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Via Federal Express

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

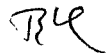
Re: *In the Matter of: an Examination by the Public Service Commission of the Environmental Surcharge Mechanism of Big Rivers Electric Corporation for the Six-Month Billing Periods Ending January 31, 2012 and July 31, 2012, and the Pass Through Mechanism of its Three Member Distribution Cooperatives, PSC Case No. 2012-00534*

*Also Licensed in Indiana

Dear Mr. DeRouen:

Enclosed for filing in the above referenced matter are an original and seven copies of Big Rivers Electric Corporation's responses to the Commission Staff's first request for information and an original and seven copies of the direct testimony of Nicholas R. Castlen in support of the reasonableness of the environmental surcharge mechanisms of Big Rivers Electric Corporation, Jackson Purchase Energy Corporation, Kenergy Corp. and Meade County Rural Electric Cooperative Corporation. A copy of this letter, the testimony, and the responses have been served on all parties of record.

Sincerely,



Tyson Kamuf

TAK/ej
Enclosures

cc: Albert Yockey
Lawrence V. Baronowsky
Nicholas R. Castlen
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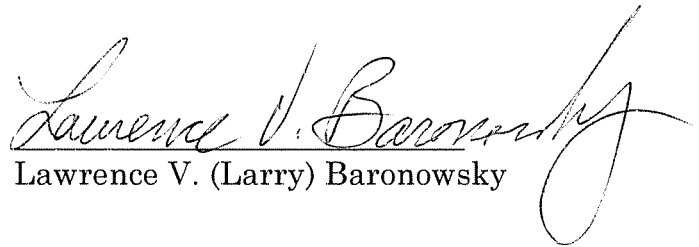
42302-0727

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE
ENVIRONMENTAL SURCHARGE MECHANISM OF BIG RIVERS
ELECTRIC CORPORATION FOR THE SIX-MONTH BILLING PERIODS
ENDING JANUARY 31, 2012 AND JULY 31, 2012, AND THE
PASS THROUGH MECHANISM OF ITS THREE
MEMBER DISTRIBUTION COOPERATIVES
CASE NO. 2012-00534**

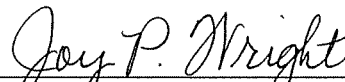
VERIFICATION

I, Lawrence V. (Larry) Baronowsky, verify, state, and affirm that the data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.


Lawrence V. (Larry) Baronowsky

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Lawrence V. (Larry)
Baronowsky on this the 14 day of January, 2013.


Notary Public, Ky. State at Large
My Commission Expires _____

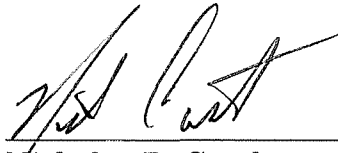
Notary Public, Kentucky State-At-Large
My Commission Expires: July 3, 2014
ID 421951

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE
ENVIRONMENTAL SURCHARGE MECHANISM OF BIG RIVERS
ELECTRIC CORPORATION FOR THE SIX-MONTH BILLING PERIODS
ENDING JANUARY 31, 2012 AND JULY 31, 2012, AND THE
PASS THROUGH MECHANISM OF ITS THREE
MEMBER DISTRIBUTION COOPERATIVES
CASE NO. 2012-00534**

VERIFICATION

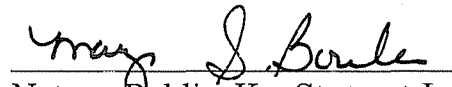
I, Nicholas R. Castlen, verify, state, and affirm that the Direct Testimony and data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Nicholas R. Castlen

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Nicholas R. Castlen on this
the 14 day of January, 2013.



Notary Public, Ky. State at Large
My Commission Expires August 8, 2016

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

**AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE ENVIRONMENTAL)
SURCHARGE MECHANISM OF BIG RIVERS)
ELECTRIC CORPORATION FOR THE SIX-)
MONTH BILLING PERIODS ENDING)
JANUARY 31, 2012 AND JULY 31, 2012,)
AND THE PASS THROUGH MECHANISM OF)
ITS THREE MEMBER DISTRIBUTION)
COOPERATIVES)**

**Case No.
2012-00534**

DIRECT TESTIMONY

OF

NICHOLAS R. CASTLEN

ON BEHALF OF

**BIG RIVERS ELECTRIC CORPORATION,
JACKSON PURCHASE ENERGY CORPORATION,
KENERGY CORP., AND
MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

FILED: January 16, 2013

1
2
3
4

**DIRECT TESTIMONY
OF
NICHOLAS R. CASTLEN**

5 **Q. Please state your name and business address.**

6 A. My name is Nicholas R. Castlen, and my business address is Big Rivers
7 Electric Corporation ("Big Rivers"), 201 Third Street, Henderson,
8 Kentucky, 42420. I am a Staff Accountant at Big Rivers.

9 **Q. Please summarize your education and professional experience.**

10 A. I received a Bachelor of Science in Accounting (*Magna Cum Laude*) from
11 the University of Kentucky in 2006 and a Master of Science in
12 Accounting from the University of Kentucky in 2007. I became a
13 Certified Public Accountant ("CPA") in 2007, receiving the Kentucky
14 Society of CPAs Award of Excellence for achieving the highest score on
15 the Auditing & Attestation section of the uniform CPA exam.

16 Before assuming my current position at Big Rivers, I was a
17 Revenue Accounting Analyst at LG&E and KU Energy LLC from
18 December 2009 through April 2012, where I was responsible for
19 various accounting, reporting, and analysis roles for retail and
20 wholesale, electric and gas utility revenues. From January 2006 to
21 December 2009, I was employed by PricewaterhouseCoopers LLP as an
22 Audit and Assurance Associate.

23 **Q. Please summarize your duties at Big Rivers.**

24 A. My primary responsibilities at Big Rivers include preparing the monthly
25 filings for the Company's Fuel Adjustment Clause (Form A) and

1 Environmental Surcharge, accounting for the Non-Fuel Adjustment
2 Clause Purchased Power Adjustment and Unwind Surcredit rate
3 mechanisms, accounting for Big Rivers' various debt obligations, and
4 ensuring compliance with the Company's debt covenants.

5 **Q. Have you previously testified before the Kentucky Public Service**
6 **Commission ("Commission")?**

7 A. No.

8 **Q. On whose behalf are you filing this testimony?**

9 A. I am filing this testimony on behalf of Big Rivers and its three member
10 distribution cooperatives, Jackson Purchase Energy Corporation
11 ("JPEC"), Kenergy Corp. ("Kenergy"), and Meade County Rural Electric
12 Cooperative Corporation ("Meade County") (collectively, "the Members").

13 **Q. What is the purpose of your testimony in this proceeding?**

14 A. The purpose of my testimony is to describe the application of Big Rivers'
15 environmental surcharge mechanism as billed from August 1, 2011
16 through July 31, 2012 (which corresponds to the expense months of
17 June 2011 through May 2012). Additionally, I have coordinated with
18 Big Rivers' Members in the preparation of this testimony and prepared
19 the responses to the Commission Staff's First Request for Information
20 ("Commission's Initial Requests") that accompany this testimony.

21 This testimony also includes information the Members have
22 provided me in support of their pass-through mechanisms that are also
23 under review in this proceeding and that the Members use to pass

1 through to their retail members the costs Big Rivers charges to them
2 under Big Rivers' environmental surcharge mechanism. As can be seen
3 in my response to Item 2 of the Commission's Initial Requests, the
4 review period for the Members' pass-through mechanisms that
5 corresponds to the August 1, 2011 through July 31, 2012 billing period
6 for Big Rivers' environmental surcharge mechanism are the billing
7 months of September 2011 through August 2012 for non-dedicated
8 delivery point customers, and August 2011 through July 2012 for
9 dedicated delivery point customers (*i.e.*, there is no billing lag for
10 dedicated delivery point customers).

11 **Q. Please provide a brief overview of Big Rivers' environmental**
12 **surcharge mechanism.**

13 A. Big Rivers' environmental surcharge mechanism was approved by the
14 Commission by Order dated June 25, 2008, in Case No. 2007-00460,
15 which was part of the transaction that unwound Big Rivers' 1998 lease
16 with E.ON U.S. LLC and its affiliates (the "Unwind Transaction") and
17 that the Commission approved by its Order dated March 6, 2009, in
18 Case No. 2007-00455. Big Rivers' environmental surcharge went into
19 effect immediately following the July 16, 2009, closing of the Unwind
20 Transaction for service commencing July 17, 2009.

21 Big Rivers' environmental compliance plan approved by the
22 Commission in Case No. 2007-00460 (the "2007 Plan") consists of a
23 program and the costs associated with controlling each of sulfur

1 dioxide (“SO₂”), nitrogen oxide (“NO_x”), and sulfur trioxide (“SO₃”). The
2 environmental surcharge costs Big Rivers may recover under KRS
3 278.183, and its environmental compliance plan, include reagent costs,
4 sludge and ash disposal costs, and allowance costs.

5 For the SO₂ program, Big Rivers recovers through its
6 environmental surcharge mechanism the costs of reagents, the costs
7 for the disposal of coal combustion byproducts (fly ash, bottom ash,
8 and scrubber sludge), and the costs of purchasing SO₂ emission
9 allowances. For the NO_x program, Big Rivers recovers the costs of
10 reagents and the costs of purchasing additional NO_x emission
11 allowances as needed. For the SO₃ program, Big Rivers recovers the
12 costs of a reagent. Due to generating unit design and Big Rivers’
13 compliance plan, no Big Rivers generating unit utilizes all the same
14 reagents. Depending on the unit facilities, various reagents are used to
15 treat the flue gas, thereby removing the three targeted emissions. The
16 SO₂ reagents are comprised of emulsified sulfur, lime, fixation lime,
17 limestone, dibasic acid, and sodium bisulfite. The NO_x reagents are
18 comprised of anhydrous ammonia and emulsified sulfur. The SO₃
19 reagent is comprised of lime hydrate. Note that the 2007 Plan included
20 only operating and maintenance (“O&M”) costs.

21 In its Order dated October 1, 2012, in Case No. 2012-00063, the
22 Commission approved certain additions to the 2007 Plan relating to the
23 Mercury and Air Toxics Standards rule. The additions (the “2012 Plan”)

1 involve installing activated carbon injection and dry sorbent injection
2 systems and emission control monitors at the Big Rivers Coleman,
3 Wilson, and Green generating stations; and installing emission control
4 monitors at Henderson Municipal Henderson & Light's Station Two
5 generation station. The 2012 Plan includes both the capital and O&M
6 associated with the projects, as well as recovery of Big Rivers' actual
7 costs incurred in Case No. 2012-00063 (amortized over three years).

8 Big Rivers' environmental surcharge mechanism allows Big
9 Rivers to recover costs related to the 2007 Plan (which only includes
10 O&M costs) and the 2012 Plan, less proceeds from by-product and
11 emission allowance sales, plus or minus an ongoing cumulative over- or
12 under-recovery adjustment.

13 **Q. Please provide a brief overview of the Members' pass-through**
14 **mechanisms.**

15 A. The Members' pass-through mechanisms allow each Member to bill its
16 retail customers for the portion of Big Rivers' environmental surcharge
17 that Big Rivers bills each Member. JPEC's pass-through mechanism
18 was approved by the Commission in Case No. 2008-00010; Kenergy's
19 mechanism was approved by the Commission in Case No. 2008-00009;
20 and Meade County's was approved by the Commission in Case No.
21 2007-00470.

22

1 **Q. Have there been any changes to Big Rivers' environmental**
2 **surcharge mechanism since the prior review in addition to those**
3 **described above?**

4 A. The only changes to Big Rivers' environmental surcharge mechanism
5 were those approved by the Commission in Case No. 2012-00063. In
6 addition to the changes described, other notable changes approved in
7 Case No. 2012-00063 include a rate of return on capital expenditures
8 associated with the 2012 Plan and allocating environmental surcharge
9 costs based on a rolling 12-month average of Total Adjusted Revenues
10 rather than on a kWh basis.

11 **Q. Has Big Rivers sold any SO₂ or NO_x allowances during the expense**
12 **months of June 2011 through May 2012?**

13 A. No. Big Rivers has not sold any SO₂ or NO_x allowances during the
14 expense months of June 2011 through May 2012.

15 **Q. Has Big Rivers' environmental surcharge mechanism been**
16 **accurately compiled, and is it operating as intended?**

17 A. Yes.

18 **Q. Have the Members' pass-through mechanisms been accurately**
19 **compiled, and are they operating as intended?**

20 A. The Members believe their pass-through mechanisms have been
21 accurately compiled and are operating as intended.

22

1 **Q. Are the amounts charged under Big Rivers' environmental**
2 **surcharge mechanism during the review period just and**
3 **reasonable?**

4 A. Yes.

5 **Q. Are the amounts charged under the Members' pass-through**
6 **mechanisms during the review period just and reasonable?**

7 A. The Members believe the amounts charged under their pass-through
8 mechanisms are just and reasonable.

9 **Q. Do Big Rivers and its Members have additional over- or under-**
10 **recovery amounts they believe need to be recognized?**

11 A. No. Big Rivers and its Members are not requesting any additional over-
12 or under-recovery amount. The normal over/under recovery carry-
13 forward element of Big Rivers' environmental surcharge mechanism is
14 operating as intended.

15 **Q. Does Big Rivers currently recover any capital costs through its**
16 **environmental surcharge mechanism?**

17 A. No. Big Rivers does not currently recover any capital costs through the
18 environmental surcharge mechanism. However, Big Rivers will begin
19 recovering capital costs associated with the 2012 Plan, consistent with
20 the approvals granted in Case No. 2012-00063, once construction on
21 the approved projects begin. Construction for approved projects is
22 expected to begin in 2013.

23

1 **Q. What Base Environmental Surcharge Factor (“BESF”) cost did Big**
2 **Rivers use during the review period?**

3 A. Big Rivers had no environmental surcharge related costs in its base
4 rates during the review period.

5 **Q. Is Big Rivers proposing to change the BESF cost as part of this**
6 **proceeding?**

7 A. No.

8 **Q. Does this conclude your testimony?**

9 A. Yes, it does.

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM
OF BIG RIVERS ELECTRIC CORPORATION
FOR THE SIX-MONTH BILLING PERIODS ENDING
JANUARY 31, 2012 AND JULY 31, 2012
CASE NO. 2012-00534**

**Response to Commission Staff's
Initial Request for Information
Dated December 13, 2012**

January 16, 2013

1 **Item 1)** *Prepare a summary schedule showing the calculation of*
2 *E(m) and the surcharge factor for the expense months covered by the*
3 *billing periods under review. Form 1.1 can be used as a model for this*
4 *summary. Include the expense months for the two expense months*
5 *subsequent to the billing period in order to show the over- and under-*
6 *recovery adjustments for the months included for the billing period.*
7 *Include a calculation of any additional over- or under-recovery amount*
8 *Big Rivers believes needs to be recognized for the billing periods under*
9 *review. Include all supporting calculations and documentation for the*
10 *additional over- or under-recovery.*

11

12 **Response)** Please see the attached 7-page schedule, in the format of Form
13 1.10, covering each of the expense months from June 2011 through July
14 2012 (i.e. the 12 months under review plus the immediately following two
15 months), which were billed August 2011 through September 2012. No
16 additional over/under recovery is sought by Big Rivers Electric Corporation.

17

18

19 **Witness)** Nicholas R. Castlen

20

Big Rivers Electric Corporation
Response to Commission Staff's Information Request Dated December 13, 2012

Case No. 2012-00534

BIG RIVERS ELECTRIC CORPORATION
ENVIRONMENTAL SURCHARGE REPORT
Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Months: June 2011 - May 2012

Calculation of Total E(m)

1	E(m) = OE - BAS, where				
2	OE	=	Pollution Control Operating Expenses		
3	BAS	=	Total Proceeds from By-Product and Allowance Sales		
4				<u>June 2011</u>	<u>July 2011</u>
5					
6				Environmental Compliance Plans	Environmental Compliance Plans
7					
8					
9	OE	=	\$ 2,420,131	=	\$ 2,659,704
10	BAS	=	-	=	-
11					
12	E(m)	=	\$ 2,420,131	=	\$ 2,659,704
13					

Calculation of Jurisdictional Environmental Surcharge Billing Factor

17					
18	Jurisdictional Allocation Ratio for Expense Month	=	80.100218%	=	80.578072%
19	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio	=	\$ 1,938,530	=	\$ 2,143,138
20	Adjustment for Over/(Under) Recovery	=	79,834	=	39,570
21	Prior Period Adjustment (if necessary)	=	-	=	1,455
22	Net Jurisdictional E(m) = Jurisdictional E(m) plus Adjustment for Over/(Under)				
23	plus Prior Period Adjustment	=	\$ 1,858,696	=	\$ 2,105,023
24					
25	Jurisdictional S(m) = Monthly Jurisdictional Kwh Sales for the Month	=	881,295,826	=	956,369,264
26					
27					
28	Jurisdictional Environmental Surcharge Billing Factor:				
29	Net Jurisdictional E(m) / Jurisdictional S(m) ; Per Kwh	=	\$0.002109	=	\$0.002201

Big Rivers Electric Corporation
Response to Commission Staff's Information Request Dated December 13, 2012

Case No. 2012-00534

BIG RIVERS ELECTRIC CORPORATION
ENVIRONMENTAL SURCHARGE REPORT
Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Months: June 2011 - May 2012

Calculation of Total E(m)

1	E(m)=OE - BAS, where				
2	OE	=	Pollution Control Operating Expenses		
3	BAS	=	Total Proceeds from By-Product and Allowance Sales		
4				<u>August 2011</u>	<u>September 2011</u>
5					
6				Environmental Compliance Plans	Environmental Compliance Plans
7					
8					
9	OE	=	\$ 2,406,272	=	\$ 2,530,984
10	BAS	=	-	=	-
11					
12	E(m)	=	\$ 2,406,272	=	\$ 2,530,984
13					

Calculation of Jurisdictional Environmental Surcharge Billing Factor

17					
18	Jurisdictional Allocation Ratio for Expense Month	=	80.598111%	=	77.472540%
19	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio	=	\$ 1,939,410	=	\$ 1,960,818
20	Adjustment for Over/(Under) Recovery	=	158,287	=	(67,266)
21	Prior Period Adjustment (if necessary)	=	-	=	-
22	Net Jurisdictional E(m) = Jurisdictional E(m) plus Adjustment for Over/(Under)				
23	plus Prior Period Adjustment	=	\$ 1,781,123	=	\$ 2,028,084
24					
25	Jurisdictional S(m) = Monthly Jurisdictional Kwh Sales for the Month	=	925,832,222	=	837,087,680
26					
27					
28	Jurisdictional Environmental Surcharge Billing Factor:				
29	Net Jurisdictional E(m) / Jurisdictional S(m) ; Per Kwh	=	\$0.001924	=	\$0.002423

Big Rivers Electric Corporation
Response to Commission Staff's Information Request Dated December 13, 2012

Case No. 2012-00534

BIG RIVERS ELECTRIC CORPORATION
ENVIRONMENTAL SURCHARGE REPORT
Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Months: June 2011 - May 2012

Calculation of Total E(m)

1	E(m) = OE - BAS, where				
2	OE	=	Pollution Control Operating Expenses		
3	BAS	=	Total Proceeds from By-Product and Allowance Sales		
4				<u>October 2011</u>	<u>November 2011</u>
5					
6				Environmental	Environmental
7				Compliance Plans	Compliance Plans
8					
9	OE	=	\$ 2,784,016	=	\$ 2,412,062
10	BAS	=	-	=	-
11					
12	E(m)	=	\$ 2,784,016	=	\$ 2,412,062
13					

Calculation of Jurisdictional Environmental Surcharge Billing Factor

17					
18	Jurisdictional Allocation Ratio for Expense Month	=	79.224543%	=	82.179667%
19	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio	=	\$ 2,205,624	=	\$ 1,982,225
20	Adjustment for Over/(Under) Recovery	=	(170,566)	=	49,922
21	Prior Period Adjustment (if necessary)	=	-	=	-
22	Net Jurisdictional E(m) = Jurisdictional E(m) plus Adjustment for Over/(Under)				
23	plus Prior Period Adjustment	=	\$ 2,376,190	=	\$ 1,932,303
24					
25	Jurisdictional S(m) = Monthly Jurisdictional Kwh Sales for the Month	=	857,617,102	=	846,592,875
26					
27					
28	Jurisdictional Environmental Surcharge Billing Factor:				
29	Net Jurisdictional E(m) / Jurisdictional S(m) ; Per Kwh	=	\$0.002771	=	\$0.002282

Big Rivers Electric Corporation
Response to Commission Staff's Information Request Dated December 13, 2012

Case No. 2012-00534

BIG RIVERS ELECTRIC CORPORATION
ENVIRONMENTAL SURCHARGE REPORT
Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Months: June 2011 - May 2012

Calculation of Total E(m)

1	E(m) = OE - BAS, where				
2	OE	=	Pollution Control Operating Expenses		
3	BAS	=	Total Proceeds from By-Product and Allowance Sales		
4				<u>December 2011</u>	<u>January 2012</u>
5					
6				Environmental	Environmental
7				Compliance Plans	Compliance Plans
8					
9	OE	=	\$ 2,551,793	=	\$ 2,098,557
10	BAS	=	-	=	-
11					
12	E(m)	=	\$ 2,551,793	=	\$ 2,098,557
13					

Calculation of Jurisdictional Environmental Surcharge Billing Factor

17					
18	Jurisdictional Allocation Ratio for Expense Month	=	82.469837%	=	91.151956%
19	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio	=	\$ 2,104,460	=	\$ 1,912,876
20	Adjustment for Over/(Under) Recovery	=	(30,281)	=	155,752
21	Prior Period Adjustment (if necessary)	=	-	=	35,632
22	Net Jurisdictional E(m) = Jurisdictional E(m) plus Adjustment for Over/(Under)				
23	plus Prior Period Adjustment	=	\$ 2,134,741	=	\$ 1,792,756
24					
25	Jurisdictional S(m) = Monthly Jurisdictional Kwh Sales for the Month	=	915,011,009	=	930,110,760
26					
27					
28	Jurisdictional Environmental Surcharge Billing Factor:				
29	Net Jurisdictional E(m) / Jurisdictional S(m) ; Per Kwh	=	\$0.002333	=	\$0.001927

**Big Rivers Electric Corporation
Response to Commission Staff's Information Request Dated December 13, 2012**

Case No. 2012-00534

**BIG RIVERS ELECTRIC CORPORATION
ENVIRONMENTAL SURCHARGE REPORT
Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor**

For the Expense Months: June 2011 - May 2012

Calculation of Total E(m)

1	E(m) = OE - BAS, where				
2	OE	=	Pollution Control Operating Expenses		
3	BAS	=	Total Proceeds from By-Product and Allowance Sales		
4				<u>February 2012</u>	<u>March 2012</u>
5					
6				Environmental Compliance Plans	Environmental Compliance Plans
7					
8					
9	OE	= \$	1,841,907	= \$	2,129,639
10	BAS	=	-	=	-
11					
12	E(m)	= \$	1,841,907	= \$	2,129,639
13					

Calculation of Jurisdictional Environmental Surcharge Billing Factor

17					
18	Jurisdictional Allocation Ratio for Expense Month	=	93.544609%	=	87.541398%
19	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio	= \$	1,723,005	= \$	1,864,316
20	Adjustment for Over/(Under) Recovery	=	35,207	=	(142,533)
21	Prior Period Adjustment (if necessary)	=	-	=	-
22	Net Jurisdictional E(m) = Jurisdictional E(m) plus Adjustment for Over/(Under) plus Prior Period Adjustment	= \$	1,687,798	= \$	2,006,849
23					
24					
25	Jurisdictional S(m) = Monthly Jurisdictional Kwh Sales for the Month	=	856,369,280	=	871,854,578
26					
27					
28	Jurisdictional Environmental Surcharge Billing Factor:				
29	Net Jurisdictional E(m) / Jurisdictional S(m) ; Per Kwh	=	\$0.001971	=	\$0.002302

**Big Rivers Electric Corporation
Response to Commission Staff's Information Request Dated December 13, 2012**

Case No. 2012-00534

**BIG RIVERS ELECTRIC CORPORATION
ENVIRONMENTAL SURCHARGE REPORT
Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor**

For the Expense Months: June 2011 - May 2012

Calculation of Total E(m)

1	E(m) = OE - BAS, where				
2	OE	=	Pollution Control Operating Expenses		
3	BAS	=	Total Proceeds from By-Product and Allowance Sales		
4				<u>April 2012</u>	<u>May 2012</u>
5					
6				Environmental Compliance Plans	Environmental Compliance Plans
7					
8					
9	OE	=	\$ 1,865,211	=	\$ 2,260,070
10	BAS	=	-	=	-
11					
12	E(m)	=	\$ 1,865,211	=	\$ 2,260,070
13					

Calculation of Jurisdictional Environmental Surcharge Billing Factor

17					
18	Jurisdictional Allocation Ratio for Expense Month	=	87.947998%	=	84.892343%
19	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio	=	\$ 1,640,416	=	\$ 1,918,626
20	Adjustment for Over/(Under) Recovery	=	30,627	=	(77,445)
21	Prior Period Adjustment (if necessary)	=	-	=	-
22	Net Jurisdictional E(m) = Jurisdictional E(m) plus Adjustment for Over/(Under)				
23	plus Prior Period Adjustment	=	\$ 1,609,789	=	\$ 1,996,071
24					
25	Jurisdictional S(m) = Monthly Jurisdictional Kwh Sales for the Month	=	838,142,312	=	897,592,232
26					
27					
28	Jurisdictional Environmental Surcharge Billing Factor:				
29	Net Jurisdictional E(m) / Jurisdictional S(m) ; Per Kwh	=	\$0.001921	=	\$0.002224

**Big Rivers Electric Corporation
Response to Commission Staff's Information Request Dated December 13, 2012**

Case No. 2012-00534

**BIG RIVERS ELECTRIC CORPORATION
ENVIRONMENTAL SURCHARGE REPORT
Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor**

For the Expense Months: June 2011 - May 2012

Calculation of Total E(m)

1	E(m) = OE - BAS, where				
2	OE	=	Pollution Control Operating Expenses		
3	BAS	=	Total Proceeds from By-Product and Allowance Sales		
4				<u>June 2012</u>	<u>July 2012</u>
5					
6				Environmental Compliance Plans	Environmental Compliance Plans
7					
8					
9	OE	=	\$ 2,182,005	=	\$ 2,440,704
10	BAS	=	-	=	-
11					
12	E(m)	=	\$ 2,182,005	=	\$ 2,440,704
13					

Calculation of Jurisdictional Environmental Surcharge Billing Factor

17					
18	Jurisdictional Allocation Ratio for Expense Month	=	89.358343%	=	89.836556%
19	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio	=	\$ 1,949,804	=	\$ 2,192,644
20	Adjustment for Over/(Under) Recovery	=	114,486	=	(9,462)
21	Prior Period Adjustment (if necessary)	=	-	=	-
22	Net Jurisdictional E(m) = Jurisdictional E(m) plus Adjustment for Over/(Under)				
23	plus Prior Period Adjustment	=	\$ 1,835,318	=	\$ 2,202,106
24					
25	Jurisdictional S(m) = Monthly Jurisdictional Kwh Sales for the Month	=	893,259,338	=	974,156,163
26					
27					
28	Jurisdictional Environmental Surcharge Billing Factor:				
29	Net Jurisdictional E(m) / Jurisdictional S(m) ; Per Kwh	=	\$0.002055	=	\$0.002261

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM
OF BIG RIVERS ELECTRIC CORPORATION
FOR THE SIX-MONTH BILLING PERIODS ENDING
JANUARY 31, 2012 AND JULY 31, 2012
CASE NO. 2012-00534**

**Response to Commission Staff's
Initial Request for Information
Dated December 13, 2012**

January 16, 2013

1 **Item 2)** *For each of the three Member Cooperatives, prepare a*
2 *summary schedule showing the Member Cooperative's pass-through*
3 *revenue requirement for the months corresponding with the billing*
4 *periods under review. Include the two months subsequent to the billing*
5 *periods included in the review periods. Include a calculation of any*
6 *additional over- or under-recovery amount the Member Cooperative*
7 *believes needs to be recognized for the billing periods under review.*
8 *Include all supporting calculations and documentation for the*
9 *additional over- or under-recovery.*

10
11 **Response)** The attached two sets of schedules (Attachment 1 for non-
12 dedicated delivery points and Attachment 2 for dedicated delivery points)
13 reflect Big Rivers' Members' environmental surcharge pass-through for the
14 months corresponding to Big Rivers' expense months of June 2011 through
15 May 2012, applied to Members' invoices for the service months of July 2011
16 through June 2012, which Big Rivers billed to its Members August 2011
17 through July 2012. There is no billing lag for dedicated delivery point
18 customers.

19
20 As requested by the Commission, the attached schedules include the
21 Members' two billing months immediately following the review period. The
22 information on the attached schedules was obtained from the Members'
23 monthly Environmental Surcharge Schedules provided by Big Rivers'

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM
OF BIG RIVERS ELECTRIC CORPORATION
FOR THE SIX-MONTH BILLING PERIODS ENDING
JANUARY 31, 2012 AND JULY 31, 2012
CASE NO. 2012-00534**

**Response to Commission Staff's
Initial Request for Information
Dated December 13, 2012**

January 16, 2013

1 Members. Other than the on-going cumulative over/under recovery
2 mechanism, no additional over/under recovery amount is requested.

3

4

5 **Witness)** Nicholas R. Castlen

BIG RIVERS ELECTRIC CORPORATION
Response to Commission Staff's Information Request Dated December 13, 2012

Case No. 2012-00534

Item No. 2 (Attachment 1 of 2)

Witness: Nicholas R. Castlen

KENERGY CORP. ENVIRONMENTAL SURCHARGE REVIEW NON-DEDICATED DELIVERY POINT CUSTOMERS						
(a)	(b)	(c)	(d)	(e)	(f)	
Mo/Yr	Big Rivers' Invoice ES Amount for Service Month	(Over)/Under Recovery [from (f)]	Total Recoverable [(b) + (c)]	ES Amount Billed to Kenergy's Customers (Line 11 per Filing)	(Over)/Under Recovery [(d) for 2nd preceding month less (e) for current month]	
12	Jun-11	\$ 247,066	\$ (18,298)	\$ 228,768	\$ 218,521	\$ (18,298)
13	Jul-11	\$ 285,991	\$ (33,530)	\$ 252,461	\$ 206,790	\$ (33,530)
14	Aug-11	\$ 265,771	\$ (22,290)	\$ 243,481	\$ 251,058	\$ (22,290)
15	Sep-11	\$ 164,119	\$ 22,335	\$ 186,454	\$ 230,126	\$ 22,335
16	Oct-11	\$ 198,801	\$ 41,309	\$ 240,110	\$ 202,172	\$ 41,309
17	Nov-11	\$ 239,207	\$ 6,383	\$ 245,590	\$ 180,071	\$ 6,383
18	Dec-11	\$ 245,405	\$ (18,012)	\$ 227,393	\$ 258,122	\$ (18,012)
19	Jan-12	\$ 265,490	\$ (35,770)	\$ 229,720	\$ 281,360	\$ (35,770)
20	Feb-12	\$ 188,210	\$ (660)	\$ 187,550	\$ 228,053	\$ (660)
21	Mar-12	\$ 160,757	\$ 24,108	\$ 184,865	\$ 205,612	\$ 24,108
22	Apr-12	\$ 175,208	\$ 24,959	\$ 200,167	\$ 162,591	\$ 24,959
23	May-12	\$ 185,378	\$ 8,491	\$ 193,869	\$ 176,374	\$ 8,491
24	Jun-12	\$ 239,299	\$ (25,007)	\$ 214,292	\$ 225,174	\$ (25,007)
25	Jul-12	\$ 279,677	\$ (16,746)	\$ 262,931	\$ 210,615	\$ (16,746)
26	Aug-12	\$ 261,409	\$ (38,289)	\$ 223,120	\$ 252,581	\$ (38,289)
27	Sep-12	\$ 184,234	\$ 26,539	\$ 210,773	\$ 236,392	\$ 26,539
28	Oct-12	\$ 229,117	\$ 26,214	\$ 255,331	\$ 196,906	\$ 26,214

BIG RIVERS ELECTRIC CORPORATION
Response to Commission Staff's Information Request Dated December 13, 2012

Case No. 2012-00534

Item No. 2 (Attachment 1 of 2)

JACKSON PURCHASE ENERGY CORPORATION ENVIRONMENTAL SURCHARGE REVIEW NON-DEDICATED DELIVERY POINT CUSTOMERS						
(a)	(b)	(c)	(d)	(e)	(f)	
Mo/Yr	Big Rivers' Invoice ES Amount for Service Month	(Over)/Under Recovery [from (f)]	Total Recoverable [(b) + (c)]	ES Amount Billed to JPEC's Customers (Line 11 per Filing)	(Over)/Under Recovery [(d) for 3rd preceding month less (e) for current month]	
12	Jun-11	\$ 144,106	\$ 14,433	\$ 158,539	\$ 101,730	\$ 14,433
13	Jul-11	\$ 161,441	\$ (46,811)	\$ 114,630	\$ 173,049	\$ (46,811)
14	Aug-11	\$ 150,142	\$ (31,635)	\$ 118,507	\$ 118,726	\$ (31,635)
15	Sep-11	\$ 91,106	\$ (39,248)	\$ 51,858	\$ 197,787	\$ (39,248)
16	Oct-11	\$ 108,148	\$ 29,974	\$ 138,122	\$ 84,656	\$ 29,974
17	Nov-11	\$ 133,425	\$ 41,526	\$ 174,951	\$ 76,981	\$ 41,526
18	Dec-11	\$ 136,326	\$ 5,497	\$ 141,823	\$ 46,361	\$ 5,497
19	Jan-12	\$ 141,807	\$ (26,544)	\$ 115,263	\$ 164,666	\$ (26,544)
20	Feb-12	\$ 100,203	\$ (60,167)	\$ 40,036	\$ 235,118	\$ (60,167)
21	Mar-12	\$ 87,448	\$ 13,260	\$ 100,708	\$ 128,563	\$ 13,260
22	Apr-12	\$ 98,801	\$ 22,614	\$ 121,415	\$ 92,649	\$ 22,614
23	May-12	\$ 107,604	\$ 6,074	\$ 113,678	\$ 33,962	\$ 6,074
24	Jun-12	\$ 137,485	\$ (8,118)	\$ 129,367	\$ 108,826	\$ (8,118)
25	Jul-12	\$ 159,783	\$ (41,043)	\$ 118,740	\$ 162,458	\$ (41,043)
26	Aug-12	\$ 149,078	\$ (39,874)	\$ 109,204	\$ 153,552	\$ (39,874)
27	Sep-12	\$ 102,979	\$ (25,321)	\$ 77,658	\$ 154,688	\$ (25,321)
28	Oct-12	\$ 124,094	\$ 30,011	\$ 154,105	\$ 88,729	\$ 30,011

BIG RIVERS ELECTRIC CORPORATION
Response to Commission Staff's Information Request Dated December 13, 2012

Case No. 2012-00534

Item No. 2 (Attachment 1 of 2)

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION ENVIRONMENTAL SURCHARGE REVIEW NON-DEDICATED DELIVERY POINT CUSTOMERS						
(a)	(b)	(c)	(d)	(e)	(f)	
Mo/Yr	Big Rivers' Invoice ES Amount for Service Month	(Over)/Under Recovery [from (f)]	Total Recoverable [(b) + (c)]	ES Amount Billed to MCRECC's Customers (Line 11 per Filing)	(Over)/Under Recovery [(d) for 1st preceding month less (e) for current month]	
12	Jun-11	\$ 88,908	\$ (10,893)	\$ 78,015	\$ 63,841	\$ (10,893)
13	Jul-11	\$ 104,974	\$ (16,512)	\$ 88,462	\$ 94,527	\$ (16,512)
14	Aug-11	\$ 96,473	\$ 13,138	\$ 109,611	\$ 75,324	\$ 13,138
15	Sep-11	\$ 60,123	\$ 26,053	\$ 86,176	\$ 83,558	\$ 26,053
16	Oct-11	\$ 76,716	\$ 2,321	\$ 79,037	\$ 83,855	\$ 2,321
17	Nov-11	\$ 97,263	\$ (8,659)	\$ 88,604	\$ 87,696	\$ (8,659)
18	Dec-11	\$ 103,832	\$ (22,888)	\$ 80,944	\$ 111,492	\$ (22,888)
19	Jan-12	\$ 116,024	\$ (5,252)	\$ 110,772	\$ 86,196	\$ (5,252)
20	Feb-12	\$ 81,574	\$ 11,072	\$ 92,646	\$ 99,700	\$ 11,072
21	Mar-12	\$ 63,360	\$ 22,776	\$ 86,136	\$ 69,870	\$ 22,776
22	Apr-12	\$ 67,443	\$ 7,056	\$ 74,499	\$ 79,080	\$ 7,056
23	May-12	\$ 67,261	\$ (8,468)	\$ 58,793	\$ 82,967	\$ (8,468)
24	Jun-12	\$ 85,423	\$ (6,928)	\$ 78,495	\$ 65,721	\$ (6,928)
25	Jul-12	\$ 101,201	\$ (18,683)	\$ 82,518	\$ 97,178	\$ (18,683)
26	Aug-12	\$ 93,643	\$ 11,111	\$ 104,754	\$ 71,407	\$ 11,111
27	Sep-12	\$ 66,693	\$ 18,493	\$ 85,186	\$ 86,261	\$ 18,493
28	Oct-12	\$ 92,678	\$ 3,928	\$ 96,606	\$ 81,258	\$ 3,928

BIG RIVERS ELECTRIC CORPORATION
Response to Commission Staff's Information Request Dated December 13, 2012

Case No. 2012-00534

Response to Item No. 2 (Attachment 2 of 2)

Witness: Nicholas R. Castlen

KENERGY CORP-ENVIRONMENTAL SURCHARGE REVIEW DEDICATED DELIVERY POINT CUSTOMERS				
(a)	(b)	(c)	(d)	
Service Mo/Yr	Big Rivers Electric Invoice Amount for Service Month	Service Month to Retail Consumer	Monthly Over/Under (Column (b) less column (c)	
11	Jul-11	\$ 1,462,904	\$ 1,462,904	\$ -
12	Aug-11	\$ 1,523,959	\$ 1,523,959	\$ -
13	Sep-11	\$ 1,294,421	\$ 1,294,421	\$ -
14	Oct-11	\$ 1,693,436	\$ 1,693,436	\$ -
15	Nov-11	\$ 1,875,153	\$ 1,875,153	\$ -
16	Dec-11	\$ 1,601,460	\$ 1,601,460	\$ -
17	Jan-12	\$ 1,645,740	\$ 1,645,740	\$ -
18	Feb-12	\$ 1,279,677	\$ 1,279,677	\$ -
19	Mar-12	\$ 1,406,362	\$ 1,406,362	\$ -
20	Apr-12	\$ 1,586,599	\$ 1,586,599	\$ -
21	May-12	\$ 1,362,914	\$ 1,362,914	\$ -
22	Jun-12	\$ 1,523,700	\$ 1,523,700	\$ -
23	Jul-12	\$ 1,460,830	\$ 1,460,830	\$ -
24	Aug-12	\$ 1,588,815	\$ 1,588,815	\$ -

BIG RIVERS ELECTRIC CORPORATION
Response to Commission Staff's Information Request Dated December 13, 2012

Case No. 2012-00534

Response to Item No. 2 (Attachment 2 of 2)

Witness: Nicholas R. Castlen

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JACKSON PURCHASE ENERGY CORPORATION ENVIRONMENTAL SURCHARGE REVIEW DEDICATED DELIVERY POINT CUSTOMERS

	(a)	(b)	(c)	(d)
Service Mo/Yr	Big Rivers Electric Invoice Amount for Service Month	Service Month To Retail Consumer	Monthly (Over)/Under Recovery (Column (b) Less column (c)	
Jul-11	\$ 1,673	\$ 1,673	\$ -	-
Aug-11	\$ 1,411	\$ 1,411	\$ -	-
Sep-11	\$ 787	\$ 787	\$ -	-
Oct-11	\$ 905	\$ 905	\$ -	-
Nov-11	\$ 862	\$ 862	\$ -	-
Dec-11	\$ 1,032	\$ 1,032	\$ -	-
Jan-12	\$ 887	\$ 887	\$ -	-
Feb-12	\$ 559	\$ 559	\$ -	-
Mar-12	\$ 499	\$ 499	\$ -	-
Apr-12	\$ 1,352	\$ 1,352	\$ -	-
May-12	\$ 1,117	\$ 1,117	\$ -	-
Jun-12	\$ 702	\$ 702	\$ -	-
Jul-12	\$ 400	\$ 400	\$ -	-
Aug-12	\$ 962	\$ 962	\$ -	-

Meade County Rural Electric Cooperative Corporation has no dedicated delivery point customers.

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM
OF BIG RIVERS ELECTRIC CORPORATION
FOR THE SIX-MONTH BILLING PERIODS ENDING
JANUARY 31, 2012 AND JULY 31, 2012
CASE NO. 2012-00534**

**Response to Commission Staff's
Initial Request for Information
Dated December 13, 2012**

January 16, 2013

1 **Item 3)** *For each of the three Member Cooperatives, provide a*
2 *description of the Member Cooperatives' monthly environmental*
3 *surcharge reporting process including the lag periods used by each*
4 *Member Cooperative.*

5
6 **Response)** Non-Dedicated Delivery Point Customers: Big Rivers bills each of
7 its member distribution cooperatives (i.e. Meade County Rural Electric
8 Cooperative Corporation ("MCRECC"), Kenergy Corp. ("Kenergy"), and
9 Jackson Purchase Energy Corporation ("JPEC") (collectively, the "Members")
10 on a calendar month basis. Big Rivers' Environmental Surcharge ("ES") factor
11 is billed to each of its Members on a two-month lag. For example, Big Rivers'
12 ES factor calculated in the ES filing for its January 2012 expense month is
13 applied to service delivered to each of its Members during February 2012,
14 which is billed to the Members in March 2012.

15
16 Each Member prepares a monthly ES filing to pass their applicable ES
17 charges, billed to them by Big Rivers, to their non-dedicated deliver point
18 customers. The ES amounts billed by Big Rivers are included in the Members'
19 ES filings for the expense month during which those charges were incurred
20 by the Members (i.e. the month that the related service was delivered to the
21 Members). The ES factors, calculated in the Members' monthly ES filings, are
22 applied to their retail customers' bills rendered during the second month
23 following the Members' expense month. For example, ES charges billed to the

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM
OF BIG RIVERS ELECTRIC CORPORATION
FOR THE SIX-MONTH BILLING PERIODS ENDING
JANUARY 31, 2012 AND JULY 31, 2012
CASE NO. 2012-00534**

**Response to Commission Staff's
Initial Request for Information
Dated December 13, 2012**

January 16, 2013

1 Members by Big Rivers in March 2012 (for service delivered to the Members
2 during February 2012) are included in the Members' ES filings for their
3 February 2012 expense month, which calculates the ES factor to be applied
4 to the Members' retail customers' bills rendered during April 2012.

5

6 The timing differences associated with the Members' ES filings, described in
7 the response to the Commission Staff's Second Request for Information dated
8 August 31, 2012 in Case No. 2012-00262, relates to the timing of when over-
9 or under-recovery amounts for prior expense months are included in the
10 Members' ES filings. MCRECC's over- or under-recovery for an expense
11 month is included in the ES filing for the first expense month following that
12 expense month, Kenergy's over- or under-recovery for an expense month is
13 included in the ES filing for the second expense month following that expense
14 month, and JPEC's over- or under-recovery for an expense month is included
15 in the ES filing for the third expense month following that expense month.
16 For example, MCRECC's over- or under-recovery, of its' recoverable ES costs
17 for the February 2012 expense month, is included in its' March 2012 expense
18 month ES filing. Kenergy's over- or under-recovery, of its' recoverable ES
19 costs for the February 2012 expense month, is included in its' April 2012
20 expense month ES filing. JPEC's over- or under-recovery, of its' recoverable
21 ES costs for the February 2012 expense month, is included in its' May 2012
22 expense month ES filing.

23

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM
OF BIG RIVERS ELECTRIC CORPORATION
FOR THE SIX-MONTH BILLING PERIODS ENDING
JANUARY 31, 2012 AND JULY 31, 2012
CASE NO. 2012-00534**

**Response to Commission Staff's
Initial Request for Information
Dated December 13, 2012**

January 16, 2013

1 Dedicated Delivery Point Customers: Kenergy and JPEC bill their customers
2 with dedicated delivery points on a calendar month basis, including the
3 environmental surcharge amount for those customers in the same month
4 which they are billed by Big Rivers. MCRECC has no dedicated delivery point
5 customers.

6

7

8 **Witness)** Nicholas R. Castlen

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM
OF BIG RIVERS ELECTRIC CORPORATION
FOR THE SIX-MONTH BILLING PERIODS ENDING
JANUARY 31, 2012 AND JULY 31, 2012
CASE NO. 2012-00534**

**Response to Commission Staff's
Initial Request for Information
Dated December 13, 2012**

January 16, 2013

1 **Item 4) Refer to Form 2.5, Operating and Maintenance Expenses, for**
2 **each of the expense months covered by each billing period under**
3 **review. For each of the expense line items listed on this schedule,**
4 **explain the reason(s) for any change in the expense levels from month**
5 **to month if that change is greater than plus or minus 10 percent.**
6

7 **Response)** Please see the attached schedules of Operating and Maintenance
8 ("O&M") expenses, including the requested variance explanations, for the
9 expense months of May 2011 through May 2012. Please note, May 2011 is
10 only being shown for purposes of calculating the variances in the first month
11 of the review period.
12

13 Note: During the previous Two-Year Review of Big Rivers' Environmental
14 Surcharge (Case No. 2012-00262), Big Rivers identified errors in the
15 classification of certain O&M expenses on its monthly Form ES filings while
16 preparing the response to Item No. 3 of the Commission Staff's Initial Request
17 for Information in that case, dated July 2, 2012. Specifically, Emulsified
18 Sulfur for SO₂ was incorrectly classified as Emulsified Sulfur for NO_x (for the
19 D.B. Wilson generation plant) in the November 2010 expense month filing,
20 and Hydrated Lime for SO₃ was incorrectly classified as Reagent Lime for
21 SO₂ (for the D.B. Wilson generation plant) in the January 2011 through
22 October 2011 expense month filings.
23

**Case No. 2012-00534
Response to PSC 1-4**

**Witnesses: Nicholas R. Castlen and Lawrence V. Baronowsky
Page 1 of 2**

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM
OF BIG RIVERS ELECTRIC CORPORATION
FOR THE SIX-MONTH BILLING PERIODS ENDING
JANUARY 31, 2012 AND JULY 31, 2012
CASE NO. 2012-00534**

**Response to Commission Staff's
Initial Request for Information
Dated December 13, 2012**

January 16, 2013

1 These errors related to the classification of expenses between different
2 recoverable O&M expense categories only. The total dollars included in the
3 original filings were correct and the errors had no impact on the calculations
4 of the ES factors during the related expense months. The total dollar
5 amounts included in the original filings were correct. Separate schedules
6 (including the original "As Filed" amounts and the corrected "As Revised"
7 amounts) have been prepared and included as attachments to this response.
8 The variance explanations are included in the "As Revised" schedule.

9

10

11 **Witnesses)** Nicholas R. Castlen (Schedules of O&M Expenses) and
12 Lawrence V. Baronowsky (Reason(s) for Changes in Expense
13 Levels)

BIG RIVERS ELECTRIC CORPORATION
Case No. 2012-00534

Response to Commission Staff's First Information Request Dated December 13, 2012
Item No. 4

(As Originally Filed)

NOx Plan:

Expense Month	May-11	Jun-11	Jun-11 vs. May-11 % Change	Jul-11	Jul-11 vs. Jun-11 % Change	Aug-11	Aug-11 vs. Jul-11 % Change	Sep-11	Sep-11 vs. Aug-11 % Change
NOx Plan									
Anhydrous Ammonia	\$ 88,949	\$ 205,033	131%	\$ 144,828	-29%	\$ 205,882	42%	\$ 149,901	-27%
Emulsified Sulphur for NOx	-	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Individual Expense Account Items	-	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Individual Expense Account Items	-	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Total NOx Plan O&M Expenses	\$ 88,949	\$ 205,033	131%	\$ 144,828	-29%	\$ 205,882	42%	\$ 149,901	-27%

SO2 Plan:

Expense Month	May-11	Jun-11	Jun-11 vs. May-11 % Change	Jul-11	Jul-11 vs. Jun-11 % Change	Aug-11	Aug-11 vs. Jul-11 % Change	Sep-11	Sep-11 vs. Aug-11 % Change
SO2 Plan Expenses:									
Disposal-Fiyash/Bottom Ash/Sludge (See Note 2)	\$ 426,416	\$ 381,543	-11%	\$ 494,841	30%	\$ 167,113	-66%	\$ 360,680	116%
Off Spec Gypsum	-	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Fixation Lime	253,487	200,039	-21%	220,278	10%	181,491	-18%	193,982	7%
Reagent-Calcium Oxide (landfill stab.)	-	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Reagent-Limestone	442,068	330,642	-25%	352,657	7%	405,123	15%	341,559	-16%
Reagent-Lime (See Note 3)	1,011,769	1,123,209	11%	1,219,178	9%	1,251,397	3%	1,269,024	1%
Emulsified Sulphur for SO2	7,393	-	See Note 1	-	-100%	7,233	See Note 1	-	-100%
Reagent-DiBASIC Acid	191,424	111,874	-42%	147,533	32%	111,864	-24%	149,196	33%
Reagent-Sodium Bisulfite for SO2	66,454	31,432	-53%	52,423	67%	56,146	7%	50,751	-10%
Reagent-Hydroxy Basic Acid	-	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Total SO2 Plan O&M Expenses	\$ 2,391,618	\$ 2,186,132	-9%	\$ 2,486,910	14%	\$ 2,180,367	-12%	\$ 2,365,192	8%

SO3 Plan:

Expense Month	May-11	Jun-11	Jun-11 vs. May-11 % Change	Jul-11	Jul-11 vs. Jun-11 % Change	Aug-11	Aug-11 vs. Jul-11 % Change	Sep-11	Sep-11 vs. Aug-11 % Change
SO3 Plan Expenses:									
Hydrated Lime - SO3	\$ 19,658	\$ -	-100%	\$ -	See Note 1	\$ -	See Note 1	\$ -	See Note 1
Individual Expense Account Items	-	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Individual Expense Account Items	-	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Total SO3 Plan O&M Expenses	\$ 19,658	\$ -	-100%	\$ -	See Note 1	\$ -	See Note 1	\$ -	See Note 1

Total **\$ 2,500,225** **\$ 2,391,165** **\$ 2,631,738** **\$ 2,386,249** **\$ 2,515,093**

Note 1: Percentage change not calculated because the cost incurred during the prior expense month was \$0.

Note 2: The monthly totals for Disposal Bottom Ash, Disposal Fiyash and Disposal Fiyash/Bottom Ash/Sludge have been consolidated due to similarity to better facilitate consistency.

Note 3: During the previous Two-Year Review of Big Rivers Environmental Surcharge (Case No. 2012-00262), Big Rivers identified errors in the classification of certain O&M expenses on its monthly Form ES filings while preparing the response to Item No. 3 of the Commission Staff's Initial Request for Information dated July 2, 2012. Specifically, Emulsified Sulfur for SO2 was incorrectly classified as Emulsified Sulfur for NOx (for the D.B. Wilson generation plant) in the November 2010 expense month filing, and Hydrated Lime for SO3 was incorrectly classified as Reagent Lime for SO2 (for the D.B. Wilson generation plant) in the January 2011 through October 2011 expense month filings. These errors related to the classification of expenses between different recoverable O&M expense categories only. The total dollars included in the original filings were correct and the errors had no impact on the calculations of the ES factors during the related expense months. Refer to the attached "AS REVISED" schedule for revised amounts and explanations for all variances greater than plus or minus 10%.

BIG RIVERS ELECTRIC CORPORATION
Case No. 2012-00534

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NOx Plan:		Oct-11	Oct-11 vs. Sep-11 % Change	Nov-11	Nov-11 vs. Oct-11 % Change	Dec-11	Dec-11 vs. Nov-11 % Change	Jan-12	Jan-12 vs. Dec-11 % Change
Expense Month									
NOx Plan		\$ 285,029	90%	\$ 178,881	-37%	\$ 253,669	42%	\$ 152,913	-40%
Anhydrous Ammonia		-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Emulsified Sulphur for NOx		-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Individual Expense Account Items		-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Total NOx Plan O&M Expenses		\$ 285,029	90%	\$ 178,881	-37%	\$ 253,669	42%	\$ 152,913	-40%

SO2 Plan:		Oct-11	Oct-11 vs. Sep-11 % Change	Nov-11	Nov-11 vs. Oct-11 % Change	Dec-11	Dec-11 vs. Nov-11 % Change	Jan-12	Jan-12 vs. Dec-11 % Change
Expense Month									
SO2 Plan Expenses:									
Disposal-Flyash/Bottom Ash/Sludge (See Note 2)		\$ 447,681	24%	\$ 385,522	-14%	\$ 415,987	8%	\$ 300,249	-28%
Off Spec Gypsum		-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Fixation Lime		184,531	-5%	141,603	-23%	227,378	61%	220,402	-3%
Reagent-Calcium Oxide (landfill stab.)		-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Reagent-Limestone		366,658	7%	391,337	7%	393,510	1%	420,650	7%
Reagent-Lime (See Note 3)		1,082,876	-15%	937,043	-13%	977,518	4%	722,163	-26%
Emulsified Sulphur for SO2		7,197	See Note 1	7,114	-1%	7,251	2%	-	-100%
Reagent-DiBasic Acid		141,357	-5%	162,956	15%	157,581	-3%	178,628	13%
Reagent-Sodium Bisulfite for SO2		50,419	-1%	71,083	41%	64,478	-9%	54,894	-15%
Reagent-Hydroxy Basic Acid		-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Total SO2 Plan O&M Expenses		\$ 2,280,719	-4%	\$ 2,096,658	-8%	\$ 2,243,703	7%	\$ 1,896,986	-15%

SO3 Plan:		Oct-11	Oct-11 vs. Sep-11 % Change	Nov-11	Nov-11 vs. Oct-11 % Change	Dec-11	Dec-11 vs. Nov-11 % Change	Jan-12	Jan-12 vs. Dec-11 % Change
Expense Month									
SO3 Plan Expenses:									
Hydrated Lime - SO3		\$ -	See Note 1	\$ 22,450	See Note 1	\$ 33,587	50%	\$ 29,979	-11%
Individual Expense Account Items		-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Individual Expense Account Items		-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Total SO3 Plan O&M Expenses		\$ -	See Note 1	\$ 22,450	See Note 1	\$ 33,587	50%	\$ 29,979	-11%
Total		\$ 2,565,748		\$ 2,297,989		\$ 2,530,959		\$ 2,079,878	

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NOx Plan:

Expense Month	Feb-12	Feb-12 vs. Jan-12 % Change	Mar-12	Mar-12 vs. Feb-12 % Change	Apr-12	Apr-12 vs. Mar-12 % Change	May-12	May-12 vs. Apr-12 % Change
NOx Plan								
Anhydrous Ammonia	\$ 110,897	-27%	\$ 105,707	-5%	\$ 138,113	31%	\$ 151,920	10%
Emulsified Sulphur for NOx	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Individual Expense Account Items	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Individual Expense Account Items	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Total NOx Plan O&M Expenses	\$ 110,897	-27%	\$ 105,707	-5%	\$ 138,113	31%	\$ 151,920	10%

SO2 Plan:

Expense Month	Feb-12	Feb-12 vs. Jan-12 % Change	Mar-12	Mar-12 vs. Feb-12 % Change	Apr-12	Apr-12 vs. Mar-12 % Change	May-12	May-12 vs. Apr-12 % Change
SO2 Plan Expenses:								
Disposal-Flyash/Bottom Ash/Sludge (See Note 2)	\$ 322,618	7%	\$ 374,561	16%	\$ 311,850	-17%	\$ 344,499	10%
Off Spec Gypsum	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Fixation Lime	172,697	-22%	146,229	-15%	106,425	-27%	152,180	43%
Reagent-Calcium Oxide (landfill stab.)	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Reagent-Limestone	342,659	-19%	244,790	-29%	328,206	34%	361,321	10%
Reagent-Lime (See Note 3)	668,128	-7%	1,078,393	61%	795,307	-26%	1,102,422	39%
Emulsified Sulphur for SO2	-	See Note 1	7,133	See Note 1	7,194	1%	-	-100%
Reagent-DiBasic Acid	134,973	-24%	115,229	-15%	134,174	16%	97,199	-28%
Reagent-Sodium Bisulfite for SO2	54,232	-1%	37,412	-31%	17,670	-53%	5,311	-70%
Reagent-Hydroxy Basic Acid	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Total SO2 Plan O&M Expenses	\$ 1,695,307	-11%	\$ 2,003,747	18%	\$ 1,700,826	-15%	\$ 2,062,932	21%

SO3 Plan:

Expense Month	Feb-12	Feb-12 vs. Jan-12 % Change	Mar-12	Mar-12 vs. Feb-12 % Change	Apr-12	Apr-12 vs. Mar-12 % Change	May-12	May-12 vs. Apr-12 % Change
SO3 Plan Expenses:								
Hydrated Lime - SO3	\$ 25,634	-14%	\$ 14,786	-42%	\$ 19,901	35%	\$ 36,650	84%
Individual Expense Account Items	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Individual Expense Account Items	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Total SO3 Plan O&M Expenses	\$ 25,634	-14%	\$ 14,786	-42%	\$ 19,901	35%	\$ 36,650	84%
Total	\$ 1,831,838		\$ 2,124,240		\$ 1,858,840		\$ 2,251,502	

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NOx Plan:

Expense Month	May-11	Jun-11	Jun-11 vs. May-11 % Change	Jul-11	Jul-11 vs. Jun-11 % Change	Aug-11	Aug-11 vs. Jul-11 % Change	Sep-11	Sep-11 vs. Aug-11 % Change
NOx Plan									
Anhydrous Ammonia	\$ 88,949	\$ 205,033	131%	\$ 144,828	-29%	\$ 205,882	42%	\$ 149,901	-27%
Emulsified Sulphur for NOx	-	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Individual Expense Account Items	-	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Individual Expense Account Items	-	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Total NOx Plan O&M Expenses	\$ 88,949	\$ 205,033	131%	\$ 144,828	-29%	\$ 205,882	42%	\$ 149,901	-27%

SO2 Plan:

Expense Month	May-11	Jun-11	Jun-11 vs. May-11 % Change	Jul-11	Jul-11 vs. Jun-11 % Change	Aug-11	Aug-11 vs. Jul-11 % Change	Sep-11	Sep-11 vs. Aug-11 % Change
SO2 Plan Expenses:									
Disposal-Flyash/Bottom Ash/Sludge (See Note 2)	\$ 426,416	\$ 381,543	-11%	\$ 494,841	30%	\$ 167,113	-66%	\$ 360,680	116%
Off Spec Gypsum	-	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Fixation Lime	253,487	200,039	-21%	220,278	10%	181,491	-18%	193,982	7%
Reagent-Calcium Oxide (landfill stab.)	-	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Reagent-Limestone	442,068	330,642	-25%	352,657	7%	405,123	15%	341,559	-16%
Reagent-Lime (See Note 3)	981,213	1,083,720	11%	1,165,314	7%	1,198,747	3%	1,216,629	1%
Emulsified Sulphur for SO2	-	7,393	See Note 1	-	-100%	7,233	See Note 1	-	-100%
Reagent-DiBasic Acid	191,424	111,874	-42%	147,533	32%	111,864	-24%	149,196	33%
Reagent-Sodium Bisulfite for SO2	66,454	31,432	-53%	52,423	67%	56,146	7%	50,751	-10%
Reagent-Hydroxy Basic Acid	-	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Total SO2 Plan O&M Expenses	\$ 2,361,062	\$ 2,148,643	-9%	\$ 2,433,046	13%	\$ 2,127,717	-13%	\$ 2,312,797	9%

SO3 Plan:

Expense Month	May-11	Jun-11	Jun-11 vs. May-11 % Change	Jul-11	Jul-11 vs. Jun-11 % Change	Aug-11	Aug-11 vs. Jul-11 % Change	Sep-11	Sep-11 vs. Aug-11 % Change
SO3 Plan Expenses:									
Hydrated Lime - SO3	\$ 50,214	\$ 37,489	-25%	\$ 53,864	44%	\$ 52,650	-2%	\$ 52,395	0%
Individual Expense Account Items	-	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Individual Expense Account Items	-	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1
Total SO3 Plan O&M Expenses	\$ 50,214	\$ 37,489	-25%	\$ 53,864	44%	\$ 52,650	-2%	\$ 52,395	0%

Total

\$ 2,500,225 **\$ 2,391,165**

\$ 2,631,738

\$ 2,386,249

\$ 2,515,093

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NOx Plan:		Oct-11	Oct-11 vs. Sep-11 % Change	Nov-11	Nov-11 vs. Oct-11 % Change	Dec-11	Dec-11 vs. Nov-11 % Change	Jan-12	Jan-12 vs. Dec-11 % Change
Expense Month									
NOx Plan									
Anhydrous Ammonia	\$ 285,029	90%	\$ 178,881	-37%	\$ 253,669	42%	\$ 152,913	-40%	
Emulsified Sulphur for NOx	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1	
Individual Expense Account Items	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1	
Individual Expense Account Items	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1	
Total NOx Plan O&M Expenses	\$ 285,029	90%	\$ 178,881	-37%	\$ 253,669	42%	\$ 152,913	-40%	

SO2 Plan:		Oct-11	Oct-11 vs. Sep-11 % Change	Nov-11	Nov-11 vs. Oct-11 % Change	Dec-11	Dec-11 vs. Nov-11 % Change	Jan-12	Jan-12 vs. Dec-11 % Change
Expense Month									
SO2 Plan Expenses:									
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Off Spec Gypsum	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1	
Fixation Lime	184,531	-5%	141,603	-23%	227,378	61%	220,402	-3%	
Reagent-Calcium Oxide (landfill stab.)	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1	
Reagent-Limestone	366,658	7%	391,337	7%	393,510	1%	420,650	7%	
Reagent-Lime (See Note 3)	1,052,219	-14%	937,043	-11%	977,518	4%	722,163	-26%	
Emulsified Sulphur for SO2	7,114	See Note 1	7,114	-1%	7,251	2%	178,628	13%	
Reagent-DiBasic Acid	141,357	-5%	162,956	15%	157,581	-3%	54,894	-15%	
Reagent-Sodium Bisulfite for SO2	50,419	-1%	71,083	41%	64,478	-9%	-	See Note 1	
Reagent-Hydroxy Basic Acid	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1	
Total SO2 Plan O&M Expenses	\$ 2,250,062	-3%	\$ 2,096,658	-7%	\$ 2,243,703	7%	\$ 1,896,986	-15%	

SO3 Plan:		Oct-11	Oct-11 vs. Sep-11 % Change	Nov-11	Nov-11 vs. Oct-11 % Change	Dec-11	Dec-11 vs. Nov-11 % Change	Jan-12	Jan-12 vs. Dec-11 % Change
Expense Month									
SO3 Plan Expenses:									
Hydrated Lime - SO3	\$ 30,657	-41%	\$ 22,450	-27%	\$ 33,587	50%	\$ 29,979	-11%	
Individual Expense Account Items	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1	
Individual Expense Account Items	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1	
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Total \$ 2,565,748 \$ 2,297,989 \$ 2,530,959 \$ 2,079,878

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NOx Plan:									
Expense Month	Feb-12	Feb-12 vs. Jan-12 % Change	Mar-12	Mar-12 vs. Feb-12 % Change	Apr-12	Apr-12 vs. Mar-12 % Change	May-12	May-12 vs. Apr-12 % Change	
NOx Plan									
Anhydrous Ammonia	\$ 110,897	-27%	\$ 105,707	-5%	\$ 138,113	31%	\$ 151,920	10%	
Emulsified Sulphur for NOx	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1	
Individual Expense Account Items	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1	
Individual Expense Account Items	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1	
Total NOx Plan O&M Expenses	\$ 110,897	-27%	\$ 105,707	-5%	\$ 138,113	31%	\$ 151,920	10%	

SO2 Plan:									
Expense Month	Feb-12	Feb-12 vs. Jan-12 % Change	Mar-12	Mar-12 vs. Feb-12 % Change	Apr-12	Apr-12 vs. Mar-12 % Change	May-12	May-12 vs. Apr-12 % Change	
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Reagent-Lime (See Note 3)	668,128	-7%	1,078,393	61%	795,307	-26%	1,102,422	39%	
Emulsified Sulphur for SO2	-	See Note 1	7,133	See Note 1	7,194	1%	-	-100%	
Reagent-DiBASIC Acid	134,973	-24%	115,229	-15%	134,174	16%	97,199	-28%	
Reagent-Sodium Bisulfite for SO2	54,232	-1%	37,412	-31%	17,670	-53%	5,311	-70%	
Reagent-Hydroxy Basic Acid	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1	
Total SO2 Plan O&M Expenses	\$ 1,695,307	-11%	\$ 2,003,747	18%	\$ 1,700,826	-15%	\$ 2,062,932	21%	

SO3 Plan:									
Expense Month	Feb-12	Feb-12 vs. Jan-12 % Change	Mar-12	Mar-12 vs. Feb-12 % Change	Apr-12	Apr-12 vs. Mar-12 % Change	May-12	May-12 vs. Apr-12 % Change	
SO3 Plan Expenses:									
Hydrated Lime - SO3	\$ 25,634	-14%	\$ 14,786	-42%	\$ 19,901	35%	\$ 36,650	84%	
Individual Expense Account Items	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1	
Individual Expense Account Items	-	See Note 1	-	See Note 1	-	See Note 1	-	See Note 1	
Total SO3 Plan O&M Expenses	\$ 25,634	-14%	\$ 14,786	-42%	\$ 19,901	35%	\$ 36,650	84%	
Total	\$ 1,831,838		\$ 2,124,240		\$ 1,858,840		\$ 2,251,502		

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Note 3: During the previous Two-Year Review of Big River's Environmental Surcharge (Case No. 2012-00262), Big Rivers identified errors in the classification of certain O&M expenses on its monthly Form ES filings while preparing the response to Item No. 3 of the Commission Staff's Initial Request for Information dated July 2, 2012. Specifically, Emulsified Sulfur for SO2 was incorrectly classified as Emulsified Sulfur for NOx (for the D.B. Wilson generation plant) in the November 2010 expense month filing, and Hydrated Lime for SO3 was incorrectly classified as Reagent Lime for SO2 (for the D.B. Wilson generation plant) in the January 2011 through October 2011 expense month filings. These errors related to the classification of expenses between different recoverable O&M expense categories only. The total dollars included in the original filings were correct and the errors had no impact on the calculations of the ES factors during the related expense months. The amounts above reflect the corrected amounts. Refer to the "As Filed" table, attached, for originally filed amounts.

Variance Explanations:

Anhydrous Ammonia:	
Jun-11 vs May-11	39% Increase in price/ton and running #3 mill resulting in higher inlet NOx at Wilson and timing of deliveries at HMP&L
Jul-11 vs Jun-11	Removed #3 mill from service at Wilson and timing of product deliveries and invoicing at Wilson and HMP&L.
Aug-11 vs Jul-11	Product delivery and invoice timing at HMP&L and Wilson
Sep-11 vs Aug-11	Reduced generation and invoice timing at HMP&L
Oct-11 vs Sep-11	Timing of product delivery and invoicing at Wilson and HMP&L and running #3 mill resulting in higher inlet NOx at Wilson
Nov-11 vs Oct-11	Timing of product delivery and invoicing at Wilson and HMP&L and running #3 mill at Wilson only two weeks in November
Dec-11 vs Nov-11	Timing of product delivery and invoicing at Wilson and HMP&L
Jan-12 vs Dec-11	Timing of product delivery and invoicing at Wilson and HMP&L
Feb-12 vs Jan-12	Reduced generation at HMP&L due to a planned outage and reduced generation at Wilson due to a forced outage
Apr-12 vs Mar-12	Increase due to a planned outage at Wilson in March
May-12 vs Apr-12	Increase due to a planned outage at HMP&L in April

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Disposal-Flyash/Bottom Ash/Sludge:	
Jun-11 vs May-11	Fewer tons of ash were processed in June due to reduced generation across the fleet in June
Jul-11 vs Jun-11	Increased generation at Green, Wilson and HMP&L in July
Aug-11 vs Jul-11	Invoice timing at HMP&L and reduced generation at Green and Wilson
Sep-11 vs Aug-11	Increased generation and volume and Landfill capping project began at Wilson and invoice timing at Green and HMP&L
Oct-11 vs Sep-11	Increase due to landfill capping, mulching and seeding completed at Wilson in October
Nov-11 vs Oct-11	Fewer tons hauled in November at Coleman due to contractor preference and landfill capping, mulching and seeding cost not included in November at Wilson
Jan-12 vs Dec-11	Fewer tons hauled in January at Coleman due to contractor preference, reduced generation at Green and invoice timing at Wilson
Mar-12 vs Feb-12	More tons hauled in March at Coleman due to contractor preference, and increased generation at Green
Apr-12 vs Mar-12	Fewer tons hauled in April at Coleman due to contractor preference, reduced generation at HMP&L due to a planned outage
May-12 vs Apr-12	Increased generation at Green and increased generation at HMP&L due to planned outage in April

Fixation Lime:	
Jun-11 vs May-11	Reduced generation at Wilson and Green
Jul-11 vs Jun-11	Increased generation at Wilson, HMP&L and Green
Aug-11 vs Jul-11	Timing of deliveries at Wilson and HMP&L
Nov-11 vs Oct-11	Reduced Generation at Green due to planned outage and reduced usage at Wilson due to landfill needs
Dec-11 vs Nov-11	Increased usage due to landfill needs and timing of deliveries at Wilson
Feb-12 vs Jan-12	Reduced usage based on landfill needs and reduced generation due to forced outage at Wilson
Mar-12 vs Feb-12	Reduced generation due to planned outage at Wilson
Apr-12 vs Mar-12	Reduced usage based on landfill needs at Wilson and a planned outage at HMP&L
May-12 vs Apr-12	Increased usage based on landfill needs at Wilson and increased generation due to planned outage at HMP&L in April

Reagent Limestone:	
Jun-11 vs May-11	Reduced generation at Coleman and a forced outage at Wilson
Aug-11 vs Jul-11	Product delivery and invoice timing at Wilson
Sep-11 vs Aug-11	Reduced generation at Coleman and product delivery and invoice timing at Wilson
Feb-12 vs Jan-12	Reduced generation at Coleman and a forced outage at Wilson
Mar-12 vs Feb-12	Reduced generation due to a planned outage at Wilson
Apr-12 vs Mar-12	Increased generation due to planned outage at Wilson in March
May-12 vs Apr-12	Increased generation at Coleman

Reagent Lime:	
Jun-11 vs May-11	Increase in contract price at Green and HMP&L
Oct-11 vs Sep-11	Reduced generation due to planned outage at Green
Nov-11 vs Oct-11	Reduced generation due to planned outage and forced outage at Green
Jan-12 vs Dec-11	Reduced generation due to units on reserve standby at Green
Mar-12 vs Feb-12	Increased generation due to units no longer on reserve standby at Green
Apr-12 vs Mar-12	Reduced generation due to planned outage at HMP&L
May-12 vs Apr-12	Increased generation due to planned outage at HMP&L in April

Emulsified Sulfur for SO ₂ :	
Jul-11 vs Jun-11	Emulsified sulfur is ordered on an as needed basis and added in batch based on scrubber chemistry. Chemical was added at HMP&L in June and none was added in July
Sep-11 vs Aug-11	Emulsified sulfur is ordered on an as needed basis and added in batch based on scrubber chemistry. Chemical was added at HMP&L in August and none was added in September
Jan-12 vs Dec-11	Emulsified sulfur is ordered on an as needed basis and added in batch based on scrubber chemistry. Chemical was added at HMP&L in December and none was added in January
May-12 vs Apr-12	Emulsified sulfur is ordered on an as needed basis and added in batch based on scrubber chemistry. Chemical was added at HMP&L in April and none was added in May

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Reagent DiBasic Acid:	
Jun-11 vs May-11	Reduced generation due to forced outages at Wilson
Jul-11 vs Jun-11	Increased generation at Wilson
Aug-11 vs Jul-11	Timing of deliveries at Wilson
Sep-11 vs Aug-11	Timing of deliveries at Wilson
Nov-11 vs Oct-11	Timing of deliveries at Wilson
Jan-12 vs Dec-11	Timing of deliveries at Wilson
Feb-12 vs Jan-12	Reduced generation due to forced outage at Wilson and Timing of deliveries
Mar-12 vs Feb-12	Reduced generation due to planned outage at Wilson
Apr-12 vs Mar-12	Increased generation at Wilson due to planned outage in March
May-12 vs Apr-12	Timing of deliveries at Wilson
Reagent Sodium Bisulfite for SO ₂ :	
Jun-11 vs May-11	Reduced generation due to forced outages and timing of deliveries at Wilson
Jul-11 vs Jun-11	Increased generation and timing of deliveries at Wilson
Sep-11 vs Aug-11	Timing of deliveries at Wilson
Nov-11 vs Oct-11	Increase was due to the first delivery of the review period at HMP&L
Jan-12 vs Dec-11	Less chemical was needed at Wilson and HMP&L as scrubber chemistry improved
Mar-12 vs Feb-12	Less chemical was needed at Wilson as scrubber chemistry improved
Apr-12 vs Mar-12	Less chemical was needed at Wilson and HMP&L as scrubber chemistry improved
May-12 vs Apr-12	Less chemical was needed at Wilson and HMP&L as scrubber chemistry improved
Hydrated Lime-SO ₃ :	
Jun-11 vs May-11	Reduced generation due to forced outages at Wilson
Jul-11 vs Jun-11	Increased generation at Wilson and higher ambient temperature
Oct-11 vs Sep-11	Less chemical required due to lower ambient temperature
Nov-11 vs Oct-11	Timing of deliveries
Dec-11 vs Nov-11	Timing of deliveries
Jan-12 vs Dec-11	Less chemical required due to lower ambient temperature
Feb-12 vs Jan-12	Reduced generation due to forced outage at Wilson
Mar-12 vs Feb-12	Reduced generation due to planned outage at Wilson
Apr-12 vs Mar-12	Increased generation at Wilson due to planned outage in March
May-12 vs Apr-12	Increased generation at Wilson and more chemical required due to higher ambient temperature