

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC	)	
CORPORATION FOR APPROVAL TO ISSUE	)	CASE NO.
EVIDENCES OF INDEBTEDNESS	)	2017-00281

COMMISSION STAFF'S FIRST 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 six copies of the following information, with a copy to all parties of record. The information requested herein is due within ten days of this request for information. 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 the 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 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 amendments 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 should 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 document 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 Application, Exhibit 2, Section 3.03 D. Confirm that Big Rivers will incur a prepayment fee and/or Make-Whole premium if the loan is prepay prior to the end of the loan's term.

2. Refer to the Direct Testimony of Lindsay N. Durbin ("Durbin Testimony"), page 4, lines 12–14. Explain why Big Rivers is prepaying a portion of the outstanding principal balance on the Rural Utilities Service 2009 Promissory Note Series A ("RUS A Note") and not the entire RUS A Note.

3. Refer to the Durbin Testimony, page 6, line 1.
  - a. Provide a schedule calculating the estimated \$600,000 in savings.
  - b. Provide the net present value ("NPV") of the savings based upon the estimated 3.5 percent National Rural Electric Cooperative Finance Corporation ("CFC") interest rate in Excel spreadsheet format, with formulas intact and unprotected and all rows and columns fully accessible.

c. Provide the NPV of the savings based upon the estimated 3.5 percent CFC interest rate and all closing costs in Excel spreadsheet format, with formulas intact and unprotected and all rows and columns fully accessible.

4. Refer to the Durbin Testimony, page 6, line 8–12.

a. Provide a detail explanation including the benefits and costs of “clawing back”.

b. Explain the advantages to Big Rivers if they choose to “claw back.”

c. Provide the allowed balance under the RUS Maximum Debt Balance Schedule.

5. Refer to the Durbin Testimony, page 7, lines 13–14. Provide an itemized list estimating the closing costs of the CFC loan.

6. Refer to the Durbin Testimony, page 7 lines 15–18. Provide proof of commitment from the Federal Agricultural Mortgage Corporation to purchase the loan.

7. Refer to the Durbin Testimony, page 8, lines 3–18.

a. Confirm that to date, Big Rivers has not selected a fixed rate or a variable (“LIBOR”) London Interbank Offered Rate for the loan.

b. If a. as above is confirmed, explain how the estimated CFC interest rate of 3.5 percent was determined.

c. If a. as above is not confirmed, provide the interest rate Big Rivers has chosen and state whether it is a fixed rate or a variable LIBOR rate.

d. Confirm that Big Rivers has the option to change the loan from the variable LIBOR Rate to a fixed rate, provided that the Notice of Election is received within the specified time.

e. Confirm that Big Rivers has the option to change the loan from the fixed rate to a variable LIBOR rate if the fixed rate expires prior to the maturity date and the Notice of Election is received within the specified time.

f. Provide the most current published CFC Offered Interest Rates.

8. Refer to the Durbin Testimony, page 11, lines 16–22. Provide the interest rate, amortization table, and terms of the two loans from the Federal Financing Bank.

a. If such cannot be confirmed, provide the mortgage holder.

9. Refer to the Durbin Testimony, page 12, lines 1–4.

a. Explain whether loan W8 is intended to refinance an existing loan for the environmental projects or whether it is a new loan for new projects.

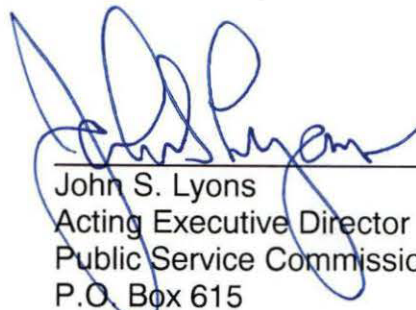
b. If loan W8 is intended to refinance, provide a schedule calculating the estimated savings and provide a NPV analysis of the savings based upon the interest rate identified in Item 8 and all closing costs in Excel spreadsheet format, with formulas intact and unprotected and all rows and columns fully accessible.

10. Refer to the Durbin Testimony, page 12, lines 4–8.

a. Explain whether loan X8 is intended to refinance an existing loan for the transmission projects or whether it is a new loan for new projects.

b. If loan X8 it is intended to refinance, provide a schedule calculating the estimated savings and provide a NPV analysis of the savings based upon the interest rate identified in Item 8 and all closing costs in Excel spreadsheet format, with formulas intact and unprotected and all rows and columns fully accessible.

c. Provide a copy of the RVS approved transmission work plan.



---

John S. Lyons  
Acting Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

DATED     **AUG 17 2017**    

cc: Parties of Record

\*DeAnna Speed  
Director Rates and Budgets  
Big Rivers Electric Corporation  
201 Third Street  
P. O. Box 24  
Henderson, KY 42420

\*Honorable James M Miller  
Attorney at Law  
Sullivan, Mountjoy, Stainback & Miller, PSC  
100 St. Ann Street  
P.O. Box 727  
Owensboro, KENTUCKY 42302-0727

\*Big Rivers Electric Corporation  
201 Third Street  
P. O. Box 24  
Henderson, KY 42420

\*Honorable Tyson A Kamuf  
Attorney at Law  
Sullivan, Mountjoy, Stainback & Miller, PSC  
100 St. Ann Street  
P.O. Box 727  
Owensboro, KENTUCKY 42302-0727