

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BIG RIVERS ELECTRIC CORPORATION'S)
NOTICE OF CHANGES IN RATES AND)
TARIFFS FOR WHOLESALE ELECTRIC) CASE NO. 90-128
SERVICE)

O R D E R

IT IS ORDERED that Big Rivers Electric Corporation ("Big Rivers") shall file the original and 12 copies of the following information with the Commission, with copies to all parties of record, on or before August 30, 1990. Each item of the data requested should be tabbed and numbered. When several sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible.

1. Item No. 2 of the response to the Commission's Order of August 2, 1990, explains the derivation of the pro forma KWH billing units for 3 industrial customers.

a. Provide an explanation for the use of a load factor of 55 percent in estimating 4,800,000 KWH for Pyramid Mining.

b. Explain the basis for the assumption that Valley Grain's billing demand would increase to 2,000 KW from the present

demand of 1,000 KW. Explain when this increase is expected to occur and how it relates to the August 1, 1991 increase to 1,200 KW.

c. Explain the use of a 40 percent load factor in estimating annual use of 7,005,000 KWH for Valley Grain.

d. Provide an explanation for the 62 percent load factor used to estimate 46,140,000 KWH for World Source.

2. Item No. 12 of the response to the Commission's Order of August 2, 1990 deals with the proposed time-of-day rate. Parts (b) and (e) of the response explain that Big Rivers considered a 150 percent and zero percent markup on energy before Big Rivers and its member cooperatives decided on 125 percent.

a. Given the range that was considered (0 to 150 percent) explain how 125 percent was chosen for the energy markup.

b. Identify and explain the criteria Big Rivers will use in considering requests for use of the time-of-day rate.

c. Identify and explain the conditions that could cause Big Rivers to terminate the availability of the time-of-day rate.

3. Provide the analysis contained in Exhibits 4, 5, and 14, to the application under the assumption that the aluminum smelter rates will achieve the upper rate limit, under the terms of the variable aluminum rate, each year through 1997. Include all supporting data and calculations used in this scenario, and a narrative discussion of the changes which occur from the original exhibits. Also, provide a detailed analysis of the balancing account used in this scenario.

4. Provide the analysis contained in Exhibits 4, 5, and 14 to the application, using Big Rivers' current forecast of aluminum prices and aluminum smelter rates for the period 1990 - 1997. Include all supporting data and calculations used in this scenario, and a thorough discussion of the basis for Big Rivers current aluminum price forecast. Also, provide a detailed analysis of the balancing account used in this scenario.

5. Provide an analysis of the monthly billings to NSA and Alcan from September 1987 through the most recent date available. Include in the analysis the following:

- a. The monthly average aluminum price as defined in the tariff.
- b. The demand and energy units billed.
- c. The total amount billed.
- d. The breakdown of the amount billed into the applicable components.
- e. The net mills per KWH billed.

6. Provide complete details by employee classification of all wage increases granted to Big Rivers employees from January 1985 through August 1990. Include a discussion of the type of salary adjustments available to bargaining and non-bargaining employees and how the amount of the wage increases for non-bargaining employees are determined. Also include the total cost on an annual basis of each wage increase granted during this period.

Done at Frankfort, Kentucky, this 23rd day of August, 1990.

PUBLIC SERVICE COMMISSION

A handwritten signature in cursive script, appearing to read 'C. P. [unclear]', is written over a horizontal line. Below the line, the text 'For the Commission' is printed.

For the Commission

ATTEST:

A handwritten signature in cursive script, appearing to read 'Ruth M. [unclear]', is written over a horizontal line. Below the line, the text 'Executive Director' is printed.

Executive Director