

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BIG RIVERS)	
ELECTRIC CORPORATION FOR A)	
CERTIFICATE OF PUBLIC CONVENIENCE AND)	CASE NO.
NECESSITY AUTHORIZING CONSTRUCTION)	2022-00433
OF A NEW TRANSMISSION OPERATIONS)	
CENTER AND AN ORDER AUTHORIZING BIG)	
RIVERS TO DISPOSE OF PROPERTY)	

ORDER

On January 24, 2023, Big Rivers Electric Corporation (BREC) filed an application for a Certificate of Public Convenience and Necessity (CPCN) for the construction of BREC's new Transmission Operations Center (TOC) and requesting authorization for BREC to sell its Energy Transmission and Substation facility. The Commission, on its own motion, finds that a procedural schedule should be established for the orderly processing of this case. The procedural schedule is attached as Appendix A to this Order and is incorporated herein. Further the Commission finds that BREC shall respond to Commission Staff's First Request for Information, attached as Appendix B, on or before the date indicated in the request and shall respond to any future requests for information propounded by Commission Staff by the date or dates set forth on any such requests.

In the event the Commission determines a hearing is necessary, BREC shall comply with the hearing requirements stated herein. Any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001E, Section 2, if the hearing is not

concluded on the designated day, the hearing may be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing. Hearings are held in the Richard Raff Hearing Room at the offices of the Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky. Witnesses who sponsor schedules, testimony, or responses to data requests are expected to participate in person at a hearing.

IT IS THEREFORE ORDERED that:

1. The procedural schedule set forth in Appendix A to this Order shall be followed. The schedule will be amended if any intervenors are joined to facilitate intervenor discovery.

2. On or before the date set forth in the procedural schedule, BREC shall file its responses to the Commission Staff's First Request for Information, attached to this Order as Appendix B.

3. BREC shall respond to additional requests for information propounded by Commission Staff as provided in those requests.

4. As set forth in 807 KAR 5:001E, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding that is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Therefore, any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented, or the issues and facts that the

person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of utility service consumed by the movant or a general statement regarding a potential impact of possible modification of rates will not be deemed sufficient to establish a special interest. In addition, any motion to intervene filed after the date established in the procedural schedule shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

5. BREC shall give notice of any scheduled hearing in accordance with the provisions set forth in 807 KAR 5:001E, Section 9(2). In addition, the notice of hearing shall include the following statement: "This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov"; and "Public comments may be made at the beginning of the hearing. Those wishing to make oral public comments may do so by following the instructions listing on the PSC website, psc.ky.gov." At the time the notice is mailed or publication is requested, BREC shall forward a duplicate of the notice and request to the Commission.

6. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

7. Any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001E, Section 2, if the hearing is not concluded on the designated day, the hearing shall be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing.

8. Witnesses who sponsor schedules, testimony, or responses to data requests shall participate in person at any hearing scheduled in this matter.

9. Pursuant to KRS 278.360 and 807 KAR 5:001E, Section 9(9), a digital video recording shall be made of the hearing.

10. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

11. The Commission does not look favorably upon motions to excuse witnesses from testifying at Commission hearings. Accordingly, motions to excuse a witness from testifying at a Commission hearing or from testifying in person at a Commission hearing shall be made in writing and will be granted only upon a showing of good cause.

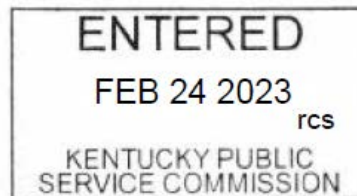
12. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner



ATTEST:


Executive Director

Case No. 2022-00433

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2022-00433 DATED FEB 24 2023

Last day for intervention requests to be accepted..... 03/06/2023

BREC shall file responses to initial requests for
information no later than..... 03/06/2023

All supplemental requests for information to BREC
shall be filed no later than 03/20/2023

BREC shall file responses to supplemental requests
for information no later than 04/03/2023

Last day for Parties to request a Public Hearing or submit a
request for the matter be decided based upon the written record 04/10/2023

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2022-00433 DATED FEB 24 2023

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

Big Rivers Electric Corporation (BREC), pursuant to 807 KAR 5:001E, is to file with the Commission an electronic version of the following information. The information requested is due on March 6, 2023. The Commission directs BREC to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and 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.

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

BREC shall make timely amendment to any prior response if BREC obtains information that indicates the response was incorrect or incomplete when made or, though correct when made, is now incorrect or incomplete in any material respect.

For any request to which BREC fails or refuses to furnish all or part of the requested information, BREC shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned 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, KCUC shall, in accordance with 807 KAR 5:001E, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, page 5, line 9. Provide copies of any site studies generated for BREC.
2. Refer to the Application, page 7, line 17. Provide copies of any loan applications or correspondence with lenders regarding financing of the proposed project.
3. Refer to the Application, page 8, lines 20-21.
 - a. Provide copies of any appraisals of the existing Energy Transmission and Substation facility (ET&S) property.
 - b. State the accumulated depreciation and remaining undepreciated amounts for the ET&S property.

c. State the number of employees currently housed in in each of the areas of the ET&S facility described in the Direct Testimony of Robert W. Berry (Berry Testimony), page 5.

4. Refer to the Application, Berry Testimony, pages 10–11, lines 18–6.

a. State the amount of the rejected Henderson Municipal Power & Light's (HMPL) facility offer.

b. State the square footage of the HMPL facility.

c. Explain in greater detail why it was not feasible to use the HMPL facility separate from the ET&S facility.

d. Provide the estimated cost of upgrading the HMPL facility.

5. Refer to the Application, Berry Testimony, page 11, lines 16–18. Identify any other sites that were evaluated for construction of the proposed Transmission Operations Center (TOC) facility and any offers or listed prices.

6. Refer to the Application, Berry Testimony, page 8, lines 18–20.

a. State what “compliance” issues make the ET&S facility inadequate, referencing any statutes, regulations, or other laws.

b. State what changes, if any, could be made to the ET&S facility to remedy inadequacies.

c. Provide estimated costs for changes to the ET&S facility to remedy the inadequacies.

7. Refer to the Application, Berry Testimony, page 9, lines 12–21.

a. State what changes could be made to the ET&S facility to retrofit the Data Center and estimate costs.

b. Describe the impact on day-to-day business activities that would result from retrofitting the Data Center.

8. Refer to the Application, Berry Testimony, page 12, lines 1–3.

a. Even though Kenergy Corporation (Kenergy) decided to not jointly utilize the property for its headquarters, explain whether it will utilize the property for its TOC.

b. In the eventuality that Kenergy decides to utilize the property for its new headquarters and TOC, explain generally the likely financial arrangements under which Kenergy would utilize the property.

9. Refer to the Application, Berry Testimony, page 15, lines 10–11.

a. Describe any alternative TOC facility designs that were considered.

b. Provide the estimated cost of any alternative TOC facility designs that were considered.

c. Explain why you rejected any alternative TOC facility designs that were considered.

d. Explain how you decided the necessary size of the proposed TOC facility.

e. State the employee count for employees housed at the existing ET&S facility when it was first built.

f. State BREC's current customer count and its customer count when the ET&S facility was first built.

10. Refer to the Application, Berry Testimony page 17, lines 16–20. Clarify if the existing ET&S Facility has been listed on the market without receiving an updated appraisal considering the previous appraisal was February 5, 2021.

11. Refer to the Application, Direct Testimony of Talina R. Mathews (Mathews Testimony) page 5, lines 6–8 and footnote 2. State the total acreage of the land purchased and the number of acres that could potentially be sold.

12. Refer to the Application, Mathews Testimony page 5, line 13. Explain how BREC was able to purchase the land for a cost for significantly less than its value. Include in the response the basis for the listed land value.

13. Refer to the Application, Mathews Testimony page 7, lines 1–4. Explain the basis for the estimated value of the ET&S facility and the headquarters.

14. Refer to the Application, Mathews Testimony page 7, lines 16–21 and page 8, lines 1–5.

a. Provide an estimated breakdown of the estimated upgrade and maintenance costs.

b. Provide the cost benefit study supporting the decision to sell the existing facilities and build a new combined structure in Owensboro.

15. Refer to the Application, Mathews Testimony page 9, lines 18–21.

a. Provide the status of discussions regarding potential financing from local financial institutions.

b. Discuss the potential benefits that could result from obtaining financing, in whole or in part, from local financial institutions.

c. Discuss whether the terms of financing from local financial institutions would be materially different than financing terms from RUS.

16. Refer to the Application, Mathews Testimony page 10, lines 4–7 and lines 18–20.

a. Explain and describe the “community development entities” that will be allocated funds through the New Markets Tax Credits (NMTC) Program.

b. Explain BREC’s efforts to date in exploring the potential opportunities to obtain financing through the NMTC Program.

c. If the application is approved as filed, explain the timeline for possibly receiving NMTC funds relative to the completion of the project.

d. If the application is approved as filed and funds are ultimately obtained through the NMTC Program, explain how these funds will be used.

17. Refer to the Application, Mathews Testimony page 11, lines 8–13. Provide the approximate cost savings from O&M expenses.

18. Refer to the Application, Mathews Testimony, Table, page 12. Also refer to the Berry Testimony, page 8, lines 10–22, page 9, page 10, lines 1–12 and page 11, lines 1–6. Since BREC would have to perform capital expenditures to upgrade, refurbish and harden its existing facilities in order to remain at the same location versus the capital expenditures to build a new facility:

a. Explain whether the figures in the existing ET&S column include capital expenditures necessary to retrofit the Data Center or otherwise continue using the existing ET&S facility. Include in the response whether any of the amounts, especially

the property tax and depreciation amounts, would increase after the capital expenditures were to be made to remain in the existing facilities.

b. Explain whether the capital cost of acquiring additional land and constructing an additional separate warehouse needed to serve ET&S is included in the existing ET&S column.

19. Refer to the Direct Testimony of Tim Masa (Masa Testimony) page 6, lines 5–12.

a. Explain the existing traffic flows that resulted in two separate entrances to the facility.

b. Explain whether the existing traffic flows will be impacted during facility construction, especially during the periods when parents take children to and collect children from schools.

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