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MAY 11 2011  
PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

APPLICATION OF BIG RIVERS  
ELECTRIC CORPORATION FOR A  
GENERAL ADJUSTMENT IN RATES

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Case No. 2011-00036

Supplemental Responses to the Kentucky Industrial Utility Customers'  
Initial Request for Information  
dated  
April 1, 2011

FILED: May 11, 2011

ORIGINAL

**BIG RIVERS ELECTRIC CORPORATION**  
**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION**  
**FOR A GENERAL ADJUSTMENT IN RATES**  
**CASE NO. 2011-00036**

**First Supplemental Response to the Kentucky Industrial Utility Customers' Initial  
Request for Information dated April 1, 2011**

**May 11, 2011**

1 **Item 5)**        *Please provide the following annual amounts for all plant accounts for the*  
2 *last 20 years (up to, and including, 2010). If the requested data is not available for the last*  
3 *20 years, please provide the data for as many years as are available. Please provide data in*  
4 *both hard copy and electronic format (Excel or .txt).*

5

6                    *a. Beginning and ending reserve balances,*

7                    *b. Annual depreciation expense,*

8                    *c. Annual retirements,*

9                    *d. Annual cost of removal,*

10                   *e. Annual salvage receipts.*

11

12 **Response)**

13                   a. The original response to this question as filed on April 15, 2011 remains  
14                   accurate. See the supplemental attachment for the RUS Form 12h filed for  
15                   2010.

16                   b. There is no change to the response previously filed on April 15, 2011.

17                   c. There is no change to the response previously filed on April 15, 2011.

18                   d. There is no change to the response previously filed on April 15, 2011.

19                   e. There is no change to the response previously filed on April 15, 2011.

20

21 **Witness)**        Mark A. Hite – Subparts a., b., and e.

22                   Ted J. Kelly – Subpart c. and d.

**Big Rivers Electric Corporation**  
**Case No. 2011-00036**

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT</b> <b>ELECTRIC POWER SUPPLY</b> <b>PART H - ANNUAL SUPPLEMENT</b>	BORROWER DESIGNATION KY0062
	PERIOD ENDED December, 2010

INSTRUCTIONS - See help in the online application.

**SECTION A. UTILITY PLANT**

ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)
1. Total Intangible Plant (301 thru 303)	66,895				66,895
2. Total Steam Production Plant (310 thru 317)	1,667,805,311	40,077,053	26,852,236		1,681,030,128
3. Total Nuclear Production Plant (320 thru 326)	0				0
4. Total Hydro Production Plant (330 thru 337)	0				0
5. Total Other Production Plant (340 thru 347)	7,927,719	82,633	16,838		7,993,514
6. Total Production Plant (2 thru 5)	1,675,733,030	40,159,686	26,869,074		1,689,023,642
7. Land and Land Rights (350)	13,409,811	447,004			13,856,815
8. Structures and Improvements (352)	6,540,238	323,952	4,372		6,859,818
9. Station Equipment (353)	108,040,443	14,372,705	310,037		122,103,111
10. Other Transmission Plant (354 thru 359.1)	89,166,974	6,095,549	393,318		94,869,205
11. Total Transmission Plant (7 thru 10)	217,157,466	21,239,210	707,727		237,688,949
12. Land and Land Rights (360)	0				0
13. Structures and Improvements (361)	0				0
14. Station Equipment (362)	0				0
15. Other Distribution Plant (363 thru 374)	0				0
16. Total Distribution Plant (12 thru 15)	0				0
17. RTO/ISO Plant (380 thru 386)					
18. Total General Plant (389 thru 399.1)	18,200,899	891,758	155,084		18,937,573
19. Electric Plant in Service (1 + 6 + 11 + 16 thru 18)	1,911,158,290	62,290,654	27,731,885		1,945,717,059
20. Electric Plant Purchased or Sold (102)	0				0
21. Electric Plant Leased to Others (104)	0				0
22. Electric Plant Held for Future Use (105)	475,968				475,968
23. Completed Construction Not Classified (106)	19,482,130			(19,482,130)	0
24. Acquisition Adjustments (114)	0				0
25. Other Utility Plant (118)	0				0
26. Nuclear Fuel Assemblies (120.1 thru 120.4)	0				0
27. Total Utility Plant in Service (19 thru 26)	1,931,116,388	62,290,654	27,731,885	(19,482,130)	1,946,193,027
28. Construction Work in Progress (107)	55,256,847	(382,389)			54,874,458
29. Total Utility Plant (27 + 28)	1,986,373,235	61,908,265	27,731,885	(19,482,130)	2,001,067,485

**SECTION B. ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION - UTILITY PLANT**

ITEM	COMP. RATE (%) (a)	BALANCE BEGINNING OF YEAR (b)	ANNUAL ACCRUALS (c)	RETIREMENTS LESS NET SALVAGE (d)	ADJUSTMENTS AND TRANSFERS (e)	BALANCE END OF YEAR (f)
1. Depr. of Steam Prod. Plant (108.1)	1.79	773,418,472	28,388,533	33,158,632		768,648,373
2. Depr. of Nuclear Prod. Plant (108.2)		0				0
3. Depr. of Hydraulic Prod. Plant (108.3)		0				0
4. Depr. of Other Prod. Plant (108.4)	2.40	5,418,913	192,324	21,538		5,589,699
5. Depr. of Transmission Plant (108.5)	2.46	104,212,525	5,061,776	998,343		108,275,958
6. Depr. of Distribution Plant (108.6)		0				0
7. Depr. of General Plant (108.7)		6,114,761	411,177	154,294		6,371,644
8. Retirement Work in Progress (108.8)		(123,675)		164,860		(288,535)
9. Total Depr. for Elec. Plant in Serv. (1 thru 8)		889,040,996				888,597,139
10. Depr. of Plant Leased to Others (109)		0				0
11. Depr. of Plant Held for Future Use (110)		0				0
12. Amort. of Elec. Plant in Service (111)	1.88	19,058,504	2,210,414	364,655		20,904,263
13. Amort. of Leased Plant (112)		0				0
14. Amort. of Plant Held for Future Use		0				0
15. Amort. of Acquisition Adj. (115)		0				0
16. Depr. & Amort. Other Plant (119)		0				0
17. Amort. of Nuclear Fuel (120.5)		0				0
18. Total Prov. for Depr. & Amort. (9 thru 17)		908,099,500	36,264,224	34,862,322		909,501,402

US Financial and Operating Report Electric Power Supply - Part H - Annual Supplement

Revision Date 2010  
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**BIG RIVERS ELECTRIC CORPORATION**

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION  
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CASE NO. 2011-00036**

**First Supplemental Response to the Kentucky Industrial Utility Customers' Initial  
Request for Information dated April 1, 2011**

**May 11, 2011**

1 **Item 58)** *Please provide a quantification of the amount of patronage capital available*  
2 *for distribution, subject to the limitations set forth in the Mortgage Indenture, at the end of*  
3 *each month starting with October 2010 and continuing through the most recent month for*  
4 *which actual information is available. Provide all assumptions, data, and computations,*  
5 *including electronic spreadsheets with formulas intact. The computations should include*  
6 *the limitations set forth in the Mortgage Indenture. This is a continuing request and the*  
7 *response should be supplemented as actual information for each month is available.*

8  
9 **Response)** The quantification shown below, of the amount of patronage capital the  
10 Indenture would permit to be distributed, utilized the most recent calendar quarter information  
11 available, as of March 31, 2011. Patronage capital is not available for distribution (retirement)  
12 unless the Big Rivers' board of directors votes to retire patronage capital in accordance with Big  
13 Rivers' bylaws.

14

Quarter End Date		3/31/2011	
Equity		386,477,825.36	
Total Assets		1,460,723,750.17	
Equity/Total Assets	Loan Contract	26.46%	As Equity as a % of Total Assets is below 30%, no Distribution may be made without written RUS approval.
Long-Term Debt		815,764,621.15	
Total Capitalization		1,202,242,446.51	

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Equity/Total Capitalization	Indenture	32.15%	(a.) Big Rivers may not make a Distribution if it results in Equity being less than 20% as of the end of the most recent calendar quarter, or
			(b.) Big Rivers may not make a Distribution if such Distribution results in the cumulative Distributions made since Equity first exceeded 20% exceeding the cumulative Margins since that time.
Available	Indenture	36,942,456.76	(c.) Notwithstanding a. or b., Big Rivers may make a Distribution to the extent the resulting % Capitalization is equal to or greater than 30%.
Resulting Equity		349,535,368.60	
Resulting Capitalization		1,165,299,989.75	
Resulting % Capitalization		30.00%	
			Conclusion: The amount available for Distribution at March 31, 2011, if RUS written approval is requested and received, was \$36,942,456.76.

1  
2  
3

Witness) Mark A. Hite

**BIG RIVERS ELECTRIC CORPORATION**

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1 **Item 63)** *Please provide the current balance (as of February 2011 or March 2011, if*  
2 *available) in the Economic Reserve Fund and the Rural Economic Reserve ("RER") fund.*  
3 *This should be considered a continuing request and updates should be provided monthly as*  
4 *actual information for each succeeding month is available.*

5

6 **Response)** The balance in the Economic Reserve as of March 31, 2011, including accrued  
7 interest, was \$115,555,317.66. The balance in the Rural Economic Reserve as of March 31,  
8 2011, including accrued interest, was \$62,631,832.41.

9

10

11 **Witness)** Mark A. Hite

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1 **Item 80)**     *Refer to Page 8, Line 15-16 of Mr. Blackburn's testimony. Please provide*  
2 *workpapers for calculations of the MFIR for 2010 and for the first quarter of 2011.*

3

4 **Response)**    The updated calculation of the MFIR for 2010 is attached. The calculation of  
5 MFIR for a single quarter is not meaningful; a calculation of the MFIR for the 12 months  
6 ended March 31, 2011 is attached.

7

8

9 **Witnesses)**    C. William Blackburn and Mark A. Hite

**Big Rivers Electric Corporation**  
**Case No. 2011-00036**

1	2	3	4	5	6	7
1	<b>MFI (Margins for Interest Ratio)</b>					
2	<b>Calculated as follows:</b>					
3		<b>12 Months Ended March 2011</b>				
4	Net Margins + Interest expense on long-term debt (including interest charged to construction) + Income Taxes	43,096,937.60				
5	Interest expense on long-term debt (including interest charged to construction)	46,508,896.04	=	0.93		
6						
7						
8						
9						
10	Net Margins for 12 Months Ended March 2011	\$ (3,672,345.42)				
11	Non-recurring charge to income		(+)	5,956,694.84		Net Margins for YTD December 2010
12	Refund of revenues	-		(-)	9,531,470.00	Net Margins for QTD March 2010
13	Interest Expense on Long-Term Debt (Accts. 427.110 - 427.181)	46,508,896.04		(+)	(97,570.26)	Net Margins for QTD March 2011
14	Federal and State Income Taxes (After deduction for Interest Expense)	260,386.98		=	(3,672,345.42)	
15	Numerator	\$ 43,096,937.60		(+)	47,064,226.00	Interest Expense on Long-Term Debt as YTD December 2010
16				(-)	12,166,056.00	Interest Expense on Long-Term Debt QTD March 2010
17				(+)	11,610,726.04	Interest Expense on Long-Term Debt QTD March 2011
18				=	46,508,896.04	
19						
20				(+)	262,797.98	Federal and State Income Taxes (After deduction for Interest Expense) YTD December 2010
21				(-)	-	Federal and State Income Taxes (After deduction for Interest Expense) QTD March 2010
22				(+)	(2,411.00)	Federal and State Income Taxes (After deduction for Interest Expense) QTD March 2011
23				=	260,386.98	



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**May 11, 2011**

1 **Item 112)** *Please provide the off-system MWh sales and prices peak and off-peak for*  
2 *each day and month (with daily prices weighted on daily MWh for each month) for the*  
3 *period January 1, 2011 through March 31, 2011.*

4

5 **Response)** The original response to this question as filed on April 15, 2011 remains  
6 accurate. The supplemental data is provided on the enclosed CD under a Petition for  
7 Confidential Treatment.

8

9

10 **Witness)** C. William Blackburn

11

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1 **Item 132)** *Please provide monthly billing and settlement invoices (in complete form)*  
2 *received by Big Rivers from the Midwest Independent Transmission System Operator*  
3 *(Midwest ISO) for each month since Big Rivers became a transmission owner member of*  
4 *Midwest IS.*

5

6 **Response)** The original response to this question as filed on April 15, 2011 remains  
7 accurate. The supplemental data is provided on the enclosed CD under a Petition for  
8 Confidential Treatment.

9

10

11 **Witness)** C. William Blackburn