July 16, 2014**

1 **Item 13)** Please confirm that margins from sales under each of the contracts which  
2 are the subject of this case will be deposited into Big Rivers' Economic Reserve fund.

3

4 **Response)** Utilizing a holistic approach, Big Rivers will review its financial position and  
5 metrics, and seek the ability to put funds in the Economic Reserve as conditions allow.

6

7 **Witness)** Lindsay N. Barron