

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 |) | CASE NO. |
| RIVERS ELECTRIC CORPORATION FROM |) | 2014-00455 |
| NOVEMBER 1, 2012 THROUGH |) | |
| OCTOBER 31, 2014 |) | |

ORDER

The matter is before the Commission upon a motion filed on March 26, 2015, by the Kentucky Industrial Utility Customers, Inc. ("KIUC") to compel Big Rivers Electric Corporation ("Big Rivers") to respond to Case No. 2014-00455, KIUC's First Set of Data Requests ("KIUC's First Request"), Item 1. KIUC's First Request, Item 1, states, in full, as follows:

For each month during the period under review in this proceeding, please provide the dollar amount of fuel costs that would have been included in the calculation of the fuel adjustment clause if Big Rivers had assigned its lowest fuel cost generation to native load customers each hour and compare that amount to the dollar amount that was included in the calculation. Please provide the information in the same format as the Attachment to Big Rivers' Response to Commission Staff's Third Request for Information, Item No. 1 in Case No. 2014-00230. Please provide all workpapers electronically in spreadsheet format, with all formulas intact.

KIUC points out that in Big Rivers' responses to KIUC's discovery requests, filed on March 20, 2015, Big Rivers objected to providing a response to KIUC's First

Request, Item 1, on the grounds that the request was overly broad and unduly burdensome. KIUC stated that it unsuccessfully attempted to resolve the discovery dispute with Big Rivers.

In support of its motion, KIUC contends that the information it seeks is relevant to the issue with regard to the appropriateness of Big Rivers' current method of allocating fuel costs between Big Rivers' native load customers and its off-system sales. KIUC argues that the information requested is relevant and significant to the Commission's consideration of this case. KIUC maintains that the discovery request at issue in this matter is similar to a discovery request that Commission Staff issued to Big Rivers in Case No. 2014-00230 and one in which Big Rivers provided a full response.

KIUC further contends that its request is neither overly broad nor unduly burdensome. KIUC notes that its request is narrowly tailored to solicit information which would quantify the differential between KIUC's and Big Rivers' positions on how fuel costs should be allocated between Big Rivers' native-load customers and its off-system sales. Given that Big Rivers has previously provided the same information in response to a discovery request from Commission Staff, KIUC asserts that Big Rivers would already have a working knowledge of computing the requested information, and that it had a 14-day period in which to do so.

On April 1, 2015, Big Rivers filed a response objecting to KIUC's motion. Big Rivers asserts that it would be unduly burdensome to require Big Rivers to provide such a response because such information would be relevant only if the Commission were to determine that Big Rivers' fuel allocation methodology was unreasonable; that a refund

would be appropriate; and that the refund should be based on the methodology Big Rivers used in responding to Commission Staff's inquiry in Case No. 2014-00230. Big Rivers further notes that the methodology it employed in responding to Commission Staff's discovery request is different from the methodology proposed by KIUC. Thus, any response to KIUC's request would not serve as a proper foundation for the relief that KIUC seeks. In responding to Commission Staff's request, Big Rivers states that it "provided an estimate of the impact of switching methodologies by allocating to native load on an hourly basis the least cost units based on the units' monthly average cost and then applying the cost differential per MWh to FAC generation volumes used to serve native load."¹

Big Rivers estimates that it would take approximately 40 to 60 hours to perform the calculations needed to fully respond to KIUC's discovery request. Big Rivers argues that this would cause it undue burden, particularly given the relevancy of the underlying request by KIUC.

On April 3, 2015, KIUC filed a reply in support of its motion to compel. KIUC reiterates its contention that the information it seeks from Big Rivers is relevant to this proceeding, noting that Commission Staff issued a similar discovery request in Case No. 2014-00230 and concluding that Commission Staff considered the information to be relevant in the six-month review case. KIUC also argued that the amount of time needed to produce a responsive answer is not a sufficiently compelling reason to allow Big Rivers to withhold information that KIUC considers to be significant to the Commission's consideration of the issues presented in this matter.

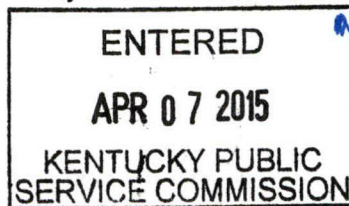
¹ Big Rivers Electric Corporation's Response to Kentucky Industrial Utility Customers, Inc.'s Motion to Compel Discovery at 2.

Having reviewed the pleadings and being otherwise sufficiently advised, the Commission finds that KIUC is entitled to discovery with respect to the information it seeks to obtain from Big Rivers. We agree with KIUC's position that the information sought may reasonably be used to assess Big Rivers' current fuel cost allocation methodology.

IT IS THEREFORE ORDERED that:

1. KIUC's motion to compel is granted.
2. Within seven days from the date of this Order, Big Rivers shall provide a response to KIUC's First Request, Item 1.

By the Commission



ATTEST:



Executive Director

Case No. 2014-00230
Case No. 2014-00455

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

*Jody Kyler Cohn
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

*Roger Hickman
Regulatory Affairs Manager
Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY 42420