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June 28, 2007 **RECEIVED**

**JUN 29 2007**

**PUBLIC SERVICE  
COMMISSION**

**Via Federal Express**

Ms. Elizabeth O'Donnell  
Executive Director  
Public Service Commission  
211 Sower Boulevard, P.O. Box 615  
Frankfort, Kentucky 40602-0615

Re: Notice of Big Rivers Electric Corporation and  
Kenergy Corp. of Amendments to Existing Rate Schedules  
Case No. 2007-00164

Dear Ms. O'Donnell:

Enclosed are an original and five copies of the response of Big Rivers Electric Corporation and Kenergy Corp. to the Commission Staff's second data request in the above referenced matter. The undersigned certifies that he supervised in the preparation of the response and that the response is true and accurate to the best of his knowledge, information, and belief formed after a reasonable inquiry. A copy of the response has been served on the attached service list.

Sincerely,



Tyson Kamuf

TAK/ej  
Enclosures

cc: David Spainhoward (w/enclosure)  
C. William Blackburn (w/enclosure)  
Steve Thompson (w/enclosure)  
David Hamilton (w/enclosure)  
Service List

Telephone (270) 926-4000  
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100 St. Ann Building  
PO Box 727  
Owensboro, Kentucky  
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**SERVICE LIST**  
**PSC CASE NO. 2007-00164**

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**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF KENTUCKY**

**In the Matter of:**

**Notice of Big Rivers Electric Corporation and  
Kenergy Corp. of Amendments to Existing  
Rate Schedules**

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) **Case No. 2007-00164**  
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**RESPONSE OF BIG RIVERS ELECTRIC CORPORATION AND  
KENERGY CORP. TO THE COMMISSION STAFF'S  
SECOND DATA REQUEST  
CASE NO. 2007-00164**

**June 28, 2007**



BIG RIVERS ELECTRIC CORPORATION'S  
RESPONSE TO THE SECOND DATA REQUEST OF THE COMMISSION  
STAFF TO THE ORDER OF JUNE 19, 2007  
ADMINISTRATIVE CASE NO. 2007-00164  
June 28, 2007

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**Item 1)** Refer to Big Rivers' and Kenergy's response to Item No. 1 of Commission Staff's First Request for Information dated May 21, 2007 ("Staff's First Data Request"). In that response, Big Rivers states that it will obtain day-ahead and week-ahead forward price curve information from ACES Power Marketing. Explain whether or not the potential "unwinding" of the Big Rivers and Western Kentucky Energy transaction (and therefore the return of generation assets to Big Rivers) would affect the determination of real-time pricing rates or any other aspects of this program.

**Response)** The potential "unwind" of the Big Rivers Electric Corporation and Western Kentucky Energy transaction should have no effect on the real-time pricing rates or any other aspect of the program.

**Witness)** C. William Blackburn



BIG RIVERS ELECTRIC CORPORATION'S  
RESPONSE TO THE SECOND DATA REQUEST OF THE COMMISSION  
STAFF TO THE ORDER OF JUNE 19, 2007  
ADMINISTRATIVE CASE NO. 2007-00164  
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**Item 2)** Refer to Big Rivers' and Kenergy's response to Item No. 3 of Staff's First Data Request. In that response, Big Rivers and Kenergy briefly discuss recovery of costs. Provide a more detailed explanation as to how Big Rivers and Kenergy plan to recover additional costs associated with the Real-Time Pricing Program.

**Response)** Additional costs associated with the real-time pricing program will depend upon the services requested by the customer. The determination of these costs and the method of recovery will be set forth in the special contract. Please refer to the response to Item 3a of the Commission Staff's First Data Request.

**Witness)** C. William Blackburn and David Hamilton





BIG RIVERS ELECTRIC CORPORATION'S  
RESPONSE TO THE SECOND DATA REQUEST OF THE COMMISSION  
STAFF TO THE ORDER OF JUNE 19, 2007  
ADMINISTRATIVE CASE NO. 2007-00164  
June 28, 2007

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**Item 3)** Refer to Big Rivers' and Kenergy's response to Item No. 6 of Staff's First Data Request. In that response, Kenergy states that it "will charge the customer its administrative costs, which will be set forth in the special contract with the customer". Identify the specific administrative costs to which Kenergy refers and provide the dollar amount of each item.

**Response)** Kenergy is unable to quantify the administrative costs at this time because Kenergy's costs will vary on a case-by-case basis. For example, to read the load profile meters for non-direct serve customers, Kenergy will be required to take a special trip to the meter location, and so, Kenergy's meter reading costs will vary depending on the customer's location. Moreover, the real-time pricing pilot program is designed to use special contracts, which will enable Big Rivers and Kenergy to gauge customer preferences, and to measure and recover the costs involved under different circumstance. Different customer preferences – in how prices are communicated or in what information is communicated, for example – can result in different costs. Please also see the Response to Big Rivers Electric Corporation and Kenergy Corp. to the Attorney General's First Data Request, Response to Item 16.

**Witness)** C. William Blackburn and David Hamilton