

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC)	
CORPORATION FOR A CERTIFICATE OF)	CASE NO.
PUBLIC CONVENIENCE AND NECESSITY TO)	2018-00004
CONSTRUCT AND ACQUIRE A 345 KV)	
TRANSMISSION LINE IN HANCOCK COUNTY,)	
KENTUCKY)	

COMMISSION STAFF'S INITIAL 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 ten copies of the following information, with a copy to all parties of record. The information requested herein is due on or before May 14, 2018. 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 filing a document containing personal information, Big Rivers shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the document so that personal information cannot be read.

1. Refer to the Application, paragraph 14, regarding the estimated purchase price for the Kentucky portion of the proposed transmission line project. Provide a detailed, tabulated breakdown of the estimated \$6 million purchase price.

2. Refer to the Application, paragraph 15.

a. Provide a copy of the application for a river crossing permit that was submitted to the U.S. Army Corps of Engineers.

b. When does Big Rivers anticipate receiving a decision on this application?

c. Identify any other permits that will need to be obtained prior to commencing construction of the proposed transmission line project.

3. Refer to the Application, Exhibit A, page 4 of the Asset Purchase Agreement (“APA”). “Existing ROW Price” is defined as \$175,000. Explain whether this

amount reflects the acquisition of the easements needed to construct the proposed transmission line and provide whether this is an estimated amount or an actual amount.

4. Refer to the APA, page 4. Explain whether the Joint Functional Control Agreement has been executed. If so, provide a copy of the agreement.

5. Refer to the APA, page 7, Section 8.1. Provide a copy of the Selected Developer Agreement referenced in this section.

6. Refer to the APA, page 16, regarding Big Rivers' right under the APA to inspect that portion of the proposed transmission line facilities located in Kentucky during all stages of the development and construction of the project. Provide in detail how Big Rivers intends to exercise this contractual right.

7. Refer to the Testimony of Michael W. Chambliss ("Chambliss Testimony"), page 3, lines 19–21. Identify what all is needed with respect to the "necessary equipment additions within the Coleman EHV substation, which are not a part of the MISO Project" and provide an itemized cost of each of these necessary additions.

8. Refer to the Chambliss Testimony, page 8, lines 7–10. Identify and explain those requirements imposed by the Midcontinent Independent System Operator upon Republic Transmission, LLC under the MISO Selected Developer Agreement as well as the relevant North American Energy Reliability Corporation reporting requirement associated with the proposed transmission project.

9. Refer to the Chambliss Testimony, page 9, lines 8–15. Identify the estimated rate impact to the two Century smelters and Domtar as a result of the proposed transmission project.

10. Refer to the Chambliss Testimony, page 9, lines 21–22, and page 10, line

1. Provide in detail the financial incentives and penalties contained in the Selected Developer Agreement governing the construction and of the proposed transmission project.

11. Refer to the Chambliss Testimony, page 10, lines 1–11. Provide a copy of the risk management plan that is to be implemented by Big Rivers and Republic Transmission, LLC to identify, assess, mitigate, and monitor risks associated with the proposed transmission project.

12. Refer to the Chambliss Testimony, page 10, lines 14–22.

a. Quantify the benefits to the Century Aluminum Hawesville smelter resulting from the proposed transmission project.

b. Identify the benefits that will inure to the Big Rivers' system as a whole associated with the proposed transmission project.

13. Refer to the Chambliss Testimony, page 11, lines 1–4. State whether transmission congestion has been an issue in the past with respect to Big Rivers' economic development efforts, either in attracting large commercial or industrial customers to locate within Big Rivers' service territory or with respect to current customers wanting to expand their operations.

14. Refer to the Chambliss Testimony, page 11, lines 20–22. Provide an updated status of Rural Utilities Service's review of the APA.

15. Refer to the Electric Transmission Line Route Selection, Technical Report, by Quantum Spatial ("Quantum Spatial Technical Report"), pages 23, 25, and 33. Confirm the references to either East Kentucky Power Cooperative or EKPC in these pages are correct.

16. Refer to the Quantum Spatial Technical Report, page 41, Table 3. Confirm that the relative suitability value for “Rebuild Existing Transmission Lines (good)” should be 2.2 rather than 2.3 as indicated in the table.

17. Refer to the Quantum Spatial Technical Report, page 105, under the third-numbered topic labeled Project Management.

a. The first bullet point states that “Route A is slightly longer than Route B, which results in a significantly higher construction cost.” On page 94 of the Quantum Spatial Technical Report, the total project costs for Route A and Route B are \$9,278,855 and \$9,135,994, respectively. Explain how a cost difference of \$142,861 can be considered significant.

b. The second bullet point states that “Both Route A and Route B require purchasing four easements, but Route A requires acquiring a little more land than Route A.” Confirm that the last reference to Route A should be Route B.

c. The third bullet point states “Though Route B comes closer to an occupied house, the difference in baseline cost and the resulting project management costs of a shorter line make this the more desirable route.” Fully explain what is meant by “the resulting project management costs of a shorter line.”

18. Refer to the Quantum Spatial Technical Report, page 106, under the Maintenance Cost section. Fully explain why an additional angle structure would result in a higher maintenance cost for Route B.

19. Refer to the Quantum Spatial Technical Report, page 107, Table 19. Fully explain why Project Management, Reliability, and Maintenance Cost were weighted differently for Route A and Route B.

20. According to the Quantum Spatial Technical Report, the estimated total cost of Route B, which is the preferred route, is \$9,135,994. The Application, however, states that the estimated cost of Kentucky portion of the proposed transmission project is approximately \$6 million. Explain and reconcile this discrepancy.

21. Provide the estimated total cost of the entire MISO transmission project, including the segment located in Indiana.

22. Provide a detailed cost breakdown of the items that are included in the estimated annual operating costs of \$18,000.

23. Provide the time estimate required to complete the construction of the MISO transmission project, including that portion of the transmission line located in Kentucky.

24. Would the 150 to 210 feet right-of-way provide adequate clearances to potential obstruction at the edge of the right-of-way even under extreme wind conditions?

25. Confirm that the acquisition of all necessary easements for the proposed transmission line route has been completed.



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DATED APR 27 2018

cc: Parties of Record

Case No. 2018-00004

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