

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION)	
OF THE FUEL ADJUSTMENT CLAUSE OF)	
BIG RIVERS ELECTRIC CORPORATION)	CASE NO.
FROM NOVEMBER 1, 2014 THROUGH)	2017-00006
OCTOBER 31, 2016)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO BIG RIVERS ELECTRIC CORPORATION

Big Rivers Electric Corporation ("Big Rivers"), pursuant to 807 KAR 5:001, is to file with the Commission the original and ten of the following information, with a copy to all parties of record. The information requested herein is due on or before March 20, 2017. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to questions related to the information provided.

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

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

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

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Big Rivers shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Direct Testimony of Mark W. McAdams, page 7 of 8, lines 8-12. Explain what is meant by “mid-term fuel and logistics market.”

2. Refer to Big Rivers’ response to the Commission’s February 6, 2017 Request for Information (“February 6, 2017 Request”), Item 1.

a. Provide Big Rivers’ average fuel cost for the two-year review period, including supporting calculations in the response showing each month’s fuel cost.

b. Provide supporting calculations for Big Rivers’ final 12 month FAC factor average of \$.000875 per kWh.

c. Given that 1) Big Rivers states that “the weighted-average pricing of inventory will be at a higher price, as compared to current market, rolling through Big Rivers’ FAC by mid-to-year end of 2017,” and 2) thirteen months of the review period

included a credit of \$311,111 agreed to as part of a settlement in Case No. 2014-00455,¹ explain why Big Rivers base fuel cost should not be increased.

3. Refer to Big Rivers response to the February 6, 2017 Request, Item 42. The response states that Big Rivers' classifications are consistent with the IEEE standards.

a. Confirm that IEEE refers to the Institute of Electric and Electronics Engineers, Inc. If this cannot be confirmed, identify IEEE.

b. The other jurisdictional generators have stated that their outage classifications are consistent with the North American Electric Reliability Corporation ("NERC") guidelines. Explain why Big Rivers uses IEEE guidelines instead of NERC guidelines.

4. Refer to Big Rivers' response to the February 6, 2017 Request, Item 43, the table on page 2 of 5. Reconcile the amounts in the table with Big Rivers' response to Case No. 2016-00278, Post-Hearing Request for Information, Item 1, Attachment 1, pages 1-2 of 5, the months of June, July, and August 2016.

5. Refer to the Form B filings submitted by Big Rivers.

¹ Case No. 2014-00455, *An Examination of the Application of the Fuel Adjustment Clause of Big Rivers Electric Corporation from November 1, 2012 through October 31, 2014* (Ky. PSC Jul. 27, 2015). The credit expired with the December 2016 expense month filing.

a. Refer to the Form B filing for the expense month of October 2016, page 8, the Power Transaction Schedule. Confirm that, since June 2016, Big Rivers continues to purchase economic Excess Henderson Energy. If this can be confirmed, explain why the amount in the KWH column is "0" in the Purchases section, the HMPL row.

b. Refer to any Form B filing for the two-year review period, page 11, the Fuel Burned Schedule. Explain why the System Average fuel cost calculated on this page differs from the total fuel costs calculated in the Form A. As an example, for the expense month of January 2016, the total fuel cost per the FAC Form A filing was \$.021982 and per the Form B, page 11, the system average for January 2016 was \$25.753 per MWh (or \$.025753 per kWh).

6. State whether Big Rivers engaged in virtual transactions in its regional transmission organization during the two-year review period. If yes, explain: 1) how the transactions were accounted for; and 2) the effect the transactions had on the calculation of the fuel adjustment clause, if any.



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DATED MAR 06 2017

cc: Parties of Record

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