

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF)
THE FUEL ADJUSTMENT CLAUSE OF BIG) CASE NO.
RIVERS ELECTRIC CORPORATION FROM) 2014-00230
NOVEMBER 1, 2013 THROUGH APRIL 30, 2014)

AN EXAMINATION OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF BIG RIVERS) CASE NO.
ELECTRIC CORPORATION FROM NOVEMBER 1,) 2014-00455
2012 THROUGH OCTOBER 31, 2014)

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 eight copies of the following information, with a copy to all parties of record. The information requested herein is due on or before March 20, 2015. 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 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, Big Rivers 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 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 Response to Commission Staff's Request for Information dated February 5, 2015, the Direct Testimony of Nicholas R. Castlen ("Castlen Testimony"), page 3 of 5, lines 13-18.

a. Explain the circumstances under which the Midcontinent Independent System Operator, Inc. ("MISO") provides "make whole payments."

b. When "make whole payments" are made by MISO to Big Rivers, state what costs the payments are meant to reimburse.

c. Explain why the payments relate primarily only to the Reid combustion turbine.

2. Refer to the Castlen Testimony, pages 3-4 of 5. Beginning at the bottom of page 3, it states that "[o]nly MISO charges associated with purchased power are

currently included in Big Rivers' FAC calculation. These charge types include 'Day Ahead Asset Energy', 'Real Time Asset Energy', 'Real Time Excessive Energy', and 'Real Time Non-Excessive Energy'."

a. State whether there are specific MISO code numbers assigned to these types of purchased power. If so, provide the code numbers.

b. State whether there are other types of power purchases included in Big Rivers' FAC calculation that are not among the four listed in the above quote. If so, list the other types of power purchases.

c. For the months of January 2014 and August 2014, provide a copy of the MISO invoice/statement which supports the amounts of power purchases recorded in the FAC for those expense months.

d. Explain whether these power purchases are for reasons other than the following: economy purchases, purchases during a forced outage, purchases during a scheduled outage, and purchases to meet load when Big Rivers is not experiencing an outage. If power purchases recovered through the FAC are made for reasons other than those listed, provide the reasons.

3. Refer to the attachment to the response to Item 38 of the February 5, 2015 Order. Explain the column heading "Available for System" and provide the reasons the purchases in this column were made.

4. Refer to the attachment to the response to Item 40 of the February 5, 2015 Order. Refer to pages 1-5 of the attachment. By month, provide the kWh associated with the following rows:

a. "Plus: Fuel (Assigned Cost During F.O.)"


- b. "Less: Fuel (Substitute Cost for F.O.)"
- c. "Less: Fuel (Supp. And Back-Up Energy to Smelters)," and
- d. "Less: Domtar Back-Up/Imbalance Generation"

5. State whether there are times when MISO does not dispatch one or more of Big Rivers' generating units, but, in order to meet load, Big Rivers has to purchase power at a higher cost from MISO than if it had operated its unit(s). If so, state the number of times this occurred by month during the period under review and whether Big Rivers received any type of compensation from MISO.

6. Refer to the Notice of Additional Authority filed by the Kentucky Industrial Utility Customers, Inc. on February 25, 2015. This filing references a March 5, 1996 Order in Case No. 94-458¹ which states that Big Rivers was using incremental costs to allocate fuel costs to non-firm off-system sales.

a. State when Big Rivers made the change from using incremental fuel costs to system average fuel costs when allocating fuel costs to non-firm off-system sales.

b. Explain why the change was made.



Jeff Derouen
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DATED **MAR 06 2015**

cc: Parties of Record

¹ Case No. 94-458, *In The Matter of an Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Big Rivers Electric Corporation from November 1, 1992 to October 31, 1994* (Ky. PSC Mar. 5, 1996).

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