COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC) CASE NO. CORPORATION FOR AN ADJUSTMENT OF RATES) 2012-00535

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

Big Rivers Electric Corporation ("Big Rivers"), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested in Item 1 is due within seven days of the date of this request and the information requested in Items 2 and 3 are due as soon as Big Rivers receives the information from the Midcontinent Independent System Operator, Inc. ("MISO"). 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 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 responses 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.

1. Refer to Exhibit Wolfram-5 of the application and Exhibit Wolfram-5.3 filed on June 24, 2013. Because Big Rivers' environmental surcharge allocates costs based on a percentage of revenue, Exhibit Wolfram-5 of the application reflects an additional \$404,795 of environmental surcharge costs for the Rural class and a reduction of \$142,833 and \$261,962 for the Large Industrial and Smelter classes, respectively. These amounts appear in the Variance column. The amounts net to zero as they reflect a shifting of the environmental costs between rate classes and therefore have no impact on the total overall base rate increase. In Exhibit Wolfram-5.3, an additional \$672,632 of environmental surcharge costs is shown for the Rural class and reductions to the Large Industrial and Smelter classes of environmental surcharge costs are shown of \$26,666 and \$64,696, respectively. These variance amounts do not net to zero and therefore result in an additional \$581,270 increase to the total base rate increase (i.e., Exhibit Wolfram-6.3 filed on June 24, 2013 shows a total increase of

\$68,613,284; however, the <u>base rate</u> increase reflected in Exhibit Wolfram-5.3 totals \$68,032,013).

a. Confirm that the environmental surcharge variance amounts in Exhibit Wolfram-5.3 should net to zero. If this cannot be confirmed, explain fully why a base rate increase should reflect an increase in environmental surcharge revenues and provide supporting calculations for all environmental surcharge amounts included in Exhibit Wolfram-5.3.

b. If the variance amounts should net to zero, provide a revised Exhibit Wolfram-5.3 in both hard copy and Excel spreadsheet format with the formulas intact and unprotected. Include with your response supporting calculations for the environmental surcharge amounts included in the revised exhibit.

- 2. Provide the load at which the Hawesville smelter owned by Century Aluminum can operate and Big Rivers not be required by MISO to operate the Coleman Station ("Coleman") for reliability purposes.
- 3. To the extent that MISO requires that Big Rivers operate Coleman for reliability purposes, provide the level of System Support Resource ("SSR") costs that result from Big Rivers' negotiations with MISO regarding an SSR agreement.

Jeff Derguen

Executive Director

Public Service Commission

P.O. Box 615

Frankfort, KY 40602

DATED JUL 2-2 2013

cc: Parties of Record

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