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Via Overnight Mail

May 21, 2012

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RECEIVED

MAY 22 2012

PUBLIC SERVICE
COMMISSION

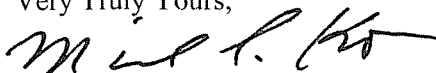
Re: Case No. 2012-00063

Dear Mr. Derouen:

Please find enclosed the original and ten (10) copies of KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.'s FIRST SET OF DATA REQUESTS TO BIG RIVERS ELECTRIC CORPORATION for filing in the above-referenced matter.

By copy of this letter, all parties listed on the Certificate of Service have been served. Please place these documents of file.

Very Truly Yours,



Michael L. Kurtz, Esq.

Kurt J. Boehm, Esq.

BOEHM, KURTZ & LOWRY

MLKkew
Attachment

cc: Certificate of Service
Quang Nyugen, Esq.
Faith Burns, Esq.
David C. Brown, Esq.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by electronic mail (when available) and by mailing a true and correct copy by regular, U.S. Mail, unless other noted, this 21ST day of May, 2012 to the following



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Kurt J. Boehm, Esq.

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF BIG RIVERS)	
ELECTRIC CORPORATION FOR A)	CASE NO. 2012-00063
GENERAL ADJUSTMENT IN RATES)	

KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.'s
FIRST SET OF DATA REQUESTS TO
BIG RIVERS ELECTRIC CORPORATION

Dated: May 21, 2012

DEFINITIONS

1. "Document(s)" is used in its customary broad sense and includes electronic mail and all written, typed, printed, electronic, computerized, recorded or graphic statements, memoranda, reports, communications or other matter, however produced or reproduced, and whether or not now in existence, or in your possession.
2. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion whether preliminary or final, and whether or not referred to in Big Rivers' direct testimony.
3. If any document requested herein was at one time in existence, but has been lost, discarded or destroyed, identify such document as completely as possible, including the type of document, its date, the date or approximate date it was lost, discarded or destroyed, the identity of the person (s) who last had possession of the document and the identity of all persons having knowledge of the contents thereof.
4. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.
5. A request to identify a natural person means to state his or her full name and residence address, his or her present last known position and business affiliation at the time in question.
6. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), number of code number thereof or other means of identifying it, and its present location and custodian. If any such document was, but is no longer in the Company's possession or subject to its control, state what disposition was made of it.
7. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.
8. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.
9. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.
10. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.
11. "You" or "your" means the person whose filed testimony is the subject of these interrogatories and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony.
12. "BREC" means Big Rivers Electric Corporation and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.

INSTRUCTIONS

1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.
2. These interrogatories are continuing in nature, and information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to Kentucky Industrial Utility Customers. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent after the answers hereto are served.
3. Unless otherwise expressly provided, each interrogatory should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.
4. The answers provided should first restate the question asked and also identify the person(s) supplying the information.
5. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.
6. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.
7. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.
8. Responses to requests for revenue, expense and rate base data should provide data on the basis of Total Company as well as Intrastate data, unless otherwise requested.

**FIRST SET OF DATA REQUESTS OF
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS. INC.
BIG RIVERS ELECTRIC CORPORATION
Case No. 2012-00063**

- Q1.1. See Spreadsheet Financial Forecast (2012-2026) Base Case (No Env Comp) 02-.xls, Worktab = PCM, Cell N77. This cell points to another excel spreadsheet that was not supplied with the set of Corporate Financial Model ("CFM") scenario spreadsheets previously supplied. Furthermore, there are other cells within that same spreadsheet that point to other excel spreadsheets, for example, cell N82 in the same WorkTab points to a Monthly Resource Report worktab in another excel spreadsheet. We request the Company to supply every spreadsheet that is referenced within each CFM scenario that the Company previously supplied, and to identify where the external spreadsheets are referenced within the CFM scenario spreadsheets.
- Q1.2. Refer to the five corporate financial model scenario Excel workbooks provided by the Company in response to the KIUC Motion to Dismiss.
- a. Please confirm that the NPV spreadsheet for each scenario quantifies the annual revenue requirement of all variable expenses, off system sales (OSS) revenues, and incremental fixed debt service used to finance the capital expenditures of the scenarios.
 - b. Please confirm that the NPV spreadsheet for each scenario quantifies the incremental fixed debt service using a levelized methodology over 28 years using the coupon interest rate and no TIER.
 - c. Please explain why the incremental fixed debt service does not include a TIER. If the Company agrees that the incremental fixed debt service should include a TIER, then please provide revised scenarios including a TIER.
 - d. Please explain why the Company used a levelized methodology for the fixed debt service rather than an annual revenue requirement methodology consistent with the manner in which it will recover the build or buy costs from customers through the ECR.
 - e. Please provide the inputs to the CFM base case and five scenarios obtained from ACES and all workpapers and other analyses used to convert the ACES data to inputs for the CFM base case and five scenarios, including all assumptions, data, computations, and electronic spreadsheets with formulas intact.
 - f. Please confirm that the NPV spreadsheet for each of the two loss of Smelter load scenarios reflect no loss of Smelter revenues under their KPSC approved contracts after 2013, even though the Company assumed that the available generation freed up from the closure of the Smelters could under their KPSC approved contracts be sold into the market and reflected both the additional OSS revenues and the other effects on variable expenses in the revenue requirement.
 - g. Please indicate whether the Company still believes that it correctly modeled the two loss of Smelter load scenarios without consideration of the loss of the Smelter revenues under their KPSC approved contracts and explain why it believes that the scenarios either are correct or incorrect.

- h. Please provide revised NPV spreadsheets for the two loss of Smelter load scenarios to reflect the loss of Smelter revenues under their KPSC approved contracts after 2013. Provide all assumptions, data, computations, and workpapers, including electronic spreadsheets with formulas intact.
 - i. Please explain why the Company limited its CFM scenarios to 15 years (from 2012 through 2016) instead of a longer horizon, such as 20, 25, or 28 years, or a shorter horizon such as ten years.
- Q1.3. If ACES performed any cases other than those used in the CFM base case and five scenarios, please provide a detailed description of the other cases performed, and provide the same information as requested in the prior question for those other cases.
- Q1.4. Please supply all documents, memos, letters and emails that were sent back and forth between the Company and ACES concerning either input or output data associated with the base case and five scenarios, as well as any other cases that ACES performed.
- Q1.5. Please provide all assumptions, data, computations and workpapers, including electronic spreadsheets with formulas intact used to populate the CFM base case and each of the five scenarios.
- Q1.6. Please provide a narrative description of how the CFM model was populated with data associated with each generating unit environmental upgrade.
- Q1.7. Assuming the environmental upgrade assumptions were sourced to Sargent & Lundy, provide the workpapers that came from Sargent & Lundy. If the environmental upgrade assumptions were sourced elsewhere, still provide the workpapers that were developed in whatever process was used to create the environmental upgrade assumptions.
- Q1.8. Whatever the source of the environmental upgrade assumptions, provide any spreadsheets developed for the purpose of converting the environmental upgrade assumptions to the format required to be input into the CFM. Please provide the workpapers electronically with all formulas intact.
- Q1.9. For all environmental upgrades evaluated but rejected, please provide all workpapers associated with those upgrades, and provide inputs in the format that could be inserted into the CFM model. Please provide the workpapers electronically with all formulas intact.
- Q1.10. For each generating unit and purchase that is part of the Company's resources, supply the following information:
 - a. Owner of the resource
 - b. If the Company has partial or full ownership, specify the ownership %
 - c. Operator of the resource
 - d. If a purchase
 - i. Capacity the company is entitled to
 - ii. Energy the company is entitled to
 - iii. Capacity cost

- iv. Energy cost
- e. If a unit
 - i. Min cap, max cap
 - ii. Heat rates Incremental and average
 - iii. Avail and forced outage rates
 - iv. Fuel type
 - v. Startup cost
 - vi. Minimum down time
 - vii. Maximum up time
 - viii. Ramp rate
 - ix. Operating constraints, if any, for example, must run
 - x. Can it be used for quick start or spinning reserves
 - xi. Fuel constraints if any
 - xii. Any other operational data
 - xiii. Emissions data (rates, costs, etc)

Q1.11. Supply the Company's most recently completed resource expansion plan covering the next 30 years or whatever length of time that the Company performs its planning based on an IRP process, or whatever process that the Company uses to develop a long run expansion plan. Provide this electronically in excel format with all formulas intact. This spreadsheet should show all calculations. In other words, if there is any category such as hydro capacity made up of a set of hydro units that sum to a total, provide the breakdown and summation to derive the total. Also, if there is a calculation of reserve margin, please provide the calculation with all components used in the calculation. For example, the target reserve margin, load, capacity (by resource) should all be readily identifiable.

Berry Testimony

Q1.12. Please provide all models, worksheets, analyses, etc electronically, with all formulas intact that led to the development of the results found in Mr. Berry's Exhibits 2 through 6.

DePriest Testimony

Q1.13. Page 13 - Please provide copies of all models and worksheets, electronically, with all formulas intact that S&L used to generate the "capital and O&M cost estimates used in the compliance study."

Q1.14. Mr. DePriest mentioned that S&L compiled cost data from recent S&L FGD, SCR, and ACI, dry sorbent injection, and other comparable projects.

- a. Please provide a description of each project the data was compiled from.

b. Please provide the compiled results containing the data used in the Big Rivers Study.

- Q1.15. If not provided in response to the above, please provide the analyses, electronically and with all formulas intact, of the models/worksheets that were used to calculate costs for each of the technology alternatives, and to determine the NPV of each technology over a projected 20-year life (See page 13, line 19 of Mr. DePriest's testimony).
- Q1.16. Please provide all economic data provided by Big Rivers to S&L (See page 13, line 22 of Mr. DePriest's testimony).

Hite Testimony

- Q1.17. Page 7 discusses that Big Rivers acquired forward pricing data from PACE Global, which included forward hourly energy prices, monthly coal prices, monthly natural gas prices, and monthly allowance prices. Please provide all documents, memos, letters and emails that went back and forth between PACE Global and Big Rivers regarding these analyses, including the engagement letter, contract documents, data assumption documents, model result analyses, etc.
- Q1.18. Provide copies of all models and spreadsheets developed containing input assumptions and output results. Provide these electronically, with all formulas intact.
- Q1.19. Provide copies of all written reports, memos, emails or documents of any type that PACE Global produced regarding this project, as well as any that Big Rivers produced related to the analyses that PACE Global performed.
- Q1.20. Page 8 discusses that Big Rivers received production cost results from ACES Power Marketing. Please provide all documents, memos, letters and emails that went back and forth between ACES and Big Rivers regarding these analyses, including the engagement letter, contract documents, data assumption documents, model result analyses, etc.
- Q1.21. Provide copies of all models and spreadsheets developed containing input assumptions and output results. Provide these electronically, with all formulas intact.
- Q1.22. Provide copies of all written reports, memos, emails or documentation of any type that either ACES or PACE Global produced regarding this project, as well as any that Big Rivers produced related to the analyses that either ACES or PACE Global performed.
- Q1.23. Please identify the production cost model used, and provide the Documentation Manual for whatever production cost model ACES used in its production cost runs.
- Q1.24. Please explain the process by which parties would have to go through to acquire the ACES model used, and the costs associated with acquiring the model, and what alternatives exist in case parties would like to run alternative analyses.
- Q1.25. Please explain why this production cost model was selected.

- Q1.26. Please discuss why an optimal resource plan analysis was not conducted that would have evaluated more options including the potential retirement of the coal units being upgraded, conversion to gas, or replacement with combined cycle resources.
- Q1.27. Please identify the models used by Pace Global, and provide the Documentation Manuals for all of the models that Pace Global used in its analyses.
- Q1.28. Please explain the process by which parties would have to go through to acquire the models Pace Global used, and the costs associated with acquiring the model, and what options exist in case parties or the Commission would like to run alternative analyses.
- Q1.29. Please explain why these models were selected by Pace Global to be used in this analysis.
- Q1.30. Please explain what sensitivity analyses, other than the two loss of Smelter load scenarios, were performed. Please provide justification for why these sensitivity analyses were performed, and if none were performed other than the loss of Smelter load scenarios, please explain why not.
- Q1.31. Please explain why Big Rivers provided so little explanation of the production cost analyses that were performed, and why the Chief Financial Officer was selected to provide such a brief discussion of this topic.
- Q1.32. Please discuss in detail the process by which Big Rivers developed its input assumptions that were used in its production cost analyses and in the development of forward price assumptions.
- Q1.33. What process was used to ensure that the assumptions that were used by ACES in its production cost modeling analyses, and the assumptions that were used by PACE Global were consistent, and provide a comparison of the assumptions that were used in both of the analyses.
- Q1.34. Please describe the manner in which the results developed by PACE Global were incorporated in the production cost analysis that ACES performed.
- Q1.35. Please provide the results electronically with all formulas intact as provided to ACES by PACE Global.
- Q1.36. Please provide a copy of all emails, documents or memos prepared, sent, issued or received during the last six months by Mr. Bailey, Mr. Blackburn, Mr. Berry, Mr. Shaw or Mr. Hite and/or any of the General Managers of any of the three member cooperatives regarding Big Rivers' plan for compliance with federal environmental laws and regulations including, but not limited to, considerations of the "build", "partial build" and "buy" options referenced on page 6 of Mr. Hite's Direct Testimony.
- Q1.37. Please provide all workpapers and/or preliminary model runs associated with the "build", "partial build" and "buy" options referenced on page 6 of Mr. Hite's Direct Testimony including, but not limited to, documents and/or data associated with other environmental compliance options considered by Big Rivers, but not discussed in Mr. Hite's Direct Testimony.
- Q1.38. Please provide a copy of all emails, documents or memos prepared, sent, issued or received during the last two years by Mr. Bailey, Mr. Blackburn, Mr. Berry, Mr. Shaw or Mr. Hite and/or any of the General Managers of any of the three member cooperatives regarding Big Rivers' business plan in the event that one or both of the Smelters gives notice that they intend to cease operations on the Big Rivers' system.

- Q1.39. Please provide a copy of all emails, documents or memos prepared, sent, issued or received during the last two years by Mr. Bailey, Mr. Blackburn, Mr. Berry, Mr. Shaw or Mr. Hite and/or any of the General Managers of any of the three member cooperatives regarding consideration of mergers with another utility, the sale of Big Rivers to a third party, or the sale of any of Big Rivers' generating units.
- Q1.40. Please provide a list of all entities that Big Rivers has entered a confidentiality agreement with in the last two years.
- Q1.41. Please provide a copy of all presentations during the last two years made by the Company and/or its outside advisors to the Big Rivers Board of Directors regarding the potential financial impact of existing or proposed environmental regulations.
- Q1.42. Please provide a copy of all presentations that the Company has made or plans to make to the "various institutional investors" referenced on page 15 of Mr. Hite's Direct Testimony.
- Q1.43. Please provide a copy of all minutes from the Company's Board of Directors meetings since January 2010 through the most recent month available. This is a continuing request and the response should be supplemented as each additional month is available.
- Q1.44. Please provide the current balance (as of April 2012 or May 2012, if available) in the Economic Reserve Fund and the Rural Economic Reserve ("RER") fund. This should be considered a continuing request and updates should be provided monthly as actual information for each succeeding month is available.
- Q1.45. Please provide the Company's projections of the balances in the Economic Reserve Fund and the Rural Economic Reserve Fund for each month during the remainder of 2012 (after the most recent month for which actual information was provided in response to the preceding question), and for each month during 2013 and subsequent years. Provide all assumptions, data, and computations, including all electronic spreadsheets with formulas intact.
- Q1.46. In the event that Big Rivers were to fail to achieve the target MFIR under its Indenture such that Big Rivers was precluded from issuing debt under its Indenture, how would that affect Big Rivers' choice of environmental compliance options?
- Q1.47. Assume that the interest rate on debt issued by Big Rivers would increase due to capital market conditions, a credit downgrade of Big Rivers, or any other reason or combination of reasons.
- a. In the event that the interest rate that Big Rivers would incur on debt issued for the purpose of funding capital expenditures for environmental compliance were to be higher than Big Rivers' official forecasted interest rate of 5.50%, please indicate how the increased interest rate would alter Big Rivers' proposed plan of compliance, if at all.
- Q1.48. Please provide a complete copy of all existing contracts between Big Rivers and the City of Henderson, Henderson Municipal Power and Light, or any other entity related to the City of Henderson.
- Q1.49. Please provide all excel spreadsheets (with formulas intact) and other workpapers supporting the development of Mr. Wolfram's Exhibit Number 6. Include the support for the projected draw down of the MRSM and the RER by year by rate schedule.

Q1.50. For each of the years 2012 and 2016, please provide the following information in an excel spreadsheet:

- a. Total 12 month adjusted revenues, as used in the Company's proposed ES Tariff
- b. For each of rate schedules RDS, LIC, QFS and LICX, by rate schedule, provide
 - i. Base rate revenues
 - ii. FAC revenues
 - iii. Non-FAC PPA revenues
 - iv. Fuel revenues in base rates
- c. For the Smelter rate schedule, provide
 - i. Base Fixed Energy revenues
 - ii. FAC revenues
 - iii. Non-FAC PPA revenues
 - iv. Fuel revenues in base rates

Q1.51. For the 12 months ending March 31, 2012 (or the most recent 12 month period available), please provide the following information in an excel spreadsheet:

- a. Total 12 month adjusted revenues, as used in the Company's proposed ES Tariff
- b. For each of rate schedules RDS, LIC, QFS and LICX, by rate schedule, provide
 - i. Base rate revenues
 - ii. FAC revenues
 - iii. Non-FAC PPA revenues
 - iv. Fuel revenues in base rates
- c. For the Smelter rate schedule, provide
 - i. Base Fixed Energy revenues
 - ii. FAC revenues
 - iii. Non-FAC PPA revenues
 - iv. Fuel revenues in base rates

Q1.52. Please provide for 2012 and 2016 the Smelter revenue and credit amounts for each of the categories 1 through 17 listed on lines 5 through 21 of page 15 of Mr. Wolfram's testimony in an excel spreadsheet.

Q1.53. Please provide for the 12 months ending March 31, 2012 (or the most recent 12 month period available), the Smelter revenue and credit amounts for each of the categories 1 through 17 listed on page 15 of Mr. Wolfram's testimony in an excel spreadsheet.

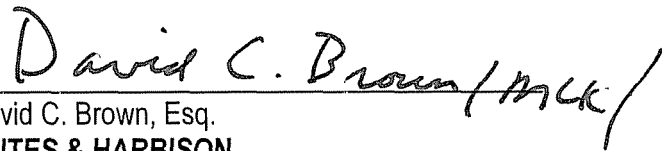
Q1.54. Please provide the Company's estimated 2016 ES revenue requirement, separated into variable and fixed costs. Please provide the results for both the current ECR revenue requirements approved in Case No. 2007-00460 and for the projects being requested for approval in this case (the "2012 Plan") in an excel spreadsheet.

Respectfully submitted,



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May 21, 2012