

SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC

ATTORNEYS AT LAW

Ronald M. Sullivan

Jesse T. Mountjoy

Frank Stainback

James M. Miller

Michael A. Fiorella

Allen W. Holbrook

R. Michael Sullivan

Bryan R. Reynolds

Tyson A. Kamuf

Mark W. Starnes

C. Ellsworth Mountjoy

Susan Montalvo-Gesser

Mary L. Moorhouse

June 8, 2011

Via Federal Express

Jeff DeRouen
Executive Director
Public Service Commission
211 Sower Boulevard, P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

JUN 09 2011

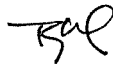
**PUBLIC SERVICE
COMMISSION**

Re: In the Matter of: Notice and Application of Big Rivers
Electric Corporation for a General Adjustment in Rates,
PSC Case No. 2011-00036

Dear Mr. DeRouen:

Enclosed are an original and ten copies of the First Request for Information of Big Rivers Electric Corporation to Kentucky Industrial Utility Customers, Inc. in the above-referenced matter. I certify that a copy of this letter and attachment have been served on each of the persons shown on the attached service list.

Sincerely,



Tyson Kamuf

TAK/ej
Enclosures

cc: Mark A. Bailey
Albert Yockey
Doug Beresford, Esq.
Service List

Telephone (270) 926-4000

Telecopier (270) 683-6694

100 St. Ann Building

PO Box 727

Owensboro, Kentucky

42302-0727

SERVICE LIST
BIG RIVERS ELECTRIC CORPORATION
PSC CASE NO. 2011-00036

Dennis G. Howard, II, Esq.
Lawrence W. Cook, Esq.
Assistant Attorneys General
1024 Capital Center Drive
Suite 200
Frankfort, KY 40601-8204

Sanford Novick
President and CEO
Kenergy Corp.
3111 Fairview Drive
P.O. Box 1389
Owensboro, Kentucky 42302-1389

Michael L. Kurtz, Esq.
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OH 45202
**COUNSEL FOR KENTUCKY
INDUSTRIAL UTILITY CUSTOMERS,
INC.**

G. Kelly Nuckols
President and CEO
Jackson Purchase Energy Corporation
2900 Irvin Cobb Drive
P.O. Box 4030
Paducah, KY 42002-4030

David C. Brown, Esq.
Stites & Harbison
1800 Providian Center
400 West Market Street
Louisville, KY 40202
**COUNSEL FOR ALCAN PRIMARY
PRODUCTS CORPORATION**

Burns E. Mercer
President/CEO
Meade County R.E.C.C.
1351 Highway 79
P.O. Box 489
Brandenburg, KY 40108-0489

J. Christopher Hopgood, Esq.
Dorsey, King, Gray, Norment & Hopgood
318 Second Street
Henderson, KY 42420
COUNSEL FOR KENERGY CORP.

Melissa D. Yates
Denton & Keuler, LLP
555 Jefferson Street
P.O. Box 929
Paducah, KY 42002-0929
**COUNSEL FOR JACKSON PURCHASE
ENERGY CORPORATION**

1 COMMONWEALTH OF KENTUCKY
2 BEFORE THE PUBLIC SERVICE COMMISSION

3
4 In the Matter of:

5
6 APPLICATION OF BIG RIVERS ELECTRIC)
7 CORPORATION FOR A GENERAL) CASE NO. 2011-00036
8 ADJUSTMENT IN RATES)
9

10
11 **BIG RIVERS ELECTRIC CORPORATION'S FIRST REQUEST FOR INFORMATION**
12 **TO KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.**
13

14 Big Rivers Electric Corporation submits these first request for information to Kentucky
15 Utility Industrial Utility Customers, Inc., to be answered in accordance with the following
16 Definitions and Instructions.

17 DEFINITIONS

18 1. Whenever it is necessary to bring within the scope of these information requests
19 documents that otherwise might be construed to be outside their scope (1) the use of "and" as
20 well as "or" shall be construed both disjunctively and conjunctively; (2) the use of a word in its
21 singular form shall be construed to include within its meaning its plural form as well, and vice
22 versa; (3) the use of "include" and "including" shall be construed to mean "without limitation";
23 and (4) the use of a verb in any tense or voice shall be construed as the use of that verb in all
24 other tenses and voices.

25 2. "Big Rivers" means Big Rivers Electric Corporation.

26 3. "KIUC," "you," or "your" means Kentucky Industrial Utility Customers, Inc., its
27 agents, officers, directors, and employees.

28 4. "Smelter" or "Smelters" means one or both of Century Aluminum of Kentucky
29 General Partnership and Alcan Primary Products Corporation.

1 5. “Smelter Agreements” means the retail electric service agreements between
2 Kenergy Corp. and the respective Smelters dated as of July 1, 2009.

3 6. “Commission” means the Kentucky Public Service Commission.

4 7. “Document” means any written, recorded, transcribed, printed or impressed
5 matter of whatever kind, however produced, stored or reproduced, including, but not limited to,
6 sound or pictorial recordings, computerized information, books, pamphlets, letters, memoranda,
7 telegrams, electronic or mechanical transmissions, communications of all kinds, reports, notes,
8 working papers, handwritings, charts, papers, writings, printings, transcriptions, tapes and
9 records of all kinds.

10 8. “Person” includes a natural person, a business organization of any type, an
11 unincorporated association, a governmental subdivision, agency, or entity, and a business trust.

12 9. Wherever in these information requests you are asked to “identify,” you are
13 requested:

14 (a) when identifying a person, to give such person’s:

15 (1) full name,

16 (2) business address, residence address, and telephone number,

17 (3) his present or last known position and business affiliation at the
18 time in question, and

19 (4) the nature of such person’s participation in, and the scope of his
20 responsibility with regard to, the facts and events underlying the
21 present case;

22 (b) when identifying an oral communication, to:

23 (1) identify the author thereof and the parties thereto,

- 1 (2) state the date of the communication,
2 (3) state the place of the communication,
3 (4) state the substance of the communication, and
4 (5) state whether such communication has been reduced to writing
5 and, if so, identify each document and the present custodian
6 thereof;

7 (c) when identifying other information, to state:

- 8 (1) the source thereof,
9 (2) any oral communications pertaining thereto,
10 (3) any documents pertaining thereto, and
11 (4) the substance of the information;

12 (d) when identifying a document, to:

- 13 (1) identify the author thereof and the parties thereto,
14 (2) state its title or other identifying data,
15 (3) state the date of the document or if no date appears thereon, the
16 approximate date,
17 (4) state the exact nature and substance thereof;
18 (5) identify each person having possession, care, custody or control of
19 the original and any copies thereof; and
20 (6) if such document was, but no longer is, in your possession or
21 subject to your control, state what disposition was made of it.
22
23

1 INSTRUCTIONS

2 1. If any document called for by any of these data requests is withheld based upon a
3 claim of privilege or work product, please produce so much of the document as to which you do
4 not claim privilege or protection, and for each document or part of a document for which you
5 claim privilege or protection, describe or identify:

- 6 a. The nature, subject matter and substance of the document or part of the
7 document withheld;
- 8 b. The nature of the privilege or protection claimed;
- 9 c. The date, author or authors, addressee or addressees, and distribution of
10 the document;
- 11 d. Each person in whose possession, custody or control any copy of the
12 document is or has been; and
- 13 e. Paragraph number of the schedule of documents to which the document or
14 part of the document is responsive.

15 2. If, for reasons other than a claim of privilege or work product, you refuse to
16 answer any data request or to produce any document requested, state the grounds upon which the
17 refusal is based with sufficient specificity to permit a determination of the propriety of such
18 refusal.

19 3. If any copy of any document requested herein or any record which refers or
20 relates to any document requested herein has been destroyed or lost, set forth to the extent
21 possible the content of each such document, the date such document and its copies were
22 destroyed or lost and, if destroyed, the identity of the person authorizing such destruction, and
23 the identity of the last known custodian of such document prior to its destruction.

1 4. These data requests shall be deemed continuing and you should serve upon Big
2 Rivers' counsel (1) supplemental responses to these data requests if additional information or
3 information that changes your response to any data request is obtained during the course of this
4 proceeding, and (2) any documents requested herein that become available or that are discovered
5 after the date your responses to these data requests are due.

6 DATA REQUESTS

7 1. Please provide an electronic copy -- with searchable electronic formats and all
8 formulas intact -- of all exchanges of information among Dr. Morey, Dr. Coomes, Mr. King, the
9 Smelters, any person representing a Smelter, the Smelters' respective Corporate parents, and/or
10 Mr. Strong. This includes, but is not limited to, e-mails, letters, charts, graphs, tables, reports,
11 *etc.*

12 2. Please provide electronic copies of Exhibits LK-9 and LK-12 to the direct
13 testimony of Mr. Kollen, with cells and formulas intact, along with all computer models,
14 workpapers and other documents that support these exhibits.

15 3. Please provide electronic copies of Exhibits SJB-3, SJB-4, SJB-5, and SJB-6 to
16 the direct testimony of Mr. Baron, with cells and formulas intact, along with all computer
17 models, workpapers and other documents that support these exhibits.

18 4. Please provide Mr. Baron's testimony for the following cases:

19	Case	Jurisdiction	Utility
20	R-00061346	Pennsylvania	Duquesne Light Company
21	R-00061366	Pennsylvania	Metropolitan Edison/Pennsylvania Electric
22	R-00072155	Pennsylvania	Pennsylvania Power & Light
23	E-01933A-05-0650	Arizona	Tuscon Electric Power Company

1 E-01345A-08-0172 Arizona Arizona Public Service Company

2 R-2010-2161575 Pennsylvania PECO Energy Company

3 5. Please refer to the testimony of Mr. Baron, page 6, and beginning at line 1. Mr.
4 Baron states, in part: “[G]iven the unique characteristics of the Smelter customers, it is
5 appropriate to fully eliminate the present rate subsidies received by the Rural rate class.”

6 a. Please state which of the following items fall within the class of “present
7 rate subsidies received by the Rural rate class” that would be “fully
8 eliminated” by the KIUC proposal:

9 (1) Base Energy Charges, calculated pursuant to Section 4.2 of the
10 Smelter Agreements, related to Base Fixed Energy under the
11 Smelter Agreements;

12 (2) TIER Adjustment Charges calculated pursuant to Section 4.7 of the
13 Smelter Agreements;

14 (3) Restructuring Amount calculated pursuant to Section 16.5 of the
15 Smelter Agreements.

16 (4) Retail Fee calculated pursuant to Section 4.12 of the Smelter
17 Agreements;

18 (5) Surcharge calculated pursuant to Section 4.11 of the Smelter
19 Agreements;

20 (6) Taxes calculated pursuant to Section 4.15 of the Smelter
21 Agreements;

1 (7) Credits from the Economic Reserve under the Member Rate
2 Stability Mechanism calculated pursuant to Big Rivers' proposed
3 tariff, Original Sheet Nos. 51-53; and

4 (8) Credits from the Rural Economic Reserve under the Member Rate
5 Stability Mechanism calculated pursuant to Big Rivers' proposed
6 tariff, Original Sheet Nos. 57-58;

7 b. Please identify any other items not listed in subparagraph a, above, that
8 fall within the class of "present rate subsidies received by the Rural rate
9 class" that would be eliminated by the KIUC proposal.

10 6. Please refer to the testimony of Mr. Baron, page 31, Table 3. Please confirm that
11 absent use of the Rural Economic Reserve and the patronage rotation, KIUC is proposing a
12 16.67% Rural class rate increase, a 0.08% Large Industrial class rate increase, and a 0.08%
13 Smelter class rate increase.

14 7. Please provide electronic copies of Schedules 1, 4, 6, 7, 8, 9 and 10 of Exhibit
15 CWK-1 to the direct testimony of Mr. King, with cells and formulas intact, along with all
16 computer models, workpapers and other documents that support these schedules. If the model(s)
17 employed by Mr. King is proprietary, please provide all data and files necessary to recreate Mr.
18 King's calculations.

19 8. Please refer to the testimony of Mr. King beginning at page 8 line 16. Does Mr.
20 King agree that the version of the Burns & McDonnell Depreciation Study used by him in his
21 testimony is not the final version of the Burns & McDonnell Depreciation Study, which was filed
22 by Big Rivers on April 15, 2011, in response to KIUC 1-33, on CD 1 of 5? If your response is

1 “yes,” please update your testimony to reflect the information contained in that final version of
2 the Burns & McDonnell Depreciation Study. If your response is “no,” please explain.

3 9. Referring to Schedule 1 of Exhibit CWK-1 to the direct testimony of Mr. King,
4 please explain why the subtotal for April 30, 2010 Plant Balance does not match the subtotal for
5 Big Rivers April 30, 2010 production plant balance reflected in the spreadsheet entitled “Deprec
6 Summary 2010-12-16 FINAL.xls” provided by Big Rivers in response to AG 1-104.

7 10. Referring to Schedule 1 of Exhibit CWK-1 to the direct testimony of Mr. King, to
8 the extent not already provided in your response to Item 7, please provide the source and
9 calculations for the following:

- 10 a. Account 343 CT –Prime Movers
- 11 b. Account 344 CT –Generators
- 12 c. Account 345 CT –Access. Elec. Eqpt.

13 11. Referring to Schedule 4 of Exhibit CWK-1 to the direct testimony of Mr. King,
14 please explain why the total for Account 312 –Boiler Plant does not match Big Rivers’ April 30,
15 2010 account balance found in Table ES-1, page ES-6 of the Burns & McDonnell Depreciation
16 Study.

17 12. Referring to Schedule 4 of Exhibit CWK-1 to the direct testimony of Mr. King, to
18 the extent not already provided in your response to Item 7, please provide the source and
19 calculations for the following items under Account 312 –Boiler Plant:

- 20 a. Reid
- 21 b. Coleman
- 22 c. Green
- 23 d. HMPL

1 13. Referring to Schedule 10 of Exhibit CWK-1 to the direct testimony of Mr. King,
2 to the extent not already provided in your response to Item 7, please provide the source and
3 calculations for the following:

- 4 a. Net Salvage Factor for Account 311 -Structures
- 5 b. Accumulated Depreciation for Account 312 –Boiler Plant
- 6 c. Accumulated Depreciation for Account 312 -Boiler Plant –Env Compl.
- 7 d. Total to be Accrued for all accounts

8 14. Referring to Attachment 1 to the direct testimony of Dr. Coomes, please provide a
9 copy of the “2008 report” referenced on p. 1.

10 15. Please identify and provide each analysis, workpaper, calculation, input and
11 document that Dr. Coomes relies upon to support Attachment 1 to his direct testimony.

12 16. Please refer to Mr. Fayne’s testimony, page 9 Line 3; Exhibit HWF-1. The
13 exhibit lists 9 smelters. The testimony notes that there are 10 smelters in the U.S. Please update
14 the table in the exhibit to include the data for the "tenth smelter" not included in the filed Exhibit.

15 17. Please refer to Mr. Fayne’s testimony, page 23, Line 15 - page 24, Line 6 and
16 page 20, Line 14. The witness calls for a statewide solution that provides support from a larger
17 population. Have the Smelters taken any steps in Kentucky or elsewhere to effectuate such a
18 solution at any time since 2000? If yes, please identify and describe each such step. If no, please
19 explain why not.

20 18. Refer to page 10 of Mr. Leblanc’s testimony, lines 1 through 5.

- 21 a. Other than Big Rivers, its Members, the Smelters, and Kentucky
22 Government officials, please list any other parties whom Mr. LeBlanc
23 believe should “agree on a permanent solution.”

1 b. Please fully describe the parameters of “a permanent solution” envisioned
2 by the Smelters.

3 19. Refer to page 19 of Mr. Fayne’s testimony, line 10 through 14.

4 a. Please identify and provide a copy of all documents, including but not
5 limited to press releases, newspaper reports, agreements, contracts, *etc.*,
6 documenting the New York Power Authority’s “approach” for
7 maintaining the continuing operation of Alcoa’s Massena smelter.

8 b. To Mr. Fayne’s knowledge, has Alcoa maintained its commitment “to
9 make capital intensive investments in the facilities and to maintain a
10 minimum number of jobs”? If not, why not?

11 20. Referring to the direct testimony of Mr. Fayne at p. 18, lines 9-13, please provide
12 a copy of any and all orders reflecting the action of the Missouri Public Service Commission as
13 described in the referenced testimony.

14 21. Referring to the direct testimony of Mr. Fayne at p. 18, lines 15-20, please
15 provide a copy of any and all orders reflecting the action of the Public Utilities Commission of
16 Ohio as described in the referenced testimony.

17 22. Referring to the direct testimony of Mr. Fayne at p. 18, line 22-p. 19, line 2,
18 please provide a copy of any and all orders reflecting the action of the Public Service
19 Commission of West Virginia as described in the referenced testimony.

20 23. Referring to the direct testimony of Mr. Fayne at p. 19, lines 2-6, please provide a
21 copy of the legislation described in the referenced testimony.

1 24. Referring to the direct testimony of Mr. Fayne at p. 19, lines 6-8, please provide a
2 detailed description of the “efforts” to which the testimony refers, including any “additional
3 mechanisms” which are being considered.

4 25. Please refer to Mr. Fayne’s testimony, Exhibit HWF-1, Text in Box. Please
5 identify and provide each analysis, workpaper, calculation, input and document relied upon by
6 Mr. Fayne that demonstrates that: "If the rates requested by Big Rivers is (sic) approved and
7 both smelters operate at full production, the cost electricity for the Hawesville and Sebree
8 smelters would be \$47.86/MWh."

9 26. Refer to page 8, line 18 of Mr. Fayne’s testimony. What is the transportation cost
10 premium or advantage in \$/pound that the Smelters currently are experiencing as a result of
11 being located where they are in the United States?

12 27. Please refer to pages 14-15 of Dr. Morey’s testimony. Please provide the PJM
13 West NYMEX/CME prices utilized, and indicate which contract month they represent, what
14 CME market date they were for, and whether they are close-of-day prices.

15 28. Please refer to page 14 of Dr. Morey’s testimony. Please explain how the BRECC-
16 MISO interface price was determined for the months in the test year when Big Rivers was not in
17 the MISO market. Please identify and provide each analysis, workpaper, calculation, input and
18 document that he relies upon to arrive at these prices.

19 29. Refer to pages 13 and 14 of Dr. Morey’s testimony, from page 13, line 16 through
20 page 14, line 3.

- 21 a. Please identify and provide an electronic copy, or hardcopy if electronic
22 copy is not available, of all information, documents, reports, tables, charts,
23 and other data relied upon by Dr. Morey in preparing the dispatch

1 simulation study, the Status Quo Case, and the Wholesale Market Case.
2 For any electronic documents with formulae, please provide those
3 documents with formulae intact.

4 b. Please identify and provide any reports prepared from the dispatch
5 simulation study, the Status Quo Case, and the Wholesale Market Case.

6 30. Refer to page 6, line 7 of Dr. Morey's testimony. Please provide the simulation
7 used in dispatching Big Rivers' generation against hourly market prices. Please identify and
8 provide all documents, inputs and assumptions used and relied upon by Dr. Morey in
9 establishing the hourly market prices.

10 31. Please provide the forecasted monthly average MISO market prices that Dr.
11 Morey used in his analysis.

12 32. Refer to page 10, line 20 of Dr. Morey's testimony. Please provide the publicly
13 available wholesale market information relied upon by Dr. Morey in preparing this portion of his
14 testimony.

15 33. Please refer to page 18 of the testimony of Dr. Morey. Please identify and
16 provide each analysis, workpaper, calculation, input and document that he relies upon to support
17 this 26% market price increase statement.

18 34. Please refer to page 19 of the testimony of Dr. Morey. Please identify and
19 provide each analysis, workpaper, calculation, input and document that he relies upon to support
20 this assertion of a 22% contribution decline.

21 35. On page 6 lines 7 through 11 of his testimony, Dr. Morey asserts that the reason
22 for his lower estimate of market sales compared to Smelter sales was "because BREC generation

1 units are frequently out of the market.” Please identify and provide each analysis, workpaper,
2 calculation, input and document that he relies upon to support this assertion.

3 36. On page 6 line 21, Dr. Morey asserts that the “existence of transmission
4 constraints would limit flows out of the BREC zone to MISO”. Please identify and provide each
5 analysis, workpaper, calculation, input and document that he relies upon to support this assertion.

6 37. In his testimony on page 13, beginning at line 4, Dr. Morey uses the term
7 “substantial” to characterize the flow constraints on some transmission lines that could decrease
8 the quantities of sales to the market. In reaching that conclusion, did he consider the Phase 1 and
9 2 transmission build-out designed to allow Big Rivers to transmit excess generation to the Big
10 Rivers system borders (*see* page 6.4 of *Big Rivers’ Integrated Resource Plan*, P.S.C. Case No.
11 2010-00443, and *Application of Big Rivers Electric Corporation for a Certificate of Public*
12 *Convenience and Necessity to Construct a 161 kV Electric Transmission Line in Ohio County,*
13 *Kentucky*, PSC Case No. 2007-00177) and the potential future benefits of Vectren Energy’s 345
14 kV transmission line (*see Application of Southern Indiana Gas & Electric Co. D/B/A Vectren*
15 *Energy Delivery of Indiana, Inc. for a Certificate to Construct an Electric Transmission Line*
16 *from Its A. B. Brown Plant to the Big Rivers Reid EHV Station*, Kentucky State Board on Electric
17 Generation and Transmission Siting, Case No. 2010-00223)?

18 38. Please identify and provide electronic copies of Exhibit MJM-3 to the direct
19 testimony of Dr. Morey, with cells and formulas intact, along with all computer models,
20 workpapers and other documents that he relies upon to support this exhibit. Also, please provide
21 any assumptions utilized in this Exhibit that are not stated in the direct testimony.

22 39. Please refer to Exhibits MJM-2 and LK-10. Please identify any data in those
23 exhibits that were taken from or derived from material that Big Rivers filed under a petition for

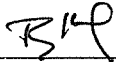
1 confidential treatment, and state what efforts KIUC has taken or plans to take to remove such
2 data from the public record.

3 40. With the relatively high market prices for primary aluminum, please identify and
4 explain the steps, if any, that each Smelter has taken to hedge its long position in the market.

5 41. Please identify and provide, by Smelter and by month, a list of the cash payments
6 received by each Smelter from Big Rivers, Kenergy Corp., or a subsidiary or affiliate of the
7 former E.ON U.S., LLC arising out of, related to, or in connection with the Big Rivers unwind
8 transaction as referred to by Mr. Fayne on page 21 of his testimony..

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

Respectfully submitted,

By: 
James M. Miller
Tyson Kamuf
Sullivan, Mountjoy, Stainback
& Miller, P.S.C.
100 St. Ann Street
P.O. Box 727
Owensboro, Kentucky 42302-0727
Telephone: (270) 926-4000

Douglas L. Beresford
Hogan Lovells US LLP
Columbia Square
555 Thirteenth Street, N.W.
Washington, D.C. 20004
Telephone: (202) 637-5600

COUNSEL FOR BIG RIVERS
ELECTRIC CORPORATION